



Tuckahoe Union Free School District

Financial Condition and Information Technology

Report of Examination

Period Covered:

July 1, 2009 – January 23, 2015

2015M-152



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

October 2015

Dear School District Officials:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

Following is a report of our audit of the Tuckahoe Union Free School District, entitled Financial Condition and Information Technology. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for district officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller

EXECUTIVE SUMMARY

The Tuckahoe Union Free School District (District) is located in the Town of Eastchester, Westchester County and is governed by the Board of Education (Board), which is composed of five elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

The District operates two schools, with approximately 1,077 students and 155 employees. Budgeted appropriation for the 2014-15 fiscal year were approximately \$31.6 million, which were funded primarily with real property taxes, State aid and tuition charges for non-resident students.

Scope and Objectives

The objectives of our audit were to evaluate the District's financial condition and controls over information technology (IT) for the period July 1, 2009 through January 23, 2015. We extended our scope back to July 1, 1999 determine the total principal and interest payments for a tax certiorari bonding. Our audit addressed the following related questions:

- Are the Boards actions to maintain the District's financial stability effective and transparent?
- Has the Board implemented effective internal controls over IT to ensure the District's IT assets and computerized data are safeguarded?

Audit Results

Over the last five fiscal years, budgets presented to District residents were not transparent because they did not include estimated amounts for tax certiorari¹ judgments or the District's plan for funding them. The Board-adopted budgets included \$5,200 in appropriations for the refund of real property taxes. However, the District actually paid approximately \$3.4 million in refunds of real property taxes and issued debt of \$2.9 million to pay for these refunds. When the District issued debt, it was recorded as a revenue. This skewed the operating results and gave the appearance that the District was operating at a surplus in four of the five years. The use of non-recurring or one-time revenues to support recurring expenditures may appear to offer a solution for balancing the budget. However, issuing such debt is a short-term solution and only temporarily defers the need to address structural budget imbalances.

¹ Tax certiorari is the legal process by which the courts review a real property assessment. If the total assessment exceeds the value of the property, a judgment is made to refund the tax overpayment.

We also found that the District has not effectively planned for real property tax refunds. As of 2014-2015, the projected potential liability of tax refunds is approximately \$14 million. The District currently has seven tax certiorari bonds outstanding with a total interest over the lifetime of the bonds costing approximately \$2.1 million. A tax certiorari reserve was established but has been underused. District officials have not performed a cost-benefit analysis to analyze the effect of borrowing for tax certiorari judgments versus using money from a reserve and budgeting for the judgments. Also, the Board does not budget for tax refund reserves or potential tax refund expenses and has appropriated fund balance to balance the budget for the last five years.

The Board also needs to improve internal controls to effectively protect the District's computer system and data. The Board should have a breach notification policy detailing how it would notify individuals whose private information was, or is reasonably believed to have been, acquired by a person without a valid authorization. The Board should also adopt a use of and access to personal, private and sensitive information policy, explaining reasons for collecting personal information and procedures to safeguard and dispose of the information, and an online banking policy to properly monitor and control online banking transactions. Also, the Board-adopted acceptable use policy regarding internet and email access is not being followed.

Comments of District 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. District officials general agreed with our recommendations and indicated they were taking corrective action. Appendix B includes our comment on an issue raised in the District's response letter.

Introduction

Background

The Tuckahoe Union Free School District (District) is located in the Town of Eastchester, Westchester County. The District is governed by the Board of Education (Board), which is composed of five elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction. The School Business Administrator is responsible for the overall management of the District's finances and budgeting.

The District operates two schools, with approximately 1,077 students and 155 employees. Budgeted appropriations for the 2014-15 fiscal year were approximately \$31.6 million, which were funded primarily with real property taxes, State aid and tuition charges for non-resident students.

The District uses network and web resources to support certain business operations, such as maintaining financial records, including personal, private and sensitive information (PPSI); communications; maintaining student records; and performing online banking transactions. The Network Specialist is responsible for managing network security and data. District officials are responsible for creating and implementing policies to help ensure that security over the network and data is maintained.

Objectives

The objectives of our audit were to evaluate the District's financial condition and controls over information technology (IT). Our audit addressed the following related questions:

- Are the Board's actions to maintain the District's financial stability effective and transparent?
- Has the Board implemented effective internal controls over IT to ensure the District's IT assets and computerized data are safeguarded?

