

Montrose Fire District

Claims Auditing

2025M-53 | October 2025

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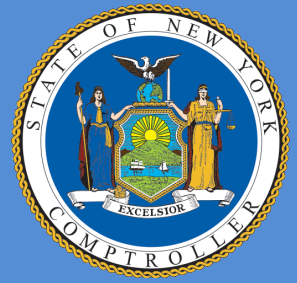
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Audit Results

Montrose Fire District



Audit Objective

Audit Period

Did the Montrose Fire District (District) Board of Commissioners (Board) properly audit claims?

January 1, 2023 – August 31, 2024

Understanding the Audit Area

The claims audit is often the last line of defense for preventing unauthorized, improper or fraudulent claims from being paid. A fire district board must audit the claims against a fire district before they are paid. A proper claims audit ensures all claims are subjected to an independent, thorough and deliberate review that, among other things, determines that the fire district complied with its written policies, and that each purchase was for a proper fire district purpose. Purchases made using credit cards are also subject to claims audit and approval.

The District's 2024 budgeted appropriations totaled \$932,853 and, during the audit period, the District processed 828 claims totaling \$1,143,725. These claims included purchases totaling \$32,896 made with District credit cards.

Audit Summary

We reviewed 166 claims totaling \$712,696 and determined that the Board did not properly audit 78 claims (47 percent) totaling \$47,836. Specifically, the Board approved:

- 21 claims totaling \$23,789 without documentation indicating that the services outlined in the rental agreement were rendered.
- A claim totaling \$17,812 for an automatic defibrillator (AED) without obtaining quotes in accordance with the District's purchasing policy or providing sufficient proof that it was a sole source purchase.
- 13 claims that included sales tax totaling \$228. District officials told us they were aware that sales taxes were paid on certain purchases and have taken measures to ensure sales taxes are not paid going forward.
- 42 out of 60 credit card claims (70 percent) totaling \$5,117 without adequate supporting documentation that purchases were for legitimate District purposes. These claims included purchases totaling \$484 made through an online payment system and at a local coffee chain.

Although officials claimed that the purchases were fraudulent, they did not provide documentation to support that fraud claims were filed with the bank to dispute the charges.

- A credit card claim that included a \$288 purchase from an online data backup services vendor that may have been a duplicate.

By not properly auditing claims, the Board's ability to effectively monitor District financial operations is diminished and errors and irregularities may continue to occur and remain undetected and uncorrected.

The report includes five recommendations that, if implemented, will improve the District's claims auditing practices. District officials disagreed with certain aspects of our findings. Appendix C includes our comments on issues raised in the District's response.

We conducted this audit 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. Our methodology and standards are included in Appendix D.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law (Town Law), a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. 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. We encourage the Board to make the CAP available for public review.

Claims Auditing: Findings and Recommendations

The Board is responsible for overseeing the District's financial activities and safeguarding resources. To accomplish this, the Board must ensure each claim is properly audited. A proper claims audit ensures each claim contains enough supporting documentation to determine whether it complies with statutory requirements and District policies (e.g., procurement policy, credit card policy) and that amounts claimed represent actual and necessary District expenditures.

More details on the criteria used in this report, as well as resources/publications we make available to local officials that can help them improve operations (Figure 3), are included in Appendix A.

Finding 1 – The Board did not properly audit non-credit card claims.

We reviewed 106 non-credit card claims totaling \$704,389 to determine whether they had adequate supporting documentation, were for appropriate District purposes, and were properly audited and approved by the Board before payment. We determined that the Board did not properly audit 25 of the 106 claims (24 percent) totaling \$42,245. Specifically:

Proof of Services Rendered – The District rents firehouse space from the Montrose Fire Company (Company) and the rental agreement requires the Company to allocate 15 percent of the rent to use solely for capital improvements, renovations and upgrades. The rental agreement also requires the Company to submit, annually, on or before January 31, a schedule for improvements, renovations, upgrades and detailed costs. According to the rental agreement, if the Company fails to comply with the lease provision, "...[T]he District shall have the right to withhold 15 percent of the rental amounts in any month and/or year in which the [Company] fails to allocate and use said amount solely for capital improvements, renovations and upgrades".

