



# Village of Pittsford

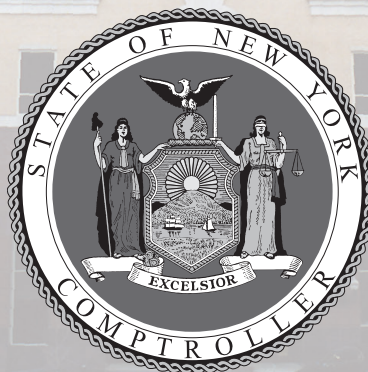
## Board Oversight

### Report of Examination

Period Covered:

June 1, 2015 — November 16, 2016

2017M-51



Thomas P. DiNapoli

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# State of New York Office of the State Comptroller

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## **Division of Local Government and School Accountability**

July 2017

Dear Village 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 Village 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 Village of Pittsford entitled Board Oversight. 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 local government 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 Village of Pittsford (Village) is located in the Town of Pittsford in Monroe County and has a population of approximately 1,400. The Village is governed by an elected Board of Trustees (Board), which is composed of four Trustees and the Mayor. The Board is responsible for the general management and oversight of Village financial affairs. The Village's annual budget for the 2016-17 fiscal year is approximately \$1.3 million funded primarily through real property taxes, sales tax, State aid and user charges.

The Mayor is the Village's chief executive officer and appoints all non-elected officers subject to the Board's approval, including the Village Clerk and the Treasurer. The Treasurer is the Village's chief fiscal officer and budget officer. The Village offers a variety of services to its residents, including street maintenance, snow removal, street lighting and sewer services.

## Objective

The objective of our audit was to review the Board's oversight of the Village's financial operations. Our audit addressed the following related question:

- Is the Board providing adequate oversight over the Village's financial operations?

## Scope and Methodology

We examined Village financial operations for the period June 1, 2015 through November 16, 2016. We extended our scope period back to June 1, 2013 to review budget and fund balance trends and the procurement of professional service.

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 B 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 Village Officials and Corrective Action

The results of our audit and recommendations have been discussed with Village officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Village officials agreed with our recommendations and indicated they plan to initiate corrective action.

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 Village Clerk's office.

## Board Oversight

The Board is responsible for making sound financial decisions in the best interest of the Village and the residents. In preparing the budget, the Board should develop realistic revenue and expenditure estimates, along with an accurate estimate of available fund balance at year end. Fund balance, which represents the cumulative residual resources from prior fiscal years, can be used to lower real property taxes and user charges, help with cash flow, pay for unanticipated expenditures, or set aside in reserves to finance future costs for a variety of specified purposes. Formal long-term financial plans can be an important tool in maintaining a village's fiscal stability.

As a best business practice, goods and services not subject to competitive bidding, such as professional services, must be procured in the most prudent and economical manner on the most favorable terms and conditions. In addition, the procurement of such services should not be influenced by favoritism, extravagance, fraud and abuse. Using a competitive method, such as a request for proposal (RFP) process, helps ensure the Village obtains needed qualified services upon the most favorable terms and conditions and in the residents' best interest by soliciting vendor proposals, alerting vendors that the selection process is competitive, setting forth the information vendors must provide to respond to the identified contract requirements and the criteria used to evaluate vendors.

The Board needs to improve its oversight of Village financial operations to ensure that the adopted budgets are reasonable, adequate fund balances are maintained and competition is sought when procuring professional services. Village officials developed budgets for the general fund that had insufficient appropriations and adopted sewer fund budgets with overestimated appropriations. As a result, from 2013-14 through 2015-16 the unrestricted general fund balance decreased by approximately \$375,000 (65 percent) due to operating deficits caused primarily by underestimated budget appropriations for legal expenditures, while the unrestricted sewer fund balance increased by approximately \$78,000 (20 percent) due to operating surpluses of approximately \$167,000 caused primarily by the overestimated budget appropriations of approximately \$140,000.

Village officials increased the general fund's real property tax levy to help address the declining general fund balance and increasing legal expenditures. While officials developed long-term plans for the general fund, similar planning was not done for the sewer fund. Finally, Village officials did not always seek competition when

selecting professional service providers. Therefore, the Board does not have adequate assurance that services were procured in the most economical manner and in the best interest of Village residents.

