



COUNTY OF ONONDAGA

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County Comptroller*

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September 3, 2024

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

Dear Board Members,

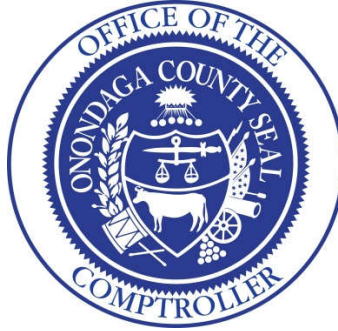
Pursuant to Resolution 19-2016 of the Onondaga County Legislature, the Onondaga County Comptroller's Office performed an audit of the financial information presented in the Onondaga County Soil and Water Conservation District Annual Report of the Treasurer as of and for the year ended December 31, 2023. 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 ensure the Treasurer's report is fairly presented. Our findings and recommendations are included in the enclosed report.

Included in this report are the District's supplemental informational reports. 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.

  
Martin D. Masterpole  
Onondaga County Comptroller



**Report on  
Onondaga County Soil & Water Conservation District  
Annual Report of the Treasurer for the year ended 12/31/2023  
By Onondaga County Comptroller Martin D. Masterpole**

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# **Section I**

## **Introduction and Executive Summary**

### **Introduction**

The Onondaga County Soil and Water Conservation District (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. The receipts and disbursements are summarized in the Annual Report of the Treasurer filed with the New York State Comptroller's Office.

County Resolution #19 of February 2, 2016 requires the County Comptroller's Office to conduct an annual financial audit for the Onondaga County Soil and Water Conservation District.

As such, we have audited the Annual Report of the Treasurer (ART) of the District for the year ended December 31, 2023.

### **Executive Summary**

1. The 2023 Annual Report of the Treasurer submitted to the State was not fairly presented in all material respects.
2. The AR/DEF REV schedule contained errors.
3. 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.

Our high level recommendations to District management include:

- The ART should be prepared and submitted after all financial activity has been thoroughly analyzed, adjustments determined and posted into the financial system.
- The AR/DEF REV schedule should be balanced and reconciled to the general ledger at the grant level of activity.
- At a minimum dedicated bank accounts should be balanced to program activity on an annual basis and appropriate cash transfers should be made to ensure operating and grant accounts represent accurate balances.

## **Section II Background**

### **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 2023, the District has recognized approximately \$978,451 in funding from Onondaga County for various projects and expenses.

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.

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

### **Scope:**

The objective of our audit was to ensure the Onondaga County Soil and Water Conservation 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 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

### Annual Report of the Treasurer

The following pages illustrate a comparative 2023 and 2022 operating fund balance sheet and schedule of revenues, expenditures and changes in fund balance. These statements are presented on the modified accrual basis of accounting.

<b>ONONDAGA COUNTY SOIL AND WATER CONSERVATION DISTRICT</b>				
<b>OPERATING FUND BALANCE SHEET</b>				
<b>DECEMBER 31, 2023 AND 2022</b>				
<u>ASSETS</u>	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Cash	\$ 1,432,402	\$ 1,301,700	\$ 130,702	10%
Designated Cash	1,952,090	2,613,691	(661,601)	-25%
Accounts Receivable	1,001,037	1,097,168	(96,131)	-9%
Prepaid Expenses	5,112	12,748	(7,636)	-60%
<b>Total Assets</b>	<u>\$ 4,390,641</u>	<u>\$ 5,025,307</u>		
 <u>LIABILITIES</u>				
Accounts Payable	\$ 46,893	\$ 791,758	\$ (744,865)	-94%
Accrued Liabilities	674,777	-	\$ 674,777	100%
Accrued Vacation	18,737	16,503	\$ 2,234	14%
Payroll Withholdings	6,293	12,237	\$ (5,944)	-49%
Due to Other Governments		1,461	\$ (1,461)	-100%
Deferred Revenue	1,689,265	2,319,464	\$ (630,199)	-27%
<b>Total Liabilities</b>	<u>\$ 2,435,965</u>	<u>\$ 3,141,423</u>		
 <u>Fund Balance</u>				
<b>Assigned Appropriated Fund Balance</b>	<u>\$ 1,954,676</u>	<u>\$ 1,883,884</u>		
<b>Total Liabilities and Fund Balance</b>	<u>\$ 4,390,641</u>	<u>\$ 5,025,307</u>		