Scope and Methodology

We examined the District's financial records for the period July 1, 2009 through January 23, 2015. We extended our scope back to July 1, 1999 to determine the total principal and interest payments for a tax certiorari bonding. Our audit found additional areas in need of improvement concerning IT controls. Because of the sensitivity of some of this information, certain vulnerabilities are not addressed

in this report but have been communicated confidentially to District officials so that they could take corrective action.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is 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. District officials general agreed with our recommendations and indicated they were taking corrective action. Appendix B includes our comment on an issue raised in the District’s response letter.

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, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, with a copy forwarded to the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the District Clerk’s office.

Financial Condition

A school district's financial condition is a primary factor in determining its ability to continue providing public educational services. District officials are accountable to taxpayers for the use of District resources and are responsible for effectively planning and managing the District's financial operations. The Board and Superintendent are also responsible for ensuring budgets are transparent and inclusive of all estimated appropriations and revenue sources that enable taxpayers to make informed decisions when voting on the budget. Sound budgeting provides sufficient funding for necessary operations, and prudent fiscal management includes establishing reserves needed to address long-term obligations or planned future expenditures. It is also important for the Board to adopt policies governing the establishment, use and maintenance of reserve funds.

Over the last five fiscal years, budgets presented to District residents were not transparent because they did not include estimated amounts for tax certiorari² judgment or the District's plan for funding them. District officials issued debt to pay for tax certiorari judgments, which masked the true operating results. Without the issuance of debt, the District would have had operating deficits in four of the five years and which could have caused a significant decline in fund balance. Also, the District did not use funds in the established reserve towards the payment of these judgments. As a result, the District has incurred additional debt and interest costs.

Budget Transparency

Budget transparency is important for public participation and accountability and allows residents to provide feedback on the quality and adequacy of services as well as decisions that impact the District's long term financial stability. It is essential that the Board prepares budgets based on historical or known trends which should include an estimated amount for tax certiorari claims. Further, the Board should inform District residents of their intention to issue debt to finance certain expenditures since consistent use of debt to finance recurring expenditures increases the cost to taxpayers, including future expenditures. Presenting complete budget information to residents allows them the opportunity to make informed decisions when voting on the budget.

Over the last five fiscal years, the Board adopted budgets which included \$5,200 appropriated for the refund of real property taxes.

² Tax certiorari is the legal process by which the courts review a real property assessment. If the total assessment exceeds the value of the property, a judgment is made to refund the tax overpayment.

However, the District actually paid approximately \$3.4 million in refunds of real property taxes and issued debt of \$2.9 million to pay for these refunds. When the District issued debt, it was recorded as a revenue. This skewed the operating results and gave the appearance that the District was operating at a surplus in four of the five years.

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Revenues	\$29,568,542	\$28,650,682	\$29,520,359	\$29,514,054	\$30,175,132
Expenditures	\$28,915,574	\$27,892,483	\$28,957,817	\$29,467,833	\$30,262,961
Operating Surplus/(Deficit)	\$652,968	\$758,199	\$562,542	\$46,221	(\$87,829)

We evaluated the impact to the District’s operating results if these bonds were not included as revenue. As indicated in Figure 2, operating results differ significantly with the inclusion of the bond revenue. Without the issuance of debt, the District would have incurred operating deficits in three of the five years and fund balance would have declined by approximately \$1 million.

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	Five-Year Total
Tax Certiorari Bonds	\$1,875,675	\$0	\$486,015	\$236,284	\$395,882	\$2,993,856
Effective Operating Surplus/(Deficit)	(\$1,222,707)	\$758,199	\$76,527	(\$190,063)	(\$483,711)	(\$1,061,755)
Reported Operating Surplus/(Deficit)	\$652,968	\$758,199	\$562,542	\$46,221	(\$87,829)	\$1,932,101

The District has \$14 million in pending tax certiorari claims. Since the District has paid tax certiorari judgments each year, the District will likely continue to incur judgments on a yearly basis. The use of nonrecurring or one-shot revenues to support recurring expenditures may appear to offer a solution for balancing the budget. However, issuing debt is a short-term solution and only temporarily defers the need to address structural budget imbalances. Further, by not informing District residents of the estimated amount to be paid and the District’s plan to issue debt, it hinders their ability to make an informed decision on the budget.

If the District continues to issue debt to finance recurring expenditures, the District’s financial condition will decline. This will result in the need to either increase revenues (e.g., property taxes) and/or decrease appropriations (e.g., expenses, services).

Tax Certiorari Payments

A tax certiorari is a legal proceeding whereby a taxpayer challenges the assessment on the grounds of excessiveness, inequality, illegality or misclassification. If the taxpayer has a favorable ruling, the district would owe a tax refund to the taxpayer for the difference in the property tax assessment as specified in the ruling.

