



Seaford Union Free School District

Capital Assets

2024M-112 | November 2025

Contents

- Audit Results 1**
 - Audit Summary 1

- Capital Assets: Findings and Recommendations 4**
 - Finding 1 – District officials did not properly record and account for capital assets. . . . 4
 - Recommendations 7
 - Finding 2 – District officials did not account for the disposal of IT assets. 8
 - Recommendations 9

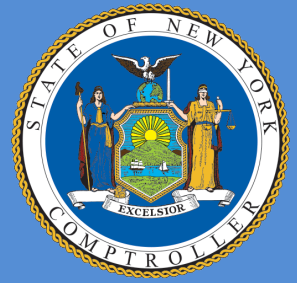
- Appendix A: Profile, Criteria and Resources. 10**

- Appendix B: Response From District Officials. 12**

- Appendix C: OSC Comments on the District’s Response. 14**

- Appendix D: Audit Methodology and Standards. 15**

Audit Results



Seaford Union Free School District

Audit Objective	Audit Period
Did Seaford Union Free School District (District) officials maintain complete and accurate capital asset records?	July 01, 2021 – May 31, 2023. We extended the audit period to July 17, 2023 to review the District's most recent inventory list.
Understanding the Audit Area	
<p>A capital asset is generally defined as an asset that has a useful life of more than one year. It can include everything from furniture, vehicles, equipment and machinery to buildings and land. School districts (districts) also purchase a wide variety of information technology (IT) capital assets, such as interactive displays and desktop computers, as well as highly portable items, such as monitors, laptops and tablets. Consequently, capital assets represent a significant investment of district resources. Detailed records help to establish accountability and provide district officials with the information needed to develop controls and safeguards, such as establishing additional policies and procedures. As of July 17, 2023, the District's inventory list of capital assets included 7,788 assets at a total cost of \$65.2 million, including 5,960 IT assets at a total cost of \$6.7 million.</p>	

Audit Summary

District officials did not maintain complete and accurate capital asset records. We determined that, while assets totaling \$1.7 million were inventoried, the District's inventory records lacked sufficient detail to account for and safeguard the assets. Assets totaling \$196,089 were not inventoried, and assets totaling \$42,314 were missing and could not be located. As a result, officials and taxpayers lack assurance that all assets that should be in the District's possession are within the District and that assets are properly accounted for and safeguarded against loss, misuse or theft.

- The inventory list did not include all necessary information to locate and identify assets. For example, 358 IT assets on the inventory list totaling \$1.7 million did not have a serial number. Additionally, 280 assets totaling \$630,009 (including 186 IT assets totaling \$200,705) did not have the current location recorded on the inventory list.
- 23 assets purchased during the audit period costing a total of \$107,854 were not recorded on the District's inventory list. For example, two servers totaling \$81,757, one tuba totaling \$4,070 and one whiteboard totaling \$604 were not recorded. Furthermore, we attempted to locate 28 new

assets purchased costing \$76,082 that were on the inventory list, and District officials could not locate four assets totaling \$3,604, including three iPads and a laminator.

- 22 graphics cards¹ and 20 computers purchased during the audit period costing a total of \$35,393 were not recorded on the District's inventory list. We located the 20 computers with District officials, and determined that 15 graphics cards were returned to the vendor and three graphics cards totaling \$2,135 could not be returned because they were in opened boxes. The remaining four graphics cards were either located later by District officials or reimbursed to the District by the vendor.
- 27 assets on the inventory list totaling \$38,710 could not be traced to the location recorded on the inventory list or located by District officials, including a point-of-sale register totaling \$14,297, a network switch totaling \$4,948, a bookcase totaling \$1,498 and a ProBook laptop totaling \$822.
- We located 208 monitors totaling \$18,096 stored in the high school basement and middle school IT office that were not recorded on the District's inventory list as required by District policy. District officials advised that the computers were part of two bulk purchases of 600 monitors totaling \$52,200, and while we were advised the remaining 392 monitors were distributed throughout the District, they were also not included on the inventory list.
- Although the Board of Education (Board) approved 20 IT assets for disposal, five of the assets, including three laptops and two iPads, were not properly updated as disposed of on the inventory list and were recorded as active assets. Additionally, one asset (a tablet) with an estimated cost of \$642² was not recorded on the inventory list. Lastly, 15 of these IT assets, including 11 laptops, one printer, one smartboard, one server and a desktop computer, could not be traced to the E-waste company's receiving report, meaning officials did not ensure the E-waste company received and properly sanitized and disposed of these assets.