**ONONDAGA COUNTY SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023 And 2022**

<b>General Fund</b>				
<b>Revenues</b>	<b>2023</b>	<b>2022</b>	<b>Dollar Change</b>	<b>Percentage Change</b>
Grants from Local Governments	\$ 1,815,494	\$ 1,803,869	\$ 11,625	1%
State sources	2,033,281	1,384,116	649,165	47%
Federal sources	74,377	44,687	29,690	66%
Hydro Seeding	5,555	14,389	(8,834)	-61%
Workshop Income	12,725	14,744	(2,019)	-14%
Equipment Rental	5,482	6,826	(1,344)	-20%
Tree & Shrub Sales	14,851	-	14,851	100%
Miscellaneous sources	6,545	12,407	(5,862)	-47%
Sale of Equipment	309	293	16	5%
Gifts & Donations	700	1,700	(1,000)	-59%
Interest income	92,867	3,799	89,068	2345%
<b>Total Revenues</b>	<b>\$ 4,062,186</b>	<b>\$ 3,286,830</b>	<b>\$ 775,356</b>	<b>24%</b>
<b>Expenditures</b>				
Contractual	\$ 2,891,168	\$ 2,127,353	\$ 763,815	36%
Personnel	733,983	615,881	118,102	19%
Employee Benefits	289,560	252,256	37,304	15%
Equipment	69,599	67,005	2,594	4%
<b>Total Expenditures</b>	<b>\$ 3,984,310</b>	<b>\$ 3,062,495</b>	<b>\$ 921,815</b>	<b>30%</b>
<b>Changes in fund balances</b>	<b>\$ 77,876</b>	<b>\$ 224,335</b>		
<b>Beginning Fund Balance</b>	\$ 1,883,884	\$ 1,659,546		
<b>Prior period Adjustment</b>	(7,084.00)	3		
<b>Adjusted beginning Fund Balance</b>	<b>\$ 1,876,800</b>	<b>\$ 1,659,549</b>		
<b>Ending Fund Balance</b>	<b>\$ 1,954,676</b>	<b>\$ 1,883,884</b>		

## **Section IV**

### **Findings and Recommendations**

#### **Material Differences Reported on the ART**

##### **Accounts Receivable Balance**

- A. We noted the Accounts Receivable balance was over stated by net of \$73,282.
- This is the result of interest earned on NYS advances for two CAFO projects in the amount of \$14,260 being recognized in error as amounts due from NYS when in fact per NYS grant agreements these funds are actually used to offset the State's payment to the District. NYS requires their funds to be deposited into respective separate and distinct interest earning bank accounts and the interest earned is used to offset their final payment.
  - The DEC 17 Hydro account was over stated by \$53,250 because the full amount of incurred expenses was recognized as due from NYS, however the grant agreement indicates only 75% of the total will be reimbursed and the remaining 25% match is the District's responsibility. The District billed and collected most of the match during 2023 from various municipalities and this portion should not have been recognized as due from NYSDEC or recorded in the yearend accounts receivable balance. It should be noted the correct amount was determined on the AR/DEF REV schedule however the Account Clerk I inadvertently used the wrong balance.
  - The City's SLWAP OPS accounts receivable balance was understated by \$1,312 as consideration for an adjustment made to prepaid expenses was not properly reflected on the AR/DEF REV Schedule. The current year expenses reported on the schedule were \$350,773 as compared to actual expenses of \$352,085, resulting in the difference.
  - The District has for several years been including an unsupported figure in excess of \$7,000 on the AR/DEF REV schedule to balance to the Accounts Receivable General Ledger detailed balance.

These errors are illustrated below.



<b>Estimated Overstatement Accounts Receivable at 12/31/23</b>	
<b>Funding Description</b>	<b>Amount</b>
CAFO Pastureland-Mapstone	\$ 6,738
CAFO A. Hourigan	7,522
DEC 17 HYDRO	53,250
SLWAP OPS 2023	(1,312)
Balancing Figure	7,084
<b>Over Stated AR Balance</b>	<b>\$ 73,282</b>

Recommendations:

1. *We recommend the Account Clerk I incorporate interest earned from NYS advanced funds when determining yearend accounts receivable balances.*
2. *We recommend the Account Clerk I analyze and compare the activity reported on the Quick Class Reports to the detailed information on the AR/DEF REV schedule to avoid errors in reporting particularly when making adjustments for prepaid items.*
3. *We recommend the Account Clerk I perform an analysis of the general ledger accounts receivable balance and adjust it to actual funds deemed collectable. Any necessary adjustments should be made in the current year. Also the use of a balancing figure on the AR/DEF REV schedule be discontinued.*

**Deferred Revenue**

- B. We noted the deferred revenue balance for SLWAP Implementation (City) Funds was again over stated by \$114,620.51 due to an unsupported adjustment to the opening balance reported on the AR/DEF REV schedule from 2022 and has carried over to 2023.

