



Akron Central School District Internal Controls Over Selected Financial Operations

Report of Examination

Period Covered:

July 1, 2004 - January 25, 2006

2006M-141



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State of New York Office of the State Comptroller

Division of Local Government Services and Economic Development

December 2006

Dear School District Officials:

One of the Office of the State Comptroller's top priorities is to identify areas where school districts can improve their operations and provide guidance and services that will assist school district officials in making those improvements. Our goals are to develop and promote short-term and long-term strategies to enable and encourage school district officials to reduce costs, improve service delivery and to account for and protect their school districts' assets.

The reports issued by this Office are an important component in accomplishing these objectives. These reports are expected to be a resource and are designed to identify current and emerging fiscally related problems and provide recommendations for improvement. The following is our report on the Akron Central School District — Internal Controls Over Selected Financial Operations.

This audit was conducted pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article 3 of the General Municipal Law. The report contains opportunities for improvement for consideration by the School District Board of Education.

If we can be of assistance to you or if you have any questions concerning this report, please feel free to contact the local regional office for your county listed at the back of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government Services
and Economic Development*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

The Akron Central School District (District) is governed by the Board of Education (Board) which comprises seven members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer of the District and is responsible, along with other administrative staff, for the day-to-day management of the District under the direction of the Board.

Some administrators performed multiple tasks for the District. For example, at the beginning of our audit period, the Superintendent served as both the District's purchasing agent and claims auditor.

The District also maintains inventories of food that they use to prepare student meals served at three cafeterias (elementary, middle, and high school). During 2004-05, reported food expenditures totaled \$186,000, in addition to acquiring \$42,000 of surplus food from the Federal government.

The District maintains an inventory of capital assets to support day-to-day operations. Reported capital assets for machinery and equipment totaled approximately \$1.2 million, net of depreciation, as of June 30, 2005.

Scope and Objectives

The objectives of our audit were to evaluate internal controls over the District's claims processing function, food inventories, and capital assets to ensure that the District was properly safeguarding assets. Our audit addressed the following questions for the period July 1, 2004 to January 25, 2006:

- Are internal controls over the claims processing function appropriately designed and operating effectively?
- Are internal controls over the District's food inventories appropriately designed and operating effectively?
- Are internal controls over the District's capital assets appropriately designed and operating effectively?

Audit Results

The internal controls over the District's claims processing function, food inventories, and capital assets were not appropriately designed and/or not operating effectively. Consequently, District assets were not properly safeguarded.

Internal controls over claims processing were not operating effectively. We found a lack of proper approval and itemization on many of the claims we tested. For example, 10 claims totaling \$4,256 did not evidence appropriate authorization, there were no properly approved requisitions or conference approval forms attached to the claims. Five claims totaling \$1,706 had requisition forms attached, but they were approved after the purchase had already been made. Finally, six claims, totaling \$2,024, lacked proper itemization and/or documentation to substantiate the purpose for each purchase.

The Board did not establish adequate policies that clearly assign responsibility for food inventory control. In addition, our counts of selected products in the District's inventory did not agree with District inventory records. Furthermore, the freezer in the high school was overstocked, which created safety concerns, some of the food packages were opened and showed evidence of freezer burn, and there was food in the District inventory that was over two years old. Given the amount of food that is past its expiration date, and the large amount of food in the District's inventory, we question whether cafeteria staff is purchasing more food than needed for student meals.

Finally, although the Board adopted capital asset policies, District officials did not comply with those policies.

Comments of Local Officials

The results of our audit and recommendations have been discussed with District officials and their comments, which appear in Appendix A, have been considered in preparing this report. Except as noted in Appendices A and B, District officials generally agreed with our recommendations and indicated that they planned to initiate corrective action. OSC comments concerning the District's response can be found in Appendix B.

Introduction

Background

The Akron Central School District (District) is located in portions of Erie, Genesee, and Niagara Counties and covers an area of approximately 90 square miles. The District is governed by the Board of Education (Board) which comprises seven elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the chief executive officer of the District and is responsible, along with other administrative staff, for the day-to-day management of the District under the direction of the Board.

