CORRECTIVE ACTION PLAN

INTERNAL AUDIT REPORT ON CAPITAL ASSETS
June 30, 2026
AUDIT FIRM – R.S. ABRAMS

Governance and Control Environment

Procedure Performed:

- Reviewed Board-approved policies to assess alignment with New York State Education Department (NYSED) regulations, Governmental Accounting Standards Board (GASB) requirements, and best practices for capital asset management.
- Assessed internal controls over capital asset recording, inventory tracking, and disposal procedures to determine adequacy and compliance with District policy.
- Conducted interviews with key District personnel responsible for capital asset oversight to evaluate the effectiveness of policies and procedures.
- Verified policies clearly define capital assets and asset categories.
- Verified roles and responsibilities for capital asset management are clearly assigned.
- Verified capitalization thresholds are consistently applied across asset types in accordance with District policy.

Findings: No exceptions were noted.

Recommendations: None noted.

District Response: N/A

Capital Asset Additions

Procedure Performed:

- Examined expenditures coded to a "200" appropriation code that exceeded the capitalization threshold and selected ten (10) disbursements (which contained a total of 333 acquired assets) noted previously to:
- Verify supporting documentation (e.g., purchase orders, receiving reports, invoices) to confirm the existence and accuracy of asset-related transactions.
- Determine if the purchase meets the criteria for inventorying and/or capitalization in accordance with District policy.
- Ensure the addition was properly recorded in the District's capital asset register, RAMI, including the correct classification and amount.
- Verify that key asset details (serial numbers, asset tag numbers, descriptions, costs, asset class, and locations) were accurately recorded in the capital asset listing.
- Verify if the asset addition was above the District's inventory threshold of $2,000, that the asset was properly tagged and recorded in the District's inventory listing, RAMI, including the correct classification, amount, and key asset details (serial numbers, asset tags, descriptions, and locations).
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- Sampled ten (10) expenditures during the year coded to a ".400" code above $2,000 to:
- Determine if repair and maintenance costs were accurately classified as such, and if determined that the costs were deemed capitalizable, that they were appropriated identified as such and added to the District's RAMI capital asset listing.

Findings: No exceptions were noted.

Recommendation: None noted.

District Response: N/A

Capital Asset Deletions/Disposals

Procedure Performed:

- Selected fifteen (15) disposed assets from the RAMI capital asset listing to ensure:
- Proper documentation exists for the reason and method of disposal.
- Proof of Board approval prior to asset being disposed.

Findings: For 1 out of 15 disposals tested it was inadvertently disposed of in *RAMI* without a disposal form or Board approval, and the asset was still in service. As a result of our testing and communication with management, the asset was added back to the *RAMI* capital asset listing.

Recommendation: We recommend that the District ensure they are following District policy by ensuring all capital asset disposals receive formal BOE approval and documentation for removal from the District's capital asset records prior to the assets being disposed of.

District Response: Effective July 1, 2026 subsequent to Board approved disposals the Account Clerk will enter the disposition into our fixed asset accounting software system and will generate a disposition report. This report will be compared to the Board approved disposal form for accuracy. This will then be signed by the Assistant Superintendent for Business or their designee.

Asset Tracking

Procedure Performed:

- Verified the District has asset tagging procedures for all capital assets acquired with a unit cost greater than $2,000, in accordance with District policy.
- Reviewed the District's *RAMI* capital asset and inventory listing to ensure it includes asset descriptions, acquisition dates, costs, locations, and , asset tags/serial numbers.
- Compared the total vehicle count on the *RAMI* capital asset listing to the total vehicle count per the insurance listing by NYSIR.
- Sampled ten (10) assets from the District's *RAMI* capital asset listing which were
- acquired more than ten years ago to confirm the following:
- The asset physically exists and is recorded in the correct location.
- The asset is in working condition and still in use.
- Sampled ten (10) vehicles from the *RAMI* capital asset listing to confirm:
- The asset is in working condition and still in use.
- The assets were properly included on the NYSIR insurance list.
- Key details such as make, model and serial/VIN number agreed to insurance listing.
- Sampled an additional ten (10) different vehicles from the NYSIR insurance listing to confirm:
- The assets were properly included in the *RAMI* capital asset listing.
- Key details such as make, model and serial/VIN number agreed to the capital asset listing.
- Sampled ten (10) District assets located within the District business office and High School and verified they were properly recorded to the District's capital asset listing (verifying asset description, tag number, and building/location).
- Compared the capital asset balances reported on the District's financial statements at June 30, 2025 to the *RAMI* capital asset report to verify the District is reporting an accurate valuation of the District's capital assets;

Findings: No exceptions were noted.

Recommendation: None noted.

District Response: N/A