We discussed this issue with the Account Clerk I in 2022, indicating the ending balances of asset and liability accounts (12/31/21) should be the same as the beginning balances for the next year (1/1/22). This practice is particularly important as we rely on AR/DEF REV schedule's beginning and current year activity to ascertain the appropriateness of the ending balance as a means to base our audit work and assertions relating to the ART. The ending deferred revenue balance for SLWAP Implementation reported on the 2021 AR/DEF REV schedule was supported by the detailed Quick Class Report generated from the District's accounting system and found to be fairly stated based on the audit work performed on its respective Quick Class Report.

The District stated they were aware of the situation which may have included various discrepancies carried over from prior years. However the District could not provide support as to how the \$423,177.67 was determined and why it was used as the beginning balance in 2022. It appears it may have been used as a means to balance to the general ledger deferred revenue account balance.

No corrections were made in 2023, therefore the error carried forward resulting in an overstatement of 2023 Deferred Revenue as illustrated below.

<b>Overstatement Deferred Revenue SLWAP Implementation District prepared AR/DEF REV Schedule</b>	
Deferred Bal @ 12/31/2021 *	308,557.16
Beginning Bal @ 1/1/2022 #	423,177.67
diff	<u>114,620.51</u>
Beginning Bal @ 1/1/2022	423,177.67
Funds Rec'd in 2022 *	14,000.00
Funds Spent in 2022 *	<u>(82,398.05)</u>
Deferred Bal @ 12/31/2022	<u>354,779.62</u>
2022 Def Revenue Bal per Class report *	240,159.11
diff	<u>114,620.51</u>
Beginning Bal @ 1/1/2023	354,779.62
Funds Rec'd in 2023 *	111,904.00
Funds Spent in 2023 *	<u>(126,267.23)</u>
Deferred Bal @ 12/31/2023	<u>340,416.39</u>
2023 Def Revenue Bal per Class report *	<u>225,795.88</u>
Carry Forward Error	<u>114,620.51</u>
# Unsubstantiated change	
* Amounts audited and supported by acceptable detail	

Recommendation:

4. *We recommend the Account Clerk I review the SLWAP Implementation analysis above and compare it to District records. Corrections, as deemed necessary, should be made in the current fiscal year to ensure accuracy of deferred revenue balances going forward.*
5. *We recommend the Account Clerk I utilize Quick Class Reports as the source of information when completing the AR/DEF REV schedule and perform an analysis of the general ledger deferred revenue balance and adjust it to actual.*
6. *We recommend the Account Clerk I periodically update financial activity posted in the general ledger to the AR/DEF REV schedule, review and compare its balance to the General Ledger on a quarterly basis and if this is not practical at a minimum this reconciliation should be done as of September 30<sup>th</sup>, thus leaving three months of activity to reconcile for year-end.*
7. *We recommend District Administration and the Account Clerk I review and compare the general ledger balance to the AR/DEF REV schedule and make any needed adjustments to actual prior to closing the books.*

**Interest Income**

- C. We noted District Interest Income was overstated by \$52,990. This amount represents interest earned on advanced funding provided by New York State. These funds are deposited into separate and distinct bank accounts as per their grant's respective agreement and at the discretion of the granting agency may be used to offset costs and the remaining balance of the unused interest and advanced funding will be returned to the State. New York State Agriculture & Markets position as stated in their contracts indicates, prior to the final payment, the Contractor (OCSWCD) must submit a statement of interest earned and the final payment for services rendered will be offset by the amount of any interest earned." Therefore recording and recognizing New York State interest as District Interest Income as compared to deferred revenue implies the District can use these funds at their pleasure.

Also, it appears revenue is being recorded twice, once as interest income and then again during the normal operating procedures of incurring expenses and recording corresponding grant revenue. In essence this interest belongs to the State and should be deferred and recognized as revenue at time of the final closeout.

