



Chautauqua County Soil and Water Conservation District

Cash Receipts and Disbursements

Report of Examination

Period Covered:

January 1, 2016 – May 1, 2017

2017M-199



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

August 2019

Dear District Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as 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 operations and Board governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Chautauqua County Soil and Water Conservation District, entitled Cash Receipts and Disbursements. 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*

Introduction

Background

The Chautauqua County Soil and Water Conservation District (District) is one of 58 such districts in New York State. These districts provide services and fund projects to improve and maintain wildlife habitat, help control and prevent water pollution and manage erosion control and other related land use issues. The District is involved with a wide range of educational programs associated with the natural resources of Chautauqua County (County). General fund expenditures totaled \$2.3 million for the 2016 fiscal year.

The District is governed by a five-member Board of Directors (Board). One Board member is appointed by the County Executive, two by the County Legislature, one by the Chautauqua County Pomona Grange and one by the Chautauqua County Farm Bureau. The Field Manager is responsible, under the Board's direction, for managing the District's day-to-day operations, including the deposit of cash receipts. The Treasurer and Assistant Treasurer¹ are responsible for maintaining financial records. The Assistant Treasurer receives and records cash receipts, prepares deposits, prepares and signs checks and prepares financial reports.

The District's main revenues consist of State and federal aid and grants and a County appropriation. The District sells trees, shrubs and associated supplies and fish for stocking ponds. In 2016, tree and shrub sales revenue totaled \$52,000 and fish sales revenue totaled \$5,300. The District offers its remaining stock of trees and shrubs at a clearance sale. Any leftover stock is then donated to child educational programs in conjunction with Arbor Day learning modules or to other higher learning educational institutions for Earth Day.

The District also sells a variety of topographic and soil maps, technical services,² hydroseeding,³ and no-tillage (drill) planting to the general public, and accepts donations for educational programs. Sales and donations paid by cash and checks are deposited into a savings⁴ account and credit card transactions are credited to a checking⁵ account.

¹ Who also serves as Secretary

² Consisting of agricultural land value assessments, erosion and sediment control, urban and rural drainage problems, soil and water resource management, livestock programs and pond design

³ Performed for municipalities only

⁴ The District has six additional savings accounts that are used for State and federal grant deposits.

⁵ An additional account is used for educational activity.

The District issues receipts to support sales⁶ to customers. Some receipts are press-numbered and manually prepared in duplicate, while computer-generated sales receipts and invoices are assigned a receipt number sequentially, which may be manually overridden.

Objective

The objective of our audit was to review the District's cash receipts and disbursements. Our audit addressed the following related question:

- Did the Board ensure that cash receipts were properly deposited and recorded, and disbursements were properly supported and approved for District purposes?

Scope and Methodology

We examined the District's financial records for the period of January 1, 2016 through May 1, 2017. We extended our scope period back to January 1, 2015 for further analysis of bank deposits.

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

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 generally agreed with our recommendations and indicated that they have initiated, or planned to initiate, corrective action. Appendix B includes our comment on an issue raised in the District's response.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of General Municipal Law. 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. We encourage the Board to make this plan available for public review in the District Secretary's office.

⁶ Sales of trees and shrubs, fish and supplies use a computer-generated manually numbered receipt. Technical services, hydroseeding, no-tillage drill planting and map sales use duplicate press-numbered receipts or an invoice system. The invoices are used for billings at a later date and for large or outstanding balances due.

Cash Receipts and Disbursements

The Board is responsible for ensuring that cash receipts are properly recorded and deposited, and cash disbursements are properly supported, approved for payment, and for District purposes.

The Board did not regularly review financial records to ensure that receipts were properly recorded and deposited in the bank and that disbursements were properly supported and approved for District purposes. As a result, the audit found deposit shortages totaling \$1,095.

Given these shortages, the matter was referred to OSC's Division of Investigations which then partnered with the Chautauqua County District Attorney's Office to jointly investigate this matter. In May 2019, the Assistant Treasurer admitted to stealing \$4,100 in County funds from 2012 to 2017 and resigned from her position. She pleaded guilty to misdemeanor petit larceny and agreed to pay back \$4,100 in restitution.

