



# Great Neck Park District

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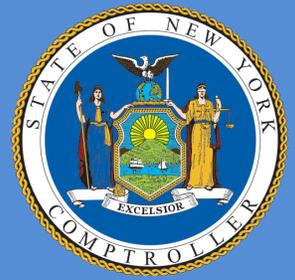
## Capital Assets

2025M-27 | December 2025

# Contents

- Audit Results . . . . . 1**
  - Audit Summary . . . . . 1
  
- Capital Assets: Findings and Recommendations . . . . . 3**
  - Finding 1 – The Board did not properly designate a property control manager or adopt a comprehensive capital asset policy. . . . . 3
  - Recommendations . . . . . 4
  - Finding 2 – District officials did not properly record and account for equipment. . . . . 4
  - Recommendations . . . . . 6
  - Finding 3 – District officials did not conduct annual physical inventories. . . . . 6
  - Recommendations . . . . . 7
  
- Appendix A: Profile, Criteria and Resources. . . . . 8**
  
- Appendix B: Response From District Officials. . . . . 10**
  
- Appendix C: Audit Methodology and Standards. . . . . 11**

# Audit Results



## Great Neck Park District

Audit Objective	Audit Period
Did Great Neck Park District (District) officials properly record and account for capital assets?	January 1, 2023 – August 31, 2024
Understanding the Audit Area	
<p>A park district's (district's) capital assets represent a significant investment of resources, and these assets need to be actively managed to ensure that they are adequately protected. Detailed records help to establish accountability and provide the board of commissioners (board) and district officials with the information needed to develop additional controls and safeguards. Such processes should be outlined in detailed policies and procedures.</p> <p>The recorded historical cost for the District's capital assets totaled approximately \$51.2 million as of December 31, 2023, with machinery and equipment representing approximately \$9.2 million (18 percent) of the total amount.</p>	

## Audit Summary

District officials did not properly record and account for all the District's capital assets. Without accurate and up-to-date inventory records, District officials cannot ensure that all equipment is accounted for and easily located, which increases the risk that equipment could be lost, stolen or misused.

Our audit determined that while the Finance Director and senior accountant shared the responsibilities of the property control manager, the Board of Commissioners (Board) did not officially appoint one person as property control manager to be responsible for tracking the District's capital assets, ensuring the accuracy of asset records and establishing detailed procedures for protecting capital assets. Additionally, the Board did not adopt a comprehensive capital asset policy to ensure officials properly recorded and accounted for equipment. As a result, there was a lack of clear guidelines for officials to track capital assets, increasing the risk of errors within the inventory records and the potential misuse of the District's equipment.

The Finance Director developed capital asset procedures without having a full understanding of how the District's asset and maintenance management software was used. He also did not distribute the procedures to the Board, Superintendent or park supervisors. As a result, the park supervisors tracked equipment based on their understanding of verbal procedures provided by the Finance Director. This

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created a disconnect between the written procedures and the duties being performed by officials, and the District had an increased risk that its capital assets could be lost, stolen or misused. For example, the park supervisors stated that they were unaware of any District procedures requiring a barcode label to be affixed to capital assets (i.e., equipment), and they did not physically tag equipment or record tag information on the inventory list.

We reviewed all 30 equipment assets purchased during our audit period, which had a combined acquisition value of \$231,945, and determined that these items were generally recorded on the inventory list. We also selected 50 assets categorized as machinery and equipment from the inventory list with a combined acquisition value of \$560,075 that had been purchased prior to January 1, 2023, and reviewed them to determine whether the assets were in the District's possession and properly tagged. We could not determine whether three of the 50 items with a combined acquisition value of \$3,605 were in the District's possession, including a popcorn machine that may have been disposed of, a laptop that was stolen and a snowblower with incorrect information in the inventory records.