District administration should consider the favorable interest rates currently in effect and the benefits of improving cash flow if funds were transferred from NYS's bank accounts for incurred expenses to the District's accounts on a routine basis. This will generate a higher

interest earnings on behalf of the District and potentially increase NYS's reimbursement payment at time of project closeout.

Recommendation:

8. *We recommend District administration consider recording State interest as a deferred revenue thus avoiding the double recognition of revenue. Based on our conversations, the Account Clerk I contacted and received corroborating information from the NYS Comptroller's Syracuse Office as well as the Director of Professional Services at the New York Government Finance Officers' Association (NYGFOA), indicating interest earned on NYS funds should recorded as a current liability (unearned income/deferred revenue).*

## **Liabilities**

### **Deferred Revenue**

The District receives some grant funds in advance from the New York State Department of Agriculture and Markets (NYSAM). Some grant agreements require these funds be deposited in dedicated bank accounts. When multiple grant project funds are received in a single check from the State they are deposited into a District bank account and then transferred into their own respective interest earning savings account. The funds are recorded as deferred revenue and classified as a liability when received. Interest earned is owed to the State and represents a liability. Revenue is periodically recognized for each grant based on expenses incurred. Gains are generated from the State's higher payroll & fringe benefit reimbursement rate as compared to the District's actual costs. It is District administration's position to keep realized gains in their respective grant savings account until the State completes their close out process.

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 I maintains an Excel spreadsheet called AR/DEF REV schedule 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.

- D. We noted differences when comparing the deferred revenue Quick Class balance to the bank balance at 12/31/23. These differences indicate funds which have been paid from the District's checking account are not being transferred from a dedicated grant bank account into the District's accounts. The estimated amount of funds which can be transferred to reimburse District expenses, net of funds deemed non-transferrable per District administration until the grant is closed, is \$153,738.80.

Grant Deferred Revenue vs. Grant Bank Balance Analysis For Year Ending December 31, 2023						
	Quick Class Balance 12/31/23	Balance per 12/31/23 Bank Statement	Difference Quick Class vs. Bank	Non- transferable funds per District Policy	Estimated Due to District for Expenses Incurred	Total of reconciling items
EPF 24 Onondaga	\$ 82,889.14	\$ 196,798.27	\$ (113,909.13)	\$ 23,304.30	\$ 90,604.83	\$ 113,909.13
EPF 25 CoVale	\$ 231,273.11	\$ 233,911.11	\$ (2,638.00)	\$ 2,613.00	\$ 25.00	\$ 2,638.00
EPF 26 SLWAP Snow Brook	\$ 78,442.09	\$ 78,442.09	\$ -	\$ -	\$ -	\$ -
EPF 27 Greater Oswego CC	\$ 204,992.28	\$ 278,410.44	\$ (73,418.16)	\$ 10,332.52	\$ 63,085.64	\$ 73,418.16
EPF 28 Bloom	\$ 50,892.68	\$ 51,438.08	\$ (545.40)	\$ 545.40	\$ -	\$ 545.40
EPF 28 River Ridge	\$ 61,752.69	\$ 62,386.68	\$ (633.99)	\$ 633.99	\$ -	\$ 633.99
CAFO Venture	\$ 81,539.16	\$ 86,228.38	\$ (4,689.22)	\$ 4,676.35	\$ 12.87	\$ 4,689.22
CAFO Fabius Greenwood	\$ 80,077.72	\$ 83,350.73	\$ (3,273.01)	\$ 3,263.05	\$ 9.96	\$ 3,273.01
	<u>\$ 871,858.87</u>	<u>\$ 1,070,965.78</u>	<u>\$ (199,106.91)</u>	<u>\$ 45,368.61</u>	<u>\$ 153,738.30</u>	<u>\$ 199,106.91</u>
				<b>1</b>	<b>2</b>	

1) Gains and interest are kept in their separate project bank accounts until the projects are completed. Accrued expenses can be transferred after an actual payment has been made.

2) The total amount in "Estimated Due to District" of \$153,738.30 represents the total of funds which can be transferred to District accounts out of respective separate project bank accounts.

In 2021 District administration decided salaries and fringe benefit expense incurred would not be considered for transfer from a dedicated grant bank account into a District account to cover the cash outflow. Without a written Board of Directors approved memo or an internal memorandum from the Director specifically addressing this issue, we question this change and its potential effect on District funds in light of the 2023 increase in interest rates. Refer to the Interest Income in finding C.