Cash Receipts⁷

The Treasurer or Assistant Treasurer should accurately record cash and checks received in the cash receipts journal and deposit all cash receipts in a designated District bank account. Cash receipts should be deposited daily, or as soon as possible after collection, to reduce the risk of loss or misuse. Deposits should also be made intact, i.e., in the same form (cash or check) and amount as received. When no other evidence satisfactory for audit purposes is available, District officials and employees who receive cash must issue a press-numbered duplicate receipt to the person paying. The Board should ensure cash receipts are properly recorded, supported by duplicate receipts and deposited timely and intact.

Using procedures described in the methodology section of the report, the audit found recorded cash collections totaling \$1,017 were not deposited in the bank. Approximately 40 percent of deposits reviewed during the audit had evidence of substitution, which is a form of "skimming" (theft of cash occurring before cash receipts are recorded). In substitution, recorded cash is removed by swapping it for unrecorded checks. Had these deposited checks been properly recorded, there would be a cash deposit shortage.

⁷ The investigation expanded the scope of review for cash receipts and found an additional \$3,005 in deposit shortages. This resulted in a total discrepancy of \$4,100 (\$1,095 + \$3,005) for cash received but not deposited into the District's account.

The audit found 23 checks (\$794) that were deposited in the bank, but were not recorded in the cash receipts journal and were not supported by an invoice or sales receipt. Furthermore, five additional checks were recorded on the cash receipts journal in an amount lower than the amount on the check deposited and on the sales receipt, by a total of \$198. The audit also found one cash sales receipt totaling \$50 that was recorded in the cash receipts journal at \$25. Finally, a sales receipt for \$210 was recorded in the cash receipts journal for the same amount but the customer's check was for \$132; the difference of \$78 was covered by the deposit of three unrecorded checks totaling \$78. The deposit shortages for this review totaled \$1,095. For example:

- For the March 25, 2015 deposit (\$8,534), six transactions totaling \$446 were recorded in the cash receipts journal as paid in cash. All six cash transactions were supported by sales receipts. However, only \$336 in cash was included in the bank deposit, resulting in a cash shortage of \$110. This cash shortage was covered by two checks included in this deposit: one for \$25 that was not recorded in the cash receipts journal, and another for \$170 was recorded in the cash receipts journal as \$85, resulting in a total of \$110 in checks deposited but not recorded or inaccurately recorded. These checks covered the \$110 of cash missing from the deposit.
- For the May 11, 2015 deposit (\$12,346), one transaction totaling \$82 was recorded in the cash receipts journal as paid in cash and was supported by a generic sales receipt from a clearance sale but was not included in the bank deposit, resulting in a cash shortage of \$82. The \$82 was composed of multiple transactions for which receipts were not issued to customers. One check totaling \$14 was included in this deposit and was inaccurately recorded in the cash receipts journal as \$17 and another check in the deposit for \$170 was inaccurately recorded in the cash receipts journal as \$85, resulting in a net total of \$82 in checks deposited but inaccurately recorded. These checks covered the \$82 of cash missing from the deposit.

During the audit the Assistant Treasurer, Treasurer and Field Manager were asked for an explanation of these discrepancies but none was provided.

In addition, approximately \$1,100 in cash from a 2016 tree and shrub clearance sale was recorded in the accounting records, but these cash sales were not supported by press-numbered duplicate receipts. When duplicate press-numbered receipts are not used, it is difficult to determine if all cash collected has been recorded and deposited.

These irregularities were allowed to occur without detection largely because of inadequate segregation of duties over the cash collection process. The Assistant Treasurer receives cash and checks, prepares the deposit tickets, maintains the accounting records and reconciles the bank account balances to the cash balances in the accounting records, with limited or no oversight. When the same person is responsible for key financial duties with no compensating controls, there is limited assurance that cash receipts are properly recorded and deposited. In addition, although the cash receipts journal totals agreed with the bank deposit, deposits were not intact or timely.⁸ District officials told us the Treasurer reviews bank reconciliations. However, the Treasurer or another District official did not review deposit tickets prepared by the Assistant Treasurer before being taken to the bank by the Field Manager or a designated employee. Such a review could ensure cash and checks being deposited agree with the recorded entries in the cash receipts journal.