Because District officials did not maintain complete and accurate inventory records, the District had an increased risk that its assets could be lost, stolen or misused. Without adequate records to confirm that assets were disposed of and properly sanitized by the E-waste company, officials cannot ensure that District assets were properly disposed of.

The report includes eight recommendations that, if implemented, will improve the District's ability to maintain complete and accurate capital asset records. District officials disagreed with certain aspects of our findings, but indicated they plan to initiate corrective action. Appendix C includes our comments on the District's response.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the Office of the New York State Comptroller's (OSC) authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix D.

¹ A graphics card is a computer component that renders images, videos and animations on a computer screen.

² We estimated the cost of this asset based on the cost of the same asset with similar serial numbers that were recorded on the inventory list.

The Board has the responsibility to initiate corrective action. 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, pursuant to Section 35 of the New York State General Municipal Law, Section 2116-a (3)(c) of the New York State Education Law and Section 170.12 of the Regulations of 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 CAP should be posted on the District's website for public review.

Capital Assets: Findings and Recommendations

District officials use inventory management software to record and track capital assets. The software utilizes physical asset tags with barcodes that can be read electronically during a physical inventory. The District's Inventory Policy requires the Superintendent (or designee) to maintain a continuous and accurate inventory of property and equipment, and to record all equipment valued at \$500 or more and all computer hardware in the District's inventory records with the location, description of the asset, date of acquisition and the date and method of disposition. The Inventory Policy also states that a physical inventory should be conducted every three years and that every discrepancy between the inventory report and the physical inventory should be explained.

The District's Disposal of Broken/Surplus/Obsolete District Property Policy (Disposal Policy) requires the Board to approve the disposal of obsolete equipment by reassigning the items to other locations within the District, centralizing items of potential usefulness, or discarding or selling the surplus items determined to be of no further use. The Disposal Policy also authorizes the Assistant Superintendent of Business (ASB) to dispose of obsolete or surplus equipment.

More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 2), are included in Appendix A.

Finding 1 – District officials did not properly record and account for capital assets.

District officials did not properly record and account for capital assets or ensure that all the necessary information needed to locate the assets was recorded in District records. Additionally, District officials did not address the discrepancies found during the 2020 and 2023 physical inventories completed by an outside company.

We determined that the inventory list was not complete because 358 IT assets totaling \$1.7 million did not have a serial number even though the District's inventory list had a field to enter serial numbers. We also determined that 280 of the 7,788 assets totaling \$630,009 (including 186 IT assets totaling \$200,705) did not have the current location recorded on the inventory list. These assets had the name of the building on the list but did not have the room indicating where the asset was located. Specifically, the list indicated that 261 of these 280 assets were located "throughout" a particular building and the remaining 19 assets did not have any information entered in the field to indicate the room number.

Because the District's inventory list lacked sufficient information and included both active and disposed of assets, we conducted multiple tests to determine whether assets were accurately recorded and in the proper location.

New Purchases Not on Inventory List – We selected 50 claims for the purchase of 51 assets³ totaling \$183,936 and determined that 23 assets (45 percent) costing a total of \$107,854 were not recorded on

³ One claim was for the purchase of two assets.

the District's inventory list. For example, two servers totaling \$81,757, one tuba totaling \$4,070 and one whiteboard totaling \$604 were not recorded. The interim ASB and Treasurer told us that the 28 assets totaling \$76,082 were recorded on the inventory list because the purchases were assigned to a general fund budget code for equipment. Most of the remaining 23 assets were not recorded because they were purchased from the special aid fund or another budget code.

As a result, the inventory list was incomplete and did not contain sufficient information for officials to adequately track, inventory and safeguard assets. The interim ASB and Treasurer acknowledged that assets purchased through the special aid fund should have been recorded on the inventory list, as required by the Inventory Policy. They told us that they knew that the District's process of identifying these assets was flawed. Based on our review, District officials began recording these assets during the 2022-23 fiscal year.