We reviewed 21 claims related to rent payments made to the Company totaling \$23,789 and determined that all claims were approved by the Board without documentation indicating that the services outlined in the rental agreement were rendered. Specifically, the claims did not include any documentation or schedules to show the Company allocated 15 percent of the rental fees, totaling \$23,789, for capital improvements, renovations and upgrades as required by the rental lease.

A Commissioner told us that rent was paid without requiring capital improvement schedules because the Company completed some renovations (e.g., bathroom repairs). Additionally, the Commissioner told us that Company officials discuss capital improvements, renovations, and upgrades during Company meetings. District officials acknowledged that they should request Company officials to provide a schedule as required by the rental agreement going forward.

Compliance With District Procurement Policy – A claim of \$17,812 for the purchase of an AED was approved for payment without documentation indicating that officials obtained the required number of quotes or proof the vendor was a sole source provider (meaning only one vendor could supply AEDs). A Commissioner told us that the Board purchased the AED without quotes under the belief it was sole source. However, the Board did not maintain any documentation to support whether it was a

sole source purchase or whether they contacted other vendors to determine whether they were able to provide a similar AED. After our inquiry, District officials obtained a letter from the vendor stating that it was an AED sole source provider. However, the District did not provide documentation to show it verified the vendor's claim that it was a sole source provider.

Sales Tax Paid – Three claims totaling \$644 with \$42 in sales tax were approved for payment. These payments were made to communication services providers and an office supply vendor even though the District is generally exempt from paying sales taxes for purchases made in New York State (NYS). District officials told us they were aware that sales tax was paid on certain purchases and have taken measures to ensure sales taxes are not paid going forward.

Because the Board did not require the Company to provide schedules to show it allocated 15 percent of the rent for capital improvements, renovations, and upgrades, there was no assurance that the funds allocated for capital improvement, renovations, and upgrades were performed as required and the building was maintained adequately. In addition, by not obtaining multiple quotes as required by the District's purchasing policy or ensuring a good is sole source, the Board has no assurance goods were purchased without favoritism and at the lowest possible price. Furthermore, paying sales taxes creates unnecessary expenses for District taxpayers.

Overall, without a thorough review of all claims to be paid, the Board's ability to effectively monitor District financial operations is diminished and errors and irregularities may continue to occur and remain undetected and uncorrected.

Recommendations

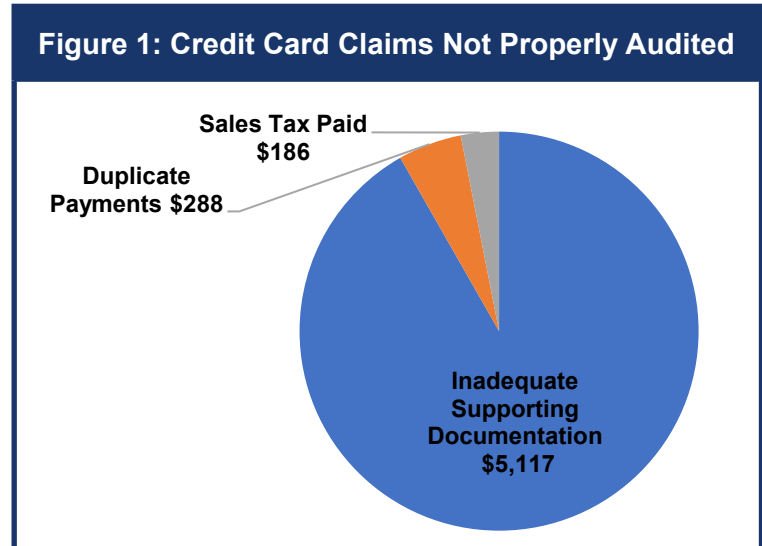
The Board should:

1. Conduct a thorough and deliberate audit of claims before authorizing payments to ensure that each claim:
 - Complies with District policies (e.g., purchasing policy).
 - Excludes sales tax.
 - Includes proof that services were rendered.
2. Ensure the Company provides schedules for capital improvements, renovations and upgrades for claims audit to ensure 15 percent of the rent is used as required by the rental lease agreement.

Finding 2 – The Board did not properly audit credit card claims.