Finally, the Finance Director has not conducted a physical inventory of park equipment since 2012. The park supervisors were also unaware of the District's procedures for conducting annual inventories. Consequently, the park supervisors did not conduct an annual physical inventory of the assets they were responsible for at their respective parks. Had the Finance Director, senior accountant or park supervisors conducted an annual inventory and reconciled the results to inventory records, they could have identified and corrected the discrepancies identified in this report, including determining whether the 246 assets with a \$0 acquisition value on the inventory list met the threshold to be included in the inventory records and/or items had been disposed.

This report includes eight recommendations that, if implemented, will improve the District's processes for recording and accounting for capital assets. District officials generally agreed with our recommendations and their response is included in Appendix B.

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 (GML). Our methodology and standards are included in Appendix C.

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 provided to our office within 90 days, pursuant to Section 35 of the GML. 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 the CAP available for public review in the Clerk's office.

# Capital Assets: Findings and Recommendations

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District officials are responsible for ensuring that inventory records are current and accurate and that capital assets, including equipment, are protected from loss, misuse and/or obsolescence. A designated property control manager should be responsible for tracking the district's capital assets, ensuring the accuracy and usefulness of the asset records and establishing detailed procedures for capital asset protection.

Capital asset inventory records should include a description of each item, including the make, model and serial number; the physical location of the asset; and relevant purchase or lease information, including the initial cost, depreciation and acquisition date. Also, district officials should verify the accuracy of capital asset inventory records through periodic physical inventory counts. These periodic examinations allow officials to assess the condition of assets and verify asset location information in the inventory records. Lastly, officials should document when equipment becomes obsolete and obtain authorization from the board before disposing of the items and removing them from the equipment inventory list.

More details on the criteria used in this report, as well as resources/publications we make available to local officials that can help officials improve operations (Figure 1), are included in Appendix A.

## **Finding 1 – The Board did not properly designate a property control manager or adopt a comprehensive capital asset policy.**

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The Board did not designate an individual to be responsible for the duties of a property control manager for tracking capital assets, including equipment, and ensuring the accuracy and usefulness of the information on the District's inventory list. Although not appointed by the Board, the Finance Director stated that he and the senior accountant shared the responsibilities of the property control manager. In addition, although the District used a Request for Disposal of Equipment form (Disposal form) before any asset disposal, the Board did not adopt a comprehensive capital asset policy to provide guidance on properly accounting for equipment, such as affixing tags to assets. Without appointing a property control manager or adopting a policy, the Board could not know whether the Finance Director and senior accountant were properly tracking capital assets on behalf of the District. Furthermore, because there was no policy to provide guidance, the Finance Director did not perform a physical inventory of all departments to reconcile to his records, saying that it was too time-consuming and he had other priorities.

Additionally, the Finance Director developed capital asset procedures (last updated in 2019) without having a full understanding of how the District's asset and maintenance management software was used. He also did not distribute the procedures to the Board, Superintendent or park supervisors. As a result, the park supervisors did not know whether they should track assets within the software, and instead, tracked assets based on their understanding of procedures verbally communicated by the Finance Director. Lastly, the park supervisors were unaware of what assets they were required to track and did not tag assets with an identification tag or barcode label or consistently record pertinent asset details (e.g., serial number and historical cost) for inventory purposes.

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Because officials did not properly designate a property control manager or adopt a comprehensive capital asset policy, there was a lack of clear guidelines for officials to track capital assets, increasing the risk of errors within the inventory records and the potential misuse of the District's equipment.

## Recommendations

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The Board should:

1. Appoint a property control manager who is responsible for maintaining an up-to-date inventory of capital assets, including equipment.
2. Adopt a comprehensive capital asset policy that:
  - Identifies the duties of a designated property control manager,
  - Addresses how asset records will be maintained,
  - Identifies when periodic inventories should be conducted and how assets will be physically identified as belonging to the District, and
  - Communicates the Board's expectation for disposing of capital assets.

The property control manager should:

3. Gain an understanding of how the District uses its asset and maintenance management software and revise the written procedures, as necessary, for recording and tracking capital assets, including equipment, and distribute the procedures to all District officials and park supervisors.

