

CORTLAND ENLARGED CITY SCHOOL DISTRICT
Board of Education Meeting – Tuesday, September 8, 2015 at 7:00 p.m.
Kaufman Center, 1 Valley View Drive, Cortland NY

- 1. CALL TO ORDER and PLEDGE OF ALLEGIANCE.**
- 2. COMMUNICATIONS and RECOGNITION:**
 - a. Kudos Korner
 - b. Audience Participation – on items related to the Agenda (speakers are asked to limit their comments to two minutes).
 - c. Board Member Reports:
 - 1.) BOE Policy Committee – Report on September 8, 2015 meeting
 - 2.) BOE Facilities Committee – Next meeting is September 10, 2015
 - 3.) BOE Audit Committee – Next meeting TBD
- 3. PRESENTATIONS:**
- 4. CONSENT ITEMS:**
 - a. Minutes of August 25, 2015 Regular Meeting
 - b. CSE/CPSE (Committee on Special Education/Committee on Pre-school Special Education) Recommendations
- 5. OLD BUSINESS:** None
- 6. NEW BUSINESS:**
 - a. Approval of Property Tax Roll Corrections
 - b. Acceptance of Internal Audit
- 7. PERSONNEL ACTION:**
 - a. Approval of Personnel Resignations and Leaves
 - b. Approval of Non-Instructional Personnel Appointments
 - c. Approval of Administrative and Instructional Personnel Appointments
- 8. LEADERSHIP REPORTS:**
 - a. Director of Business Operations
 - b. Assistant Superintendent for Pupil and Personnel Services
 - 1.) Attendance Campaign
 - c. Director of Curriculum and Instruction
 - d. Superintendent
- 9. BOARD MEMBER ACTIVITIES**
- 10. AUDIENCE PARTICIPATION:** (Individuals are requested to keep their comments to two-minutes per speaker).
- 11. NEXT MEETING AGENDA REVIEW**
- 12. EXECUTIVE SESSION**
- 13. ADJOURNMENT**

CORTLAND ENLARGED CITY SCHOOL DISTRICT
Board of Education Meeting – Tuesday, August 25, 2015 at 7:00 p.m.
Kaufman Center, 1 Valley View Drive, Cortland NY

A Regular Meeting of the Board of Education was held on Tuesday, August 25, 2015 at the Kaufman Center, 1 Valley View Drive, Cortland, New York.

Present: Ms. Melissa Davis-Howard, Ms. Janet Griffin, Ms. Christine Gregory, Ms. Judith Murphy, Mr. John Natoli, Mr. Daniel Sidebottom and Ms. Alane Van Donsel

Also Present: Mr. Michael Hoose, Superintendent; Ms. Judi Riley, Assistant Superintendent for Pupil and Personnel Services; Ms. Kristie Bliss, Director of Curriculum and Instruction; Ms. Kimberly Vile, Director of Business Services, Mr. Robert Martin, Director of Facilities, Mr. Joseph Mack, Coordinator of Secondary Education; Mr. John Zarcone, 11-12 Principal; Ms. Denise Fox, Information Systems Administrator; Mr. Chris Kelly from Lend Lease; and Ms. Alicia Zupancic, Clerk

1. **CALL TO ORDER and PLEDGE OF ALLEGIANCE.** Ms. Davis-Howard called the meeting to order at 7:02 p.m. and the Pledge of Allegiance was recited.

2. **COMMUNICATIONS and RECOGNITION:**
 - a. Kudos Korner – None

 - b. Audience Participation – on items related to the Agenda (speakers are asked to limit their comments to two minutes). - There were no requests to address the Board on items related to the agenda.

 - c. Board Member Reports:
 - 1.) BOE Policy Committee – Report on August 25, 2015 meeting: Mr. Natoli reported that the committee discussed some new policies regarding use of the stadium at the high school and they discussed some curriculum policies with Ms. Bliss. The next meeting is September 8, 2015.
 - 2.) BOE Facilities Committee – Report on August 13, 2015 meeting: Mr. Chris Kelly from Lend Lease gave an update and timeline on projects for Phase III.
 - 3.) BOE Audit Committee – Report on August 17, 2015 meeting: Ms. Vile clarified the Debt Resolution.
 - 4.) Set date for BOE goal setting meeting – Members set September 28, 2015 as the date for goal setting. The meeting will take place at the Kaufman Center from 6:30 p.m. – 9:00 p.m.

3. **PRESENTATIONS:**
 - a. Cortland Junior Senior High School Presentation – Mr. Joseph Mack
Mr. Mack presented an overview of graduation and testing data from last year along with some goals for the current year. Mr. Zarcone presented a Renaissance calendar of upcoming events.
 - b. Technology Updates Presentation – Ms. Denise Fox
Ms. Fox presented an overview of what technology is being used by the district.

There was a 5 minute break here from 9:28 p.m. to 9:33 p.m.

4. **CONSENT ITEMS:**
 - a. Minutes of August 11, 2015 Regular Meeting
 - b. CSE/CPSE (Committee on Special Education/Committee on Pre-school Special Education) Recommendations
607001703, 610344373, 607000499, 607001899, 610358544, 610392903, 607000139, 610350592, 610362612

SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to approve the Consent Items as presented.
Moved by Mr. Sidebottom, seconded by Ms. Griffin Discussion: None
Final Vote: Yes - 7, No – 0. Motion Carried.

5. **OLD BUSINESS:** None

6. NEW BUSINESS:

- a. Financial Reports: Treasurer's Report, Trial Balance, Revenues, Intrafund Transfers, Appropriations, Warrant Report – June 2015
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to approve Financial Reports dated June 2015 as presented.
Moved by Ms. Murphy, seconded by Ms. Gregory Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
- b. 2nd Reading Code of Conduct
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent, and the Board of Education Policy Committee, to accept the 2nd reading of proposed revisions to the Code of Conduct as presented.
Moved by Ms. Gregory, seconded by Mr. Sidebottom Discussion: None
Final Vote: Yes – 6, No – 1. Motion Carried.
- c. 2nd Reading District Mentorship Plan, 2015-2016
SUGGESTED RESOLUTION: Resolved, upon the recommendation of the Superintendent, to accept the 2nd Reading of the District Mentorship Plan, 2015-2016 as presented.
Moved by Ms. Griffin, seconded by Ms. Van Donsel Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
- d. Declaration of Surplus Vending Machines
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to declare two vending machines as surplus per the Surplus Items memo dated August 18, 2015, as presented.
Moved by Mr. Natoli, seconded by Mr. Sidebottom Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
- e. Approval of Budget Transfers
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to authorize budget transfers per the Budget Transfers memo dated August 19, 2015, as presented.
Moved by Ms. Griffin, seconded by Mr. Natoli Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
- f. Approval of Debt Service Request
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to authorize up to \$1,300,000.00 reduction in the Debt Service account and said monies be returned to the General Fund of the District effective June 30, 2015 per the Debt Service Resolution memo dated August 19, 2015, as presented.
Moved by Mr. Sidebottom, seconded by Ms. Griffin Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
- g. Approval of Snow Plowing Service Agreement with the City of Cortland for the 2015-16 Fiscal Year
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent, that the Board of Education of the Cortland Enlarged City School District hereby approves the agreement for snow plowing service with the City of Cortland for the 2015-16 fiscal year as presented.
Moved by Mr. Natoli, seconded by Ms. Murphy Discussion: Are these rates the same as last year?
Final Vote: Yes – 7, No – 0. Motion Carried.
- h. Contract Renewal for Virgil Snow Removal and Sanding for the 2015-16 School Year
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent, to approve the agreement between Cortland Enlarged City School and the Town of Virgil for Snow Removal and Sanding at Virgil School for 2015-16 as presented.
Moved by Mr. Natoli, seconded by Mr. Sidebottom Discussion: Increased \$500 for school year
Final Vote: Yes – 6, No – 0. Motion Carried.
Ms. Van Donsel abstained as she is the Virgil Town Clerk