The District's projected potential liability of tax certiorari judgments is more than \$14 million dollars as of 2014-2015. Although the District pays for tax certiorari judgments during the fiscal year, the District does not budget or plan for such tax payments. The District issued bonds to pay tax certiorari judgments in four of the five years. While bonding for tax certiorari judgments is an acceptable practice, the District has not performed a cost-benefit analysis to determine whether this is a cost effective practice.

The District is currently repaying seven tax certiorari bonds dating back to 1999. The length of the bonds vary between five and 20 years, with the last bond payment scheduled to occur in 2030. The 2010 bond paid for tax certiorari judgments that were for years dating back to 2001, meaning that the District will be refunding 2001 year taxes in 2030. There are costs associated with repaying each bond including legal and financial fees for preparing the bond, as well as varying interest rates. The total amount of principal and interest payments to be repaid for the current seven bonds are more than \$5.5 million and \$2.1 million respectively as illustrated in Figure 3.

Figure 3: Tax Certiorari Bonds	
Total Tax Certiorari Bond Payments	Amount
Total Principal	\$5,563,572
Total Interest	\$2,108,975
Total Principal and Interest	\$7,672,547
Additional Cost (Legal/Financial)	\$51,564
Total Cost of Bonds	\$7,724,111

The Board created a tax certiorari reserve in 2010 but has not used it effectively. In 2012, the reserve fund contained approximately \$1 million. The District paid \$486,000 in that year for tax certiorari judgments. Despite having the funds available in the reserve, District officials obtained a bond which cost approximately \$12,000 in issuance fees and an additional \$83,000 in interest over the life of the bond. In 2012-13 the District paid tax certiorari judgments totaling approximately \$763,000. District officials bonded for \$236,000 and used \$500,000 from the \$1 million available in the reserve. At year end, the District then transferred \$500,000 from fund balance into the reserve to leave the ending reserve balance at \$1 million. In 2014, District officials again bonded for payment of tax certiorari judgments and returned \$802,000 of the reserve to unassigned fund balance leaving a reserve balance of \$230,182 as of the end of 2014-15.

District officials have not performed a cost-benefit analysis to determine if bonding versus appropriating funds in the budget for tax certiorari could save taxpayers money. District officials plan to issue

another tax certiorari bond for the 2015 claims, which would increase debt and interest payments. Without performing a cost-benefit analysis to evaluate all options and associated impact to future years, District officials may be placing an unnecessary burden on District taxpayers.

Recommendations

The Board should:

1. Include all estimated expenditures and revenues in the budget, including tax certiorari judgments and issuance of debt.
2. Perform a cost-benefit analysis and evaluate the impact of debt issuance on District programs and taxpayers.

Information Technology

The use of IT affects the fundamental manner in which transactions are initiated, recorded, processed and reported. The extent to which computer processing is used in significant accounting applications, as well as the complexity of that processing, determines the specific risks that IT poses to the District's internal controls. The District's widespread use of IT presents a number of internal control risks that must be addressed. Those risks include, but are not limited to, unauthorized access to data, unauthorized changes to data in master files and potential loss of data. District officials must therefore design internal controls to safeguard computerized data from loss or misuse.

The Board needs to improve internal controls to effectively protect the District's computer system and data. The Board has not developed policies such as a breach notification policy, PPSI³ policy, or online banking policy. Staff were able to access websites in violation of the District's acceptable use policy, such as for shopping, personal email, social network, travel and automobile because the web filtering software was not configured to block these sites. Additionally, we found physical controls lacking as multiple empty classrooms with computer carts housing laptop computers were left unlocked and the door connecting the school library to the computer storage room containing spare computers was open and unlocked during our review.

Policies and Procedures

Effective internal controls over IT include developing formal policies and procedures to address security risks. This includes establishing a breach notification policy to ensure that employees are adequately prepared to notify affected individuals if their private information is compromised, a policy to define PPSI and how this information is safeguarded, and an online banking policy. The Board should periodically review and update these policies as necessary to reflect changes in technology or the District's computing environment.

Breach Notification Policy – An individual's private or financial information, along with confidential business information, could be severely impacted if security is breached or personal data is improperly disclosed. It is a good practice for school districts to adopt a breach notification policy to detail how District officials would notify individuals whose private information was, or is reasonably believed to have been, acquired by a person without a valid authorization. The disclosure should be made in the most expedient time possible, consistent with the legitimate needs of law

³ Personal, private and sensitive information

enforcement or any measures necessary to determine the scope of the breach and reasonably restore the data system's integrity.