Recommendation:

9. *We recommend procedures be implemented to periodically reconcile the Quick Class Reports with bank statements to ensure amounts will be transferred to cover the District's expenses which have been paid through the District checking account.*

**Subsequent Disbursements**

- E. We noted a payment made to the Town of Pompey Highway Department was not based on an actual invoice but an Appropriation Account Capital Fund Report which did not clearly define the project or the amount requested for reimbursement. This resulted in the wrong balance of the report being used to determine the payment to the town causing an over payment of \$1,471.

Recommendation:

*10. We recommend District administration as well as the Account Clerk I implement controls to ensure all payments are supported by actual invoices which clearly identifies the project and amount due prior to authorizing payments. We also suggest District administration contact the town to obtain supporting documentation to ensure the expenses were for the intended project as well as seeking a refund of the overpayment.*

**SLWAP OPS**

F. We noted the District over charged the City a net of \$9,925 for the 1<sup>st</sup> and 2<sup>nd</sup> quarter of SLWAP OPS 2023 expenses. The City's June 2024 invoice was adjusted to address the overage.

Recommendations:

*11. We recommend the Account Clerk I analyze on a quarterly as well as on an annual basis the expenses recorded on the Quick Class Report prior to the completion of the invoice.*

## **Section V**

### **Status of Prior Year Findings**

#### **Material Differences Reported on the ART:**

A. We noted deferred revenue was over stated by \$109,644.09 due to recording errors.

*The issue reoccurred in 2023.*

#### **Accounts Receivable Balance**

B. We noted the Accounts Receivable balance was over stated by \$77,273 due to recording errors.

*The issue reoccurred in 2023.*

#### **State Funding Revenue**

C. We noted the revenue was understated for EPF 27 Limestone Creek by \$14,139.13.

*The revenue accounts tested were fairly stated in 2023.*

#### **Federal Revenue**

D. We noted \$44,687 in Federal Aid received from the United States Forestry Services was inadvertently combined with County Appropriations and/or Grants on the 2022 ART.

*Federal Revenue was appropriately recorded on the 2023 ART.*

#### **SLWAP Administration**

E. We noted the District has been carrying a residual balance due from the City of Syracuse for SLWAP administration fees for several years of approximately \$1,765.

*An adjusting entry was posted and this issue was corrected in 2023.*

F. We noted the District did not invoice the City for the 1<sup>st</sup> and 4<sup>th</sup> quarter's administration fee of \$66,690.75 and SLWAP OPS expenses of \$146,480.35 by the required contracted due dates.

*The City was invoiced per contract terms in 2023.*

**Accrued Expenses:**

- G. We noted based on our review of general ledger transactions the year end accrual expenses are being posted to the Accounts Payable ledger account and are not automatically reversed in the next accounting period.

*The District created a separate general ledger account for accrued expense activity beginning in 2023. The District processed accrued expenses properly in 2023.*

**Interest Payable:**

- H. We noted the District Interest Liability account is not being reviewed and analyzed to properly reflect an accurate yearend balance, as this account was overstated by \$1,141.66.

*During 2023 the District discontinued the use of recognizing a liability for interest earned on State funded bank accounts. It now simply recognizes this interest as District Interest.*

**Deferred Revenue:**

- I. We noted differences when comparing the deferred revenue Quick Class balance to the bank balance at 12/31/22. These differences indicate funds which have been paid from the District's checking account are not being transferred from a dedicated grant bank account into the District's accounts. The estimated amount of funds which can be transferred to reimburse District expenses, net of funds not transferred until the grant is closed, is \$95,334.58.

*The issue reoccurred in 2023.*

**Landowners Escrow:**

- J. We noted based on a review of Board minutes 8 of 21 projects were not clearly defined or identified as being a landowner share project or fully covered by grant funds. For example, words such as: "landowner share is estimated to be \$, \$\$\$", "owner's share of costs are estimated to be \$, \$\$\$"; or "landowner's percentage share of project is X%" were not utilized when recording the Board minutes. Based on our inquiries with District management we were informed 7 of the 8 projects were in fact landowner share projects.