During the 2004-05 school fiscal year, the District had an enrollment of more than 1,700 students in three schools, employed approximately 450 staff and reported operating expenditures of \$26 million in the general fund. The major revenue sources for the District are real property taxes and State aid, and the major expenditures are employee salaries and related fringe benefits.

Some administrators performed multiple tasks for the District. For example, at the beginning of our audit period, the Superintendent served as both the District's purchasing agent and claims auditor.

The District also maintains large inventories of food that they use to prepare student meals served at three cafeterias (elementary, middle, and high school). During 2004-05, reported food expenditures totaled \$186,000, in addition to acquiring \$42,000 of surplus food from the Federal government.

The District maintains a large inventory of capital assets to support day-to-day operations. Capital assets are defined by the District as those assets with a useful life of more than one year and include such things as buildings, furnishings, vehicles and equipment such as computers and audio-visual devices. Reported capital assets for machinery and equipment totaled approximately \$1.2 million, net of depreciation, as of June 30, 2005.

Objectives

The objectives of our audit were to evaluate internal controls over the District's claims processing function, food inventories, and capital assets to ensure that the District was properly safeguarding assets. We focused our audit on the following questions:

- Are internal controls over the claims processing function appropriately designed and operating effectively?

- Are internal controls over District food inventories appropriately designed and operating effectively?
- Are internal controls over the District's capital assets appropriately designed and operating effectively?

Scope and Methodology

During this audit, we examined internal controls over claims processing, food inventories, and capital assets for the period July 1, 2004 to January 25, 2006.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. More information on such standards and the methodology used in performing this audit are included in Appendix C of this report.

Comments of District Officials and Corrective Action

The results of our audit and recommendations have been discussed with District officials and their comments, which appear in Appendix A, have been considered in preparing this report. Except as noted in Appendices A and B, District officials generally agreed with our recommendations and indicated that they planned to initiate corrective action. OSC comments concerning the District's response can be found in Appendix B.

The Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, Section 2116-a (3)(c) of the Education Law and Section 170.12 of the Regulations of the Commissioner of Education, the Board must approve a corrective action plan that addresses the findings in this report, forward the plan to our office within 90 days, forward a copy of the plan to the Commissioner of Education and make the plan available for public review in the District Clerk's office. For guidance in preparing the plan of action, the Board should refer to applicable sections in the publication issued by the Office of the State Comptroller entitled *Local Government Management Guide*.

Claims Processing

The objectives of internal controls over claims processing are to ensure that every claim contains enough supporting documentation to determine that it complies with District policies, and that the amounts claimed represent actual and necessary District expenses. When internal controls are not designed appropriately or operating effectively, it increases the risk that employee errors and irregularities may occur and not be detected and corrected. Properly segregating duties is another key element in the internal control system. District officials should set up the duties so that no single individual controls all phases of a financial transaction.

The District's purchasing process begins when an employee submits a requisition and receives approval from the appropriate department head to make the purchase. The department's secretary is then responsible for preparing a purchase order, which is submitted to the Treasurer for review and approval. Finally, the Business Office prepares a check after the claims auditor compares the receiving slip, purchase order and invoice to the submitted claim and approves it for payment.

A claims auditor serves a critical District function since the individual assumes the Board's powers and duties with respect to auditing claims. Further, except for a few statutory exceptions, the Treasurer should pay vendors only after receiving a warrant of the claims approved by the claims auditor.

Some administrators performed multiple tasks for the District, which resulted in weaknesses in internal controls. For example, at the beginning of our audit period, the Superintendent served as both the District's purchasing agent¹ and claims auditor.² As purchasing agent, he authorized District purchases and as claims auditor, he reviewed and approved the claims for payment. As a result of State legislative initiatives, the Board took corrective action during December 2005 and appointed a part-time claims auditor, who acts independent of the business office and reports directly to the Board. In addition, the Treasurer now serves as purchasing agent. The District's claims process requires two signatures on checks over \$5,000, the Deputy Treasurer normally signs check under \$5,000, the Treasurer or the Superintendent will be the second signature on checks over \$5,000.

¹From August 2004 to June 2005

²From July 2004 to December 2005

The insertion of the independent claims auditor in the process provides a mitigating control between the one level of authorization (purchasing agent) and the custody of cash (treasurer).