OSC's Division of Investigations partnered with the Chautauqua County District Attorney's Office to jointly investigate this matter. In May 2019, the Assistant Treasurer admitted to stealing \$4,100 in County funds from 2012 to 2017 and resigned from her position. She pleaded guilty to misdemeanor petit larceny and agreed to pay back \$4,100 in restitution.

Cash Disbursements

An effective cash disbursement process ensures that every claim against the District contains enough supporting documentation. Furthermore, the Board should review and approve claims prior to payment. The District's procurement policy⁹ requires District officials to solicit competitive quotes prior to purchase. As such, evidence that they obtained the required number of quotes should be attached to the claim and reviewed by the Board prior to payment. Similarly, if purchases are made from vendors awarded State or County contracts, pricing documentation from the contracts should be attached to the claims.

The Board does not review all individual claims. Disbursements were not always properly supported and approved for District purposes. We judgmentally selected 57 paid claims¹⁰ totaling approximately

⁸ Generally, deposits were made two to four times per month but cash and checks were collected each business day.

⁹ The procurement policy states, in part, that all estimated purchases of supplies or equipment less than \$10,000 but greater than \$5,000 require an oral request for the goods and oral/fax quotes from two vendors; purchases exceeding \$20,000 in the fiscal year shall be formally bid pursuant to General Municipal Law; and purchases from vendors holding State and County contracts are exempt from the purchase bidding guidelines.

¹⁰ See Appendix C, Audit Methodology and Standards, for methodology of sample selection.

\$800,000 to determine if the claims were properly supported and approved for District purposes. Twenty-five claims (44 percent) totaling approximately \$296,000 (37 percent) did not include adequate supporting documentation. For example:

- Three claims for purchases of supplies, totaling approximately \$21,000, were missing evidence that two oral/fax vendor quotes were obtained as required by the procurement policy.
- One claim for stone totaling \$24,673 included an incorrect billing for freight costs, resulting in the District overpaying by \$1,850. No evidence was attached to the claim indicating that District officials compared the freight cost to the County contract price.
- One claim for a hydroseeder, costing \$56,077, was made without publicly soliciting competitive bids. District officials believed the purchase was made from a vendor who was awarded a State contract, but we found that the vendor did not hold the State contract for this equipment as no State contract existed. In early 2016, a nearby County purchased a hydroseeder from a different manufacturer. This hydroseeder had a larger engine and tank capacity and cost approximately \$10,000 less than the hydroseeder purchased by the District.

The Board does not review all individual claims prior to payment and therefore would not be aware that certain claims lacked appropriate supporting documentation and did not comply with the policy. The Board reviews a list of claims prepared by the Assistant Treasurer at each monthly meeting and reviews individual claims at times, such as when a new vendor is used. However, the Board members do not compare invoices against quotes, bids or government contracts. Without an adequate claims audit process, the Board cannot ensure that claims are for valid District purposes, and the District has an increased risk of paying for goods and services that are not proper District expenditures.

Board Policy

The Board should adopt written policies governing the cash receipts and disbursements process. The cash receipts policy should discuss the collection, recording and deposit of cash receipts; ensure there is an adequate segregation of duties, so that the duties of cash collection, recordkeeping and bank statement reconciliation are not conducted by the same person; and provide for the periodic review of cash receipts records to ensure that all cash receipts are properly recorded and deposited. The cash disbursements policy should require that the Board audit each claim to ensure that disbursements are properly

supported, comply with the procurement policy and are for approved District purposes.

The Board has not adopted written cash receipts and disbursements policies. Clearly written Board policies help safeguard the District's resources by establishing key internal controls, including properly segregated financial duties and a thorough Board audit of all claims. The lack of policies and procedures contributed to the District's operational deficiencies and compromised the ability of District officials to detect and address questionable financial activity.

