



COUNTY OF ONONDAGA

Office of the
County Comptroller

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October 25, 2017

Onondaga County Soil and Water Conservation District
Attn: Mr. Mark Burger
6680 Onondaga Lake Parkway
Liverpool, NY 13088

Dear Board Members,

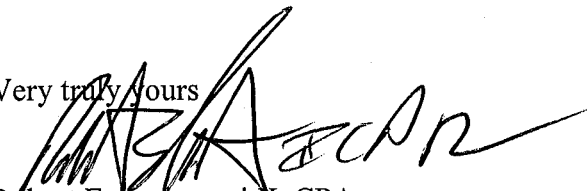
Pursuant to Resolution 19-2016 of the Onondaga County Legislature, the Onondaga County Comptroller's Office performed an audit of the financial information presented in the Onondaga County Soil and Water Conservation District Annual Report of the Treasurer as of and for the year ended December 31, 2016. The Annual Report is prepared by the District and submitted to the New York State Soil and Water Conservation Committee. The objective of our audit was to ensure the Annual Report of the Treasurer was fairly presented in all material respects.

Our work included testing the accounting records and internal controls of the Onondaga County Soil and Water Conservation District which we deemed relevant to enable us to ensure the Treasurer's report is fairly presented. Our findings and recommendations are included in the enclosed report.

Also made part of this report are the District's 2016 Year in Review & 2017 Projections. We have not audited the contents of these reports. Therefore any assertions made are strictly the responsibility of District management.

We would like to thank the District for working cooperatively with us during this engagement.

Very truly yours


Robert E. Antonacci II, CPA
Onondaga County Comptroller



**Report on
Onondaga County Soil and Water Conservation District
Annual Report of the Treasurer for the year ended 12/31/2016
By Onondaga County Comptroller Robert E. Antonacci, CPA, Esq.**

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SECTION I

BACKGROUND AND EXECUTIVE SUMMARY

Background

On March 6, 1944 the Onondaga County Board of Supervisors adopted Resolution No. 60 which created the Onondaga County Soil Conservation District in accordance with the provision of the Soil Conservation Districts Law, Chapter 727, and Laws of 1940.

The Onondaga County Soil and Water Conservation District (District) is a special purpose district created to develop and implement programs of soil, water and related natural resource conservation. The District offers a number of natural resources programs and services, including technical assistance to farmers and landowners, training programs, environmental education programs, and the annual Tree & Shrub sale. The District is governed by a Board of Directors who set program policy implemented by the District staff. The District staff consists of an Executive Director, Program Manager, Resource Conservation Specialists, support staff and various volunteers and interns. The District is funded largely through state grants and county and city appropriations. During 2016 the District has recognized approximately \$604,000 in funding from Onondaga County for various projects.

The mission of the Onondaga County Soil and Water Conservation District is to promote excellence in the wise use of rural/urban natural resources. This is accomplished by:

- Reducing erosion and nutrient runoff from agricultural and non-agricultural nonpoint sources by the use of best management practices
- Providing information and education to the public on sound natural resource conservation principles and practices
- Promoting the improvement, protection, restoration, and maintenance of surface and ground water quality.

The vision of the Onondaga County Soil and Water Conservation District is to live in a society in which future generations will have natural resources necessary to sustain and enrich their quality of life.

The District is required per Soil and Water Conservation Districts Law, Chapter 9-B of the Consolidated Laws, §8. (2) to provide for an annual audit of the accounts of receipts and disbursements. As such, we have audited their Annual Report of the Treasurer for the year ended December 31, 2016.

Executive Summary of Findings and Recommendations

1. The Annual Report of the Treasurer (ART) was fairly presented in all material respects.
2. Bank accounts dedicated to specific funding sources are not routinely balanced for the purpose of determining needed transfer(s) to reimburse operating accounts from which expenditures were paid.

3. Bank deposits and interbank transfers are not made in a timely fashion.

Our high level recommendations to District management include:

- Dedicated bank accounts should be balanced to program activity at a minimum on an annual basis and appropriate cash transfers be made to ensure that operating and grant accounts represent accurate balances.
- Bank deposits and interbank transfers should be made in a timely fashion according to internal control procedures.