*The District has made progress in using identification clauses in Board minutes.*

- K. We noted \$183 of prior period adjustments in GL 2001 Due to Contractors from 2019 and 2020 should be removed from this account. We noted an entry in the amount of \$1,379 was posted in error in December of 2022 which reduced the Due to Contractors account as there was no corresponding entry to offset this reduction. We also noted a \$47.00 entry properly reduced the Due to Contractors account, however a corresponding withdrawal from the AEM Escrow savings account was not made.



*These issues were corrected in 2023.*

### **Interest Income**

- L. We noted District Interest income in 2022 was overstated by \$3,040.87. This amount represents interest from grants totaling \$2,373.14 having their own bank accounts and at the discretion of the granting agency may either be used to offset costs and or the remaining balance in its entirety will be returned to the State.

The remaining balance of \$667.73 relates to the advanced funding provided by the City of Syracuse which per contract section #29 requires unexpended funds, including interest to revert to the City unless their agreement is extended. This interest should also be recognized as deferred revenue. In relation to the City's accounts we noticed an inconsistency in posting activities as interest is posted directly to SLWAP Ops but it is not posted to Implementation's Quick Class reports respectively.

*The recording of interest earned on NYS funds as District Interest reoccurred in 2023.*

### **Capital Assets:**

- M. We noted the balance reported on the ART's Assets Worksheet of \$415,500 included three items totaling approximately \$24,190, which should not have been listed; the cost of the window installation doesn't meet the definition of equipment, weather stations purchased for landowners and a computer which was considered obsolete and destroyed and approximately \$26,457 net recording errors relating to typos and omissions, resulting in a purposed estimated adjusted balance of \$417,767.

*The ART's Assets Worksheet was not materially incorrect in 2023.*

## **Section VI**

### **Management Response**

The following pages are the District's responses to our audit findings & recommendations.



### **Onondaga County Soil & Water Conservation District**

6680 Onondaga Lake Parkway, Liverpool, New York 13088  
Phone: 315-457-0325 • fax: 315-457-0410 • e-mail: info@ocswcd.org  
Website: www.ocswcd.org

### **Material Differences Reported on the ART**

#### **A. Accounts Receivable Balance**

1. The Account Clerk I (ACI) will include an interest column in the AR/DEF REV schedule to incorporate interest earned from NYS advanced funds to determine year end account receivable balances. Interest will be taken into account at the time when grant closeout is occurring.
2. The ACI will continue to analyze and compare the activity reported on the Quick Class Reports to the detailed information on the AR/DEF REV schedule to avoid errors in reporting. The ACI has re-classed the prepaid expenses within the Quick Class Report to prevent errors in reporting.
3. The ACI will continue to perform an analysis of the general ledger accounts receivable balance and will make any adjustments necessary to balance to actual funds deemed collectible in the current year. ACI will discontinue the use of a balancing figure on the AR/DEF REV schedule.

#### **B. Deferred Revenue**

4. The ACI validated the numbers provided to her from the prior ACII and has provided the detail on how she arrived at the value of \$423,177.67. Going forward, the ACI will make any necessary corrections in the current fiscal year to ensure accuracy of deferred revenue balances.
5. The ACI has implemented the recommendation from a previous audit to 'annualize' the Quick Class Reports to better utilize these as the source of completing the AR/DEF REV schedule and to adjust the deferred revenue balance to actual.

6. The ACI is periodically updating financial activity posted in the GL to the AR/DEF REV schedule beginning after the Annual Report of the Treasurer is submitted and on a monthly basis as time allows.
7. The ACI will continue to review and compare the general ledger balance to the AR/DEF REV schedule and make any needed adjustments to actual prior to closing the books. The ACI will continue to provide this information to the District Administration for their review prior to submitting the Annual Report of the Treasurer.

### **C. Interest Income**

8. The ACI will follow recommendations from the NYS Comptroller's Office and the NYS Government Finance Officers Association to record interest earned from NYS advanced funds as "Other Current Liability."

## **Liabilities**

### **D. Deferred Revenue**

9. The ACI will work on procedures to periodically reconcile the Quick Class Reports with bank statements to ensure amounts will be transferred in a timely manner to cover the District's expenses which have been paid through the District checking account.

### **E. Subsequent Disbursements**

10. The Executive Director started working on recovering the overpayment to the Town of Pompey for engineering expenses right away. As of this date, he is still working with the Town to resolve the issue and recover the overpayment. As of August 23, 2024, the solution appears to be to pro-rate a reimbursement to the town for live-edge snow plow blades.