## Finding 2 – District officials did not properly record and account for equipment.

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The District used a third-party vendor to manage the District's inventory list. The vendor updated the inventory list annually based on a spreadsheet prepared by the Finance Director that tracked changes to the equipment inventory throughout the year, which the Finance Director created by reviewing invoices of equipment purchased during the year and Board-approved Disposal forms.

We obtained the inventory list as of December 31, 2023, which included 957 capital assets categorized as machinery and equipment<sup>1</sup> with an approximate combined acquisition value of \$9.2 million. Based

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<sup>1</sup> We excluded assets that generally do not have a manufacturer, model number or serial number associated with them, specifically items categorized as buildings, construction in progress, land and land improvements.

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on our review, the inventory list did not have serial numbers, manufacturer names, model numbers and/or accurate acquisition values for 734 assets with a combined acquisition value of more than \$7.2 million, as follows:<sup>2</sup>

- 696 assets with a combined acquisition value of at least \$7 million did not have a serial number.
- 466 assets with a combined acquisition value of at least \$5.3 million did not have a model number.
- 308 assets with a combined acquisition value of at least \$3 million did not have a manufacturer's name.
- 246 assets had an acquisition value listed as \$0.

We also reviewed all 30 equipment assets purchased during our audit period, with a combined acquisition value of \$231,945, where each purchase exceeded the District's \$1,000 capitalization threshold to determine whether the assets were recorded on the inventory list. We determined that 27 of the 30 assets with a combined acquisition value of \$226,171 were included on the inventory list based on certain identifying information (e.g., manufacturer's name, product description, serial number), and the Finance Director provided reasonable explanations why the remaining three assets were not recorded. However, because the District does not affix physical asset tags to any of its equipment, these missing attributes could lead to the District not always being able to trace equipment assets from its inventory list to the physical items.

With regard to the inventory list deficiencies, the Finance Director explained that some of the identified items, such as park benches, would not have serial numbers. Furthermore, when the staff from the vendor conducted a physical inventory in the early 2000s and first created the inventory list, certain assets in the machinery and equipment category (e.g., park benches) did not have manufacturer names or model numbers on the physical item. The Finance Director also explained that when the vendor first created the inventory list, the District's capitalization threshold was \$500. When the District increased the capitalization threshold to \$1,000 (prior to 2007, per the Finance Director), the vendor changed acquisition values to \$0 for items that were sold, scrapped or below the capitalization threshold. While it is plausible that some assets did not have serial numbers, the vendor made the capitalization threshold changes more than 15 years ago. In that time, the Finance Director did not remove assets below the threshold from the inventory list or otherwise take action to update the details omitted by the vendor.

Without accurate and up-to-date inventory records, District officials cannot ensure that all equipment is accounted for and easily located, which increases the risk that equipment could be lost, stolen or misused.

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<sup>2</sup> Some equipment listings had more than one inaccuracy or missing attribute.

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## Recommendations

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District officials should:

4. Ensure that employees maintain an accurate and up-to-date capital asset inventory list that contains necessary details needed to track, locate, and replace capital assets. This list should include the manufacturer, model and serial number, acquisition cost and accurate location and tag number for all equipment, as applicable.
5. Review the inventory list, remove any assets that do not meet the capitalization threshold and mark any disposed assets as inactive.

### Finding 3 – District officials did not conduct annual physical inventories.

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The Finance Director last conducted a physical inventory in 2012 and stated that he has not done a full inventory since that time due to competing priorities. Because District officials did not conduct annual physical inventories, we selected 50 capital assets categorized as machinery and equipment from the inventory list with a combined acquisition value of \$560,075 that were purchased prior to January 1, 2023<sup>3</sup> to determine whether the assets were in the District's possession and properly tagged. We could not determine whether three of the 50 items with a combined acquisition value of \$3,605 were in the District's possession, including:

- A popcorn machine costing \$1,549 that was listed as active in the inventory list. The Finance Director indicated that this item may have been disposed of, but he could not provide documentation to verify the disposal, including a Disposal form.
- A 24-inch snowblower costing \$1,099 that the Finance Director indicated had been out of stock when they attempted to purchase it. Instead, officials purchased an 18-inch snowblower costing \$599. However, when the item was entered into the inventory list, the information was taken from the original purchase order, including the model and cost. While District officials provided the 18-inch snowblower for physical inspection, there is no assurance that the snowblower we observed is the one listed in the inventory because the model did not match the inventory.
- A laptop costing \$957 was listed as active in the inventory list. However, the Information Technology (IT) Director indicated that this laptop had been stolen from an employee's personal vehicle in November 2021. The IT Director provided documentation showing that management was made aware of the incident when it occurred. However, the IT Director did not know that

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<sup>3</sup> See Appendix C for our sampling methodology.

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District procedures required him to submit a Disposal form for the Superintendent's and Board's approval to remove it from the inventory. As a result, the laptop remained in the District's inventory as active more than three years after it was stolen.

In addition, while the park supervisors located and provided the remaining 47 assets totaling \$556,470 and the previously mentioned 30 equipment assets purchased during the audit period with a combined acquisition cost of \$231,945, the assets were not tagged with an identification tag or barcode label. Generally, the assets provided by the park supervisors agreed with identifying information in the inventory list (e.g., model numbers, descriptions). However, because the assets were not properly tagged and serial numbers were not recorded for all assets, we could not confirm whether all the assets provided were the assets selected on the inventory list. For example, we were only reasonably certain that the park supervisors provided the correct woodchipper, valued at \$35,274, because while it was the correct make and model, no serial number was recorded on the inventory list. The park supervisors stated that they were unaware of any District procedures requiring a barcode label to be affixed to capital assets (i.e., equipment), and they do not physically tag equipment or record tag information on the inventory list.

Had the Finance Director or senior accountant, in performing property control manager responsibilities, conducted an annual inventory and reconciled the results to the inventory list, they could have identified and corrected the discrepancies discussed in Finding 2 and determined whether the 246 capital assets with a \$0 acquisition value on the inventory list met the threshold to be recorded on the inventory list and/or items had been disposed.

## Recommendations

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The property control manager should:

6. Periodically conduct a physical inventory of all capital assets, ensuring that all departments have a physical inventory within a three-to-four-year period and that the inventory list accurately reflects the physical inventories at the various park locations.
7. Ensure capital assets are tagged with a barcode label that matches the asset tag number recorded on the inventory list.

Park supervisors and the IT Director should:

8. Submit a Disposal form in a timely manner to the Superintendent and Board for each capital asset to be disposed of, including any assets that were lost or stolen, and remove the asset from the District's inventory list upon approval of the request.

# Appendix A: Profile, Criteria and Resources

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## Profile

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The District, located in the Town of North Hempstead, was established in 1916 and currently serves more than 13,500 families. The District has 253 acres of parkland, including over five miles of trails, 29 outdoor tennis courts, 16 playgrounds, 15 outdoor basketball courts, seven baseball fields, seven splashpads, four indoor tennis courts, four pickleball courts, two picnic shelters, a dog park, an aquatic center and an indoor ice rink.

The elected three-member Board oversees the District, while the Superintendent is responsible for the District's day-to-day operations, including recreation, programming, park operations and financial implementation. The Finance Director and senior accountant share the responsibilities of the property control manager, although the Board has not officially appointed them to do so. Park supervisors are responsible for tracking assets under their control.