Recommendations

The Board should:

1. Ensure that duties over the cash receipts process are properly segregated.
2. Ensure that employees who collect cash and checks from customers provide a press-numbered duplicate receipt to each customer at the time payment is received.
3. Regularly review financial records to ensure that cash receipts were properly recorded and deposited in the bank and that disbursements were properly supported and approved for District purposes.
4. Conduct a deliberate and thorough audit of all claims prior to approval for payment.
5. Adopt written policies governing the cash receipts and disbursements process.

The Field Manager should:

6. Ensure that adequate supporting documentation is attached to all claims presented to the Board for its review and approval.

The Treasurer should:

7. Perform a reconciliation of cash receipts records to deposits to ensure deposits are intact.

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

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



Chautauqua County Soil & Water Conservation District

Northcrest Business Park, 220 Fluvanna Ave, Suite 600, Jamestown, NY 14701

Phone: 716-664-2351 Ext. 5, Fax: 855-401-1960, Email: chaut-co@soilwater.org

Office of the State Comptroller
Buffalo Regional Office
Jeffrey Mazula
295 Main St, Suite 1032
Buffalo, NY 14203-2510

July 12, 2019

Dear Mr. Mazula:

Please be advised that the Chautauqua County Soil and Water Conservation District received a copy of the draft audit report "Cash Receipts and Disbursements", 2017M-199, on June 19, 2019 and would like to provide a response from the District Board. This response letter will also serve as our Corrective Action Plan.

The District Field Manager and the District Board realize your primary focus and objective is to identify areas where municipal organizations can improve their business operations and provide recommendations that will assist them in making those improvements. The Board understands that the Office of the State Comptroller's (OSC) mission is to improve government operations by conducting audits, reviews and evaluations, such as the District's. We appreciate the professional expertise of your auditors and their patience and willingness to be of assistance. Identifying the risks associated with the District's day-to-day operations has allowed the Board to update policies and create a better definition of processes within the office.

In response to the guilty plea of the former Assistant Treasurer, the Board accepted her letter of resignation effective May 2, 2019. All negotiations regarding the plea and restitution to the District were between the Chautauqua County District Attorney's (DA) Office, OSC's Division of Investigations and the former Assistant Treasurer. A restitution check was provided to the District in the amount of \$4,100 by the DA's Office. The Board, District Field Manager and Chautauqua County Attorney who is the legal representation for the Board, were not involved in any negotiations, and have yet to see any sort of details of the deal that was agreed upon.

The audit report indicated the OSC examiner's audit period was from January 1, 2015 to May 1, 2017 in which a total deposit shortage of \$1,095 was found as a result of "skimming" by the former Assistant Treasurer. The details of the audit methodology and process are included in this audit report and were presented in person to the District Treasurer, District Field Manager and former Assistant Treasurer in a August 30, 2017 meeting. The Board has not received any additional details of the audit methodology used by the OSC's Division of Investigations. The audit report does not provide information concerning the time period or scheme that was used to develop the restitution amount of \$4,100.

See
Note 1
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We plan to and/or have already implemented tighter controls with respect to our cash receipts and disbursements as a result of this audit. They are defined below in our Corrective Action Plan.

**Chautauqua County Soil & Water Conservation District
Cash Receipts and Disbursements
2017M-199**

Audit Recommendation (1): *Ensure that duties over the cash receipts process are properly segregated.*

Implementation Plan of Action: Cash is no longer taken as a form of payment at the District. Only payment in the form of check or credit card is accepted. To ensure a segregation of duties, staff, except for the Grant Specialist, will receive payments and account for sales on the press-numbered receipts. The Grant Specialist will be responsible for recording sales and developing deposits. We feel this will separate duties so one individual is collecting and writing receipts, and another is recording payments and developing deposits.

Implementation Date: This plan has already been implemented in the District following the resignation of the Assistant Treasurer.