The Board approved issuing District credit cards to all Board members, the Fire Chief, First Assistant Chief, Second Assistant Chief, District Secretary and Assistant Secretary. The District had a total of 10 credit cards in use during the audit period.

We reviewed the monthly credit card statements for the 10 active credit cards and identified 239 transactions during the audit period totaling \$32,896. We used our professional judgment to select 60 transactions (25 percent) totaling \$8,307 based on the card user, type of claim, and materiality. We then reviewed each transaction and determined that the Board did not properly audit 53 of the 60 transactions (88 percent) totaling \$5,591. Specifically:



Inadequate Supporting Documentation – The Board approved paying credit card claims that included 42 transactions totaling \$5,117 that did not have adequate supporting documentation. We could not determine whether 30 transactions totaling \$1,885 were for legitimate District purposes because District officials did not provide adequate supporting documentation. For example:

- A former Fire Chief made a purchase totaling \$626 at a local restaurant, but could not provide any supporting documentation demonstrating what was purchased. District officials told us that they purchased food for training, but did not provide a receipt or documentation to support that a training was held at the time of purchase.
- Eight unsupported purchases totaling \$774 consisted primarily of purchases at the post office, an online retailer and local restaurants.

Questionable Purchases – 21 of the 30 purchases lacking supporting documentation totaling \$483 were considered “questionable purchases” as District officials indicated that the purchases were unauthorized.

These purchases included:

- Nine unsupported purchases totaling \$42 that were made at a local coffee chain with the former First Assistant Chief’s credit card between January 10, 2024 and February 2, 2024. Although the Treasurer told us that the purchases were fraudulent and officials filed a claim with their bank to dispute the charges, District officials did not provide documentation to support that a fraud claim was filed. On January 15, 2025, the Treasurer provided a copy of an email he sent to the bank

representative requesting an update to the credit card fraud case, but we did not receive any information to determine the outcome.

- A Commissioner's credit card was used to make 12 purchases totaling \$441 through an online payment system but officials did not provide any documentation to support what was purchased. According to the Commissioner, he occasionally used an online payment system to make online purchases because he did not have to enter credit card information on multiple online sites. Although the Commissioner did not provide any supporting documentation, he told us that some transactions were unauthorized because a one-month subscription payment was changed to a recurring monthly subscription without his authorization. Due to the lack of documentation, we could not determine what the subscription was for or whether the Commissioner canceled the subscription.

After our inquiry, the Treasurer notified their bank representative that the purchases made through the online payment system were not valid. The bank representative told the Treasurer that he could not help, and the Commissioner needed to report the fraudulent charges for dispute. We requested multiple times that officials provide documentation to support that they filed a fraud claim to dispute the charges, but they did not provide supporting documentation to demonstrate the charges from the online payment system were disputed or deemed fraudulent.

Because District officials did not provide receipts or documentation supporting that a fraud claim was filed with their bank, we could not determine who received the payments, whether the purchases were for legitimate District purposes, or whether the Commissioner's card was compromised.

After our review, the Treasurer obtained additional credit card receipts and vouchers from District credit card users. However, there was no indication the credit card users prepared vouchers and submitted them along with receipts for the Board's audit before payments were made as required by the credit card policy. As a result, the Board would not have been able to determine whether claims were for a legitimate District purpose during the claims audit process.

Sales Tax Paid – Although the District is exempted from paying sales tax for most non-food purchases made in NYS, District officials told us that they were aware sales tax was being paid. The Board approved the payment of credit card claims that included 10 credit card transactions totaling \$2,570 in which sales tax totaling \$186 was paid. The transactions that were taxed included purchases of office supplies, pre-mixed fuel from a home improvement center and electronics. District officials told us they were aware that sales tax was paid on certain purchases and have taken measures to ensure sales taxes are not paid going forward.

Potential Duplicate Payment – The Board approved the payment of a \$288 credit card purchase from an online data backup services vendor that may have been duplicated. Specifically, we identified another credit card purchase from the same vendor for \$117. We reviewed the receipts related to the transactions and determined that the descriptions for the backup services on each receipt were similar and for a concurrent subscription period. The Commissioner told us that the District purchased the service for \$117 and should have been reimbursed for \$171 of the \$288, suggesting that \$117 was legitimate. However, the Board did not provide documentation to support that the District was

reimbursed, or why two concurrent purchases of data backup services were both necessary District expenses. As a result, we could not determine whether the \$288 purchase was for a legitimate District purpose.