- i. Approval of District and School Improvement Plans
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to accept the District and School Improvement Plans as presented.
Moved by Mr. Sidebottom, seconded by Ms. Griffin Discussion: Having Board representation on the committee
Final Vote: Yes – 7, No – 0. Motion Carried.
 - j. Approval of Food Service Agreement with St. Mary's
SUGGESTED RESOLUTION: Resolved, upon the recommendation of the Superintendent, to approve the Food Service Agreement with St. Mary's for the 2015-16 school year as presented.
Moved by Ms. Gregory, seconded by Mr. Natoli Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
 - k. Approval of Food Service Agreement with OCM BOCES
SUGGESTED RESOLUTION: Resolved, upon the recommendation of the Superintendent, to approve the Food Service Agreement with OCM BOCES for September 2015 – June 2016 as presented.
Moved by Ms. Griffin, seconded by Ms. Gregory Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
7. **PERSONNEL ACTION:**
- a. Approval of Personnel Resignations and Leaves
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to approve the Resignations and Leaves as presented on Resignations and Leaves Schedule 11.57.
Moved by Mr. Natoli, seconded by Mr. Sidebottom Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
 - b. Approval of Non-Instructional Personnel Appointments
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to approve the appointments for Non-Instructional Personnel as presented on Schedules of Appointment 1152 and 1153.
Moved by Ms. Griffin, seconded by Mr. Natoli Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
 - c. Approval of Administrative and Instructional Personnel Appointments
SUGGESTED RESOLUTION: RESOLVED, upon the recommendation of the Superintendent of Schools, to approve the appointments for Instructional Personnel as presented on Schedules of Appointment 2361 and 2362.
Moved by Ms. Murphy, seconded by Ms. Sidebottom Discussion: None
Final Vote: Yes – 7, No – 0. Motion Carried.
8. **LEADERSHIP REPORTS:**
- a. Director of Business Operations – Ms. Vile provided an overview of Revenue and Expenses for 2014-2015. She also talked about looking at reserves and how they can be used.
 - b. Assistant Superintendent for Pupil and Personnel Services – Ms. Riley gave an update on how filling positions is going – only three position left to fill.
 - c. Director of Curriculum and Instruction – Ms. Bliss reported that enrollment is done.
 - d. Superintendent – Mr. Hoose shared that the Gary Dillingham Weight Room Dedication will take place on October 2, 2015 at 6:30 p.m.
9. **BOARD MEMBER ACTIVITIES –**
- Ms. Gregory has been meeting with many people and is very impressed in how the district and community work as a village to support our children's education.
10. **AUDIENCE PARTICIPATION:** (Individuals are requested to keep their comments to two-minutes per speaker) - There were no requests to address the Board.
11. **NEXT MEETING AGENDA REVIEW - None**

12. EXECUTIVE SESSION

In accordance with Public Officer's Law Section 96, Subdivision 1, Ms. Davis-Howard called for an Executive Session at 10:13 p.m. to discuss the medical, financial, credit or employment history of a particular person.

Moved by Ms. Griffin, seconded by Ms. Gregory. Discussion: None

Final Vote: Yes – 7, No – 0. Motion Carried.

The Executive Session adjourned at 10:42 p.m.

13. ADJOURNMENT

As there was no further business to discuss, Ms. Davis-Howard asked for a motion to adjourn the regular meeting at 10:43 p.m.

Moved by Ms. Griffin, seconded by Ms. Gregory. Discussion: None

Final Vote: Yes – 7, No – 0. Motion Carried.



CORTLAND ENLARGED CITY SCHOOL DISTRICT

1 Valley View Drive
Cortland, New York 13045

b.a

Andrea Herzog-O'Hara
District Treasurer/Tax Collector
aherzog@cortlandschools.org

Business Office
(607) 758-4100
Fax: (607) 758-4109

To: Michael Hoose, Superintendent

From: Andrea Herzog-O'Hara, Tax Collector

AD

Date: September 3, 2015

Re: Property tax roll corrections

We have received notification from Karen Spafford, Cortland County Real Property Tax Director, that the assessed value of the below listed parcel was reduced for the 2015-2016 school year due to an erroneous assessment and omitted exemption. As a result, the Board of Education is asked to correct the tax role.

Tax Account Number: 105.00-09-09.000
FROM: Assessed Value: \$884,000
TO: Corrected Assessed Value: \$350,000
Business Exemption: \$133,000
TO: Taxable Value: \$217,000

The result of the above change in assessment is as follows:

School Taxes – reduction of \$12,317.44
Library Tax – reduction of \$266.06

We have also received notification from Ms. Spafford (Cortland County) and Mr. Franklin (Tompkins County) that the STAR exemption was not taken into consideration on the 2015-2106 school year tax bill listed below. As a result, the Board of Education is asked to correct the tax role.

Correction to 136.00-01-13.000 reduced the taxes due from Ruvim and Yekaterina Bushmich \$528, from \$1,207.41 to \$679.41.

Correction to 96.06-02-33.000 reduced the taxes due from Mary and Frank Rohde \$533, from \$2,294.08 to \$1,761.08.

Correction to 127.00-05-07.000 reduced the taxes due from Patrick and Shylah Nadge \$528, from \$1,477.19 to \$949.19.

Correction to 25.-1-26.1 reduced the taxes due from Massimo Sammons & Denise Peroulakis \$528, from \$2,414.83 to \$1,886.83.

Correction to 25.-1-26.21 reduced the taxes due from William and Shirley Todd \$528, from \$1,226.28 to \$698.28.

Correction to 25.-1-28.2 reduced the taxes due from Karen Arms and Thomas Ray Smith \$528, from \$4,622.13 to \$4,094.13.

Correction to 25.-1-28.11 reduced the taxes due from Joseph Miner and Laurie Butts \$831.01, from \$848.96 to \$17.95.

Correction to 25.-1-28.12 reduced the taxes due from Eric Doane and Caitlin Parsons \$528, from \$2,641.21 to \$2,113.21.

The District has sent out corrected tax bills to the above property owners. In addition, no refunds are due for the above changes as no taxes have been paid to date.

b.b

**CORTLAND ENLARGED
CITY SCHOOL DISTRICT**

INTERNAL AUDIT

**INITIAL RISK ASSESSMENT
AND
ANNUAL TESTWORK**

March 19, 2015

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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

401 North Salina St., Suite 400, Syracuse, N.Y. 13203
315-475-7213 Fax: 315-475-7206

**Board of Education and Audit Committee
Cortland Enlarged City School District**

We have been engaged to assist the Cortland Enlarged City School District in performing an initial risk assessment and annual test work for the year ended June 30, 2015 as required by Chapter 263 of the Laws of New York State. The purpose of our engagement is to assist the district in determining the level of risk and adequacy of controls in the various functional processes within the School District. A complete description of the methodology used in performing the risk assessment is included in the subsequent pages of this report. We have also performed test work in areas agreed to by the audit committee as required. The results of that test work have been included in this report.

The risk assessment and testwork was performed in accordance with professional and ethical standards contained in Government Auditing Standards issued by the Comptroller General of the United States and the general standards of the AICPA's Code of Professional Conduct. These standards are required by the Regulations of the Commissioner of Education.

The engagement to perform the initial risk assessment and test work is part of an ongoing internal audit function. The results of the risk assessment and test work performed have been discussed with management of the Cortland Enlarged City School District and are the overall responsibility of the School District.

This report is intended solely for the informational purposes in order to develop a plan to identify and manage the School District's risks. This report and all information used to compile the report is the property of Cortland Enlarged City School District.

We appreciate the opportunity to serve you as internal auditors and thank the individuals in your School District for their cooperation.

D'Arcangelo & Co., LLP

March 19, 2015

Rome, New York

METHODOLOGY

The internal audit process for Cortland Enlarged City School District has been established in accordance with Chapter 263 of the Laws of New York State to provide an independent, objective assurance and consulting activity designed to add value and improve the organization's operations. It helps the District accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Defining Audit Universe

The first step leading to the development of the School District's Risk Register is to define the audit universe. The School District's audit universe encompasses both financial and non-financial functions and have been categorized into the following business units:

- Governance
- Information Technology
- Budget
- Financial Reporting
- Payroll/Human Resources
- Accounts Payable
- State Aid
- Attendance
- Capital Projects
- Special Aid Programs
- School Lunch
- Fixed Assets
- Transportation
- Cash Receipts/Billing
- Extraclassroom

Weighting of Business Units

The risk that each of the above business unit's pose on the School District is unique. The weighting of business units attempts to account for the relative measure of importance between business units and the impact on the overall risk level. A weighting factor was derived by evaluating each business unit based on the following categories:

- *Size of Unit* - Based on total revenue/expenditures processed by business unit band/or volume of transactions.
- *Complexity of Transactions* - Based on the nature of transactions processed.
- *Public Exposure* - Based on the potential of business unit to harm the School District's reputation within the community.
- *Time Since Last Audit* - Based on the last date that internal audit procedures have been performed.