Due to the internal control weakness noted, we examined 31 District claims paid in 2004 and 2005 aggregating over \$19,000. Our audit indicated that the internal controls over claims processing were not operating effectively since the claims we tested were not properly approved or itemized, or were for uncertain purposes:

- Ten claims totaling \$4,256 did not contain evidence that appropriate authorization was obtained; there were no properly approved requisitions or conference approval forms attached to the claims. We noted that the District reimbursed the cafeteria manager for five claims totaling \$831 for purchases made through vendors such as a TV shopping network. Items purchased included three chocolate treat makers, a food processor, cookbooks, Christmas tree, t-shirts, batteries, cakes, shrimp, crab, candy kisses and other supplies. None of these claims were properly approved prior to the purchase, nor were confirming purchase orders issued after the purchase. When we spoke with the cafeteria manager, she indicated that the treat makers and candy products are used for catered events. However, when we reviewed the “special event/food service order” forms there was no indication that any of the above items were used. At the exit discussion held with District officials on November 16, 2006, they provided us with evidence indicating that these purchases were used for appropriate school purposes. This documentation should be attached to the claim to permit the claims auditor to conduct a proper audit of the claim.

Four other claims, totaling \$3,096 lacked the appropriate conference approval form, while the remaining claim for books, totaling \$329 lacked a requisition.

- Five claims totaling \$1,706 had a requisition form attached, but they were approved after the purchase had already been made. For example, a District official approved a requisition for pizza, candy and donuts for \$214 on February 9, 2005, however the purchases were made on February 7, 2005. In addition, another requisition for building supplies was approved on July 1, 2004, but the purchase for \$953 was already made on June 18, 2004.

- Six claims, totaling \$2,024 lacked proper itemization and/or documentation to substantiate the purpose for the purchases. For example, the District reimbursed an official \$1,034 for a five-night stay for a strategic planning seminar. The District could not provide us with any documentation or evidence that the official actually attended the seminar. We also noted that the hotel receipt indicated that \$63 was for suite services. No itemization was available to determine what these services entailed. The remaining claims that lacked itemization, totaling \$927, were for food, tolls, gasoline, parking and office supplies. At the exit discussion held with District officials on November 16, 2006, they provided us with a copy of a certificate of attendance for this seminar as evidence that the District official was in attendance. They also mentioned that they contacted the hotel and determined that the suite services were actually meals. Again, this documentation should be attached to the claim to permit the claims auditor to conduct a proper audit of the claim.

These deficiencies in claims processing could allow errors and irregularities to occur and not be detected and corrected in a timely manner.

Recommendations

1. The Board should develop procedures to ensure that all claims are properly itemized to allow for a proper audit by the claims auditor.
2. The Board should ensure that purchase requisitions and conference approval forms are prepared and approved in advance of the purchase or travel and attached to the claim for payment.

Food Inventories

The Board should establish policies and procedures that clearly assign responsibility for food purchases, inventory control and usage in order to improve internal controls over food. While the District has a policy regarding food inventory, it is inadequate and should be updated to include limiting access to the locations where the food inventories are stored, establishing appropriate inventory levels and monitoring these levels routinely.

The District purchases food from various vendors including those who hold contracts awarded by the New York State Office of General Services (OGS). The District also receives surplus or donated food through the U.S. Department of Agriculture.³ When the surplus food is delivered, a District employee marks the boxes with the date the food was received to help ensure that the oldest food is used first. If the donated food is discarded, the District is required to reimburse OGS for the fair market value of the unused food. The cafeteria manager indicated to us that the District does not serve any food that is more than two years old.

The District stores food inventories in designated storage areas, at the three cafeterias, and in a large freezer located in the basement of the high school. Officials indicated that at least five employees have a key to access the freezer and dry goods storage area but were unsure of the exact number.

We performed inventory counts of selected commodities on March 14 and 16, 2006, and compared our results to the cafeteria manager's records. Utilizing monthly inventory records for 2006, the list of supplies removed from the storage site, and deliveries received, we determined that for 11 of 18 freezer products and 12 of 15 canned good items, our counts did not agree with the District's records. Some commodity counts totaled less than the recorded balances, while other counts were higher.