Person(s) Responsible for Implementation: District staff will be responsible for writing receipts. The Grants Specialist, with oversight from the Treasurer and District Field Manager, will be responsible for ensuring all receipts are properly recorded and deposited.

Audit Recommendation (2): *Ensure that employees who collect cash and checks from customers provide a press-numbered duplicate receipt to each customer at the time payment is received.*

Implementation Plan of Action: District staff has been trained on writing a press-numbered duplicate receipt with sales. The previous numbering system for certain sales, such as Tree & Shrub and Fish, will no longer be used. Instead, all sales through the District will reference a press-numbered duplicate receipt.

Implementation Date: After the conclusion of the June 28, 2019 Fish Stocking Sale, the District will transition to using a singular number system for all sales. Staff will continue to issue press-numbered receipts to customers with every District sale.

Person(s) Responsible for Implementation: All District staff will be responsible for ensuring all sales receive a press-numbered duplicate receipt. The District Field Manager and Grant Specialist will be responsible for implementing the transition to the new numbering system.

Audit Recommendation (3): *Regularly review financial records to ensure that cash receipts were properly recorded and deposited in the bank and that disbursements were properly supported and approved for District purposes.*

Implementation Plan of Action: All bank statements are reconciled with [REDACTED] reporting to ensure all receipts are properly recorded and deposited monthly. This reporting is provided to the Treasurer and the Board at their monthly meetings. When signing the checks, the District Field Manager will compare the name and amount of the check to the list of claims approved by the Board for payment.

Implementation Date: The financial records provided to the Treasurer and Board monthly included in the draft updated policies have already been implemented in the District following the resignation of the Assistant Treasurer. Once the policies are reviewed by the County Legal Department, the Board will formally adopt them at the respective monthly Board meeting.

Person(s) Responsible for Implementation: The Grants Specialist will be responsible for preparing monthly reports and bank reconciliations. The Treasurer will be responsible for their review monthly. The Board will ensure disbursements are supported and the District Filed Manager will ensure disbursements were approved for payment.

Audit Recommendation (4): *Conduct a deliberate and thorough audit of all claims prior to approval for payment.*

Implementation Plan of Action: A report of unpaid bills and bills that were paid after the prior board meeting are provided to the District Board at the monthly board meeting for their review and to sign if approved for payment. The corresponding invoices and documentation for these disbursements are also provided to the Board to review. The Board will review each claim prior to approval for payment. The Board will also review documentation for bills legally allowed to be paid after the prior Board meeting to ensure they are appropriate and supported.

Implementation Date: This plan has already been implemented in the District following the resignation of the Assistant Treasurer.

Person(s) Responsible for Implementation: The District Field Manager and Grants Specialist will equally be responsible to ensure that the Board is aware of any disbursements, and that they have the proper information and documentation for support. The Board will be responsible for ensuring that claims are for a proper District purpose and supported by sufficient documentation when approving them for payment.

Audit Recommendation (5): *Adopt written policies governing the cash receipts and disbursement process.*

Implementation Plan of Action: The Board has drafted updated *Banking and Cash Receipts Policy and Procedures, Claims Processing and Cash Disbursement Policy and Procedures, and Procurement Policy and Procedures* since the time of the audit. These policies have been reviewed by the Board and are currently being reviewed by the Chautauqua County Legal Department.

Implementation Date: Once the policies are reviewed by the County Legal Department, the Board will formally adopt them at the respective monthly Board meeting.

Person(s) Responsible for Implementation: The Board will be responsible for ensuring that policies are adopted in a reasonable time frame. The District Field Manager will be responsible for ensuring all staff complies with the District policies.

Audit Recommendation (6): *Ensure that adequate supporting documentation is attached to all claims presented to the Board of its review and approval.*

Implementation Plan of Action: Prior to Board approval of disbursements, staff will reference the District procurement policy and gather all necessary documentation, as outlined in the policy. Proper documentation of bid/quote procurement will be reviewed by the District Field Manager and Grants Specialist and attached to the claims. The Board has drafted updated *Banking and Cash Receipts Policy and Procedures, Claims Processing and Cash Disbursement Policy and Procedures, and Procurement Policy and Procedures* than what was in place at the time of the audit. These policies have been reviewed by the Board and are currently being reviewed by the Chautauqua County Legal Department.