METHODOLOGY

- *Compliance with laws and Regulations* - Based on laws and regulations that direct the business unit's activities.

Defining Business Unit Processes

Business units have been broken out into key processes that will be the basis of the risk register. The objective is to identify and prioritize processes that pose the greatest potential risk and liability to the School District.

Categories of Risk

Risk will be assessed for each business unit process in two categories:

Inherent Risk - Inherent risk measures the potential for objectives not being attained at the desired level before applying the assessment of the internal control process.

Control Risk - Control risk measures the adequacy of internal controls designed to reduce the inherent risk within the process. Each process will be assessed for control risk utilizing the concepts of the COSO model. This model was developed in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and has been adopted as the generally accepted framework for internal control and is widely recognized as the definitive standard against which organizations measure the effectiveness of their systems of internal control. The COSO model focuses on the following components:

- *Control Environment* - The Control Environment sets the tone of an organization, influencing the control consciousness of its employees. It is the foundation for all other components of internal control, providing discipline and structure.
- *Risk Assessment* - Risk Assessment is the identification and analysis of relevant risks to the achievement of the School District's objectives, forming a basis for determining how the risks should be managed.
- *Control Activities* - Control Activities are the policies and procedures that help ensure management directives are carried out. Control activities include a range of activities such as approvals, authorizations, verifications, reconciliations, security of assets, and segregations of duties.
- *Information and Communication* - Information must be identified, documented, and communicated in a form that enables employees to carry out their responsibilities.
- *Monitoring* - Monitoring is a process that assesses the quality of an internal control system's performance over time.

METHODOLOGY

Assessing a Risk Level

The assessment of risk will be based on four levels of severity:

| | |
|-----------------|--|
| <i>Low</i> | Low likelihood of significant impact on School District objectives. |
| <i>Moderate</i> | Moderate likelihood of significant impact on School District objectives. |
| <i>High</i> | High likelihood of significant impact on School District objectives. |
| <i>Severe</i> | Extreme likelihood of a catastrophic impact on School District objectives. |

Risk Appetite

Risk Appetite broadly sets the level of risk that the Board of Education deems acceptable. The Board of Education has set a *moderate* level of risk appetite for the purpose of this initial risk assessment. Those processes that have been assessed a level of control risk greater than the risk appetite are to be included in the School District's long range internal audit plan over a four year period. The level of risk appetite is designated with a blue line on the School District's Risk Register on Pages 5 through 8.

Managing the Risk

The options of the School District in managing its risks can be summarized as follows:

- *Treat* - Implement accounting and operational controls.
- *Terminate* - End the activity.
- *Transfer* - Outsource activity or obtain insurance.
- *Tolerate* - Accept risk and monitor.

Audit Plan

An audit plan must be implemented by the Audit Committee based upon the identified risks, risk appetite, and how the risk is to be managed. Risks that are identified that are above the acceptable risk appetite of the Board of Education should be a priority in the audit plan.

RISK REGISTER AS OF March 19, 2015

| Initial Risk Assessment | | | | | | | | | | | | | | | | | |
|-----------------------------|------------------------------------|----------------------|------|-----|-----|--------|--------------|-----|-----|------|------|--------------------|-----------|--|--|---------------|-----------------------|
| Business Unit | Process | Inherent Risk | | | | | Control Risk | | | | | Testwork Performed | | | | | |
| | | As of March 19, 2015 | | | | | | | | | | | | | | | |
| | | Severe | High | Mod | Low | Severe | High | Mod | Low | 2015 | 2016 | 2017 | Reference | | | | |
| Governance | General Policy and Procedures | ✓ | | | | | ✓ | | | | | | | | | | Pages 9 - 11; 21 - 22 |
| | Monitoring | ✓ | | | | | | | | | | ✓ | | | | | |
| | Organizational Structure | ✓ | | | | | | | | | | ✓ | | | | | |
| | Risk Management | ✓ | | | | | | | | | | ✓ | | | | | |
| Information Technology (IT) | Governance/Security | | ✓ | | | | ✓ | | | | | | | | | | Pages 12 - 14 |
| | Financial Application Security | | ✓ | | | | | | | | | ✓ | | | | | |
| | Miscellaneous Application Security | | ✓ | | | | ✓ | | | | | | | | | | |
| | Disaster Recovery | ✓ | | | | | ✓ | | | | | | | | | Pages 14 - 15 | |
| Budget | Development | ✓ | | | | | | | | | | ✓ | | | | | |
| | Presentation/Compliance | ✓ | | | | | | | | | | ✓ | | | | | |
| | Monitoring | ✓ | | | | | | | | | | ✓ | | | | | |
| | Amendments | | | | ✓ | | | | | | | ✓ | | | | | |
| Financial Reporting | Monthly Reporting | ✓ | | | | | | | | | | ✓ | | | | | |
| | General Accounting | | ✓ | | | | | | | | | ✓ | | | | | |
| | Annual Reporting | | ✓ | | | | | | | | | ✓ | | | | | |
| | Financial Oversight | | ✓ | | | | | | | | | ✓ | | | | | |
| | Fund Balance Management | | ✓ | | | | | | | | | ✓ | | | | | |

RISK REGISTER AS OF March 19, 2015

| Business Unit | Process | Initial Risk Assessment | | | | | | | | | | Testwork Performed | | | |
|---------------|------------------------------------|-------------------------|------|-----|-----|--------|--------------|-----|-----|---|---|--------------------|------|------|---------------|
| | | Inherent Risk | | | | | Control Risk | | | | | | | | |
| | | As of March 19, 2015 | | | | | | | | | | 2015 | 2016 | 2017 | Reference |
| | | Severe | High | Mod | Low | Severe | High | Mod | Low | | | | | | |
| Payroll/HR | Payments to Employees | ✓ | | | | | ✓ | | | | | | | | |
| | Allocation of Expenditures | ✓ | | | | | | | | ✓ | | | | | |
| | General Employee Administration | | ✓ | | | | ✓ | | | | | | | | |
| | Employee Benefit Administration | ✓ | | | | | ✓ | | | | | | | | |
| | Employee Attendance | ✓ | | | | | | | | ✓ | | | | | |
| | Hiring/Termination of Employees | | ✓ | | | | | | | ✓ | | | | | |
| Purchasing/AP | P.O. System | | ✓ | | | | | | | ✓ | | | | | |
| | Payments Outside P.O. System | ✓ | | | | | | | | ✓ | | | | | |
| | Procurement Process | ✓ | | | | | ✓ | | | | ✓ | | | | Pages 19 - 20 |
| | Private Purpose Trust Expenditures | | | ✓ | | | | | | ✓ | | | | | |
| | Reporting Requirements | | ✓ | | | | | | | ✓ | | | | | |
| | Allocation of Expenditures | ✓ | | | | | | | | ✓ | | | | | |
| | Payment Processing | ✓ | | | | | | | | | ✓ | | | | Pages 19 - 20 |
| | Petty Cash Administration | | | ✓ | | | | | | ✓ | | | | | |
| State Aid | General Processing/Monitoring | | ✓ | | | | | | | | | | | | |
| | Basic Aid | | ✓ | | | | | | | ✓ | | | | | |
| | Transportation Aid | | | ✓ | | | | | | ✓ | | | | | |
| | Building Aid/Capital | | ✓ | | | | | | | ✓ | | | | | |
| | Excess Cost Aid | | | ✓ | | | | | | ✓ | | | | | |
| | BOCES | | | ✓ | | | | | | ✓ | | | | | |
| | | | | | | | | | | | | | | | |