## Criteria – Capital Assets

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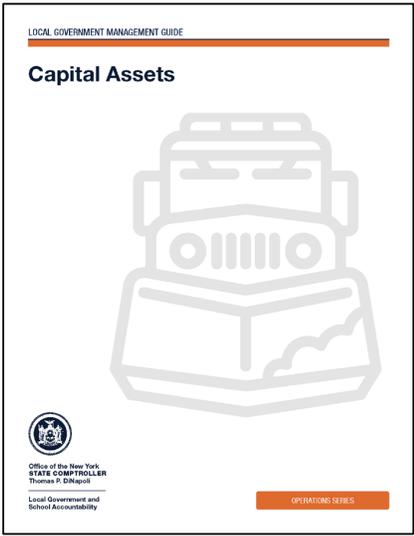
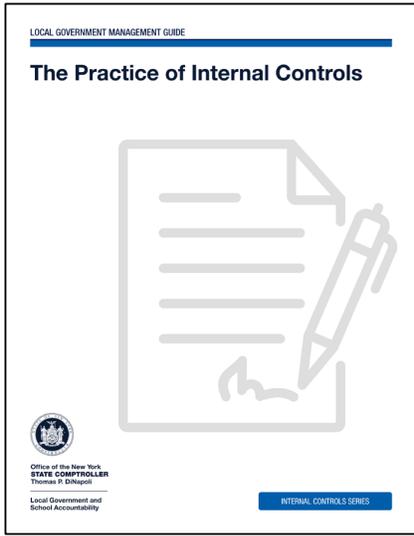
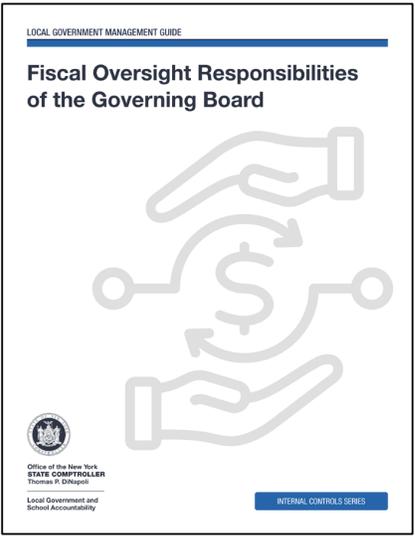
A board and district officials should identify the risks associated with capital assets, including equipment, and develop strategies to manage those risks. Specifically, the board and district officials should:

- Develop and adopt comprehensive written capital asset and disposal policies.
- Create procedures to ensure that asset records are complete, accurate and up to date.
- Designate a property control manager who is responsible for tracking the district's capital assets.
- Accurately record each asset in a perpetual inventory record to establish accountability. When officials maintain more than one inventory list, they should periodically reconcile the lists to ensure accuracy.
- Perform periodic comprehensive inventories.
- Properly assign an identification number and marking, such as an asset tag, to all assets.
- Approve the disposal of assets in the best interests of the district.

Officials must then decide how best to address any significant and likely risks. The costs of each potentially mitigating action should be weighed against the benefits.

## Additional Equipment Inventory Resources

**Figure 1: OSC Publications**

OSC <i>Local Government Management Guides</i> and other informational resources are available on our website to help officials understand and perform their responsibilities and implement effective internal controls.		
<i>Capital Assets</i>	<i>The Practice of Internal Controls</i>	<i>Fiscal Oversight Responsibilities of the Governing Board</i>
		
<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/capital-assets.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/capital-assets.pdf</a>	<a href="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/the-practice-of-internal-controls.pdf</a>	<a href="https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf">https://www.osc.ny.gov/files/local-government/publications/pdf/fiscal-oversight-responsibilities-of-the-governing-board.pdf</a>

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

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**Board of Commissioners:**

Frank S. Cilluffo  
Tina M. Stellato  
Vanessa Tamari



**Administration**  
5 Beach Road  
Great Neck, NY 11023  
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**Superintendent:**

Jason R. Marra

December 5, 2025

Mr. Ira McCracken  
Chief of Municipal Audits  
Hauppauge Regional Office  
250 Veterans Memorial Highway, Room 3A10  
Hauppauge, NY 11788-5533

Re: Great Neck Park District – Capital Assets – Report of Examination # 2025M-27  
Period January 1, 2023 – August 31, 2024

Dear Mr. McCracken:

The letter serves to acknowledge receipt of Report of Examination 2025M-27.