## Budgeting and Fund Balance

Maintaining a reasonable level of fund balance is necessary to ensure long-term financial stability. It is important that the Board adopt a policy that addresses the level of fund balance to be maintained and use the policy during the annual budgeting process to help ensure that fund balance levels are adequate. When the Village uses fund balance to finance operating deficits and fund balance becomes depleted to the extent that it is no longer able to finance unexpected expenditures or be used as a financing source for successive budgets, the Board must either increase revenues (e.g., real property taxes) or decrease appropriations (e.g., services) to fund operations.

General Fund – We compared budgeted revenues and appropriations with actual operating results from July 1, 2013 through June 30, 2016. While revenue estimates were generally reasonable, the Board overexpended appropriations by a cumulative total of more than \$260,000 (7 percent).

**Figure 1: General Fund Budget-to-Actual Comparison**

	2013-14	2014-15	2015-16	Totals
Estimated Revenues	\$1,105,136	\$1,221,535	\$1,242,199	<b>\$3,568,870</b>
Actual Revenues	\$1,112,751	\$1,197,749	\$1,265,918	<b>\$3,576,418</b>
Variance	\$7,615	(\$23,786)	\$23,719	<b>\$7,548</b>
Percentage	1%	(2%)	2%	<b>0%</b>
Appropriations	\$1,105,136	\$1,252,535	\$1,319,297	<b>\$3,676,968</b>
Actual Expenditures	\$1,069,425	\$1,455,487	\$1,414,268	<b>\$3,939,180</b>
Variance	\$35,711	(\$202,952)	(\$94,971)	<b>(\$262,212)</b>
Percentage	3%	(16%)	(7%)	<b>(7%)</b>

The most significantly overexpended appropriations were for legal expenditures, which exceeded the budget by more than \$368,000 (65 percent) over the past three completed fiscal years due primarily to ongoing litigation concerning a canal-side development project. The Village hired several attorneys to defend Board and planning and zoning board members, and expended approximately \$934,000 in legal fees from 2013-14 through 2015-16.

**Figure 2: Legal Services Budget-to-Actual Comparison**

	2013-14	2014-15	2015-16	Totals
Budgeted Appropriations	\$102,500	\$141,500	\$321,500	<b>\$565,500</b>
Actual Expenditures	\$120,880	\$349,129	\$464,038	<b>\$934,047</b>
Variance	(\$18,380)	(\$207,629)	(\$142,538)	<b>(\$368,547)</b>
Percentage	(18%)	(147%)	(44%)	<b>(65%)</b>

Except for the legal fees, the Board generally used reasonable budget estimates and managed operations within budget. However, because the actual legal fees were so much more than budgeted, this led to a reduction of the Village's unrestricted general fund balance, which decreased by more than \$375,000 (65 percent) from 2013-14 through 2015-16 (Figure 3).

**Figure 3: General Unrestricted Fund Balance at Year End**

	2013-14	2014-15	2015-16
Total Beginning Fund Balance	\$722,677 <sup>a</sup>	\$766,003	\$508,265
Add: Operating Surplus (Deficit)	\$43,326	(\$257,738)	(\$148,350)
Ending Fund Balance	\$766,003	\$508,265	\$359,915
Less: Reserves	\$159,610	\$159,778	\$159,912
Less: Appropriated Fund Balance for Next Year's Budget	\$31,000	\$77,098	\$0
Total Unrestricted Fund Balance at Year End	\$575,393	\$271,389	\$200,003
Unrestricted Funds as a Percentage of Next Year's Budget	46%	21%	15%

<sup>a</sup> Includes a prior period adjustment of (\$17,174)