RISK REGISTER AS OF March 19, 2015

| Business Unit | Process | Initial Risk Assessment | | | | | | | | | | Testwork Performed | | | | |
|------------------|-------------------------------|-------------------------|-----|--------|------|--------------|-----|--------|------|-----|-----|--------------------|------|------|-----------|--|
| | | Inherent Risk | | | | Control Risk | | | | | | | | | | |
| | | As of March 19, 2015 | | | | | | | | | | 2015 | 2016 | 2017 | Reference | |
| Severe | High | Mod | Low | Severe | High | Mod | Low | Severe | High | Mod | Low | | | | | |
| Attendance | Tracking Student Attendance | ✓ | | | | | | | | | | | ✓ | | | |
| | Student Performance Data | | | ✓ | | | | | | | | | ✓ | | | |
| Capital Projects | Planning | ✓ | | | | | | | | | | | ✓ | | | |
| | Monitoring | ✓ | | | | | | | | | | | ✓ | | | |
| | Completion | ✓ | | | | | | | | | | | ✓ | | | |
| Special Aid | Grant Application | ✓ | | | | | | | | | | | ✓ | | | |
| | Allowable Costs | ✓ | | | | | | | | | | | ✓ | | | |
| | Cash Management | | | ✓ | | | | | | | | | ✓ | | | |
| | Reporting and Monitoring | ✓ | | | | | | | | | | | ✓ | | | |
| | Compliance | ✓ | | | | | | | | | | | ✓ | | | |
| School Lunch | Federal & State Reimbursement | ✓ | | | | | | | | | | | ✓ | | | |
| | Sales Cycle and System | ✓ | | | | | | | | | | | ✓ | | | |
| | Inventory and Purchases | ✓ | | | | | | | | | | | ✓ | | | |
| | Eligibility Verification | | | ✓ | | | | | | | | | ✓ | | | |
| Fixed Assets | Acquisition and Disposal | ✓ | | | | | | | | | | | ✓ | | | |
| | Compliance | | | ✓ | | | | | | | | | ✓ | | | |
| | Inventory | ✓ | | | | | | | | | | | ✓ | | | |

RISK REGISTER AS OF March 19, 2015

| Business Unit | Process | Initial Risk Assessment | | | | | | | | | | Testwork Performed | | | |
|---------------------------|-------------------------------------|-------------------------|------|-----|-----|--------|--------------|-----|-----|------|------|--------------------|-----------|---|--|
| | | Inherent Risk | | | | | Control Risk | | | | | | | | |
| | | As of March 19, 2015 | | | | | | | | | | | | | |
| | | Severe | High | Mod | Low | Severe | High | Mod | Low | 2015 | 2016 | 2017 | Reference | | |
| Transportation | Fleet Maintenance | | | ✓ | | | | | ✓ | | | | | | |
| | Risk Management | | ✓ | | | | | | ✓ | | | | | | |
| | Personnel Compliance | | | ✓ | | | | | ✓ | | | | | | |
| | Facilities Maintenance and Security | | ✓ | | | | | | ✓ | | | | | | |
| Cash Receipts/ Billing | Real Property Tax | ✓ | | | | | | | ✓ | | | | | | |
| | Medicaid | | ✓ | | | | | | ✓ | | | | | | |
| | Out of District Tuition | | | ✓ | | | | | ✓ | | | | | | |
| | Use of Facilities | | | ✓ | | | | | ✓ | | | | | | |
| | Admissions and Concessions | | ✓ | | | | | | ✓ | | | | | | |
| | Donations | | | ✓ | | | | | ✓ | | | | | | |
| | Collection/Posting of Receipts | | ✓ | | | | | | ✓ | | | | | | |
| Extraclassroom | General | | ✓ | | | | | | ✓ | | | | | | |
| | Cash and Cash Receipts | | ✓ | | | | | | ✓ | | | | | | |
| | Expenditures and Purchasing | | | ✓ | | | | | ✓ | | | | | | |
| | Inventories | | | ✓ | | | | | ✓ | | | | | ✓ | |

CURRENT YEAR RISKS AND RECOMMENDATIONS

In order to assist the School District in managing its risks efficiently and effectively, we have summarized certain risks based on our professional judgment. For each of the risk areas highlighted, we have included a recommendation for the School District to consider in addressing the specific risk.

Governance-General Policy and Procedures

Inherent Risk- *Severe*

Control Risk- *High*

Risk Appetite- *Moderate*

Accounting Procedures Manual

Observation

Although the District has documented in limited circumstances certain procedures within the business office, the District does not have a formalized accounting procedures manual or an inventory of its internal controls.

Risk

Without documented accounting procedures or an inventory of internal controls, employees have no formal guidance as to their specific role in the accounting process as well as their specific role in the internal control process for the District. An effective internal control system relies heavily on a formal communication system that sets the expectations of its employees and establishes their role in the process. This lack of formal communication increases the risk of internal controls not being followed as intended and employees not knowing what is expected of them. It prohibits the ability to effectively train new employees, evaluate performance, and improve on existing procedures or internal control.

Recommendation

We recommend that the District develop a comprehensive accounting procedures manual that is separate from Board Policy. Such a procedures manual would ensure that procedures are consistently applied throughout the District. It would effectively notify all accounting personnel of their duties and improve lines of communication. In developing the accounting procedures manual, the District should consider the following elements:

- Written job descriptions for each accounting position. These descriptions should be provided to each employee and serve as a guideline for hiring and evaluating personnel. The District already has many of these job descriptions documented.

CURRENT YEAR RISKS AND RECOMMENDATIONS

- Appropriate descriptions of all financial policies, accounting procedures, internal controls over payroll, cash disbursements, and cash receipt cycles.
- A segregation of duties matrix for each of the main transaction cycles that provides an overview of the role of each position in the internal control process.
- A list of standard forms and system generated reports used in the School with a detailed explanation of their purpose and preparation.

The accounting procedures manual should be updated annually and should be distributed to all accounting personnel and other appropriate personnel. It should evolve to meet the needs of the District and should provide an accurate reflection of the current system of accounting.

Governance-General Policy and Procedures

Inherent Risk- *Severe*

Control Risk- *High*

Risk Appetite- *Moderate*

Conflict of Interest Statements

Observation

Currently neither the Board of Education nor management is required to sign an annual conflict of interest statement. Although not required by law, a conflict of interest statement is considered a best practice for purposes of transparency. The conflict of interest statement would disclose any relationship, contract, or transaction that could have an appearance of conflict with board members or key employee's decision.

Risk

The District, unknowingly, could have a contractual relationship that could be deemed a conflict of interest for either a board member or key employee.

Recommendation

We recommend the District require an annual conflict of interest statement be documented from its board members and key employees to disclose any potential appearance of a conflict of interest.

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| CURRENT YEAR RISKS AND RECOMMENDATIONS |
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Governance-General Policy and Procedures

Inherent Risk- *Severe*

Control Risk- *High*

Risk Appetite- *Moderate*

Section 4980H- Measurement Period

Observation

Section 4980H of the Internal Revenue Code ("IRC") requires employers with at least 50 full-time employees and/or full-time equivalent employees ("FTEs") to either pay a penalty or offer affordable health care coverage that provides minimum essential coverage and minimum value. Federal regulations allow employers to use an optional safe harbor method known as the "Look-Back Measurement Method" to determine whether an employee with variable hours is to be treated as a full-time employee for purposes of determining liability under Section 4980H of the Internal Revenue Code. In order to apply the "Look-Back Measurement Method" as a safe harbor option, the employer must designate the standard measurement periods and corresponding stability periods that will be used.

Risk

Without adopting a board policy regarding the "Look-Back Measurement Period" there is risk that the use of the allowed safe harbor could be challenged.

Recommendation

The District should adopt a policy regarding the "Look-Back Measurement Period" that is in the best interest of the District.

CURRENT YEAR RISKS AND RECOMMENDATIONS

Information Technology - Governance/Security

Inherent Risk – *High*

Control Risk – *High*

Risk Appetite – *Moderate*

Policies/Data Protection

Observation

The District does not have an Acceptable use policy for Cloud-based offerings used for instructional and student/teacher collaboration. In addition, evaluations of cloud-based offerings have not been performed to ensure that controls are available to ensure that personal, private, and sensitive information are not be posted or stored within these Cloud-based offerings.

Risk

- The New York State Comptroller states that comprehensive IT security policies and procedures should be in place to protect personal, private, and sensitive information (PPSI) and on mobile computing devices, including laptops, smartphones, tablets and portable media devices. As cloud based solutions are used by teachers and students in the District, there is the risk of sensitive and private information being uploaded to the cloud where it is not protected.
- Without an “Information Security Breach and Notification” policy #8635, identified as the policy legally required for all school districts, the District will not be in compliance with New York State law. School districts must disclose any breach of data to affected New York residents.

Recommendation

1. Develop and adopt the “Use of and Access to Personal, Private, and Sensitive Information” policy. Define PPSI; explain the reasons for collecting PPSI; and describe specific procedures for the use, access to, storage, and disposal of PPSI involved in normal school activities. Staff should acknowledge that they have read, accept and understand the policy.
2. Develop an Acceptable use policy for Cloud-based offerings which defines specific circumstances in which it is permitted to be used. In addition, define the responsibilities of District staff that is responsible for managing and monitoring any cloud-based offering which involve multiple participants.