### **F. SLWAP OPS**

11. The ACI will analyze the Quick Class Reports based on the Fiscal Year to Date when completing Quarterly invoices and reports to the City to ensure that items billed are not duplicated.

## **Section VII**

### **Supplemental Unaudited Information**

#### **2023 Year in Review**

2023 started out with some good luck. Due to Covid and supply chain reductions, the District was waiting on a Chevy 2500 truck, originally ordered in 2022. The first dealer could not deliver said truck. Employee Eric Jensen was able to call upon the remaining bidders to determine if they could produce a truck for us. Burdick Ford had a truck on the lot that met our specifications. It was a race against time, as there was another party very interested in this truck. The first to arrive and sign the papers would receive it. Our BOD Chairman, Director Burger, and employee Jensen worked against all odds and signed the papers first and the District received the truck! It was a great way to get the New Year underway and to help the District continue to operate a modern, fresh fleet of vehicles.

As business and the world in general continued to change around us, the District has clamored to keep up. This included adding more types of insurances (cyber-attack insurance, lost data insurance, pollution liability insurance, etc.). The extra protection is important and necessary and will be beneficial when (not if) needed. Needless to say, all of these additional insurances are very expensive and consumed additional financial resources of the District.

As many new programs and projects came on-line, the District and its staff were expected to spend an unprecedented amount of time attending meetings. There were approximately 25 new meetings to be attended. The District, being a boots-on-the ground, get projects done organization, has chosen to be very deliberate in what meetings they attend and when. This enabled them to meet the constant demands of planning and implementing projects that continued to benefit water quality and reduce atmospheric inputs of pollutants. In the end this kept the District true to its mission. Wintertime is best for meetings and grant writing, and the growing season is the best and only time to get quality projects on the ground.

The District staff and their customers have been diligent to get as many large implementation projects on the ground as possible in 2023, as our farmers will soon be competing with the I-81 reconstruction and Micron for concrete and lumber.

It is becoming increasingly obvious that the District will need to make sure we are taking care of and supporting our employees, board members, committee members, and those important groups that surround us, especially in their time of need. All the challenges that we all face on a daily basis can and have contributed to health-related issues. Covid taught us that we are all better, and stronger together, and we need to continue that friendship and support to keep each other strong, healthy, and well into the future.

In conclusion, we say “Thank You” to our BOD and our watershed committee members (SLWAP) for all that they do for us. Frequently they are asked to drop what they are doing, take our calls, come to meetings on short notice, all to help us move the mission of

the District forward. We want them all to know how much we appreciate all that they do for us.

### **A look ahead – 2024 and Beyond**

We will need to prioritize and find continued funding for conservation initiatives. All project expenses have gone up by a minimum of 50% and some by as much as 250%. We need to emphasize this to grantors.

Continued Safety Training will be a must! Agriculture is considered one of the most dangerous industries in the world, only exceeded by the commercial fishing and logging industries. In the first half of 2024, there have been many serious and life-ending work-related injuries in the agricultural community. We all need to work together and do everything we can, at any cost, to prevent them from happening now. As our staff are on many farms across the County and the Skaneateles Lake Watershed, it will be paramount for our employees to be aware of the hazards and to continue to work as safe as possible.

In order to get projects on the ground, it will take a lot of joint cooperation between our staff and the regulatory agencies (NYS DEC & US ACOE). We are going to have to put our project information forward for review. The reviewers will have to do their most efficient reviews so that we can obtain permits to get projects on the ground as efficiently as possible. A 12 to 24 month turnaround time on permits will not be in anybody's best interest when trying to protect water quality and reduce emissions to the atmosphere. We are all on the same team, with the same goals.

The District will need to continue to grow and support our staff member's needs, as they are the workhorses of our organization. As requirements are changing in NYS, we will need to also support new training opportunities for our BOD and Committee members. This includes important certifications that the staff's jobs require while continuing to provide time to maintain those certifications through continuing education programs. And, while on the job, we will all need to continue to absorb as much of the institutional knowledge that our senior staff members and BOD and committee members have to share with us.

We constantly need to remember that our youth are our future. We will continue to develop our youth (through internship programs, Enviro-Thon, etc.) as they are the ones who will be sitting in our seats making decisions for the future.

THANK YOU to our staff, BOD, and committee members for sticking by our side and working as hard as we do to protect water quality and to reduce atmospheric emissions. We truly appreciate your support, time, and commitment to the Onondaga County SWCD!