Furthermore, we reviewed invoices for the purchase of 42 computers totaling \$77,661 and 22 graphics cards totaling \$15,653. While all 42 computers were tagged, 20 of them were not on the inventory list and the other 22 were recorded on the inventory list and found at the recorded location. We located and identified the 20 computers by conducting walkthroughs. The 22 graphics cards were also not on the inventory list. District officials returned 15 of the 22 graphics cards to the vendor and we located three of the remaining graphics cards totaling \$2,135 which could not be returned because they were in opened boxes. The District's IT consultant told us that the graphics cards, which were purchased to increase the performance of some computers, were returned because they were not compatible with the computers. The remaining four graphics cards were either located later by District officials or reimbursed to the District by the vendor.

New Purchases to Assets – We attempted to locate the 28 assets costing \$76,082 (referenced above), which were recorded on the District's inventory list. While we located 22 of the 28 assets totaling \$70,800 at the recorded location, three of these assets totaling \$42,295 did not have an affixed asset tag and one asset (an automated external defibrillator) totaling \$1,381 had a correct serial number, but a different asset tag affixed to it than what was recorded on the inventory list. For the remaining six assets, two were at a different location than what was recorded on the inventory list and District officials were unable to locate four assets totaling \$3,604, which included three iPads and a laminator.

Inventory List to Assets – We selected 64 assets totaling \$282,600 recorded as active on the inventory list to determine whether they were in the location on the inventory list. We determined that 27 of the 64 assets (42 percent) totaling \$38,710 could not be traced to the location recorded on the inventory list or located by District officials, including a point-of-sale register totaling \$14,297, a network switch totaling \$4,948, a bookcase totaling \$1,498 and a ProBook laptop totaling \$822.

Although officials were able to locate the remaining 37 assets, three of these assets totaling \$14,761 were in different locations than what was indicated on the inventory list. Also, three other assets totaling \$2,421 did not have affixed asset tags. Because District officials did not ensure that the inventory list was updated to reflect the current location or disposal of the assets, there is no assurance that these assets were not lost or stolen.

After the exit conference in October 2025, District officials told us that the point-of-sale register totaling \$14,297 represented seven point-of-sale registers and five card payment scanners because these

assets were erroneously recorded under one asset tag number. Regardless of the District's inventory list error, during fieldwork, we could not locate any register associated with this asset tag number, nor were we provided the opportunity to locate the five card payment scanners because they were recorded under this one asset tag with "point-of-sale register" as the asset description. We discussed the point-of-sale register on the inventory list totaling \$14,297 with District officials during our walkthrough in early August 2023 and followed up with officials again in mid-August 2023 when we provided them with the list of assets that we could not locate.

Assets to Inventory List – While conducting walkthroughs to locate various assets, we randomly selected 15 assets that we observed to determine whether they were properly tagged and recorded on the inventory list. Seven assets did not have an affixed asset tag, including three projectors, three automated external defibrillators and one scoreboard. We recorded the serial numbers for these seven assets to attempt to identify these assets on the inventory list. We were unable to identify any of the seven assets on the inventory list. District officials could not explain why some assets were not properly tagged and recorded on the inventory list, and they indicated that they are transitioning to a new system of tagging and tracking capital assets to make the process more effective.

Additionally, we were informed by the former Assistant Superintendent of Curriculum and IT (ASC) that there was a substantial amount of obsolete technology-based capital assets stored in the high school basement (Figure 1). As a result, we conducted a physical review and found 151 monitors that cost \$13,137 at this location. With the exception of one monitor, all were new and still in their original sealed manufacturers' boxes. We opened one box and found that it included a monitor. Therefore, we concluded that the other similar unopened boxes contained monitors. We were then informed by a District employee that there were additional monitors in the middle school IT office. We conducted a physical review and found an additional 52 monitors totaling \$4,524 in sealed boxes and five monitors that were not in boxes. None of the monitors or boxes had asset tags attached, and they were not recorded on the inventory list.

Figure 1: Monitors Located in High School Basement



This picture was taken on June 16, 2023 by OSC examiners with the approval of District officials.