When a school district takes the time and effort to maintain inventory records, they should ensure that the records are used to safeguard inventories. It serves no purpose to maintain inventory records without comparing such records with physical counts of inventories.

³OGS is responsible for inspecting and monitoring usage.

We also noted that the freezer located in the basement of the high school was congested, the walkways were narrow, and it was difficult to maneuver food supplies for our physical inspection. Our observation was consistent with the District's external health and safety risk inspector's representation and other officials who, in written correspondence to the District, had expressed safety concerns because the freezer was filled to capacity. District officials even indicated that maneuvering food for monthly inventory counts is difficult since temperatures are generally kept below zero degrees.

Many of the cases of food with older delivery dates were located at the back of the freezer. Although the cafeteria manager represented that the District does not serve food that is damaged or two years old to students, we noted several cases of frozen eggs (\$27.00 per case⁴), beef patties (\$41.05 per case⁵), and French toast which were dated February 2004, February 2003, and March 2003 respectively. In addition, we saw several open packages of frozen eggs, French toast, and sausages that showed evidence of freezer burn. Finally, while observing the dry goods storage area, we found all 10 cases of dried cranberries (\$43.29 per case⁶) with delivery dates that ranged from September 2000 to April 2002. We were unable to estimate the total value of the expired food in the freezer because at the time we conducted our testing, the freezer was too congested and in our view unsafe to allow us to make this determination. When staff disposes of outdated food, it results in a loss to the District. This could be avoided if inventory levels were more appropriately established and routinely monitored.

Because of our audit, the District took steps to correct many of the issues cited above. We conducted a follow-up inspection of the freezer on April 12, 2006 and noted that open packages and frozen foods received over two years ago were removed and older products less than two years old were rotated to the front of the freezer while newer shipments were placed in the back. The cases were organized in an orderly fashion, and larger aisles were created. According to the cafeteria manager, she spent a considerable amount of time correcting the issues we identified and the District's external inspector commented that because of the improvement, he is no longer concerned about the "safety issue" in the freezer. The cafeteria manager also indicated and she will dispose of the old cranberries at the end of the school year. Subsequent to the completion of fieldwork, we received a disposal form from the cafeteria manager to evidence the removal of the old cranberries from the inventory.

⁴September 2004 OGS price

⁵September 2006 OGS price with a processing fee of \$20.81

⁶September 2004 OGS price

Recommendations

3. The cafeteria manager should continue to ensure that adequate inventory control is maintained, the freezer is not overstocked, and food supplies are used on a timely basis.
4. The cafeteria manager should ensure that items that are expired, opened or damaged are properly disposed of and accounted for.
5. If the cafeteria manager continues to maintain inventory records of food, these records should be reconciled to physical counts. Any discrepancies should be promptly investigated.
6. The Board should adopt a food inventory policy that clearly assigns responsibility for food purchases, inventory control and usage in order to improve internal controls over food. The policy should also address limiting access to the locations where the food inventories are stored, establishing appropriate inventory levels and monitoring these levels routinely.

Capital Assets

District officials must ensure that capital assets are protected from loss, that their value is maintained and that they are used effectively. The Board has adopted capital asset policies, which require that the District maintain detailed capital asset inventory records and conduct annual physical inventories. However, District officials are not complying with these policies. For instance, District officials have not conducted an annual inventory of capital assets during the audit period. In addition, the District maintained capital asset inventory records, but these records were inadequate. The inventory records included a description of individual items and their location, but the description did not include the make, model, or serial number of the item. The records also included a tag number for each item, but a tag was not affixed to any of the items we inspected. We noted that the inventory records listed over 125 color television⁷ sets costing \$1,700 each. However, because the inventory records lacked a serial or identification number and the items lacked tags, the District's inventory records provide virtually no accountability for these color television sets.

The failure to comply with Board adopted capital asset policies, for example, not conducting annual inventories of capital assets and not maintaining adequate records, exposes the District to the likelihood that possible errors and irregularities, including fraud, could occur and not be detected.