Overall, the Board did not properly audit credit card claims or adhere to District policy and require credit card users to regularly provide receipts for audit before payments were made. Because the Board did not require all credit card users to provide receipts and vouchers for audit before payments were made, the Board could not always determine whether credit card claims approved for payment included transactions that were for legitimate District purposes and the amounts approved for payment were accurate. In addition, had the Board audited credit card transactions before approving claims for payment, it could have identified and possibly prevented the alleged unauthorized credit card purchases.

Recommendations

The Board should:

3. Require all credit card users to provide receipts and supporting documentation, and then audit all receipts and supporting documentation before approving credit card claims for payment as required by the District's credit card policy.
4. Provide sales tax exemption forms to vendors that the District conducts business with and require all credit card users to obtain and use sales tax exemption forms when necessary, and properly audit claims to ensure sales tax is not being paid.
5. Follow up with the District's banking institution to determine whether disputed charges made using District credit cards can be recouped.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in the Town of Cortlandt, Westchester County and provides fire protection and emergency services to the Hamlet of Montrose and part of the Town of Cortlandt. The District is governed by the five-member Board, which is responsible for general management and control of financial operations, including developing policies and auditing claims. The District is primarily funded by taxes levied on properties located in the District's geographical area. The District also contracts with the Town of Cortlandt to provide fire protection services for a certain area of the town.

Criteria – Claims Auditing

A proper claims audit is a thorough and deliberate examination to determine that a claim is a legal obligation and a proper charge against a fire district. Generally, in accordance with Town Law Section 176(4-a), a fire district (district) board (board) must audit all claims against a district before disbursing payments. A board's audit responsibilities include determining, among other things, that a claim:

- Is for a valid and legal purpose,
- Complies with competitive bidding and procurement policy requirements,
- Is mathematically accurate,
- Is sufficiently itemized,
- Does not include sales tax, and
- Is supported by sufficient documentation, such as detailed receipts, invoices and receiving documentation.

The District's purchasing policy also requires all goods and services not subject to competitive bidding be secured using written requests for proposals, written quotations or any method that ensures goods will be purchased at the lowest price and by avoiding favoritism. Figure 2 shows the purchase policy's required method for purchase contracts below the bidding threshold.

Figure 2: Quotation Thresholds

Estimated Amount of Purchase Contract	
\$100 - \$5,000	2 Verbal Quotations
\$5,000 - \$10,000	3 Verbal Quotations
\$10,000 - \$20,000	3 Written Quotations

Furthermore, the District's credit card policy allows credit cards to be issued to each of the five Board members and District officials, including the Fire Chief, First Assistant Chief, Second Assistant Chief, District Secretary, and Assistant Secretary. Using credit cards is solely for appropriate District/Company

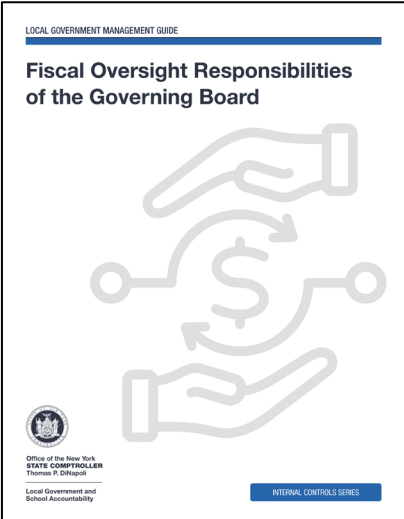
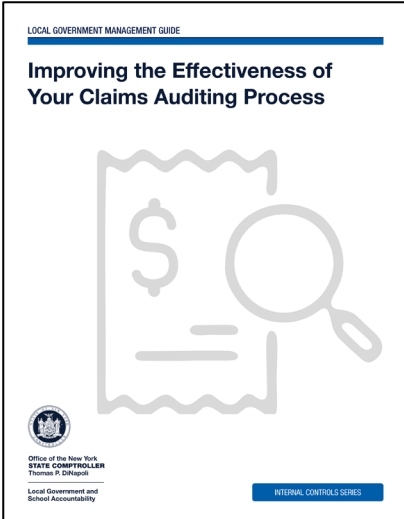
business, such as purchasing refreshments for active firefighters during an extended incident. The Treasurer must pay any charges incurred since the last payment upon notification from the bank. The charges incurred must be explained on the receipt’s reverse side and attached to a voucher or purchase order. The credit card users must provide, on a regular basis, any credit card receipts and accompanying voucher or purchase order to the Treasurer for the month. The Board must approve all credit card vouchers.