District officials told us that these 208 monitors totaling \$18,096 were part of two bulk purchases made in 2018 for 600 monitors totaling \$52,200. We reviewed one invoice for the purchase of 500 monitors totaling \$43,500 in May 2018 and one invoice for the purchase of 100 monitors totaling \$8,700 in July

2018. The cost for each monitor was \$87. We asked District officials where the remaining 392 monitors were located, and the former ASC said the monitors were distributed to teachers, but no record was maintained to verify who received the monitors. Additionally, because the monitors were not tagged or inventoried, we could not confirm their location.

The former ASC indicated that officials did not tag or inventory these monitors because they did not consider computer monitors to be computer hardware that is required to be inventoried according to the Inventory Policy. The Director of Technology and Science, Technology, Engineering, Arts and Mathematics (STEAM) said that the District had a deployment plan for the remaining 208 monitors for use in the 2023-24 fiscal year, which was five years after their purchase. However, she acknowledged that there will be an additional cost to the District to deploy these monitors because the cables connecting the monitors to the computers are no longer compatible with ports the District is currently using. In April 2025, District officials told us that they deployed these monitors during the fall of the 2023-24 fiscal year. They provided us with a list, which included the District location, of 187 of the 208 monitors. The list also included five monitors that were pending Board approval for obsolescence and two that had already been disposed of. Officials could not explain where the remaining 14 monitors were located.

The District's failure to maintain adequate, complete, and accurate inventory records exposes assets to increased risk of loss, theft, or misuse, thereby wasting taxpayer dollars. For example, items with missing asset tags or locations not identified could result in those items potentially being lost or stolen from the District without detection. Additionally, without serial numbers, District officials and vendors performing a physical inventory cannot identify each asset and cannot ensure that all assets purchased remain in the District's possession. Furthermore, because officials did not comply with the Inventory Policy and the inventory records were incomplete and inaccurate, District officials had no assurance of how many assets were in their possession.

Recommendations

The Board should:

1. Update the District's Inventory Policy to require staff to record asset serial numbers on the inventory list (when feasible).

District officials should ensure:

2. Discrepancies between the District's inventory report and the physical inventory conducted are addressed.
3. The location of each asset, including room numbers (if possible), is included on the inventory list.
4. The inventory list is accurate and up-to-date and includes newly acquired assets.

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5. All assets that are inventoriable, including assets purchased from the special aid fund, are included on the inventory list.
 6. Asset tags are affixed to all capital assets, when feasible, in accordance with the Inventory Policy.

Finding 2 – District officials did not account for the disposal of IT assets.

District officials did not properly account for the disposal of capital assets in accordance with the District's Disposal Policy. The District's practice was for officials from each building to identify and document a list of obsolete capital assets and send the list to the ASC. The ASC then prepared an itemized list of capital assets to be disposed of for the Board's approval. After the Board approved the list, the E-waste company picked up the computers from the respective District buildings and sanitized the equipment to remove data. The company then provided a receiving report, destruction report, certificate of recycling and a certificate of destruction report to the District.

We reviewed 20 IT assets from the disposal lists prepared by the ASC and confirmed that they were all approved for disposal by the Board. However, three laptops and two iPads were not properly updated as disposed of on the inventory list and were recorded as active assets. Additionally, a tablet was not recorded on the District's inventory list. We also determined that 15 of the 20 assets, generally purchased between 2010 and 2019, could not be traced to the E-waste company's receiving report. The 15 assets included 11 laptops, one printer, one smartboard, one server and a desktop computer. Therefore, District officials lack assurance the E-waste company received the assets and that these assets were properly sanitized and disposed of. Fourteen of these assets had a total acquisition cost of \$13,480, and we could not determine the acquisition cost of the tablet because it was not recorded on the inventory list. District officials could not explain why assets were not documented on the E-waste company's receiving report.