SECTION II

SCOPE AND METHODOLOGY

Scope:

The objective of our audit is to ensure the Onondaga County Soil and Water District's Annual Report of the Treasurer is fairly presented, in all material respects.

Our objectives were to review:

- Policies and procedures related to fiscal operations.
- Specific areas which came to our attention during the course of the engagement.
- Provide District management with information and recommendations related to their financial operations and other areas to improve internal controls, effectiveness and efficiency.

Methodology:

Our work included tests of the accounting records and other procedures we considered necessary to enable us to ensure the Treasurer's report is fairly presented. Our audit included obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the Annual Report of the Treasurer.

In order to complete our objective we:

- Reviewed relevant District policies and procedures to determine if intended expectations were being met.
- Interviewed various staff responsible for fiscal operations and program controls to determine specific practices of these areas.
- Analyzed and compared expected conditions to current conditions and developed draft recommendations.
- Discussed draft recommendations with District management for their input and practicality evaluation.
- Finalized recommendations and included them in this report.

SECTION III FINDINGS AND RECOMMENDATIONS

Annual Report of the Treasurer:

- A. On the following pages we have illustrated a comparative operating 2016 and 2015 balance sheet and schedule of revenues, expenditures and changes in fund balance. These statements are presented on the modified accrual basis of accounting. The 2015 fund balance amounts reported on the Annual Report of the Treasurer have been adjusted to reflect 2015 general ledger balances. This issue was addressed in the previous report and is mentioned currently because of the comparative presentation. The 2016 statements are fairly presented as compared to the general ledger activity.

**ONONDAGA COUNTY SOIL AND WATER CONSERVATION DISTRICT
OPERATING FUND BALANCE SHEET
DECEMBER 31, 2016 AND 2015**

ASSETS	2016	2015	Dollar Change	Percentage Change
Cash	\$ 1,760,499	\$ 1,147,364	\$ 613,135	53%
Accounts Receivable	410,304	517,309	(107,005)	-21%
Prepaid Expenses	2,247	-	2,247	100%
Total Assets	<u>\$ 2,173,050</u>	<u>\$ 1,664,673</u>		
LIABILITIES				
Accounts Payable	\$ 90,582	\$ 6,252	\$ 84,330	1349%
Accrued Vacation	24,768	25,579	(811)	-3%
Accrued Rent	-	5,000	(5,000)	100%
Accrued Payroll	8,848	6,727	2,121	32%
Payroll Withholdings	5,082	710	4,372	616%
Deferred Revenue	666,275	403,669	262,606	65%
Total Liabilities	<u>\$ 795,555</u>	<u>\$ 447,937</u>		
Fund Balance				
Assigned Appropriated Fund Balance X	<u>\$ 1,377,495</u>	<u>\$ 1,216,736</u>		
Total Liabilities and Fund Balance	<u>\$ 2,173,050</u>	<u>\$ 1,664,673</u>		

X - We adjusted the fund balance amount presented in the 2015 Annual Report of the Treasurer to reflect actual 2015 asset and liability general ledger balances.