The District rents firehouse space from the Company and the rental agreement requires the Company to allocate 15 percent of the rent to use solely for capital improvements, renovations, and upgrades. The rental agreement also requires the Company to submit, annually on or before January 31, a schedule for improvements, renovations, upgrades and detailed costs. If the Company fails to comply with the lease provision, the District shall have the right to withhold 15 percent of the rent in any month and/or year in which the Company fails to allocate and use the 15 percent of rent solely for capital improvements, renovations and upgrades.

Additional Claims Auditing Resources

Figure 3: OSC Publications

OSC *Local Government Management Guides* and other information resources are available on our website to help officials understand and perform their responsibilities:

<i>Fiscal Oversight Responsibilities of the Governing Board</i>	<i>Improving the Effectiveness of your Claims Auditing Process</i>
	
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/improving-the-effectiveness-of-claims-auditing-process.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

MONTROSE FIRE DISTRICT
2143 Albany Post Road
PO Box 481
Montrose, NY 10548

State of New York – Office of the State Comptroller
Newburgh Regional Office
33 Airport Center Drive – Suite 102
New Windsor, NY 12553

Unit Name: MONTROSE FIRE DISTRICT
Audit Report Title: CLAIMS AUDITING
Audit Report Number: 2025M-53

Audit Summary Response

We appreciate the New York State Comptroller's Office offering their recommendations for proper Claims Auditing Procedures, Suggestions, and Recommendations. The recommendations identified were in place but will be more closely followed or implemented as noted below.

We disagree with the summary that was prepared in the draft sent to the District on Thursday, August 28, 2025 and Revised Document dated Friday, September 26, 2025 and request a revision or note in the summary indicative of the responses, documentation, and discussions between the District and the Audit Staff of the New York State Comptroller's Office. The main item is that the Defibrillator or Chest Compression equipment was purchased with the understanding that the Vendor was a Sole Source provider.

See
Note 1
Page 15

The overall summary noted in the Report indicates that the Board did not properly audit 78 claims (47%) totaling \$47,836 (6.7%). Using a revised calculation, adjusting for the Rental Payments and the automatic defibrillator (AED), the Claims not properly audited would be 56 (34%) for a total of only \$6,235 (1%). It should be noted that many (18) of the Credit Card purchases were under \$25.

We specifically disagree with the following items and request an adjustment to the Audit Staff:

1. Rental Claims

- a. The key issue is not about the number of claims or the dollar amount, but rather having a discussion about using the reserve payments for improvements. There were several improvements made by the Company in the building, but the discussion delays were not the fault of the District but rather the Company since they have had Board changes and quantifying the improvements have been delayed due to five (5) different Treasurer's in the last three (3) years.

See
Note 2
Page 15

-
- b. These payments do not need an Invoice to pay rent, as it is the tenant's (the District) responsibility to know when the rent is due according to the lease agreement
 - c. Invoices for Rent, if needed, are the responsibility of the Landlord (Cortlandt Engine Company), however were not issued due to the absence and change of the Landlord's Treasurer.
 - d. The Lease with Cortlandt Engine is attached to this document
2. Stryker (AED)
- a. This company is a sole-source provider
 - b. There was knowledge that they were a sole source provider from the purchaser from past experience and purchases
 - c. The product was purchased per their standards
3. Credit Cards
- a. Numerous items on the Credit Card list were found in subsequent monthly folders or other documentation
 - b. Many of these items were forwarded to the Audit Staff
 - c. Several of the items were on a subscription basis
 - d. All the items were noted on the Credit Card Statements and itemized accordingly
 - e. These items are significant in total but immaterial in dollar amounts.
4. Sales Tax
- a. Many of the items were on an emergency basis
 - b. Some of the items were for Utilities
5. Support Documentation
- a. Fraud action with [REDACTED] was initiated
 - b. Credits were not applied showing a "duplicate" payment

See
Note 3
Page 15

See
Note 4
Page 15

See
Note 5
Page 15

These items should be used in the Comptroller's Report and identified in the opening or "Summary" section on Page 1. The following are the items necessary for the Official Response by the Board.