On behalf of the Great Neck Park District Board of Commissioners, as well as our administrative team, I would like to express our appreciation for the professionalism demonstrated by your office in conducting an audit of the District's recording and accounting of Capital Assets. Representatives of the NYS Comptroller's Office were on-site in the District's Administration Building during the period commencing July 9, 2024 through February 5, 2025, reviewing district policies, procedures and business practices. The District agrees with the need to augment the systems and policies previously in place in order to maintain accurate capital asset records to safeguard District Capital Assets. The District also understands the importance of maintaining a diligent focus on all District controls and safeguards.

The District recognizes its obligation to submit to your office a detailed Corrective Action Plan (CAP) within 90 days of the release of the final report, which we intend to do in a timely manner. The District concurs with the recommendations outlined in the report and we are happy to share that a number of corrective actions have already been completed or are in the final planning stages.

The District's CAP will explain in detail responses to all of the recommendations identified in the report.

Sincerely,

Vanessa Tamari  
Commissioner, GNPD

Cc: Superintendent  
Finance Director

# Appendix C: Audit Methodology and Standards

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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 and reviewed District procedures to gain an understanding of the District’s inventory records and the process to record and account for capital assets, specifically machinery and equipment.
- We obtained the inventory list (as of December 31, 2023) provided by the Finance Director. We reviewed the inventory list, which listed 957 capital assets categorized as machinery and equipment with an approximate acquisition value of \$9.2 million. We narrowed the list to 598 assets with an approximate acquisition value of \$8.7 million by excluding non-tangible assets (e.g., computer software) that would not be able to be located. We used our professional judgement to select 50 assets categorized as machinery and equipment with an acquisition value of \$560,075 to determine whether the assets were properly recorded and accounted for. Our sample included:
  - Walkable and risky assets, including all business machines, computer equipment, computer monitors, personal computers and printers.
  - All other machinery and equipment with an acquisition value of \$1,000 or greater (above the capitalization threshold) that was purchased prior to January 1, 2023.
- We reviewed invoices and selected all 30 equipment items totaling \$231,945 purchased during the audit period to determine whether the equipment was recorded in the inventory records and physically located in the District.
- We followed up with District officials for explanations regarding any discrepancies found during our review of the District’s inventory records and our physical inspection of assets.

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.

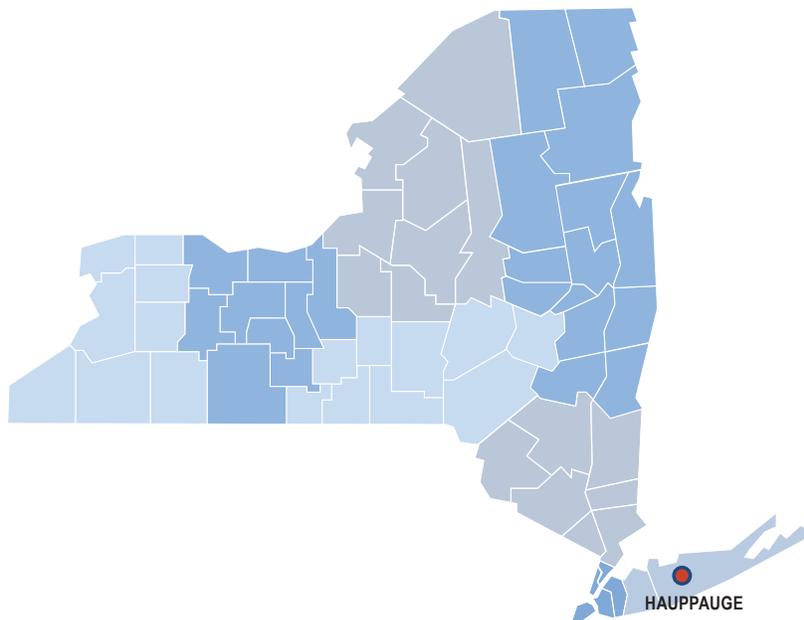
## Contact

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