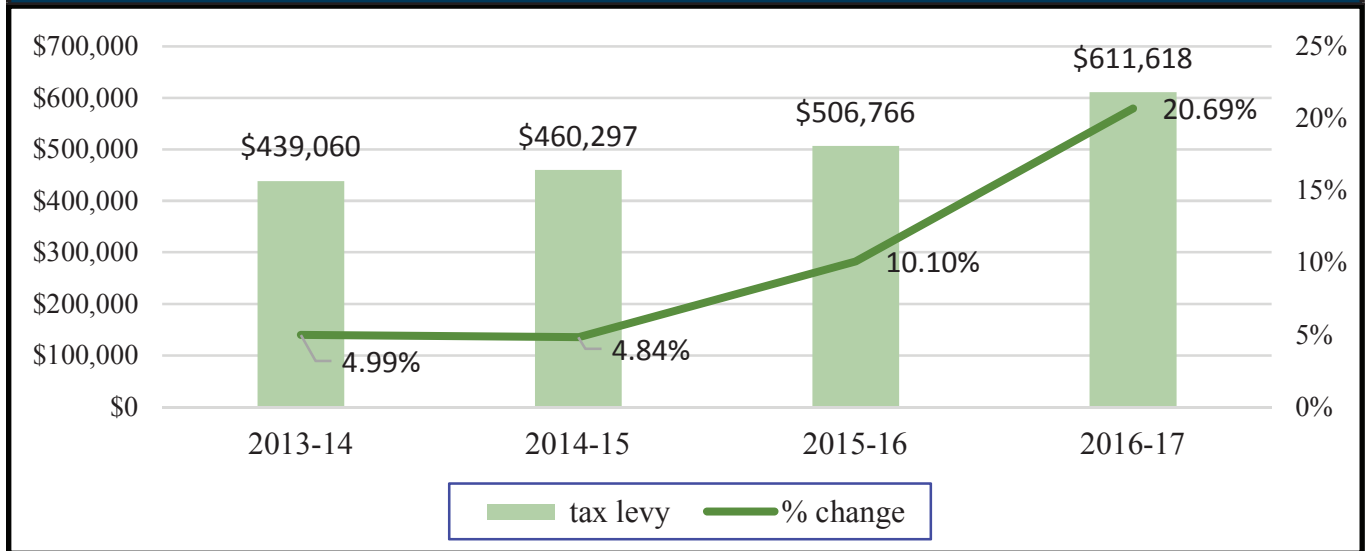
Because the Board did not want to further reduce fund balance, it voted to override the 2016-17 fiscal year tax cap<sup>1</sup> and adopt a budget with a tax levy of \$611,618, or approximately a 21 percent increase over the previous year's levy of \$506,766. As shown in Figure 4, this resulted in a tax levy that is increasing at a significant rate. Furthermore, the general fund has an additional liability to the sewer fund of \$84,753. Recording this liability will further reduce the general fund unrestricted fund balance. Subsequent to the adoption of the 2016-17 budget, in June 2016, the Board also adopted an

<sup>1</sup> The State Legislature and the Governor enacted Chapter 97 of the Laws of 2011 that established a tax levy limit on all local governments, which was effective beginning in the 2012 fiscal year. The law precludes local governments from adopting a budget that requires a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law to override the tax levy limitation.



unrestricted fund balance policy for the general fund. This policy establishes an optimum unrestricted fund balance of 15 percent of current year's budgeted appropriations.

**Figure 4: General Fund Tax Levy, 2013-14 to 2016-17**



Sewer Fund – The unrestricted fund balance steadily increased from 2013-14 through 2015-16. The Board routinely adopted budgets with overestimated expenditures, resulting in operating surpluses. These surpluses occurred primarily because three appropriation accounts were overestimated. In 2013-14 the Board budgeted \$30,560 for contractual sewer administration expenditures and less than \$900 was charged to this account. For 2014-15 and 2015-16 the Board budgeted an average of \$6,800 for this account resulting in a total budget variance of \$35,508 during these years.

The Board also budgeted approximately \$31,000 annually for sewer administration personnel service costs totaling approximately \$93,000 over these fiscal years, even though \$59,573 was charged to this account during this period for a total variance of more than \$33,500. Lastly, appropriations for the contractual sanitary sewers account was overestimated by \$19,565 in 2015-16 for a total budget variance of nearly \$23,000.

Because of the Board's ineffective budgeting practices, the sewer fund's unrestricted fund balance increased by more than \$78,000 (20 percent) over the three years. In addition, Village officials transferred a total of \$84,753 from the sewer fund to the general fund which is not permitted by General Municipal Law (GML). Had these transfers not been made, the 2015-16 year-end unrestricted fund balance would have been \$550,200 or 317 percent of 2016-17 sewer fund appropriations. The Village should record this liability from the general fund to the sewer fund and repay this amount.

**Figure 5: Sewer Unrestricted Fund Balance at Year-End**

	2013-14	2014-15	2015-16
Total Fund Balance	\$651,343	\$709,442	\$792,875
Less: Reserves	\$263,929	\$289,477	\$327,428
Unrestricted Fund Balance at Year-end	\$387,414	\$419,965	\$465,447
Next Year's Budgeted Appropriations	\$139,331	\$157,476	\$173,676
Unrestricted Funds as Percent of Next Year's Budget	278%	267%	268%

While it is important to be prepared for unexpected events by maintaining a reasonable amount of unrestricted fund balance, an excessive amount of unrestricted fund balance unnecessarily burdens residents with unnecessarily higher user charges. A formal long-term plan for the sewer fund could help Village officials identify revenue, expenditure and fund balance trends and budget accordingly.