**ONONDAGA COUNTY SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016 and 2015**

General Fund

Revenues	2016	2015	Dollar Change	Percentage Change
Grants from Local Governments	\$ 1,066,642	\$ 769,331	\$ 297,311	39%
State sources	411,218	412,161	(943)	0%
Pass-through Income	9,052	240,511	(231,460)	-96%
Construction Income	-	92,136	(92,136)	-100%
Federal sources	-	41,228	(41,228)	-100%
Hydro Seeding	28,937	23,341	5,596	24%
Workshop Income	19,060	15,982	3,078	19%
Equipment Rental	10,489	9,174	1,315	14%
Tree & Shrub Sales	13,741	8,389	5,352	64%
Miscellaneous sources	5,013	6,323	(1,310)	-21%
Sale of Equipment	26,794	4,525	22,269	492%
Gifts & Donations	1,500	1,600	(100)	-6%
Interest income	771	734	37	5%
Total Revenues	\$ 1,593,217	\$ 1,625,435	\$ (32,218)	-2%
Expenditures				
Contractual	\$ 640,732	\$ 779,264	\$(138,532)	-18%
Personnel	505,735	492,539	13,196	3%
Employee Benefits	220,145	228,844	(8,699)	-4%
Equipment	81,753	30,829	50,924	165%
Total Expenditures	\$ 1,448,365	\$ 1,531,476	\$ (83,111)	-5%
Changes in fund balances	\$ 144,852	\$ 93,959		
Beginning Fund Balance	\$ 1,216,736	\$ 1,122,777		
Prior period Adjustment	\$ 15,907	\$ -		
Adjusted beginning Fund Balance X	\$ 1,232,643	\$ 1,122,777		
Ending Fund Balance	\$ 1,377,495	\$ 1,216,736		

X - We adjusted the fund balance amount presented in the 2015 Annual Report of the Treasurer to reflect actual 2015 asset and liability general ledger balances.

Cash:

B. We noted OCSWD utilized four existing bank accounts to account for four new grant projects, and each of these accounts had remaining funds from closed out projects. This is contrary to contract requirements, which indicate funding should be deposited into separate interest bearing accounts and said interest earned shall be used to offset costs at the final project close out. EPF 21 Seneca and EPF 21 Onondaga funds were deposited into respective existing bank accounts on 3/2/16 and 7/31/16 with existing residual balances from other past projects. These two grants have not been adjusted to actual and still retain the prior grants' residual balance. Grant funding for EPF 22 Carley Farms and EPF 22 Chittenango were deposited into the OCSWD's main savings account on 1/13/17 and transferring banking adjustments were made on 3/1/17 and 3/24/17, respectively, to bring their bank accounts to reflect the actual awards.

Recommendation:

1. *We recommend prior to using an existing bank account to deposit funds from a new grant the account should be cleared of any prior grant's balances. This practice should be performed upon completion of the grant close out process. We also suggest, for contract compliance purposes, grant funds should be, when appropriate, deposited directly into their own respective bank account or transferred to their respective bank account in a timelier manner.*
- C. We noted bank deposits are not always made in a timely manner. Per our understanding of the controls in place, deposits should be made on a weekly basis. We reviewed all bank statements in their 17 bank accounts for large deposits. From these bank deposits we selected high valued unique receipts and compared their receipt date to the bank deposit date and categorized them into the range of days below. We do note based on a review of deposits made into the district's savings account, deposits ranged from being made once and up to seven times per month.

Timeliness of Deposit		
<u># of Receipts</u>	<u>Amount</u>	<u>Days</u>
17	\$ 811,425	1 to 7
15	617,482	8 to 30
6	275,049	31 to 39
2	25,532	40 and over
<u>40</u>	<u>\$ 1,729,488</u>	

Recommendation:

2. *We recommended deposits are made in a timely manner according to the established internal control procedures.*

Accounts Receivable:

- D. We noted eight account receivable balances at year end 2016 totaling \$3,097 which have been determined to be uncollectable; seven of these were reported in the prior year's audit. This is illustrated in the following exhibit.

Grant	12/31/2015	12/31/2016
STATE GRANTS		
EPF14 Graze	\$ 1,108.00	\$ 1,108.00
EPF15 Skan	18.87	18.87
EPF18 Skan	-	10.49
LOCAL GRANTS		
BALT WDS	237.00	237.00
GLRI Crop	118.99	118.90
GLRI BMPs	166.06	166.06
GLRI DP	1,070.62	1,070.62
FEDERAL GRANTS		
EPA11 SLW	367.03	367.03
	<u>\$ 3,086.57</u>	<u>\$ 3,096.97</u>

Recommendation:

3. *We recommend procedures are implemented to ensure all funds owed to the District are reviewed for collectability periodically during the year, account adjustments should be appropriately made during the grant close out process and prior to the preparation of the Annual Report of the Treasurer. All adjustments should be reviewed and approved by management.*

- E. We noted twelve other account receivable balances were omitted from the Annual Treasurer's Report, totaling approximately \$9,400.