The Board has not adopted a breach notification policy. As a result, in the event that private information is compromised, District officials and employees may not be prepared to notify affected individuals.

PPSI – Board policy should define PPSI, explain the reasons for collecting PPSI and describe specific procedures for the use of, access to, storage of and disposal of PPSI involved in normal business activities.

The Board has not adopted a PPSI policy. As the District collects PPSI, procedures should be in place to safeguard the information. Without a policy, District officials and employees may not understand what constitutes sensitive information and how to adequately safeguard it.

Online Banking Policy – A comprehensive online banking policy should clearly describe the online banking activities the District will engage in, specify which employees have the authority to process transactions, establish a detailed approval process to verify the accuracy and legitimacy of transfer requests and require a monthly report of all online banking transactions. It is important that someone independent of the online banking process review this report and reconcile it with the monthly bank statement to verify that all transactions were properly approved and appropriate.

The District has not adopted an online banking policy. Without proper controls over online banking processes, District funds will be at increased risk of being stolen through cyber fraud activities.

Web Content Filtering

A web filtering program blocks any websites deemed unacceptable from being accessed. The software can be customized to define which type of user can access a particular category of sites. The web filtering program should be customized to prevent users from accessing the types of sites that the District's acceptable use policy prohibits.

We reviewed the web activity report, generated from the District's web filtering software, for four hours for a randomly selected day. We searched for website categories that the District's acceptable use policy prohibits users from using. Staff were able to access websites in the following categories in violation of the District's acceptable use policy: shopping, personal email, social network, travel and automobile. The web filtering software was not set to block access to these sites. For each one of the categories illustrated in Figure 4 is an example of a currently prohibited site that was accessed.

Category	Website	Group
Shopping	http://assets.macys.com	Teacher
Social Network	https://www.facebook.com	Teacher
Personal Email	http://mail.aol.com	Teacher
Travel	http://www.disneybeachresorts.com	Teacher
Automobile/Banking	https://myaccount.chryslercapital.com	Teacher

Because District officials do not monitor internet usage or the setup within the software, inappropriate websites have been accessed in violation of the District’s acceptable use policy. The inappropriate use of District computers could potentially expose the District to virus attacks or compromise systems and data, including key financial and confidential information. Further, time spent surfing the web for personal reasons while employees are supposed to be working represents lost District resources.

Physical Security Controls

Physical security controls restrict physical access to computer resources and protect these resources from intentional or unintentional harm, loss or impairment. Such controls include locking rooms containing computer equipment when unattended.

We found physical security weaknesses over IT assets. During our walkthroughs, the door connecting the school library to the computer storage room was unattended. This room contained spare computers, laptop computers and other equipment. Additionally, multiple empty classrooms containing computer carts housing laptop computers were left unlocked. Physical security control weaknesses can lead to theft of District assets.

Recommendations

The Board should:

3. Develop policies for safeguarding private information including:
 - A breach notification policy detailing how the District will notify its residents or employees in a timely manner in the event of a breach.
 - A use and access of PPSI policy defining PPSI, explaining reasons for collecting PPSI, and describing specific procedures for the use of, access to, storage of and disposal of PPSI involved in normal business activities.
 - An online banking policy.
4. Evaluate the setup of the web content filter, monitor internet usage and enforce the acceptable use policy.
5. Ensure District assets are secured when unattended.

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

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



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October 6, 2015

Ms. Tenneh Blamah, Chief Examiner
Office of the State Comptroller
Division of Local Government and School Accountability
33 Airport Drive, Suite 103
New Windsor, NY 12553

Dear Ms. Blamah,

On September 9, 2015, the Superintendent and Board of Education of the Tuckahoe Union Free School District received the preliminary "DRAFT" Report of Examination, titled "Financial Condition and Information Technology," which covered the period of July 1, 2009 through January 23, 2015. The Board of Education and District Administration have reviewed the Report and are appreciative of the efforts of the auditing team from the Office of the State Comptroller.

I would like to commend the audit team for their professionalism and courtesy in undertaking their responsibilities and interacting with District personnel throughout the entire audit process. We believed from the onset of the engagement that the Comptroller's Audit can only help to reassure the Board of Education and Community that improprieties do not exist in the Tuckahoe UFSD. The Audit Team did not find any fraud, waste, or wrongdoing during their review which confirms the honesty and integrity of the District's staff.

The Board of Education and District Administration strive to follow the highest standards of fiscal management. To that end, we have and will continue to support and implement improvements in our operations recommended by the Office of the Comptroller.

Below are our comments in response to the recommendations noted in the report.