Implementation Date: This plan has already been implemented in the District following the resignation of the Assistant Treasurer. Once the policies are reviewed by the County Legal Department, the Board will formally adopt them at the respective monthly Board meeting.

Person(s) Responsible for Implementation: The District Field Manager and Grants Specialist will equally be responsible that the Board is aware of any disbursements, and that they have the proper information and documentation for support. The Board will be responsible for ensuring that policies are adopted in a reasonable time frame. All staff will be responsible for providing the required documentation as outlined in *Procurement Policy and Procedures*.

Audit Recommendation (7): *Perform a reconciliation of cash receipt records to deposits to ensure deposits are intact.*

Implementation Plan of Action: All bank statements are reconciled with [REDACTED] to ensure all receipts are properly recorded and deposited monthly. The bank statements and a [REDACTED] journal reporting and deposit report for that month will be provided to the Treasurer at the monthly board meetings. A reconciliation of press-numbered duplicate receipts to bank deposits will be conducted to ensure all duplicate receipts are accounted for and deposited. The Treasurer will review this documentation on a monthly basis and verify that deposits are intact

Implementation Date: This will be implemented for the July 2019 Board meeting.

Person(s) Responsible for Implementation: The Grants Specialist will be responsible for preparing monthly reports and bank reconciliations. The Treasurer will be responsible for their

review monthly. The Grant Specialist will reconcile duplicate receipts to ensure they are accounted for. The Treasurer will compare total receipts to deposits.

The Board believes our new policies and processes implemented as a result of this audit will allow for successful implementation of the risk recommendations set for by the examiner. We are pleased that the process has already been implemented, and we welcome the additional support from the OSC office as we continue improving our systems at the District.

Sincerely,

Fred Croscut
Chairman of the Board
Chautauqua County Soil and Water Conservation District

APPENDIX B

OSC COMMENT ON THE DISTRICT'S RESPONSE

Note 1

As the District has been informed, the restitution amount was determined after an analysis of the amount stolen from 2012 to 2017, beyond the scope of this report. The former Assistant Treasurer admitted her crimes and agreed to the amount of restitution warranted. Upon the District Manager's inquiry, the Division of Investigations offered to answer any questions he may have, and contacted him after the exit conference to discuss his concerns. Any further questions may be addressed to the Division of Investigations or the Chautauqua County District Attorney's Office.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We reviewed District policies and procedures and interviewed District officials to gain an understanding of the cash receipts and disbursements process.
- For the period January 1, 2015 through May 1, 2017, we reviewed bank statements and cash receipts records for deposits in the savings and checking accounts to determine if deposits were made intact.
- We compared 44 savings account deposit compositions totaling \$997,520 and 10 checking account deposit compositions totaling \$93,773 to the entries in the corresponding cash receipts journals.
- We contacted District customers to confirm the amount they paid and whether it was by cash or check.
- We reviewed the two largest revenue programs (tree sales and fish sales) that involved sales to the general public.
- We obtained all tree sales receipts for four selected varieties of trees and all receipts from the fish program. We traced receipts to the deposit listing, accounting records and bank statements to verify that cash receipts were recorded and deposited. We also reconciled stock purchases to sales records.
- We reviewed duplicate receipts to ensure sequence integrity and reviewed exceptions.
- Using our professional judgment we selected and reviewed all non-payroll disbursements above \$5,000 to determine if claims were supported by sufficient documentation and were for approved and valid District purposes. We excluded disbursements funded through programs sponsored by the New York State Department of Agriculture and Markets and the New York State Soil and Water Conservation Committee because the disbursements were previously audited by those agencies.
- We traced cash disbursements to supporting documentation, such as bids and quote documents and State and County contracts to determine if claims were properly supported and approved for District purposes.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX D

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