We also selected 16 assets that were classified as disposed of on the inventory list. We attempted to trace these assets to the Board-approved obsolescence lists and the receiving reports from the E-waste company that disposes the IT equipment. We determined that 12 of these assets totaling \$13,801 were on the obsolescence list prepared by District officials. However, we could not determine whether three of the 12 assets totaling \$5,865 were approved by the Board for disposal because officials did not document the Board approval date, which was usually recorded on a separate memorandum. Furthermore, five of the 12 assets had disposal approval dates on the inventory history report (records all changes made to the inventory list) that were between 10 months and over two years before the Board approved the asset for disposal. For example, according to the inventory history report, a server file totaling \$1,500, which was purchased in 2012, was updated to the status of "disposal approved" in January 2021, but was not approved by the Board for disposal until April 2023. Additionally, 11 of the 12 assets totaling \$12,857 were included on the disposal lists presented to the Board for approval but were not on the receiving report from the E-waste company. For example, a computer switch totaling

\$4,300 was listed on the disposal list in October 2017 but was not listed on the E-waste company receiving report to document that it was disposed.

In addition, we could not trace four of 16 inactive assets totaling \$3,969 to the Board-approved obsolescence lists and the E-waste company receiving reports. This included a laptop totaling \$1,035 which was recorded as being disposed of in January 2021 on the inventory history report. As a result, there is no assurance that these assets were authorized by the Board for disposal and that the equipment was properly sanitized of all data and disposed of by the E-waste company. Therefore, there is an increased risk that sensitive data could be compromised. Additionally, because District officials failed to adequately update inventory records when IT assets were no longer in their custody and did not always maintain records to confirm that assets were disposed of and properly sanitized by the E-waste company, there is an increased risk that IT assets could be lost, stolen or misused.

Recommendations

District officials should ensure:

7. Officials obtain Board approval prior to disposing of assets and remove those assets from the inventory list.
8. Records are retained documenting each IT asset collected by the E-waste company, including the District's assigned tag number and serial number.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in the Town of Hempstead in Nassau County and is governed by an elected five-member Board that is responsible for the District's financial and educational affairs. The Superintendent is the District's chief executive officer and is responsible for managing the District's day-to-day operations.

During the audit period, IT assets were recorded by the former Director of Technology and Information and his secretary until September 2022, and by the former ASC until the end of the audit period. All non-IT assets were recorded by the Treasurer. The ASB is responsible for the disposal of obsolete or surplus equipment after obtaining the Board's approval.

Criteria – Capital Assets

A district should have a complete and up-to-date inventory of capital assets to ensure that physical control (such as locks, keys and usage logs) and accountability are maintained over capital assets, including lower-cost assets that are not reported in the district's financial statements. Once an accurate and complete record of capital assets has been established, additional safeguards can be put in place. For example, some assets (e.g., laptops and computers), by their very nature, may need more protection than others.

To maintain control over capital assets, some districts use periodic inventory records which include all inventory as of the last physical inventory count, while other districts use perpetual inventory records. Perpetual inventory records are detailed records that are continually updated as assets are added or removed from supply. This inventory system provides officials with direct access to reliable information on current capital assets throughout the year. To be complete and accurate, a perpetual inventory system needs timely information. As new assets are acquired, sufficient information must be forwarded to the person maintaining the records so that detailed records can be properly completed. Any changes to capital assets should be communicated to the person maintaining the records in a timely manner. Records which are maintained for personal property (e.g., a truck, computer or copier) need sufficient information to identify the asset, such as a description of the item, including make, model and serial numbers, assigned identification numbers, the department having custody of the asset and the location within the district.

Over a three- or four-year period, physical inventories should be performed for all departments. All discrepancies between actual and recorded capital assets discovered during the physical inventory should be fully investigated. When there is a rapid turnover of inventory items, such as IT, periodic inventories should be performed more frequently. The results should be compared to detailed inventory records and any resulting discrepancies should be investigated.

The District's Inventory Policy requires the Superintendent (or designee) to maintain a continuous and accurate inventory of property and equipment, and to record all equipment valued at \$500 or more and all computer hardware in the District's inventory records with the location, description of the asset, date of acquisition and the date and method of disposition. The Inventory Policy also states that a physical inventory should be conducted every three years and that every discrepancy between the inventory report and the physical inventory report should be explained.