Recommendation:

4. *We recommend procedures are implemented to ensure all funds owed to the District are determined and assessed for inclusion in the Annual Report of the Treasurer.*

Deferred Revenue:

The District receives some grant funds in advance from the New York State Department of Agriculture and Markets. Some grant agreements require these funds be deposited in dedicated bank accounts. The funds are recorded as deferred revenue and classified as a liability when received. Revenue is periodically recognized for each grant based on expenses incurred. The district utilizes their accounting system to monitor respective grant activity and generate Quick Class reports. These reports are used to generate the necessary journal entries to adjust the deferred revenue account. The Account Clerk III maintains an Excel spreadsheet which summarizes the cash receipts and expenses respective of all the District's grants. In theory the deferred revenue balance on the Excel sheet, respective of the grants should equal the balance of their bank accounts.

F. We noted minor differences when comparing the deferred revenue book balance per the excel spreadsheet to the Quick class reports and larger differences when comparing the deferred revenue book balance to the bank balance at 12/31/16. The latter indicates funds are not being transferred from a dedicated grant bank account into the District's accounts to reimburse District funds. The deferred revenue account detail is illustrated below.

ONONDAGA COUNTY SOIL & WATER CONSERVATION DISTRICT					
Grant deferred revenue vs Grant bank balance analysis					
for year ending 12/31/2016					
	Deferred Book		Difference	Balance per	
	Balance	Deferred Balance Per		12/31/16 Bank	Difference
	12/31/16	Quick Class Report		Statement	Book vs. Bank
1 EPF19 Onondaga	118,989.31	118,943.38	45.93	143,254.90	(24,265.59)
2 EPF20 Onondaga	58,738.41	58,653.77	84.64	75,458.39	(16,719.98)
3 EPF20 Seneca	25,633.82	25,580.65	53.17	43,002.27	(17,368.45)
4 EPF21 Onondaga	33,689.42	33,689.42	-	43,851.88	(10,162.46)
5 Climate Res - Smith Hollow	11,285.50	11,285.50	-	N/A	N/A
6 EPF21 Seneca	110,883.75	110,883.75	-	113,008.70	(2,124.95)
7 SLW Ops '15	30,737.24	30,737.24	-	298,733.66	(267,996.42)
8 City Funds	195,311.14	195,311.14	-	158,611.94	36,699.20
	<u>585,268.59</u>	<u>585,084.85</u>	<u>183.74</u>	<u>875,921.74</u>	<u>(301,938.65) *</u>

* represents funds expended by grant but not moved to the District checking account to cover disbursements.
 District used their own operating funds to pay grant expenses
 N/A = money deposited to district account along with other funds not specific to individual grant or specific bank account

Of particular note is the large bank balance, \$298,734, for the Skaneateles Lake Watershed Agricultural Program (SLWAP). The City of Syracuse advanced funds for this program at inception. A reconciliation of the advanced fund balance was completed and agreed upon by OCSWCD and the City of Syracuse Water Department as of 12/31/12. At 12/31/16, a reconciliation of the SLWAP bank account performed by audit staff determined \$111,416 should be transferred to the appropriate account to cover the SLWAP operating expenses incurred. Additional funds, \$48,247, belonging to SLWAP Administration and Implementation were in the account at 12/31/16, and should be transferred to the appropriate

account. The remaining funds, \$139,071, represent \$91,077 in advance funds plus interest owed to the City (which should remain in account) and \$47,994, representing net equipment rental income (see following paragraph).