Recommendations

7. The District should revise their capital asset records to ensure that they include an adequate description of each asset including make, model and serial number.
8. District officials should ensure that all capital assets have a tag affixed to them identifying them as District assets
9. The District should periodically conduct a physical inventory of capital assets and reconcile the assets viewed with the property records. Any differences should be promptly investigated and resolved.

⁷For perspective, the televisions were located in classrooms fastened to a stationary platform.

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following pages.

Akron Central Schools

Mr. Ronald DeCarli
Superintendent of Schools

47 Bloomingdale Avenue
Akron, New York 14001
(716) 542-5020
Fax (716) 542-5018

Cynthia M. Tretter
District Treasurer

Office of State Comptroller
Buffalo Regional Office
295 Main Street – Room 1050
Buffalo, New York 14203

November 27, 2006

Dear [REDACTED]

The Akron Central School District Board of Education and Administration have reviewed the findings of the Comptroller's Audit dated November 6, 2006. We value your commitment to assessing our operations, and welcome the opportunity to use your findings to enhance our effectiveness as a school district.

We are pleased that the exit conference from November 16, 2006 provided an opportunity to further clarify and substantiate several items noted in your preliminary report. We appreciate your willingness to amend your original comments to reflect the supporting documentation provided to you at that meeting.

This letter is intended to present the District's response to the findings contained in your report as required by Section 35 of the General Municipal Law, and to provide you with our intended actions in response to your recommendations. We will address the findings and our related responses in the same order that the findings and recommendations appear in your report.

Claims Processing

Effective July 1, 2006, the District implemented a new accounting software system (WinCap) to facilitate adherence to purchasing policies and procedures. In addition, the district has met with administrators and department heads for training purposes regarding use of the new system and to review compliance with internal controls over procurement at the district.

Despite the fact that some purchases were made prior to authorization, all items noted in the report of findings were found to be made for legitimate district purposes. Specific documentation provided evidence to validate \$831 of purchases made by the cafeteria manager for use in the food service program, \$329 of books representing strategic planning materials for the Board of Education, \$214 of food provided to support students attending a leadership conference at the district, and \$953 of building supplies used within our maintenance department. While we acknowledge that these purchases did not comply with purchasing policy and procedure, they were, in fact, made for legitimate district business. The new software system combined with appropriate staff training has addressed the policy and procedural issues noted in the report.

See
Note 1
Page 20

The District acknowledges that several conference claims totaling \$3,096 did not include a conference approval form. "Glitches" developed in our electronic process resulting in several missing forms. Despite this fact, these claims were investigated and found to be appropriate district obligations. Nonetheless, we understand the need to provide appropriate documentation regarding conference claims and have taken the necessary steps to address this issue. The District will use a paper form (rather than the current electronic form) to provide the necessary documentation noted in your findings.

The finding regarding claims totaling \$2024 for travel of a district administrator to a strategic planning conference was without merit. The District provided ample evidence during the exit conference to support all aspects of this claim, including proof that the district official attended the conference each day of the strategic planning seminar. Documentation included daily sign-in sheets from the conference, a copy of the conference evaluation form completed by the district official, and a certificate of completion for the seminar, which was framed and found displayed on the employee's office wall. The receipt from the hotel listing "suite services" for \$63 was described by the hotel as room service meals provided during the week. All items were appropriate and reasonable district obligations.

See
Note 2
Page 20

Food Inventories

Procedures regarding the establishment and maintenance of food inventories are being developed by the Cafeteria Manager. The District will analyze these recommendations along with the associated cost/benefit of implementing a perpetual inventory system for the food service program. The Board of Education will consider possible revisions/supplements to existing policies upon completion of this analysis.

As noted in the findings, the Cafeteria Manager has completely reorganized the freezer and walk-in coolers. Maintenance staff charged with pick-up of commodity and purchased items will be instructed to maintain the freezer according to the direction of the Cafeteria Manager. The maintenance staff will allocate appropriate time to adequately manage these responsibilities. Access to food storage is already limited to appropriate personnel.

We did appreciate the opportunity provided by the auditors to meet with an OGS Inspector, District Safety Representative, Food Service personnel and Building staff to clarify the concerns.