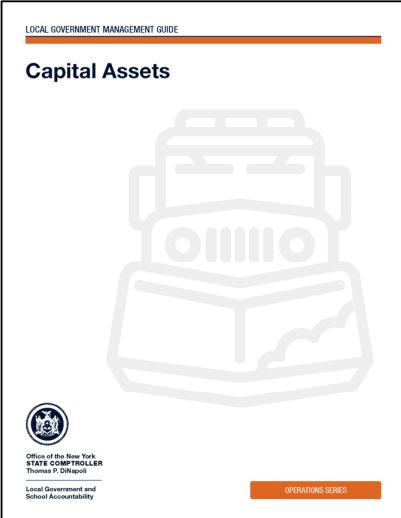
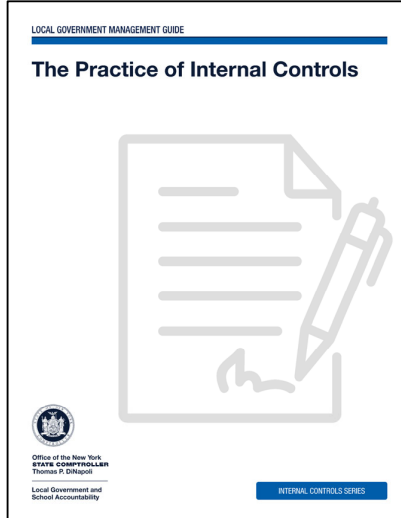
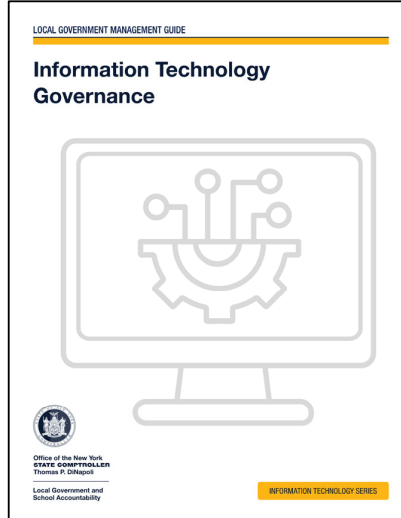
Because computers and other electronic devices may contain sensitive and confidential information or software that needs to be cleared prior to disposal, it should be easy to identify obsolete assets in district records. When an item has been disposed of, it should be reflected in the inventory records.

The District's Disposal Policy requires the Board to approve the disposal of obsolete equipment by reassigning the items to other locations within the District, centralizing items of potential usefulness, or discarding or selling the surplus items determined to be of no further use. The Disposal Policy also authorizes the ASB to dispose of obsolete or surplus equipment.

Additional Capital Asset Resources

Figure 2: OSC Publications

OSC *Local Government Management Guides* available on our website to help officials understand and perform their responsibilities.

Capital Assets	The Practice of Internal Controls	Information Technology Governance
 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p>Capital Assets</p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>OPERATIONS SERIES</p>	 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p>The Practice of Internal Controls</p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INTERNAL CONTROLS SERIES</p>	 <p>LOCAL GOVERNMENT MANAGEMENT GUIDE</p> <p>Information Technology Governance</p> <p>Office of the New York STATE COMPTROLLER Thomas P. DiNapoli</p> <p>Local Government and School Accountability</p> <p>INFORMATION TECHNOLOGY SERIES</p>
https://www.osc.ny.gov/files/local-government/publications/pdf/capital-assets.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/information-technology-governance.pdf

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials



SEAFORD UNION FREE SCHOOL DISTRICT

Dr. Adele V. Pecora, Superintendent of Schools

October 21, 2025

Mr. Ira McCracken, Chief Examiner
Division of Local Government and School Accountability
Office of the New York State Comptroller
110 State Street
Albany, NY 12236

Via email to: Muni-Hauppauge@osc.ny.gov

Dear Mr. McCracken:

The Seaford Union Free School District's Board of Education and Administration acknowledge receipt of the Draft Report on Capital Assets for the period covering July 1, 2021, through May 31, 2023. We have carefully reviewed the information contained in this report and ask that this letter serve as the district's official response to the audit.

On behalf of the Board of Education and Administration we would also like to thank you for the thorough examination conducted by your audit team and acknowledge their professional manner throughout the audit process. The district agrees with the findings and recommendations to strengthen capital asset management, especially as it relates to our Informational Technology Department. We continue to recognize the importance of maintaining accurate capital asset records which ensure that there is an appropriate accounting of those assets and that our District's resources are adequately safeguarded.