The SLWAP contract includes the purchase and rental to farmers of farm conservation equipment. The contract states 'Any positive balance in the rental income line at the end of the Fiscal Year shall be used to reduce the total SWCD/City contract for the subsequent Fiscal Year.' Included in the 12/31/16 SLWAP Savings bank balance is \$47,994 representing the net equipment rental income from the inception of the rental program in 2009 through 12/31/16. Per discussion with the Executive Director, the annual net rental income has not been addressed in any subsequent year's contract. The Executive Director contacted the City of Syracuse Water Department regarding the \$47,994 accumulated net rental income; per our understanding an agreement was reached allowing OCSWCD to retain and use the funds for storm damage repair in the SLWAP area.

Recommendations:

5. *We recommend procedures are implemented to reconcile the book balance (Excel sheet), the Quick Class reports, and bank balances on a periodic basis or at least annually at year end. Procedures should also be implemented to ensure funds are transferred in a timely manner from respective grant accounts to the District account.*
6. *We recommend the City of Syracuse Water Department SLWAP contract be revised at the next renewal date to incorporate the decision made regarding disposition of net equipment rental income.*

Landowners Escrow Bank Account:

The District has an Agricultural Environmental Management (AEM) & Implementation Program Escrow Policy as revised and adopted October 2016 which requires the landowner's share of the cost of the project to be received by the District before the project is started. These funds are deposited in a special bank account and transferred to the District's checking account to pay the contractor once the project is completed. During the process of reviewing the AEM bank account to clear prior year findings, we noted the account has still not been reconciled.

- G. Upon inquiry of the Account Clerk III, the account was reconciled back to 12/31/13. A balance forward at that time of \$8,496.03 was noted. The Account Clerk III indicated there are no outstanding landowner escrow deposits; presumably these funds represent deposits made for completed projects which were never transferred out to District checking. It was also noted \$871.48 for a 2015 project for which payment was made was not transferred out to District checking.

Recommendation:

7. *We recommend the District seek approval from the Board of Director's to transfer prior year funds from the AEM bank account to an appropriate District account.*

8. *We recommend going forward the District maintain a subsidiary ledger or detailed listing of projects not completed. The balance of funds on this listing should agree to the bank account balance.*

Status of Prior Year Findings:

Annual Report of the Treasurer

- A. The Annual Report of the Treasurer (ART) did not report the correct beginning and ending fund balances which resulted in an overstatement of liabilities.

Fund balance was adjusted per recommendations.

Capital Assets

- B. The 2015 Information of Certain Assets Worksheet (fixed assets) omitted numerous items.

Required assets not previously listed were included on the 2016 ART.

Non-Current Government Schedules

- C. The Non-Current Governmental Schedules were not properly completed.

2016 schedule was completed correctly per GASB 68 instructions.

Board of Directors' Treasurer's Reports

- D. We noted inconsistencies on the treasurer's report for three of the four months reviewed for 2015 in the budget to actual reporting on the 'Profit & Loss Budget vs. Actual' report submitted with the minutes at the monthly Board of Directors meetings.

The 2017 budget to actual reporting was adjusted per recommendations.

Petty Cash

- E. We noted minor amounts of sales tax on petty cash receipts and no written petty cash policy.

A petty cash policy was adopted on 9/28/16 and our review of selected receipts did not note payment of sales tax.

Cash

- F. We were unable to determine and verify who performs the actual bank reconciliations as a sign off of this important control procedure was lacking.

The 2016 bank reconciliations were satisfactory signed off.

- G. We noted several transactions listed as outstanding items on the December 31, 2015 District and SLWAP checking account bank reconciliations had not cleared the bank as of April 30, 2016 .

Controls were implemented and this issue did not present itself in 2016.

- H. We noted a minor difference in the district checking account's year end trial balance amount as compared to the amounts reported on the bank reconciliation and the ART. .

No such difference was noted in 2016.

Accounts Receivable

- I. We noted six account receivable balances at year end 2015 totaling \$1,978 which had the same balance as the previous year, and another receivable balance was less than \$1.

Recurring. See Item D in 2016 report.

- J. We noted the district is not timely with billing the Syracuse City Water Department for their quarterly operating expenses relating to the Skaneateles Lake Watershed Agricultural Program (SLWAP).

The billing is current at year end 2016.