### **Professional Services**

Best practices indicate that using competition helps ensure the most prudent use of taxpayer money. Issuing an RFP for professional services to seek competition helps ensure that the Village obtains needed services at a reasonable price, from qualified professionals, in the resident's best interest without partiality. An RFP is a structured document used to solicit competition in certain cases when bidding is not required by law, or when authorized by statute as an alternative to bidding. In general, an RFP would specify the minimum acceptable functional, technical, contractual requirements and the evaluation criteria that will govern the contract award. A written agreement or contract is essential for establishing the professional services to be provided, the time frames for those services and the basis for compensation.

The Village's procurement policy does not require using competitive methods for awarding professional service contracts and states that it may not be in the Village's best interest to solicit quotes or RFPs for professional services or services requiring special or technical skill, training or expertise. The policy further stipulates that the provider must be chosen based on accountability, reliability, responsibility, skill, education and training, judgment, integrity and moral worth. However, the policy does not state how these goals would be achieved without using an RFP process to obtain services. As a result, the Board did not solicit competition, such as by issuing RFPs, when procuring professional services. Therefore, the Board has little assurance that the Village obtained the best prices in the best interest of Village residents.

We reviewed payments totaling \$1.2 million made to nine professional service providers, who were each paid more than \$20,000 from June 1, 2013 through October 31, 2016.

	<b>Amount</b>
Architect (1)	\$28,322
Engineer (1)	\$46,648
Insurance (1)	\$120,425
Consultant (1)	\$25,088
Legal Services (5)	\$994,244
<b>Total</b>	<b>\$1,214,727</b>

<sup>a</sup> The total number of service providers in each category is shown in parentheses.

While Village officials were able to provide us with explanations for why they chose some of these service providers (e.g., recommendations, annual appointments or conflict of interest), documentation of these explanations and the rationale for the choices made were not maintained. Officials told us that they used an informal process to procure professional services, which included verbal recommendations and an interview selection process that was provided to the Board for final approval. However, even though these decisions may have been discussed among Village officials, adequate documented support for the decisions made was generally unavailable. Without obtaining information about other vendor options it is questionable how officials could assess the relative costs and benefits.

Further, three professional service providers (33 percent) who were paid more than \$193,000 did not have written agreements with the Village. In addition, the Village used the same insurance provider for over 20 years without soliciting quotes from any other providers to determine if savings could be realized. The Village paid this provider approximately \$120,000.

The professional services procured were for legitimate and appropriate Village purposes. However, by not establishing procedures to seek competition and given the significant costs associated with obtaining these services, Village officials do not have adequate assurance that they are obtaining professional services with the most favorable terms and conditions and without favoritism. As a result, a substantial portion of Village operating costs may not be obtained in the most advantageous manner. The lack of written contracts or detailed Board

resolutions describing the services to be provided and the basis for compensation prevents the Board from determining whether the fees charged for a specified time period are correct when it audits claims and increases the risk that the Village could pay for services that were not received or that do not comply with agreed-upon conditions and rates.

## **Recommendations**

The Board should:

1. Adopt budgets that realistically reflect the Village's operating needs based on historical or other known trends.
2. Monitor the level of fund balance and ensure that budgets are structurally balanced.
3. Adjust sewer rent rates to correspond with the actual annual cost of sewer services provided.
4. Discontinue making sewer fund transfers to the general fund and recover the money previously transferred.
5. Develop a long-term financial plan for the sewer fund to identify revenue, expenditure and fund balance trends.
6. Update its procurement policy to provide clear guidance for procuring professional services in an economical manner and establish how documentation supporting such decisions should be maintained.
7. Enter into written agreements or approved detailed Board resolutions for all individuals and firms who provide professional services to the Village. These agreements and resolutions should clearly stipulate the services provided, the time frame for those services and the basis for compensation.

**APPENDIX A**  
**RESPONSE FROM VILLAGE OFFICIALS**

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

# VILLAGE OF PITTSFORD



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July 5, 2017

Edward V. Grant Jr., Chief Examiner  
Office of the State Comptroller  
The Powers Building  
16 West Main Street, Suite 522  
Rochester, New York 14614

Re: Village of Pittsford Audit Report  
Board Oversight 2017M-51

Dear Mr. Grant:

On June 7, 2017, The Pittsford Village Office received the Office of the State Comptroller Preliminary Audit Findings covering the period beginning June 1, 2015 and ending November 16, 2016. Village Officials, including the Mayor, Trustees, Village Clerk and Treasurer, have carefully reviewed the report and recommendations. Please allow this letter to serve as the Village of Pittsford's combined Audit Response and Corrective Action Plan to the Office of the State Comptroller regarding the draft report on the Village's Board oversight.