CURRENT YEAR RISKS AND RECOMMENDATIONS

3. Evaluate all Cloud-based offerings used by the District and assess whether sufficient security provisioning (i.e., setting up users which are permitted access), audit trails and content monitoring controls have been established.

Information Technology – Governance/Security

Inherent Risk - High

Control Risk – High

Risk Appetite - Moderate

Vendor Management

Observation

The District is reliant on third parties to operate critical applications in use at their facilities. In order to assess the effectiveness of the controls within these externally hosted operations, it is industry best-practice for these hosting vendors to undergo an independent control evaluation such as the AICPA's Statement on Standards for Attestation Engagements No. 16 (SSAE 16) and Attestation Standards Section 101 (AT Section 101) in order to provide visibility within these service providers' control design. The SSAE 16 replaced the SAS 70 report on June 15, 2011.

The District utilizes *Lotus Notes* for email services, the *nVision IS* application to handle financial processing (i.e., Payroll, vendor check disbursements and maintaining the General Ledger) and *IEP Direct* to handle its Special Education program. These applications are hosted by *BOCES (Central NY RIC)* along with providing the District's Internet access and website. *BOCES* has complete responsibility for managing the application, network connectivity, system operations and security. *BOCES* has not provided a service auditor's assurance report.

Risk

The manner in which security over the district's data, hosted at these 3rd party vendors facilities, will not be completely understood or independently validated.

Recommendation

The BOCES SSAE 16 service auditor's assurance audit is underway. Once completed, it will be reviewed and the risk level will be adjusted accordingly.

CURRENT YEAR RISKS AND RECOMMENDATIONS

Information Technology – Governance/Security

Inherent Risk - High

Control Risk - High

Risk Appetite - Moderate

Data Classification

Observation

The District has not developed a data classification standard to classify the risk level of data resources used within the District. Establishment of a data classification standard provides the basis for ensuring that proper levels of controls have been implemented based on the classification of the data.

Risk

Individual users will not have the awareness needed to preserve the overall system security.

Recommendation

A security risk assessment should be established to classify the risk relating to all critical District data. This risk assessment would then be used as the basis of ensuring all District data is properly secured with the required level of separation of duties and controls.

Information Technology-Disaster Recovery

Inherent Risk - Severe

Control Risk - High

Risk Appetite - Moderate

Contingency Plan

Observation

The District has not conducted a Business Impact Analysis (BIA) to determine the timeframes in which they can operate without having access to key instructional and district business applications and overall IT Infrastructure services (e.g., Internet Access, Access to email). In addition, the Business Impact Analysis would determine the amount of data that the District's departments and instructional areas are willing to lose in the event of an IT system failure. These results from the Business Impact Analysis would determine whether data backup strategies are

CURRENT YEAR RISKS AND RECOMMENDATIONS

designed to meet the District requirements and the extent in which an alternate location is needed to operate the District's IT systems in the event the primary server room was inoperable.

Currently, there is not an alternate location that has been identified to operate the District's IT systems in the event the primary server room was inoperable. In the event that internet access was lost, District staff would relocate to BOCES to process payroll and financials.

Risk

Without a formal contingency plan that has been tested, there is risk that upon the loss or interruption of the IT function, data could be irretrievable and the School District's processing capability diminished.

Recommendation

1. We recommend the School District develop a Business Impact Analysis (BIA) which identifies Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) for all application systems and key IT services.
2. Based on the completion of the BIA, alternate processing locations should be established, a disaster recovery plan created and a process to test the plan.

Information Technology- Miscellaneous Application Security

Inherent Risk - High

Control Risk - High

Risk Appetite - Moderate

Application Logon Security

Observation

The District utilizes the IEP Direct application distributed by the Centris Group, LLC to handle its Special Education program. The IEP Direct application is a Web-based application hosted by BOCES (Central NY RIC). With IEP Direct being accessible from the Internet there is a threat of a cyber-security attack in which outside intruders can initiate a brute force attack to take over the District IEP Direct accounts. The IEP Direct system does not have the logon security control to lock an account after successive invalid logon attempts.

CURRENT YEAR RISKS AND RECOMMENDATIONS

Risk

With IEP Direct being accessible from the Internet there is a threat of a cyber-security attack in which outside intruders can initiate a brute force attack to take over the District IEP Direct accounts.

Recommendation

The District should request that BOCES contact the Centris Group to determine whether a security feature is available to lock an account after a District specified number of invalid logon attempts in which the District is able to establish an administration function to manage the reactivation of accounts after they are suspended. In addition, the District should review an internal IEP Direct report to identify invalid logon attempts daily to ensure the district is not being subject to a cyber-security attack.

Information Technology- Security

Inherent Risk - Severe

Control Risk - High

Risk Appetite - Moderate

Network Security Monitoring

Observation

BOCES provide Internet access for the District in which District traffic is routed through an edge router and a District firewall which is managed and configured by *BOCES*. A service agreement does not exist between the District and *BOCES* which defines the network security monitoring responsibilities of *BOCES*. Based on the IT Director's discussions with *BOCES* during the audit, *BOCES* indicated they do not perform any network security monitoring on behalf of the District.

Risk

Cyber-attacks attempting to access District resources would not be detected.

Recommendation

The District should request that BOCES establish a log server to route the Checkpoint Firewall logs and the District should establish an internal network security monitoring function.

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| CURRENT YEAR RISKS AND RECOMMENDATIONS |
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Payroll/Human Resources-General Employee Administration

Inherent Risk - Severe

Control Risk - High

Risk Appetite – Moderate

Affordable Care Act (ACA) Reporting Compliance

ACA Reporting Provisions

The ACA enacted two (2) separate information reporting provisions requiring employers and health insurance issuers to report to the IRS and furnish statements to individuals with information regarding health care coverage.

Section 6055 and 6056

Beginning in 2016, employers are required under PPACA to report certain information to the IRS about health coverage provided during the prior calendar year (2015). The reporting is meant to assist the federal government in enforcing compliance with both the employer and individual mandates, and, in turn, in administering the premium tax credit and cost-sharing subsidy eligibility and payments through both the federally facilitated and state-run health insurance exchanges.

Employers are also required to provide employees with individual statements that summarize the IRS report. These statements are intended to assist individuals in complying with the individual mandate.

There are two separate reporting and employee statement requirements found in two separate sections of the IRC: Sections 6055 and 6056. Section 6055 applied to all employers that sponsor self-insured plans, and Section 6056 applies to all employers subject to the employer mandate.

CURRENT YEAR RISKS AND RECOMMENDATIONS

The IRS forms in Table A-1 are required to be filed with the IRS no later than February 28th of each year (or March 31st of each year, if filed electronically), reflecting information for the previous calendar year. The first required forms are due February 28, 2016.

Table A-1

| Individual/Group Type | Required Form 6055 Reporting (Insurer Responsibility) | Required Form 6056 Reporting (Employer Responsibility) |
|--|---|--|
| Individual (on-Marketplace) | N/A (1095-A sent by Marketplace) | N/A |
| Individual (off-Marketplace) | Form 1095-B | N/A |
| Small group fully insured (both SHOP Marketplace and off-Marketplace) | Form 1095-B | N/A |
| Small group self-funded | Form 1095-B (sent by employer) | N/A |
| Applicable large employer (fully insured) | Form 1095-B | Form 1095-C Sections I, II |
| Applicable large employer (self-funded) | N/A | Form 1095-C All sections (6055 + 6056) |

Observation

The District currently utilizes nVision financial software. The financial software has not yet been updated to provide the information necessary to comply with Section 6055 and 6056 reporting.

Risk

The District will not be able to comply with the ACA reporting requirements for the 2015 reporting year.

Recommendation

The District should contact BOCES to determine the necessary timeline to ensure that the reporting capabilities are in place for timely reporting.

RESULTS OF ANNUAL TESTWORK

EXECUTIVE SUMMARY OF ANNUAL TESTWORK

D'Arcangelo & Co., LLP was requested by the *Cortland Enlarged City School District* Board of Education and the Audit Committee to conduct procedures related to the Purchasing and Accounts Payable function as required in accordance with Chapter 263 of the laws of New York State for annual test work.