Audit Recommendations

1) The Board did not properly audit non-credit card claims

The specific items in question are:

- a) Proof of Services Rendered
 - a. The schedule for improvements was discussed during the year and reviewed around year end and determined that significant improvements were made throughout the year
 - b. Payments were made by paid with two (2) separate checks to allocate funds for improvements
 - c. It is the responsibility of the Landlord to supply the Capital Improvement schedule
- b) Compliance with District Procurement Policy
 - a. The Defibrillator was purchased from a sole-source provider
 - b. Documentation was provided to the Audit Staff during the course of the Audit
- c) Sales Tax Paid
 - a. Sales tax was paid due to the immediate need for certain supplies
 - b. Sales tax paid to Utility providers was attempted during the prior years and proved unsuccessful
 - c. It should be noted that the amount in error was \$42

See
Note 2
Page 15

See
Note 3
Page 15

See
Note 5
Page 15

The Board should:

1. Conduct a thorough and deliberate audit of claims before authorizing payments to ensure that each claim:
 - Complies with District policies (e.g., purchasing policy).
 - Excludes sales tax.
 - Includes proof that services were rendered.
2. Ensure the Company provides schedules for capital improvements, renovations and upgrades for claims audit to ensure 15 percent of the rent is used as required by the rental lease agreement.

Implementation Plan of Action (s)

The Board will ensure that the purchase is in compliance with District Policies, Sales Tax Exemption Certificates will be available to the Board, and proof that the service was completed. We will impose a threshold of documentation on purchases above a minimum threshold (\$10 or \$25). We will restart discussions with the Utility Companies to eliminate Sales Tax. The Board does agree that a more detailed review on Capital Improvements should take place on an Annual or Semi-Annual basis.

Implementation Date

In Process

Person Responsible for Implementation

Board Members and Treasurer

2) The Board did not properly audit credit card claims

The specific items in question are:

- a) Inadequate Supporting Documentation
 - a. Meals for Training
 - b. Recurring Purchases
- b) Questionable Purchases
 - a. Fraud Charges
 - b. Online Payments
- c) Sales Tax Paid
 - a. Office supplies purchased on an immediate need
 - b. Other purchases should have had our Sales Tax Exemption
- d) Potential Duplicate Payment
 - a. Credit for purchase not processed
 - b. Data Backup charges are made annually

The Board should:

1. Require all credit card users to provide receipts and supporting documentation, and then audit all receipts and supporting documentation before approving credit card claims for payment as required by the District's credit card policy.
2. Provide sales tax exemption forms to vendors that the District conducts business with and require all credit card users to obtain and use sales tax exemption forms when necessary, and properly audit claims to ensure sales tax is not being paid.
3. Follow up with the District's banking institution to determine whether disputed charges made using District credit cards can be recouped.

Implementation Plan of Action (s)

We have instructed all credit card users to provide receipts and documentation. The Treasurer will ensure Sales Tax Exemption Certificates are available. Any fraud detection will be immediately forwarded to the respective banking institution and vendor.

Implementation Date

In process

Person Responsible for Implementation

Treasurer

Signed

Scott Cole, Commissioner

September 30, 2025

Appendix C: OSC's Comments on the District's Response

Note 1

We evaluated the District's concerns regarding the audit summary and made minor revisions to ensure accuracy. The Audit Summary section accurately represents the claims that were not properly audited by the Board.

Note 2

The Board did not properly audit the claims related to the portion of rent allocated for capital improvements. There was no documentation available for the Board to review during the claims audit to determine whether the Company made capital improvements, renovations and upgrades to the building as required by the lease agreement.