- K. We noted funds are not being transferred from the SLWAP savings account into the appropriate checking account in a timely manner.

Recurring. See Item F in 2016 report.

- L. We noted SLWAP equipment rental activity is recorded on the same Quick Class report (ledger) as SLWAP operating.

Management has decided to record the equipment rental activity on the same Quick Class report.

Procurement and Disbursement

- M. We noted a payment to the Skaneateles United Methodist Church for a District sponsored meeting was documented with a church flier with a handwritten note indicating an hourly rate of \$20.

This issue did not present itself in 2016.

- N. We noted a few instances in which the Executive Director did not initial and/or designate a class account and chart code on invoices.

This issue did not present itself in 2016.

Credit Card

- O. The District Board of Directors adopted a new credit card use policy on August 26, 2015. The policy states that the "Executive Director shall review and approve the request for a purchase and provide approval by signing and dating the Request for Purchase Form." District staff indicated that this form has not yet been created and implemented.

A formal form has not been established. However written authorization to use the card was presented.

- P. We noted two instances while testing credit card transactions for the months of May, October and December 2015 in which a handwritten accounting of the purchase was attached in lieu of an actual receipt from the vendor.

This issue did not present itself in 2016.

1099 Policy

- Q. There is no policy in place to collect IRS W-9 "Request for Taxpayer Identification Number and Certification" forms from vendors.

An informal policy has been adopted.

Landowners Escrow

- R. We noted amounts transferred out of the AEM escrow account do not equal the amount of the farmers' deposited funds, respective of their project.

The one landowner's escrow transaction in 2016 was properly processed.

We were unable to agree the 12/31/15 AEM escrow bank balance to a detailed listing of farmers' deposits and their respective projects. Due to the nature of this bank account the balance of funds should be equal to any projects for which the contractor has not been paid.

Recurring. See Item G in 2016 report.

- S. We noted the accounting treatment of landowner escrow deposits inappropriately recognizes a revenue and expense instead of a liability.

The landowner escrow transaction was properly processed per our recommendations.

- T. We noted the District only collected escrow payments in advance from landowners on AEM projects and not all types of projects where a landowner's share of the project's cost is required.

The District revised its Escrow policy on 10/26/16 to include other projects requiring a landowner's share be paid prior to project commencement.

Deferred Revenue

- U. We noted minor differences when comparing the deferred revenue book balance per the excel spreadsheet to the Quick class reports and larger differences when comparing the deferred revenue book balance to the bank balance at 12/31/15. The latter indicates funds are not being transferred from a distinctive grant bank account into the district's accounts to reimburse District funds.

Recurring. See Item F in 2016 report.

Revenue Recognition

- V. We noted it does not appear a management review and approval of the Quick Class reports supporting revenue recognition entries is performed as documentation to attest to this process could not be provided.

Procedures were implemented and management is documenting their review.

- W. We noted the District is recognizing interest income on advanced funds whereby the grant agreement indicates interest shall be returned upon completion of the projects, thus representing a liability.

The Account Clerk III has implemented procedures in 2017 to appropriately recognize this liability.

Cover Crops

- X. We noted \$20,147 in cover crop payments were made to owners/producers in 2016 for 2015 fall plantings, however the documentation provided did not clearly indicate when the actual inspection occurred, and in two cases a paid receipt for the cost of the crops was not submitted.

The district implemented a Cover Crop Reimbursement Policy in June 2016 which addressed the prior year findings. Three cover crop files were reviewed and the above issues appear to have been addressed.

Annual Tree Sale

- Y. Improper cash handling practices relating to the Annual Tree Sales.

A revised Annual Tree & Shrub Sale policy was adopted on 10/19/16 which addressed the cash handling practices.

- Z. Reconciliations tree/plant sales to actual activity is not performed.

Reviewed the 2017 tree sale activity noting all trees not sold on sale day were sold to the Emerald Ash Borer program for planting on County properties.

