Plainedge Union Free School District

Report on Capital Assets

For the Period July 1, 2024 through February 28, 2026

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We have been engaged by the Board of Education (the "Board") to provide internal audit services to Plainedge Union Free School District (the "District") with respect to the internal controls related to capital assets for the period July 1, 2024 through February 28, 2026.

The objectives of this audit were to evaluate the efficiency, effectiveness, and compliance of the District's internal controls over capital assets with relevant policies, procedures, and regulatory requirements, where applicable. Our procedures were not designed to express an opinion on the internal controls related to capital assets, and as such, we do not express such an opinion.

Our review of the District's internal controls over capital assets identified areas of strength as well as opportunities for improvement. By implementing the recommended improvements, the District can further strengthen its capital asset controls. The results of our procedures are presented on the following pages.

This report is intended solely for the information and use of the Board, the Audit Committee, and management of the District and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. We are available to discuss this report with the Board or others within the District at your convenience.

Our observations and recommendations are directed at the improvement of the system of internal controls and should not be considered a criticism of, or reflection on, any employee of the District.

Very truly yours,

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
April 27, 2026

OVERVIEW, PROCEDURES PERFORMED, OBSERVATIONS, AND RECOMMENDATIONS

AREA: GOVERNANCE AND CONTROL ENVIROMENT

Overview: The Board has designated the Assistant Superintendent for Business with the responsibility for oversight of capital assets in accordance with the provisions outlined in the Board-approved Policy #6300 *Capital Assets Accounting Policy*.

Relevant Board Policies Examined:

- Policy #6300, *Capital Asset Accounting Policy*
- Policy #6900, *Disposal of Broken/Surplus/Obsolete District Property*

Procedures 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.

Observation: No exceptions noted.

Recommendation: No recommendations noted.

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AREA: CAPITAL ASSET ADDITIONS

Overview: Assets with a useful life of greater than two years will be considered for capitalization. The threshold to be used for the following purposes and or categories of assets is as follows for financial reporting:

Land Improvements	$25,000
Building and Improvements	$50,000
Furniture and Equipment	$2,000
Right of Use Leased Assets	$0
Subscription-based information technology arrangements	$2,000

The threshold to be used for the following purposes and or categories of assets is as follows for inventory:

Land Improvements	$10,000
Building and Improvements	$10,000
Furniture and Equipment	$2,000

Relevant Board Policies Examined:

- Policy #6300, *Capital Assets Accounting Policy*

Procedures 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).

- 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.

Testing Summary:

Test	Results	Exceptions
Asset additions tested for proper capitalization	333 of 333 (100%) properly capitalized	0 of 333 (0%)
Asset additions properly inventoried	333 of 333 (100%) properly inventoried	0 of 333 (0%)

Test	Results	Exceptions
Repair & maintenance expenditures (.400 code) over $2,000 reviewed for capitalization	10 of 10 (100%) properly classified as repairs and maintenance	0 of 15 (0%)

Observation: No exceptions noted.

Recommendation: No recommendations noted.

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AREA: CAPITAL ASSET DELETIONS/DISPOSALS

Overview: The Assistant Superintendent for Business and Administration shall be authorized to dispose of obsolete or surplus equipment and supplies in the following manner:

- Reassign the items, as needed, to other locations within the District;
- Centralize the storage of items of potential usefulness; and/or
- Discard or sell as surplus those items determined to be of no further use or worthless.

Following approval by the Board, the asset can be either sold or discarded.

Relevant Board Policies Examined:

- Policy #6900, *Disposal of Broken/Surplus/Obsolete District Property*

Procedures 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.

Testing Summary:

Test	Results	Exceptions
Disposal form support	14 of 15 (93%) supported	1 of 15 (7%) not supported
Evidence of Board approval	14 of 15 (93%) approved	1 of 15 (7%) no evidence of Board approval

Observation: 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.

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AREA: ASSET TRACKING

Overview: The Assistant Superintendent for Business and Administration is responsible for maintaining a system of internal control and updating the capital asset listing on an ongoing basis.

Relevant Board Policies Examined:
- Policy #6300, *Capital Assets Accounting Policy*

Procedures 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;

Testing Summary:

Area Tested	Source	Sample Size	Procedure Performed	Result	Exceptions
Assets > 10 years old	Capital asset listing	10	Verified existence through photographic evidence	10 of 10 (100%)	None
Vehicles – from asset list; Vehicles – insurance; Vehicles – detail agree	Capital asset listing; Asset list vs NYSIR	10	Verified vehicles in working condition; Verified included in NYSIR; Key details agree	10 of 10 (100%)	None
Vehicles – completeness; Vehicles – detail agree	NYSIR vs asset list	10	Verified in asset list; Key details agree	10 of 10 (100%)	None
District Office and High School capital assets	Physical assets	10	Observed and traced to capital asset listing	10 of 10 (100%)	None

Observation: No exceptions noted.

Recommendation: No recommendations noted.

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CORRECTIVE ACTION PLAN

The District is required to prepare a corrective action plan in response to any findings contained in the internal audit reports. As per Commissioner's Regulations §170.12, a corrective action plan, which has been approved by the Board, should be submitted to the State Education Department within 90 days of the receipt of a final internal audit report.

The approved corrective action plan and a copy of the respective internal audit report should be submitted using the NYSED Business Portal.