



COUNTY OF ONONDAGA

*Office of the  
County Comptroller*

Martin D. Masterpole  
*Comptroller*

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Philip M. Britt  
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May 31, 2022

Mr. Martin E. Voss, Commissioner  
Onondaga County Department of Transportation  
John H. Mulroy Civic Center, 11<sup>th</sup> Floor  
421 Montgomery Street  
Syracuse, New York 13202

Dear Commissioner Voss,

We performed a limited scope audit of the - Guaranty & Bid Deposits - Trust and Agency Account -030000-subaccount-030000002 from January 1, 2020 through and as of December 31, 2021. We evaluated internal controls through planned and performed procedures to obtain reasonable assurance about whether the recorded account balance and the account transactions are free of material misstatement. The recorded account balance and the related account transactions are the responsibilities of the department's management. Our responsibility was to obtain an understanding of the policies/procedures (including bank reconciliation), test internal controls established for the account, and review account transactions completed during the audit time period. Our audit procedures included evaluating internal controls and examining, on a test basis, evidence supporting the account balance and transactions.

The Guaranty & Bid Deposit Trust Account is used to record money collected for residential and commercial contractors requesting access permits for a new or amended driveway in the County of Onondaga as well as for work to be completed within the County's Right of Way and/or work performed by a Utility Company. Additionally, deposit money is held for construction companies who request consideration to appear on the County's courtesy listing. The deposit money retained is handled in accordance with the New York General Municipal Law Section 105 - Disposition of deposit accompanying bid. The Financial Operations Department maintains the financial activity of daily transactions and the Transportation Department maintains the contracts.

Deposit money held is returned to residential customers upon inspection and approval of the completed work by an Onondaga County Department of Transportation representative. Contractors requesting to be removed from the courtesy listing will be refunded any deposit.

During the audit we noted the following:

**Findings:**

1. We noted and question Financial Operations' continued use of the Trust and Agency account #030000-030000002 for the Guaranty & Bid Deposit activity, as there is a recorded balance of \$23,004.51 as of 4/30/2022. An adjusting journal entry was made on 12/31/2020 in the amount of \$125,145.72 which effectively zeroed out the balance in this subsidiary account. This journal entry was made to ensure the County's financial statements were in compliance with the requirements of Governmental Accounting Standards Board, GASB 84. GASB 84 deemed the activity in this account as being that of a custodial account and not a trust and agency account. The adjusting entry transferred the liability to a more appropriate general ledger account: Due to Others Agencies #220000, Miscellaneous - subsidiary #220000001.
2. We noted the Miscellaneous - subsidiary #220000001 account encompasses various County liabilities which may make it difficult to perform an appropriate reconciliation of the PeopleSoft account balance to the records maintained by the Department of Transportation (DOT). Currently, as of 4/30/22, the Trust and Agency Account #030000-030000002 has a balance of \$23,004.51 however, DOT internal accounting records reflect a balance of \$143,000 with deposits appearing back from 1998.

Upon supplemental discussions with DOT, it is acknowledged the ongoing effort to address the discrepancies. The balance at 4/15/2022 in the DOT account was \$127,000.

Additionally, based on the funds transferred and the current funds recorded in the trust account, it appears a reconciliation of DOT's internal records to PeopleSoft was not being performed.

**Recommendation:**

- *We recommend Financial Operations discontinue using the Trust and Agency account #030000-030000002.*
- *We recommend Financial Operations establish a new custodial subsidiary account in order to facilitate an appropriate reconciliation and to isolate the deposits from the other general activity currently recorded in the Due to Others Agencies #220000, Miscellaneous - subsidiary #220000001.*
- *We recommend Financial Operations reconcile the DOT internal accounting balance and the custodial subsidiary account to reflect the actual current balance. Additionally, it is*

*recommended this account be reconciled, at minimum, annually to ensure the account balance is current and up to date.*

- *We recommend Financial Operations and DOT continue to identify deposit(s) from prior years which can be refunded to bring the records current.*

Please feel free to contact me should you have any questions and/or concerns. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Martin D. Masterpole". The signature is written in black ink and is positioned below the word "Sincerely,".

Martin D. Masterpole

Cc: Steve Morgan, Chief Fiscal Officer  
Kristi Smiley, Deputy Director of Financial Operations  
James Fensken, Acting Deputy Commissioner of Transportation

COUNTY OF ONONDAGA



**DEPARTMENT OF FINANCE**

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Financial Operations*

May 19, 2022

Mr. Martin Masterpole, Comptroller  
Onondaga County Comptroller's Office  
421 Montgomery Street, 14<sup>th</sup> Floor  
Syracuse, New York 13202

Dear Mr. Masterpole,

I have reviewed your audit letter dated May 12, 2022 regarding - Guaranty & Bid Deposits - Trust and Agency Account-030000-subaccount-030000002. As mentioned in the report GASB 84 deemed the activity in this account as being that of a custodial account and not a trust and agency account. As a result, Financial Operations has been working with the Comptroller's Office and Treasury to establish new subsidiaries and determine any changes needed on the banking side.

As of May 18, 2022 a new subsidiary has been set up in PeopleSoft. The Comptroller's Office, Financial Operations and Treasury will be meeting next week to determine a date that these funds will be moved to a new bank account and the corresponding entries made in PeopleSoft. At this time Financial Operations will reconcile the new subsidiary with DOT's internal accounting balance. Moving forward the Department of Transportation will continue its efforts to refund all prior year deposits and Financial Operations will be responsible for reconciling the subsidiary.

Sincerely,

A handwritten signature in cursive script that reads "Kristi Smiley".

Kristi Smiley

Deputy Director – Financial Operations