1. *"Include all estimated expenditures and revenues in the budget, including tax certiorari judgments and issuance of debt."*

Transparency in the budget process is of the utmost importance to the Board of Education and District Administration. To that end, the District has made significant efforts in providing transparency during the budget process.

Preparing Every Student for Excellence.

District Administrators and the Board of Education work diligently to prepare budgets with realistic estimates of anticipated expenditures and revenues that will be available at the time the budget is presented to the community for a vote. The budget process begins in October of each year with a community vote the following May. Expenditure and revenue projections are refined throughout the process and several public presentations are made at Board of Education meetings; at which input from the community is welcomed and encouraged. During these public presentations tax certiorari information, to the extent known, is presented and discussed.

Going forward the District will include, to the extent possible, estimated amounts in the budget for tax certiorari judgments and the issuance of debt. Given the reduction in state aid over the past several years via the Gap Elimination Adjustment and with the establishment of a tax cap, it should be noted that establishing a budget appropriation to pay tax certiorari judgments, which have averaged \$600,000 per year over each of the past five (5) years, would require the Board of Education to reduce and/or eliminate programs and services in the instructional and operational budgets.

See
Note 1
Page 17

2. *“Perform a cost-benefit analysis and evaluate the impact of debt issuance on District programs and taxpayers”*

The District agrees with the recommendation that it should perform a cost-benefit analysis to evaluate the impact of issuing debt to satisfy tax certiorari judgments. It is the Board of Education and the District Administration’s priority to promote long term financial stability and send a message of responsibility to taxpayers. While, the Comptroller does note in the report that bonding for tax certiorari judgments is an acceptable practice, the District does agree that performing a cost-benefit analysis will help the District evaluate the impact of issuing debt to finance tax certiorari judgments.

3. *“Develop policies for safeguarding private information:*

- *A breach notification policy detailing how the District will notify its residents or employees in a timely manner in the event of a breach.*
- *A use and access of PPSI policy defining PPSI; explaining reasons for collecting PPSI; and describing specific procedures for the use, access to, storage and disposal of PPSI involved in normal business activities.*
- *An online banking policy “*

The District agrees with the recommendation and will add the recommended policies to our policy manual.

4. Evaluate the setup of the web content filter, monitor internet usage and enforce the acceptable use policy.

The District agrees with the recommendation and will continue to work with the Lower Hudson Regional Information Center to evaluate internet usage and block access to websites that do not comply with our acceptable use policy.

5. Ensure District assets are secured when unattended.

The District has already taken steps to secure all assets when unattended. The computer storage room was moved to a separate area of the building and is properly secured. We have communicated to all staff the importance of physical security over district assets.

We would like to thank the Comptroller's Office and their field staff that performed our audit for their professionalism and hard work. We appreciate the recommendations and welcome the opportunity to improve our practices and procedures.

Sincerely,

Dr. Charles Wilson
Superintendent of Schools

APPENDIX B

OSC COMMENT ON THE DISTRICT'S RESPONSE

Note 1

Budgeting for tax certiorari judgements would not necessarily require the District to reduce and/or eliminate programs. The District could appropriate excess fund balance and use the established tax certiorari reserves to offset the budgeted appropriation.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the District's financial condition and internal controls over IT. To achieve our audit objectives and obtain valid evidence, we performed the following procedures:

- We reviewed District policies and procedures and Board minutes regarding tax certiorari judgments and bonds, reserves, budgeting and IT.
- We reviewed tax certiorari bond resolutions to determine if the bonds were legally established and examined the funding and usage of reserves. Further, we compiled the bond amortization schedules for outstanding bonds to calculate aggregate totals for the amount the District pays in principal and interest.
- We reviewed the tax certiorari petitions to determine the validity of the tax certiorari liability, verified the tax rates and reviewed a sample of judgments to verify the amounts paid.
- We interviewed District officials to gain an understanding of the budget process.
- We compared the general fund budgeted revenues and appropriations to the actual revenues and expenditures for fiscal years 2009-10 through 2013-14 and identified any budget categories with significant variances.
- We reviewed and analyzed reported fund balance levels in comparison to amounts appropriated in adopted budgets.
- We interviewed officials and personnel who were familiar with the District's IT system regarding internal controls over IT.
- We judgmentally selected and examined 12 computers by running audit software and examined specific activities such as Internet use, cookies and Internet history.
- We observed the server room, computer storage room and classrooms for physical security of IT assets.
- We reviewed the web filter configuration and analyzed the web activity report for accessed websites that violate the District's acceptable use policy.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX D

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