Capital Assets

In order to address the findings contained in the report, the District will contract with an outside firm to perform a complete and detailed physical inventory of all District-owned assets, tagging all assets with tamper-proof bar coded labels and providing the District with detailed reports of the assets for accounting, inventory and insurance purposes.

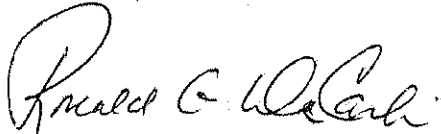
The District would like to note that all 125 color television sets costing \$1700 each noted in the report were securely bolted to the walls of classrooms throughout the district. No sets were missing and all were identified and accounted for during the audit.

See
Note 3
Page 20

Physical inventories will be scheduled and performed on an annual basis beginning after completion of the detailed physical inventory noted above.

The Akron Central School District would like to extend its appreciation to you and your staff for their dedication and professionalism exhibited throughout the audit process. We will use the information and insights of the State Comptroller's staff to enhance our existing operations in ways that serve our students, staff and community. As the State Comptroller's staff emphasized during our entry meeting, the auditors were here to help us be more effective in our work. Now that we have finished the audit, we feel this goal has been accomplished.

Sincerely,



Ronald G. DeCarli
Superintendent of Schools



Marybeth Whiting
President, Board of Education

APPENDIX B

OSC COMMENTS ON THE DISTRICT'S RESPONSE

Note 1

We revised the finding to reflect the additional information provided. However, this documentation should have been attached to the claim to permit the claims auditor to conduct a proper audit of the claim.

Note 2

We disagree with District officials relative to the \$2,024 in travel expenses that lacked proper itemization and/or documentation. The finding has merit because the evidence District officials provided at the exit discussion should have been attached to the claim before it was audited and approved for payment by the claims auditor. We revised the finding to reflect the additional documentation that was provided at the exit discussion.

Note 3

We revised the comment to reflect this fact.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the adequacy of the internal controls put in place by officials to safeguard District assets. To accomplish this, we performed an initial assessment of the internal controls so that we could design our audit to focus on those areas most at risk. Our initial assessment included evaluations of the following areas: cash receipts and disbursements, purchasing, payroll and personal services, and capital assets and consumable inventories.

During the initial assessment, we interviewed appropriate District officials, performed limited tests of transactions and reviewed pertinent documents such as District policies and procedures manuals, Board of Education minutes and financial records and reports. In addition, we obtained information directly from the computerized financial databases and then analyzed it electronically using computer-assisted techniques. This approach provided us with additional information about the District's financial transactions as recorded in its databases. Further, we reviewed the District's internal controls and procedures over the computerized financial databases to help ensure that the information produced by such systems was reliable.

After reviewing the information gathered during our initial assessment, we determined where weaknesses existed, and evaluated those weaknesses for the risk of potential fraud, theft and/or professional misconduct. We then decided upon the reported objectives and scope by selecting for audit those areas most at risk. We selected capital assets, food inventories and claims processing for further audit testing.

For claims processing, we focused our attention on the approval of purchases and the approval for payment for various types of goods and services acquired. We also focused on claims for reimbursement of expenses for officials and employees. We interviewed officials, observed transactions and examined vendor history reports, purchase requisitions, conference request forms, purchase orders, claims, checks, collective bargaining agreements and other relevant contracts with employees.

For consumable inventories, we tested frozen, canned, dried and other food supply items. We examined cafeteria inventory records, food delivery slips and invoices, daily cafeteria production sheets, written correspondence with oversight agencies, listings of food requested by cafeteria staff and menus. We also performed a physical inventory of selected food supplies on March 14 and 16, 2006.

For capital assets, we reviewed inventory records dated March 1, 2006 and the computer asset inventory completed by BOCES. We also reviewed the 2006 sign out log for computer and electronic equipment. Furthermore, we performed a physical inventory on March 6, 2006 for 11 pieces of equipment and two mobile labs.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). Such standards require that we plan and conduct our audit to assess adequately those school district operations within our audit scope. Further, those standards require that we understand the school district's management controls and those laws, rules and regulations that are relevant to

the school district's operations included in our scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in accounting and operating records and applying such other auditing procedures, as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for the findings, conclusions and recommendations contained in this report.

APPENDIX D

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