We would like to express our appreciation for the professionalism, thoroughness, and courtesy of the auditors in making this a positive experience for all concerned. The process was helpful and informative. Additionally, we are pleased that no serious issues were discovered through their exhaustive investigation.

Our mission as the governing body for the Village of Pittsford is to employ a transparent process to efficiently deliver municipal services and to always be responsible stewards for the funds taxpayers entrust us with. The Village has already begun implementing the recommendations included in the auditing team's report.

## RECOMMENDATIONS

1. *Adopt budgets that realistically reflect the Village's operating needs based on historical or other known trends.*

Each year when developing the annual Village budget, the Board of Trustees takes great care to review historical data and current needs. The Treasurer presents each department's spending records, quotes from vendors, and budget estimates from consultants and contractors, including attorneys. The Board reviews this information to project a reasonable budget figure for the upcoming year. As the fiscal year winds down, budget transfers are made when unanticipated expenses exhaust funds in particular budget categories. These transfers are carefully reviewed to see if budget allocations need to be adjusted for the year ahead.

During the examination period reviewed, multiple lawsuits were filed against the Village of Pittsford over a proposed apartment development for which the Village had granted a special use permit. The project developer filed five law suits in an attempt to circumvent zoning and build a project different in design and larger in size than had been reviewed under the State Environmental Quality Review (SEQR) process and legally approved by the Village. The Village was a defendant in eight lawsuits involving the project and was legally obligated to defend the decisions of its four regulatory boards. To cover the unanticipated financial burden of the litigation, the Village utilized monies from its fund balance. This extreme and highly unusual situation created an unforeseen strain on the Village's annual budget.

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The Village Board and Treasurer are carefully monitoring legal expenditures for the current year. The board will consider the status of ongoing litigation and past trends and will obtain detailed written estimates from legal consultants to make the most accurate projections of legal and other pertinent costs for the upcoming budget year, 2018-19 and future years.

*2. Monitor the level of fund balance and ensure that budgets are structurally balanced.*

Village officials are dutifully mindful of the trends shaping the size of the Village's fund balance. An updated fund balance policy was adopted on June 14, 2016 to provide clear guidelines to manage the Village's fund balance and to ensure the Village's long-term financial stability. As a result of this effort, Village officials are better able to monitor fund balance trends and to plan for replenishing depleted funds due to litigation or other unpredictable events. Additionally, the fund balance is now reviewed by the Treasurer with the Village Board monthly and this process is recorded in the Village Board minutes.

*3. Adjust sewer rent rates to correspond with the actual annual cost of sewer services provided.*

During the Village budget process for the years covered by the audit review period, village staff were assigned to prioritized sewer projects, budgets were developed for each proposed project, and the projects were scheduled to be administered for the upcoming fiscal year. Sewer rates were set in accordance with the projected staff and project costs. Unfortunately, consecutive staff departures resulted in the sewer department being short staffed and lacking proper managerial oversight. Due to competitive civil service requirements, filling the positions tends to be a lengthy process. The end result was that during several years, the budgeted sewer capital projects plan could not be executed.

Most of the Village's sanitary sewer system is over eighty years old. During the audit review period, the Village Board and Village engineer researched the potential costs of catastrophic failures and updated maintenance cost projections to consider new and additional equipment/infrastructure. It was determined that the monies held in the dedicated sewer reserves were insufficient to cover the costs of a standard sewer break or the failure of one of the three siphons carrying the system below the Erie Canal. The costs of a small sewer break were estimated to begin at about \$250,000 while a siphon repair was estimated to potentially cost at least \$750,000 to \$1,000,000. The Village Board decided to raise sewer rates so the sewer repair reserves could be gradually increased to a level that would cover both catastrophic events as well as necessary long-term sanitary sewer infrastructure projects.

The Village Board and Treasurer are currently reviewing the budget allocations for sanitary sewer personnel and labor demands. The Village is also investigating the feasibility of hiring a new dedicated sewer department employee, to exclusively facilitate the needs of the sewer department, including the planned sanitary sewer projects scheduled for the 2017-18 fiscal year.