Background

We performed an internal audit of the Purchasing and Accounts Payable functions and related internal controls. Our internal audit was conducted to assess the level of compliance with procedures set forth by the District's Administration. We reviewed and evaluated the policies and practices relating to the District's purchasing, receiving and accounts payable functions. As part of this assessment, we interviewed selected staff, performed tests on selected purchase orders, receiving documentation and expense reports as deemed necessary to understand the process and to determine compliance. During the audit we examined internal controls over the Purchasing and Accounts Payable functions for the period from July 1, 2014 through March 1, 2015.

Procedures Performed

As part of the annual testing we obtained the check registers for all funds for the time period of July 1, 2014 through March 1, 2015. We randomly selected thirty-five (35) disbursements from the general fund, five (5) from the capital fund, five (5) from the special aid fund, and ten (10) from the school lunch fund.

For each check we reviewed the accompanying voucher packet which included the original invoice, requisition, purchase order, and copy of the check.

Through our testing we noted the following inconsistencies:

- Three (3) occurrences where the invoice was paid over a month after being received,
- Six (6) occurrences where the check amount did not match the invoice amount,
- Three (3) occurrences where the internal claims auditor did not stamp or sign the voucher packet,
- Three (3) occurrences where the voucher packet was flagged by the internal claims auditor but not reflected on the exception report given to the Board of Education,
- One (1) occurrence where the vendor contact information was not entered correctly into the financial software,
- Three (3) occurrences where the purchase order was over-expended by more than \$500,
- One (1) occurrence where a purchase discount was lost because of late payment,
- Two (2) occurrences where the purchase made was over the general municipal law section 103 thresholds and no bidding documentation was noted or reviewed,
- Two (2) occurrences where the purchase order stated quotes were received but copies were not attached to the voucher packet for internal claims auditor's review,
- One (1) occurrence where the district was severely past due on the purchase,

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| EXECUTIVE SUMMARY OF ANNUAL TESTWORK |
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- One (1) occurrence where the internal claims auditor did not sign or stamp the voucher packet until more than a month after the check went out,
- Two (2) occurrences where a copy of the purchase order was not attached to the voucher packet,
- Two (2) occurrences where a copy of the requisition was not attached to the voucher packet,
- One (1) occurrence of a confirming purchase order.

ANNUAL TEST WORK OBSERVATIONS AND RECOMMENDATIONS

Governance-General Policy and Procedures

Inherent Risk- *Severe*

Control Risk- *High*

Risk Appetite- *Moderate*

Procurement Policy

Observation

GML 104(b) requires that the District adopt a written procurement policy with procedures governing procurement of goods and services that are not subject to competitive bidding requirements. The policy and its procedures must provide for the use of written or verbal or other competitive procurement methods, procedures for determining which procurement method to use, circumstances when the solicitation of proposals or quotes will be waived, and the documentation standards for each method of procurement. In addition, it is important that a procurement policy address and provide guidance for emergency purchases, sole source purchases, and procurement of professional services and the documentation needed to support all purchasing decisions.

We noted that the district has updated this policy through Erie 1 BOCES, however the new version does not define the thresholds needed for compliance with General Municipal Law 104(b).

Recommendation

The Board should review and update the District's procurement policy to ensure that it is in compliance with GML 104(b). The policy should include detailed and clear guidance on the documentation required for proof of compliance. Documentation may include memoranda, written quotation forms, telephone logs (for verbal quotes), RFPs, and copies of Federal, State, county contracts or other government contracts for which "piggybacking" is permitted. If a contract is awarded to an offer other than the lowest dollar offer, the policy must require that there be justification and documentation, setting forth the reasons the award.

Internal Claims Auditor Procedures

Observation

We noted though our audit that there is no policy in place pertaining to the claims auditor function. In addition there are no documented procedures or list of items that the board has determined the claims auditor to review prior to approving payments for purchases.

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| ANNUAL TEST WORK OBSERVATIONS AND RECOMMENDATIONS |
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We also noted through inquiry that the claims auditor is not reviewing contract or bidding documentation for purchases to determine compliance with applicable laws.

Recommendation

We recommend the board develop a checklist of procedures to be performed on all claims. The procedures should include review of documentation necessary for compliance with applicable laws, including but not limited to General Municipal Law 103 and 104(b).

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| ADDITIONAL TESTWORK PERFORMED |
|--------------------------------------|

Payroll/HR-General Employee Administration

Targeted Employee Payroll Analysis

Objective

The objective of this analysis was to determine that key administrative employees with the most risk of management override were paid according to their contracted salary.

Procedures Performed and Outcome

We targeted six (6) high risk employees with access to the financial software or could have access to the financial software. We recalculated all payroll payments made to the employee for the period July 1, 2014 through February 27, 2015. We observed no instances where salary paid represented a gross deviation from the contracts set forth by the District contracts.

Recommendation

No recommendation necessary based on the outcome of procedures performed.

Payroll/HR-General Employee Administration

Targeted Employee Same as Vendor

Objective

The objective of this test was to look at any payments made to targeted employees outside of payroll, and ensure they appear reasonable. After any matches are found we investigate all payments made and look into anything that appears to be suspicious.

Procedures Performed and Outcome

We targeted seven (7) high risk employees with access to the financial software or could have access to the financial software. We then scanned the entire disbursements journal for payments made to these individuals. All occurrences of payments made to these individuals were reviewed. The payments were made up of contractual payments as well as mileage reimbursements. All payments appeared reasonable.

Recommendations

No recommendation deemed necessary based on the outcome of procedures performed.

ADDITIONAL TESTWORK PERFORMED

Benford's Law Analysis

Objective

The objective of this analysis was to apply statistical reasoning to possibly identify potential issues contained in the disbursement journal.

Background

Benford's Law is a statistical anomaly that was first discovered by Simon Newcomb and then further analyzed by Frank Benford. This law states that the odds of a number appearing at any point within a number are predictable. For example, below is a chart containing the statistical odds of any given number being the first digit of a larger number.

| Digit | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|------------------------------------|------|------|------|-----|-----|-----|-----|-----|-----|
| Odds of Obtaining as 1st Digit (%) | 30.1 | 17.6 | 12.5 | 9.7 | 7.9 | 6.7 | 5.8 | 5.1 | 4.6 |

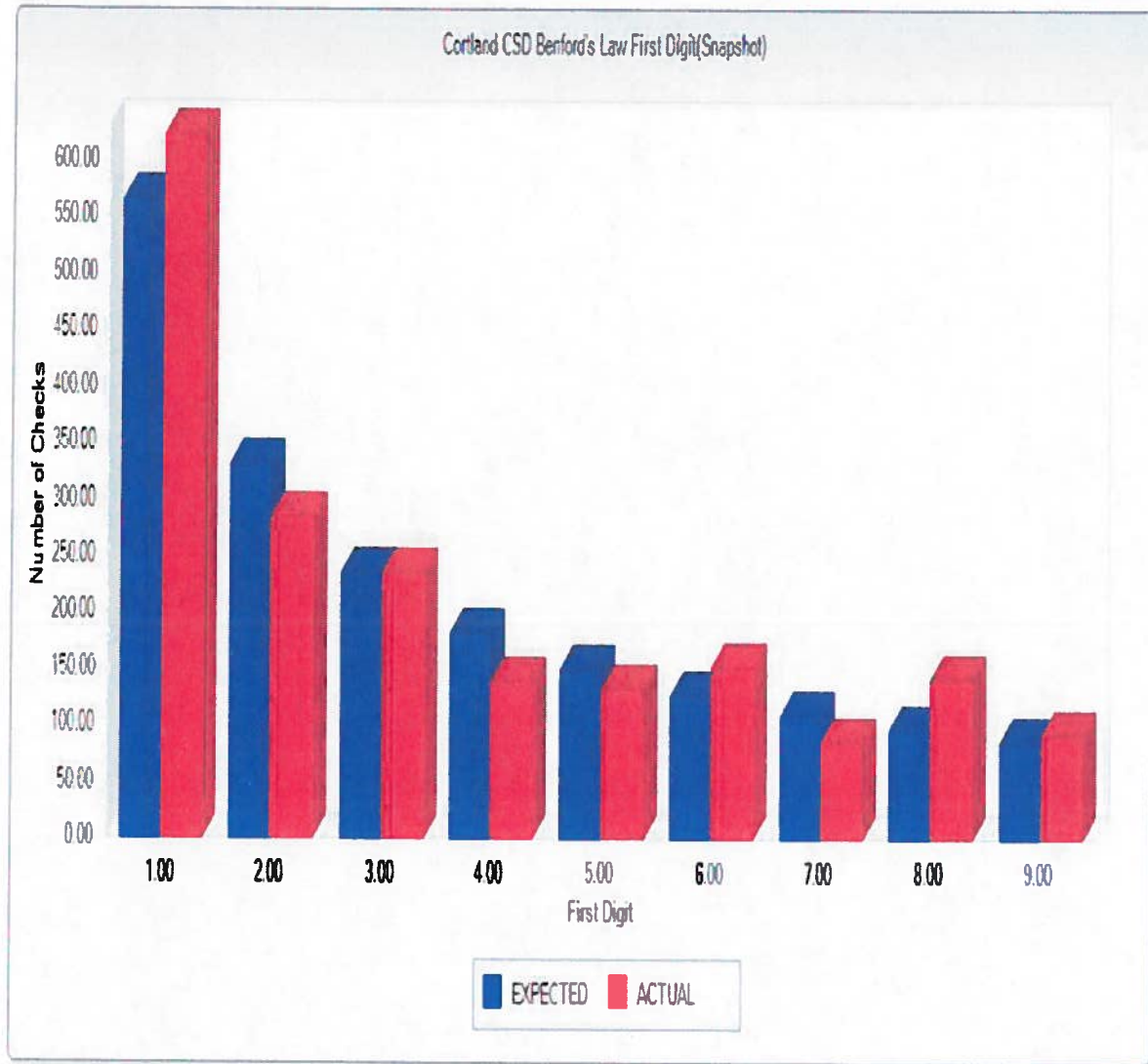
(<http://intuitor.com/statistics/Benford's%20Law.html>)

