

News Release

**Village of Sherman
111 Mill Street
Sherman, NY 14781**

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**For Immediate Release
Date: April 22, 2022**

Village of Sherman Audit Report

The Report of Examination of the Village of Sherman's audit, conducted by the NYS Comptroller's Office, has recently been posted for the public. This report summarizes the Treasurer's Cash Receipts, in particular the period from July 1, 2012 thru August 3, 2016.

The Village Board of Trustees is more than disappointed in the circumstances related to the discrepancy in the deposits of cash received. As stated by the Village in the Audit Response Letter, "The audit and subsequent investigation revealed the lack of oversight and procedures which led to an environment ripe for theft. It is extremely disheartening to discover this loss suffered by the Village of Sherman, but even more so having seen that advantage was taken from those most vulnerable." The NYSOSC report on the Village of Sherman, including the Village's response letter, and corrective action plan is available at <https://www.osc.state.ny.us/local-government/audits/village/2022/04/22/village-sherman-treasurers-cash-receipts-2019m-39>. The Village officials cannot comment on the former clerk/treasurer's actions while there is an active investigation with the Chautauqua County Sheriff's Department and the District Attorney's office. However, the Village can discuss other issues addressed by the report and the Village's current and improving policies.

We wish to express our deepest appreciation and apologies to those members of the community who recognized these areas of procedural weakness and whose concerns went unheeded. Despite the obvious lack of reconciliations and years without annual financial report submissions, these individuals were persecuted for their sincerest attempts to bring attention to potential risk and exposure. This level of stress brought with it physical stress and illness. The gravity of situations like this leaves much damage in its wake.

The serious nature of the obligations undertaken by the local officials are not like those of a charitable organization or a social club. There are state laws and local ordinances that govern the operations of the Village. The officers and operators working for the Village are licensed by NYS Offices; i.e. Dept of State, Dept of Environmental Conservation, Dept of Health, and by the Dept of Ag & Markets. Their roles and responsibilities are defined by these licensing agencies, which the Village Board ensures they conduct

themselves accordingly. In addition, the Village is accountable to multiple agencies, including but not limited to, the NYS Comptroller's Office, Rural Development, and various funding agencies.

The Village is 'entrusted' with the assets of the community; hence the Board of "Trustees", securing the assets for today and preparing for the future needs of the Village. The Village Board Members take an oath, and are obligated to the community we serve to maintain the health and safety of the residents and secure the assets of the Village. The Village's Mission Statement is: "The Village of Sherman exists to facilitate the needs of the community in areas of health, safety, and welfare, business and economic development, public works and sanitation, historical preservation, parks and recreation." All for the purpose of supporting the quality of life unique to the quaint rural community in which we live. The Village must lead in proactive and preventative measures to protect the community. The Village is playing offense on health and safety for its residents and businesses.

This has given us the opportunity to speak to the issues and questions surrounding the Village's purpose. Regardless of what 'has always been done', what situation or position someone is in, or that we're a "little village"; the Village of Sherman must conduct itself just like any other large city or small municipality. The Village cannot make exceptions. Exemptions applied to the law or policy lead to more dangerous situations, placing the residents and the Village at risk and exposure to liability. In fact, it is actually more imperative for a "little village", because not following the regulations exposes the Village in ways exponentially greater, given our size.

Our local organizations should take note of this situation outlined by the NYSOSC and consider steps to further secure their assets with positions that verify the accuracy, by requiring receipts, tracking cash transactions, numbering raffle tickets, ensuring accountability of all those involved. Unfortunately we've encountered situations where organizational materials have been removed by those who consider items their 'personal property' that are actually an asset belonging to the community. Having policies and procedures in place that verify and validate activity and account for all organizational materials is critical. No one person or one family alone should be holding passwords, hosting social media accounts, housing materials, or managing the funds of our local organizations. No individual, regardless of position held, familial surname, or other status should go unchecked. Checks and balances not only protect the organization and brings with it strength of confidence, but it protects individuals from reproach and accusations.

The appropriate venue to voice comments and concern is during the Regular Meeting of the Village Board of Trustees, where the public can participate by addressing the Board directly.

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