During a recent exit meeting with your field auditors, we had the opportunity to elaborate on the steps that the District's Board of Education and Administration had taken prior to the start of your audit of the district. We mentioned that when the audit began, the district had already begun to identify areas within the Informational Technology Department that needed to be reviewed and monitored. We appreciate the support your team also provided in identifying additional areas for us to address.

Required documentation discussed during our exit meeting was immediately shared with your audit team after this meeting. Specifically, details that are related to assets on the inventory list totaling \$38,710 could not be traced to the location recorded on the inventory list or located by District Officials. Of this total, there was one point-of-sale register itemized

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as \$14,297 that really represented **seven** registers with one identifying number for a purchase within our School Food Services Department. It was determined that a clerical error occurred with the initial recording of the purchase for these seven registers that was only able to be corrected by assigning one fixed asset tag and location within the detailed fixed asset records.

See
Note 1
Page 14

The Board of Education policy specific to fixed assets has undergone multiple revisions both before and after the compliance audit that took place by your office. The District places particular importance on the fixed asset policy because it assists us with further strengthening the recording process. Similarly, physical inventories, especially when making improvements to an entity's infrastructure and large purchases, are another important control. As such, the District's Administration had physical inventories conducted in 2020, and again in 2023. A reconciliation of those two physical inventories was also made, despite the report indicating otherwise. The District's Administration always reconciles any discrepancies between a physical inventory count and that of our inventory records, reported as exceptions, as these are made part of a final report utilized in the financial reporting at the end of a fiscal year. This documentation was also provided to your team.

See
Note 2
Page 14

The District has begun addressing the audit findings within your report and is committed to addressing the recommendations outlined to further strengthen our capital asset management practices. The District has also reviewed and updated District policy and to reflect on the way our Informational Technology assets are tagged and tracked. A comprehensive Corrective Action Plan will be submitted within the required 90-day timeline as mandated by Section 35 of the New York State General Municipal Law.

Thank you once again for the professional courtesies extended to District personnel and for providing us with recommendations we may utilize to improve our operations.

Kindest regards,

Dr. Adele V. Pecora
Superintendent of Schools

Appendix C: OSC Comments on the District's Response

Note 1

We updated the report to include information that District officials provided to us after our exit conference.

Note 2

During audit fieldwork, District officials could not support that they reconciled the discrepancies found during the 2020 and 2023 physical inventories completed by an outside company. After our exit conference in October 2025, officials provided us with the District's undated response to the company in reference to the discrepancies found during the 2023 physical inventory. Furthermore, the response only addressed 155 non-IT assets out of 3,851 total assets identified as discrepancies by indicating that the non-IT asset was either active or "gone, broken or can't be located." District officials did not provide us with any evidence that they addressed the remaining 3,696 IT assets in the 2023 physical inventory or any of the 492 assets in the 2020 physical inventory. Therefore, District officials did not adequately reconcile the discrepancies found during the 2020 and 2023 physical inventories.

Appendix D: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials, employees and the IT consultant and reviewed District policies to gain an understanding of the procedures and controls over capital assets.
- We obtained the District's asset inventory list as of July 17, 2023. We filtered the District's population of inventoried assets of 7,788 capital assets to remove buildings and other capital assets that would not have serial numbers. We documented the remaining assets that did not have recorded serial numbers. We applied a filter to identify how many of these assets were IT assets. We also documented instances on the inventory list where the recorded location did not provide enough detail to locate the asset such as a room number or the person assigned to the asset.
- We requested and reviewed the invoices for the purchase of 42 computers and 22 graphics cards based on discussions with District officials and attempted to locate these assets.
- We conducted an observation of the high school basement and middle school IT office and documented the 208 monitors. We reviewed the District's inventory list to determine whether these monitors were properly recorded, and reviewed invoices to determine the cost of the monitors.
- We reviewed a list obtained from District officials in April 2025 of monitors which they stated were deployed throughout the District in the 2023-24 fiscal year. We reviewed the serial numbers on this list and eliminated any duplicate numbers. After eliminating duplicate serial numbers, we determined that the list documented 194 monitors. We also compared 52 of the 194 serial numbers with the invoice for the purchase of the monitors to confirm that the monitors on the list were included in the purchase of 600 monitors.
- We reviewed all cash disbursement reports for October 2021 through December 2021 (purchases made after the fiscal year began), May 2022 through July 2022 (when purchases are generally made for the new fiscal year), and December 2022 through February 2023 (purchases made in the beginning and end of the calendar year). We identified and reviewed 184 claims, including the invoices, for all purchases that appeared to include inventoriable assets. We determined that 96 claims included the inventoriable purchase of items. We used a random number generator to select 50 claims for further review and determined that the claims selected were for the purchase of 51 assets. We reviewed the District's inventory list to determine whether the 51 assets were properly recorded. We attempted to trace the assets that were recorded on the inventory list to determine whether the asset was in the location indicated on the inventory list, had an asset tag attached, and if attached, the tag matched the tag number recorded on the inventory list and the serial number on the claim when the asset was purchased matched the serial number on the asset.