The odds of the number one being in the first position is 30.1%. By comparing a set of data to these criteria we could identify areas to look into further.

Procedures Performed and Outcome

By applying Benford's Law to the Districts disbursement journal data for the period of July 1, 2014 through February 27, 2015, the following results were calculated for both the first digit and second digit.

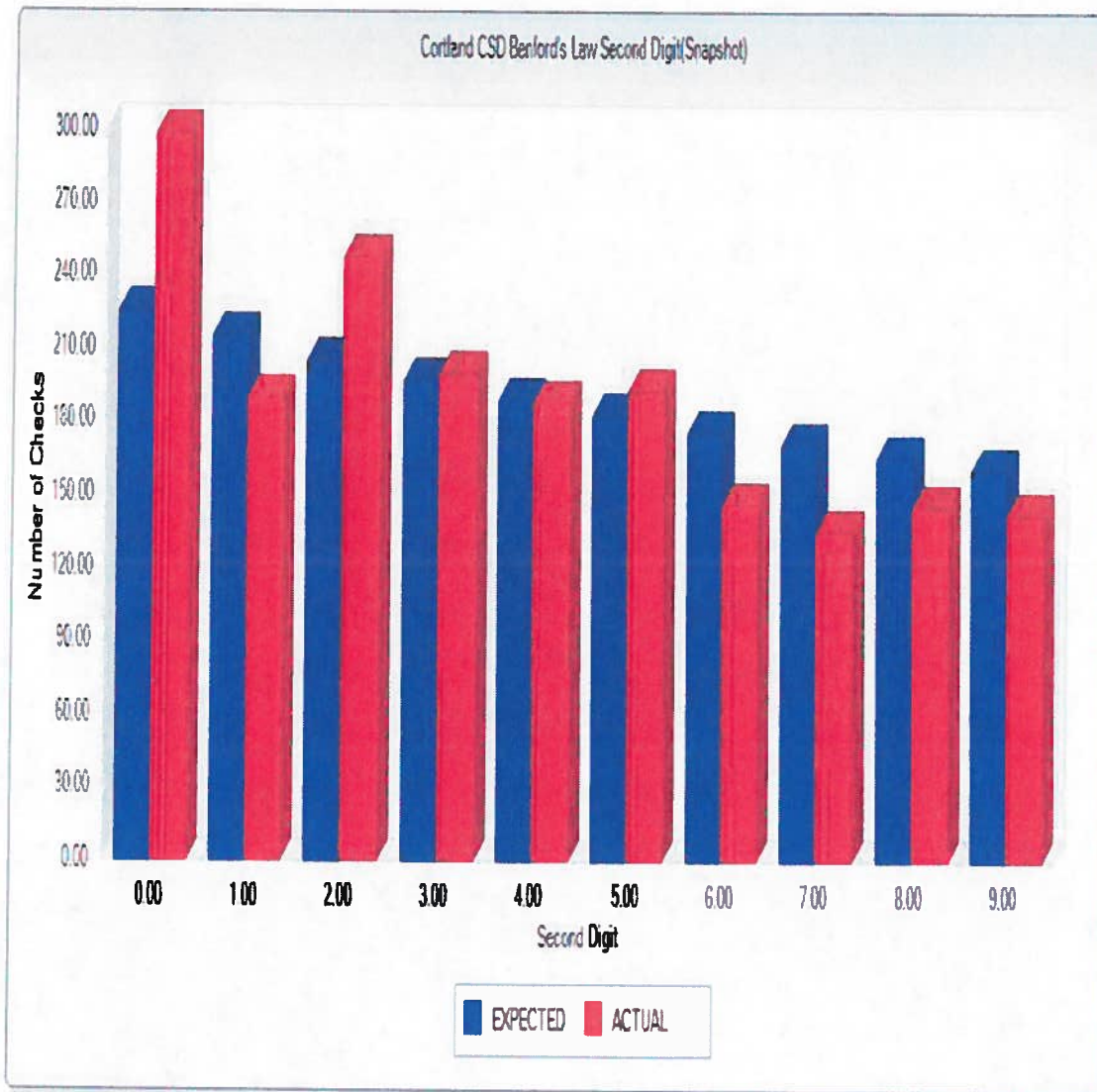
ADDITIONAL TESTWORK PERFORMED



Results for 1st Digit Test

The first digit Benford's Law Analysis showed variances against the expected counts for the first digits of 1, 6, and 8. The number 1 was associated mainly with election workers and employee reimbursements for clothing allowances. The number 6 and 8 were mainly associated with payments for athletic events such as clock operators and referees.

ADDITIONAL TESTWORK PERFORMED



Results for 2nd Digit Test

In performing the second digit Benford's law Analysis we saw a higher than expected number of check amounts with the second digit of "0, 2, 3, and 5". The second digit 0 can be explained by a large number of even dollar checks for contractual payments. For example, 100, 200, 500, 1,000. The numbers 2, 3, and 5 are mainly associated with athletic event payments as well as athletic dues and association fees.

SCHEDULE OF RESIGNATIONS AND LEAVES

ADMINISTRATORS, INSTRUCTIONAL AND NON-INSTRUCTIONAL STAFF

School Year 2015-16

Schedule Number: 11.58

Board Meeting Date: September 8, 2015

Color: White

A. Approval of Personnel Resignations and Leaves

ADMINISTRATORS/INSTRUCTIONAL PERSONNEL:

| RESIGNATION | POSITION | ORIGINAL APPOINTMENT | RESIGNATION DATE | REASON |
|-------------|----------|----------------------|------------------|--------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

NON-INSTRUCTIONAL PERSONNEL:

| RESIGNATION | POSITION | ORIGINAL APPOINTMENT | EFFECTIVE DATE | REASON |
|----------------|---------------------|----------------------|----------------|--------------|
| Sherman, Jane | Food Service Helper | 11/02/1998 | 08/31/2015 | Retirement. |
| O'Mara, Joseph | Bus Driver | 10/06/2014 | 08/31/2015 | Resignation. |
| Ruane, Thomas | Claims Auditor | 07/01/2008 | 10/16/2015 | Retirement. |
| | | | | |
| | | | | |

INSTRUCTIONAL/NON-INSTRUCTIONAL PERSONNEL:

| LEAVE OF ABSENCE | POSITION | ORIGINAL APPOINTMENT | LEAVE DATES | REASON |
|------------------|----------|----------------------|-------------|--------|
| | | | | |
| | | | | |