*4. Discontinue making sewer fund transfers to the general fund and recover the money previously transferred.*

The Village of Pittsford is geographically small and occupies approximately eight tenths of a square mile. There are approximately 800 parcels within the village. For the sake of efficiency, the Village has historically shared equipment, materials, and staff between the sewer and general fund. Transfers between the funds, identified as a "shared highway expense," were intended to cover the cost of items not included in the sewer budget but which were sewer fund related. These costs included the use of general fund vehicles for sanitary sewer maintenance tasks, fuel costs, insurance, and other related items that are not currently captured directly through the lines items in the sewer fund.

The Village is revising its sewer fund budgeting policy and practice to comply with the recommendations of the Preliminary Audit Report. Currently, the Treasurer is carefully identifying and reviewing all the individual expenses related to the sewer department. She is also working with the Department of Public Works superintendent to develop and utilize a comprehensive log of equipment value and use, to provide precise documentation substantiating the "shared highway expense" transfer in accordance with the audit recommendations. This new procedure will be implemented for the 2017-18 fiscal year.

5. *Develop a long term financial plan for the sewer fund to identify revenue, expenditure and fund balance trends.*

The Village of Pittsford's sanitary sewer system was installed in the early 1930's. A long-term sanitary sewer system financial plan, known as the "Galli Plan," has been developed to address the costs of current maintenance and projected capital upgrade demands. The Village Board did not formally adopt the "Galli Plan" so that available monies could tentatively be used as a short term borrowing tool to help support the unanticipated, on-going litigation filed against the Village. The Village Board is committed to reviewing the "Galli Plan" during the 2017-2018 fiscal year, to update it as appropriate, and to adopt the revised plan to ensure future sanitary sewer needs can be funded and that sanitary sewer dedicated reserves are properly managed.

6. *Update its procurement policy to provide a clear guidance for procuring professional services in an economical manner and establish how documentation supporting such decisions should be maintained.*

The Village of Pittsford has historically operated in accordance with an officially adopted procurement policy regarding professional services and the use of RFP's. In accordance with the recommendations of the Preliminary Audit Report, the Board has revised the Village's procurement policy, including the expansion of the language addressing hiring criteria and goal achievement. The amended policy was adopted at the Village Board meeting held on June 27, 2017.

7. *Enter into written agreements or approved detailed Board resolutions for all individuals and firms who provide professional services to the Village. These agreements and resolutions should clearly stipulate the services provided, the time frame for those services, and the basis for compensation.*

On June 27, 2017, the Board of Trustees adopted a revised procurement policy to address the Preliminary Audit Report recommendations and to conform to the New York State Procurement Guidelines published in May of 2014. The new Village procurement policy requires all professionals engaged in services for the Village of Pittsford to provide a written agreement/contract detailing anticipated services, time frame in which the services will be provided in, the compensation for said services, and the expected goal achievement. The Board will record the details of the proposed services and a hiring resolution in the Trustees minutes. Additionally, the Board will document the process by which the company or individual was selected and the specific reasons why the particular consultant/contractor was chosen.

The Village of Pittsford Board of Trustees is grateful for the technical guidance provided by the Office of the New York State Comptroller. By promptly developing, adopting, and implementing a Corrective Action Plan, the Village Board intends to address the auditors' recommendations and ensure that all Village of Pittsford policies and practices comply with current New York State Comptroller's standards for sound municipal fiscal management.

Respectfully submitted,

Robert C. Corby,  
Mayor



## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

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

- We analyzed revenue and expenditure trends and changes in fund balance for the general and sewer funds for 2013-14 through 2015-16 fiscal years.
- We compared budgeted revenues and appropriations to actual operating results for 2013-14 through 2015-16 for the general and sewer funds.
- We interviewed Village officials to gain an understanding of the procurement process as it relates to professional service providers.
- We reviewed minutes of the Board's proceedings and Village policies as they related to our audit.
- We obtained a list of professional service providers and payments made to these providers from June 1, 2013 to October 31, 2016. We verified that all significant vendors were included by reviewing the general ledger for contractual payments.
- From the list of vendor payments totaling \$1.5 million, we judgmentally selected nine professional service providers who each received more than \$20,000 (for total of \$1.2 million) from June 1, 2013 through October 31, 2016. We determined whether there was evidence of competitive procurement, and if Board-adopted resolutions, contracts or agreements included sufficient information.

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 C

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