Hydroseeding

- AA. We noted the current fiscal procedures of recording District costs and its subsequent compilation of said costs into and from the Quick Class reports to generate revenue recognition journal entries along with the posting of the hydroseeding billing invoice have inadvertently resulted in a double booking of expense and revenue.

Only one instance came to our attention in 2016. It is our understanding District management is addressing this issue in 2017.

2016 Year In Review

Simply put, 2016 was another successful year for the District. It is all because of the staff that works really well with each other as well as with our customer base. And, our staff has a very supportive Board of Directors that enables them to do their best job.

In 2016 the District authored 8 State and Federal grants that secured \$1.3 Million. For our agricultural producers, this funding will implement 67 BMPs on 28 farms in the County and the Skaneateles Lake watershed.

Since our move to the former St. Maria Among the Iroquois, a central location in the County, the District has been on a "get to know us" campaign with County officials as well as a "Keep Knowing Us" campaign with our local, State and Federal officials. The District continues to deliver "Who We Are, What We Do" presentations to different audiences across the County.

The District focuses on the future and the need to continue building leaders within the organization to remain strong in the future. After a 14 year absence, the District lead a state-wide reinvigoration of the NYS SWCD "Leadership Institute". This training was especially important and timely due to the number of District Executive Directors retiring and many top-shelf District Managers taking jobs with the NYS Department of Agriculture and Markets. One Onondaga SWCD staff member attended the week long training and will help lead the next training effort in two years.

Throughout all of our District activities, SAFETY is of primary importance. Trainings such as: CPR, First Aid, and AED were provided to ALL employees in April and then again for summer help in June. Participation in safe driver programs were also supported by the District BOD.

During the year the District taught 276 students the NYS DEC 4 Hr Erosion and Sediment Control class. This is truly the District's best fund earned-income program as it generated \$16,580 by teaching 13 classes. This funding helps the District purchase new equipment and vehicles to help the staff operate as efficiently and effectively as possible. (Getting the District involved in this program at the onset was great foresight by our Program Manager Doug Fisher).

One of the best parts about the County having a Soil and Water Conservation District is that the District can adapt to and address County needs very quickly. In 2016, the District was called upon to initiate a Water Chestnut hand pulling program. The District employed four college students from SUNY ESF to implement the project in the field. The project was very well received as demonstrated by the public coming to the field staff to say "Thank You" for what they were doing to help eradicate this aquatic invasive species. The District also supported ~50 Future Farmers' of America during their "Day of Service" while attending their annual meetings/trainings for one week in Syracuse. The students helped to plant 130 new trees to replace the ash trees removed on County Park lands because of Emerald Ash Borer infestation.

It turned out that 2016 was a good year for the District to diversify their services and the customer base to which these services were provided to as milk prices were down and dairy farmers, (our biggest clients), did not have the working capital to financially undertake many major Best Management Practice projects on their farms. Additionally, it

was the second major drought to affect our area in 5 years! Accordingly, our staff was busy performing storm water outfall investigations during the dry weather for County Water Environment Protection (WEP). This program started in 2015.

At this time, the District diversified to the point that we have 7 major program areas to support Onondaga County and the City of Syracuse. The programs include:

- Agricultural Environmental Management program (initiated 1992)
- Skaneateles Lake Watershed Agricultural Program (initiated 1994)
- Municipal Hydroseeding Program (initiated 2005)
- 4 hour Erosion & Sediment Control Training (initiated 2010)
- Emerald Ash Borer (initiated 2012)
- Stormwater Management (initiated 2015)
- Water Chestnut Hand Pulling Program (initiated 2016)

As you can see, the District does not ever say “No” when asked to solve a problem or to provide a solution on a local environmental issue or opportunity. It has been this “never say No” attitude that has helped the District to succeed and to remain viable so that we can continue to provide services and support to the citizens of our county and our stakeholders.

2017 Projections

It appears that the District will be challenged annually with various problems to solve and opportunities to pursue. Just one year ago staff were working with farmers to help provide emergency water supplies to livestock during the third most severe drought since the dust bowl era (and second major drought in just five years). This year in 2017, we are dealing with an excess of water and the related flooding and drainage problems that this brought to the area.