7.9

7.6

SCHEDULE OF APPOINTMENTS

**Non-Instructional Personnel
To Fix Salaries and Schedule Conditions for the School Year 2015-16**

Schedule Number: 1154
Board Meeting Date: September 8, 2015
Color: White

| NAME | JOB TITLE | SERVICE AREA | EFFECTIVE DATE | APPOINTMENT TYPE | REMARKS | SALARY/ HOURLY RATE |
|-------------------|--------------|--------------|----------------|------------------|---|------------------------|
| Loveless, Christa | Teacher Aide | Virgil | 09/08/2015 | Probationary | Christa will fill the Teacher Aide position due to resignation. | \$9.84 |
| Powers, Teri | Teacher Aide | Virgil | 09/08/2015 | Probationary | Teri will fill the Teacher Aide position due to resignation. | \$9.84 |
| Morrison, Lori | Teacher Aide | Virgil | 09/08/2015 | Probationary | Lori will fill the Teacher Aide position due to resignation. | \$9.84 |

7.6

SCHEDULE OF APPOINTMENTS

Non-Instructional Substitute Personnel

To Fix Salaries and Schedule Conditions for the School Year 2015-16

7.b

Schedule Number: **1155**
Board Meeting Date: **September 8, 2015**
Color: **White**

The following individuals are appointed conditionally (pending fingerprint clearance) to the substitute list for non-instructional personnel. The Superintendent is authorized to make assignments from the list.

| Last Name | First Name | Title | Rate |
|---------------|------------|----------------------|---------|
| Alteri Jr | Peter | Bus Driver | \$14.58 |
| Avery | Heidi | Teacher Aide | \$9.00 |
| Barhite | Kimberly | Nurse | \$17.00 |
| Beattie | Carol | Keyboard Specialist | \$10.70 |
| Chapman | Sandra | Cleaner | \$9.00 |
| Dorn | Carolyn | Keyboard Specialist | \$10.35 |
| Dorn | Carolyn | Switchboard Operator | \$9.00 |
| Eaton | Donald | Cleaner | \$9.60 |
| Fuller | David | Cleaner | \$9.00 |
| Gillette | Joann | Nurse | \$17.00 |
| Hill | Danial | Bus Driver | \$13.95 |
| Hollenbeck | Sharon | Teacher Aide | \$10.35 |
| Jones | Christine | Library Aide | \$9.00 |
| Jones | Susan | Nurse | \$17.50 |
| Kostuk | Katherine | Teacher Aide | \$9.00 |
| Kowalewski | Stephen | Bus Driver | \$15.93 |
| Lott | Jessica | Teacher Aide | \$9.00 |
| Lowie | Joan | Teacher Aide | \$9.00 |
| Marshall, Jr. | Louis | Bus Driver | \$15.69 |
| Moshkowski | Michael | Bus Driver | \$13.95 |
| Pearsall | Kathleen | Keyboard Specialist | \$12.05 |
| Pearsall | Kathleen | Teacher Aide | \$11.76 |
| Petrie | Peggie | Keyboard Specialist | \$11.60 |
| Richmond | Kimberly | Teacher Aide | \$10.25 |
| Ruane | Constance | Keyboard Specialist | \$10.60 |
| Ruane | Constance | Teacher Aide | \$9.15 |
| West | Eilene | Food Service Helper | \$9.00 |
| Whitney | Mary | Cleaner | \$9.00 |

SCHEDULE OF APPOINTMENTS

ADMINISTRATORS AND INSTRUCTIONAL STAFF

To Fix Salaries and Schedule Conditions for the School Year 2015-16

Schedule Number: 2363
Board Meeting Date: September 8, 2015
Color: White

| NAME | POSITION/ LOCATION | TYPE OF APP'T | DATE EFFECTIVE | PROB ENDS | TENURE AREA | CERT / DEGREE | REMARKS | SALARY* | | |
|---------------------|---------------------------|------------------|-------------------|--------------|---|---|---|------------------------------|----------|------------------------------|
| Wallace, Mariah | Special Education/JSHS | Probationary | 09/01/2015 | 08/31/2019 | General Special Education | Students With Disabilities -- Grades 7-12/ Initial | Mariah will fill the Special Education vacancy due to resignation. | Step Grad Hrs Master's | B1 37 | \$39,727 \$1,480 \$500 |
| | | | | | | | | TOTAL | | \$41,707.00 |
| Carle, Sara | Speech/JSHS- Virgil | Probationary | 09/01/2015 | 08/31/2019 | Education of Speech & Handicapped Children | Speech & Hearing Handicapped/Per manent | Sara will fill the Speech vacancy due to resignation. | Step Grad Hrs Master's | I1 52 | \$45,167 \$2,080 \$400 |
| | | | | | | | | TOTAL | | \$47,647.00 |
| Diorio, Theodore | AIS Mathematics/JSHS | Probationary | TBD | TBD | Mathematics | Mathematics 7-12/Permanent | | Step Grad Hrs Master's | M1 | \$48,604 \$ \$ |
| | | | | | | | | TOTAL | | \$48,604.00 |

70

SCHEDULE OF APPOINTMENTS

ELEMENTARY & SECONDARY SUBSTITUTE TEACHERS/TUTORS 2015-16

Schedule Number: **2364**

Board Meeting Date: **September 8, 2015**

Color: **Yellow**

The following individuals are emergency conditional appointments to the substitute teacher list. The Superintendent is authorized to make assignments from the list.

| Name | Title | List | Daily Rate |
|--------------------|--------------------|-------------|-------------------|
| Barlow, Patricia | Teaching Assistant | A | \$86.00 |
| DeMuth, Peggy | Substitute Teacher | A | \$101.00 |
| DeMuth, Peggy | Teaching Assistant | A | \$86.00 |
| Heil, Kasy | Substitute Teacher | A | \$99.00 |
| Heil, Kasy | Teaching Assistant | A | \$81.00 |
| Hollenbeck, Sharon | Teaching Assistant | B | \$78.00 |
| Ivie, Peggy | Substitute Teacher | B | \$81.00 |
| Kostuk, Katherine | Teaching Assistant | B | \$73.00 |
| Lowie, Joan | Teaching Assistant | B | \$83.00 |
| Magin, David | Substitute Teacher | A | \$103.00 |
| Magin, David | Teaching Assistant | A | \$91.00 |
| Minor, Lindsey | Substitute Teacher | B | \$81.00 |
| Minor, Lindsey | Teaching Assistant | B | \$73.00 |
| McNerney, Patrick | Substitute Teacher | B | \$81.00 |
| North, Colleen** | Substitute Teacher | A | \$107.00 |
| Passeri, Noel | Substitute Teacher | B | \$81.00 |
| Passeri, Noel | Teaching Assistant | B | \$73.00 |
| Pearsall, Kathleen | Teaching Assistant | A | \$81.00 |
| Richmond, Kimberly | Teaching Assistant | B | \$83.00 |
| Sills, Dorothy | Teaching Assistant | A | \$91.00 |
| Poli, Beverly | Substitute Teacher | B | \$83.00 |
| Ruane, Constance | Substitute Teacher | B | \$91.00 |
| Ruane, Constance | Assistant Teacher | A | \$91.00 |

*** Substitutes appointed above are automatically eligible to substitute as Teaching Assistants.**

****pending fingerprint clearance**

7.C

Co-Curricular Appointments
To Fix Salaries and Schedule Conditions for the School Year 2015-16

Schedule Number: 2365
 Board Meeting Date: September 8, 2015
 Color: Green

| TITLE | APPOINTMENT | YR | AMOUNT* | |
|---------------------------|----------------|-----|---------|----------|
| Stage Craft | Leanna Barlow | 1 | \$ | 2,154.00 |
| Grade Level Leader -- 1st | Julie Lundeen | N/A | \$ | 3,547.00 |
| Head Teacher - Smith | Kellie Maniaci | N/A | \$ | \$887.00 |

*Revision in italics

7.C

**SCHEDULE OF APPOINTMENTS
INTER-SCHOLASTIC (ATHLETICS)**

To Fix Salaries and Schedule Conditions for the School Year 2015-16

Schedule Number: **2366**
Board Meeting Date: **September 8, 2015**
Color: **Blue**

| NAME | TITLE | Varsity/JV JUNIOR HIGH | SPORT | BOYS/ GIRLS | AMOUNT |
|----------------|-------------|---------------------------|--------------|----------------|--------------|
| Maureen White* | Asst. Coach | Varsity | Field Hockey | Girls | \$ Volunteer |
| Sean Mack | Asst. Coach | Varsity | Football | Boys | \$ Volunteer |

*Retroactive to 08/28/2015