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- While attempting to locate assets throughout the District from the inventory list, we selected an additional 15 capital assets that we observed during walkthroughs, captured the asset's serial number and asset tag number (as applicable), and then reviewed the inventory list to determine whether the asset was properly recorded.
 - We used our professional judgment to select a sample size of 64 IT and non-IT assets (1 percent of the 6,111 active assets) to determine whether the assets were in the District's possession, were properly recorded and had an affixed asset tag. We used a random number generator to select 48 assets totaling \$60,700 and our professional judgment to select 16 assets totaling \$221,900. Our judgmental sample included both IT and non-IT assets with large dollar amounts, such as two vehicles, a point-of-sale cash register and a vertical saw.
 - We used a random number generator to select 16 assets (1 percent of 1,677 assets recorded as disposed of on the inventory list). We reviewed Board meeting minutes and disposal lists (used to summarize assets that are being requested for disposal) to determine whether the assets were approved by the Board for disposal. We also reviewed reports from the E-waste company to determine whether the disposal of the asset was recorded on the reports.
 - We used our professional judgment to select 20 IT assets from the four disposal lists District officials created during our audit period (March 27, 2023, April 17, 2023, June 2, 2023 and June 13, 2023) to determine whether the District maintained documentation that the Board approved the disposal of these assets. Our sample included a variety of IT assets, including laptops, iPads, a printer, a smartboard, a server and a desktop computer. We also reviewed documentation to determine whether the E-waste company recorded the disposal of the asset and the asset was included and recorded as "disposed" on the inventory list.

We conducted this performance audit in accordance with generally accepted government auditing standards (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.

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 relevant population size and the sample selected for examination.

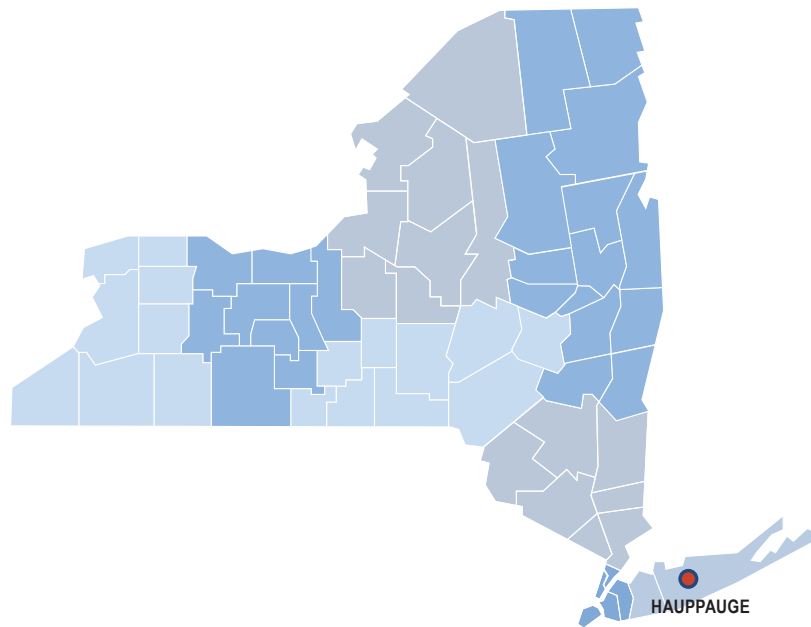
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