Dairy price support is still down and forecasted to stay down for months into the future. Projections for corn and soybean prices are not much better and the wet weather has not made for a very good growing season. This makes it hard for staff to know how to help farmers that do not have funds to participate in conservation programs. This has significantly reduced the farmers’ ability to commit to non-point source pollution prevention grant funded projects because they cannot meet the required cash match requirements of the grants. Thankfully, the District substantially diversified their workload and funding streams approximately seven years ago. This move enabled the District to not have to lay off employees, when agricultural work gets slow. District leadership can just reassign staff to different types of projects that have strong funding associated with them until the agricultural economy picks back up again. It is safe to say that the District “no longer has all of our eggs in one basket.”

Many key staff members with tenure have left for promotions and/or management related job opportunities. It will be difficult to replace their experience and expertise. To that end the District has supported and participated in internships with SUNY Morrisville and Onondaga Community Colleges for many years. Participation and support of these college programs, which are required of the students for graduation, has helped to ensure

that there is a pool of adequately trained candidates available to help fill future vacancies within the District.

Another matter for the District to take into consideration is the impending retirements of long-time County employees. It has been these employees that have hired the District to provide hydroseeding, aquatic and terrestrial invasive species management, and stormwater management services. This workload has helped the District to diversify and to remain financially stable during downturns in other program areas, such as agriculture. The District will need to work very closely with the new people taking over those County jobs to make sure that the business relations that the District has established with these County Departments will continue for years into the future.

The District is now at a cross-roads. There are many good programs that we could be (and are) involved with. But, it is becoming more apparent that time and amount of staff to take on these programs is limited. In the near future, it is likely that the District will need to evaluate all program areas of involvement and make some difficult decisions as an organization, and in conjunction with the Board of Directors (BOD), as to 1) what programs are most in line with the District mission and vision, and 2) what programs provide the best return on investment for the amount of time and effort that District staff are required to commit to the project. It is likely that adjustments may need to be made and that program participation will either need to be discontinued and/or the role and responsibilities of District employees will need to be adjusted so that the opportunity is a good fit for the District.

All of the above items are good problems to have and support that the District is in a strong position for a stable future. As an organization with the support of the staff, BOD, auditors, and other advisory members, the District has a bright future full of opportunity to continue to service and support conservation efforts in Onondaga County well into the future.



Onondaga County Soil & Water Conservation District

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Management Responses to 2016 Audit Report.

- B.1. It will be no problem for the District to clear existing bank accounts of any prior grant balances.
- C.2. Bank deposits will be made in timely manner.
- D.3. Journal entries need to be made by Account Clerk III to get Account Receivable balances to zero. Adjustments will be reviewed and approved by management.
- E.4. The spreadsheet for the accounts receivable will be set up to include the "other receivables" which are not grant balances – i.e. conservation equipment rentals, hydroseeding, etc. – rather than listing them at the bottom. In the future the spreadsheet will tie in with the number on the Annual Report accounts receivable.
- F.5. The SLWAP accounts will be reconciled and the bank transfers made by the end of 2017. This will be done on a quarterly basis going forward.
- F.6. The Program Manager will address this matter of equipment rental income annually with the City at the end of the physical year. The Program Manager met with the City in the summer of 2017 to discuss this matter and this is how they recommend addressing it.
- G.7. These funds have been in the District accounts since the current Account Clerk III joined the team. She will remove these funds and deposit them into the District savings account.
- G.8. The Account Clerk III will adjust the bank balances for all deferred accounts so that they agree with the deferred balance. The Implementation Team Program Manager will also keep a ledger and compare it to the Account Clerk III.

Comments to specific items related to "Status of Prior Year Findings"

- L. Yes. The District wants to record equipment rental activity on the same Quick Class report.
- O. The District Manager will develop a credit card use form that allows for approval by signing and dating the "Request for Purchase Form".
- V. The District Manager shall review and approve Quick Class reports.

"Promoting excellence in the wise use of our rural/urban natural resources"