Note 3

The Board could not provide sufficient documentation to determine whether the vendor the District purchased the AED from was, in fact, a sole source provider.

Note 4

The Board did not have documentation available for review when it audited claims to determine whether credit card users submitted receipts to the Treasurer before claims were paid. Although District officials subsequently provided receipts to the audit team for some of the credit card transactions, they could not provide documentation for 30 of the transactions reviewed totaling \$1,885. Therefore, we were unable to determine whether they were for legitimate District purposes.

Note 5

The Board approved 13 claims for payment that included \$228 in sales tax. In addition to sales tax paid to communication services providers, District officials paid sales tax for purchases made at home improvement, electronic supply and office supply stores. The Board is responsible for ensuring each claim does not contain sales tax prior to approval for payment.

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 Board members and the Treasurer to gain an understanding of the District's claims auditing process and procedures, and to ask about transactions for which there was insufficient supporting documentation.
- We reviewed Town Law Section 176(4-a), the District's purchasing and credit card policies, and the lease signed between the District and the Company to gain an understanding of the claims auditing requirements.
- We identified 828 claims made during the audit period totaling \$1,143,725, including 239 credit card claims totaling \$32,896, and 589 non-credit card claims totaling \$1,110,829. We used our professional judgment to select 60 of 239 (25 percent) credit claims totaling \$8,307 based on the card user, the claim's nature (i.e., non-traditional District purchases such as payments made through online payment services vendors), as well as the claim's materiality (i.e., substantial food purchases).
- We further reviewed 12 of the 60 credit card claims selected for review, which were identified as food/refreshment purchases totaling \$2,303. These purchases included credit card purchases from local restaurants, convenience stores and chain restaurants. We compared purchase dates to Length of Service Award Program attendance sign-in sheets to determine whether there were activities (i.e., extended fire calls or trainings) that would warrant Company members purchasing food/refreshments in accordance with the District credit card policy.
- We selected 106 out of 589 non-credit card claims totaling \$704,389, including using a random number generator to select 43 non-credit card claims, 42 non-credit card claims that were selected based on the vendor name and/or nature of purchase, and all 21 rental payment claims made during our audit period.
- We reviewed claims receipts/invoices and vouchers to determine whether purchases were authorized and for valid District purposes. We also reviewed the claims to determine whether the District's purchasing and credit card policies were followed, sales tax was not paid and goods and services purchased were actually received by the District.
- We requested schedules for capital improvements, renovations, and upgrades to review and determine whether the Company used 15 percent of rental fees as required.

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(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective(s).

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.

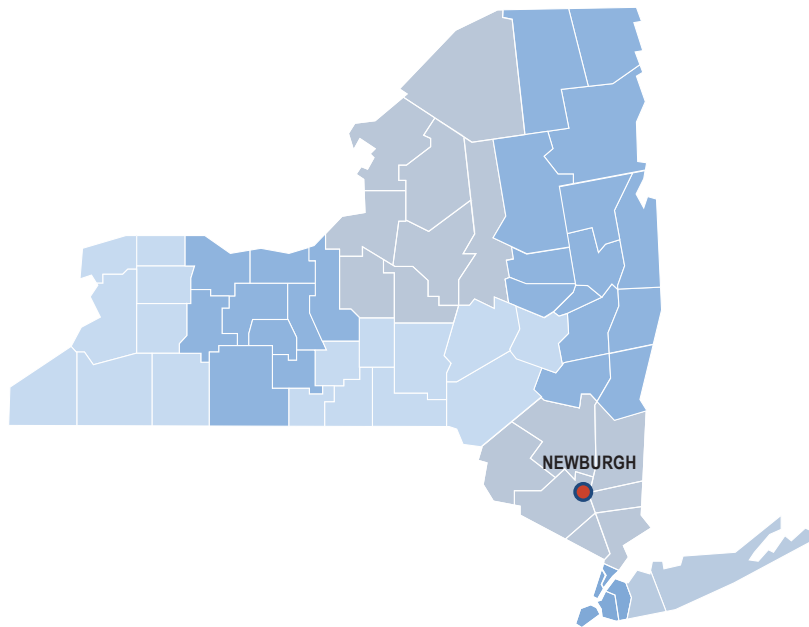
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