



**Report on
Onondaga County Soil and Water Conservation District
Annual Report of the Treasurer for the year ended 12/31/2018
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. This activity is summarized in the Annual Report of the Treasurer filed with the New York State Comptroller's Office.

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

As such, we have audited the Annual Report of the Treasurer of the District for the year ended December 31, 2018.

Executive Summary

1. The Annual Report of the Treasurer (ART) was fairly presented in all material respects.
2. Submissions for reimbursement of expenses from the funding sources were not timely.
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.
4. Bank deposits and interbank transfers are not made in a timely fashion.

Our high level recommendations to District management include:

- District Management should take a more aggressive role in monitoring accounts receivable.
- Dedicated bank accounts should be balanced to program activity at a minimum on an annual basis and appropriate cash transfers be made to ensure 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

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 2018, the District has recognized approximately \$802,300 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.

Scope:

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

<p>Section III Annual Report of the Treasurer</p>

The following pages illustrate a comparative 2018 and 2017 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. The 2018 statements are fairly presented as compared to the general ledger activity.

**ONONDAGA COUNTY SOIL AND WATER CONSERVATION DISTRICT
OPERATING FUND BALANCE SHEET
DECEMBER 31, 2018 AND 2017**

ASSETS	2018	2017	Dollar Change	Percentage Change
Cash	\$ 2,825,565	\$ 1,737,815	\$ 1,087,750	63%
Accounts Receivable	956,300	636,457	319,843	50%
Prepaid Expenses	2,473	3,581	(1,108)	-31%
Total Assets	\$ 3,784,338	\$ 2,377,853		
LIABILITIES				
Accounts Payable	\$ 269,659	\$ 200,823	\$ 68,836	34%
Accrued Vacation	24,001	23,190	811	3%
Accrued Payroll	8,727	8,639	88	1%
Payroll Withholdings	6,218	1,335	4,883	366%
Due to Other Governments	676	364	312	86%
Deferred Revenue	1,974,247	721,119	1,253,128	174%
Total Liabilities	\$ 2,283,528	\$ 955,470		
Fund Balance				
Assigned Appropriated Fund Balance	\$ 1,500,810	\$ 1,422,383		
Total Liabilities and Fund Balance	\$ 3,784,338	\$ 2,377,853		

**ONONDAGA COUNTY SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

General Fund

Revenues	2018	2017	Dollar Change	Percentage Change
Grants from Local Governments	\$ 1,338,746	\$ 1,162,935	\$ 175,811	15%
State sources	815,825	610,094	205,731	34%
Pass-through Income	28,502	7,500	21,002	280%
Hydro Seeding	38,380	20,877	17,503	84%
Workshop Income	14,925	25,275	(10,350)	-41%
Equipment Rental	9,114	6,136	2,978	49%
Tree & Shrub Sales	14,420	13,858	562	4%
Miscellaneous sources	7,311	6,090	1,221	20%
Sale of Equipment	-	37,629	(37,629)	-100%
Gifts & Donations	1,000	1,200	(200)	-17%
Interest income	974	733	241	33%
Total Revenues	\$ 2,269,197	\$ 1,892,327	\$ 376,870	20%
Expenditures				
Contractual	\$ 1,326,450	\$ 1,012,133	\$ 314,317	31%
Personnel	584,073	531,981	52,092	10%
Employee Benefits	242,563	242,100	463	0%
Equipment	33,532	67,874	(34,342)	-51%
Total Expenditures	\$ 2,186,618	\$ 1,854,088	\$ 332,530	18%
Changes in fund balances	\$ 82,579	\$ 38,239		
Beginning Fund Balance	\$ 1,422,383	\$ 1,377,495		
Prior period Adjustment	\$ (4,152)	\$ 6,649		
Adjusted beginning Fund Balance	\$ 1,418,231	\$ 1,384,144		
Ending Fund Balance	\$ 1,500,810	\$ 1,422,383		

Section IV

Findings and Recommendations

Accounts Receivable:

Emerald Ash Borer (EAB) Phase IV and Phase V

- A. We noted differences in the year end accounts receivable balances reported on the AR/DEF REV schedule as compared to their respective Quick Class Reports. Phase IV on the Quick Class Report is \$34,927 less and Phase V on the Quick Class Report is \$16,900 more as compared to the AR/DEF REV schedule. These differences were attributable to errors in the calculations of the gain and loss. It is our understanding the AR/DEF REV schedule is used as a management tool, therefore it is imperative these reports are in agreement.

Recommendation:

1. *We recommend the Account Clerk III make the necessary adjustments to the Quick Class Reports and District Management implement review procedures to ensure the supporting detailed Quick Class Reports agree to the AR/DEF REV schedule.*

Timeliness and Follow-up of Claiming Reimbursement of District Expenses

- B. We were informed by the Executive Director the District tries to request reimbursement quarterly from the County for expenses pertaining to the Emerald Ash Borer programs however we noted the following:

EAB Phase IV expenses incurred first quarter of 2018 totaled approximately \$219,000, of which approximately \$20,400 was claimed for reimbursement in February 2018. The balance of \$198,600 and all of the second quarter 2018 of approximately \$119,000 were not claimed for reimbursement until March of 2019. These funds were not received until April 2019.

EAB Phase V expenses incurred for the second and third quarter of 2018 totaled approximately \$41,000 and \$50,000, respectively and were not claimed for reimbursement until May of 2019. These funds were received in June, July and September of 2019.

This represents a weakness in the review and oversight of the collection process, as claims are not submitted per established controls and follow-up on outstanding reimbursement requests are not performed on a routine basis.

Furthermore, the County contract does not stipulate a time frame for requesting reimbursement of District expenses.

Recommendation:

2. *We recommend District Management implement controls to ensure reimbursement of expenses is claimed per stated procedures. We also suggest consideration be given to submitting reimbursement requests on a monthly basis. We recommend monthly follow up on unpaid invoices be performed and documented. We further recommend the AR/DEF REV schedule be presented at the Board meetings to keep them abreast of unreimbursed expenses and outstanding reimbursement submissions. We recommend the Board consider instituting a Finance Committee to address these issues.*

Skaneateles Lake Watershed Agricultural Program (SLWAP)

- C. We noted claiming for administrative expenses to the City of Syracuse incurred on behalf of the Skaneateles Lake Watershed Agricultural Program (SLWAP) did not agree to the contract terms resulting in lesser payments by the City for the 2017/2018 and 2018/2019 fiscal years of approximately \$538 and \$922, respectively. Section 3 of the contract indicates the District shall receive an administrative fee in four (4) equal quarterly installments, however the Account Clerk III was claiming reimbursement based on a budgeted estimate and not the actual contract amount.

Recommendation:

3. *We recommend the Account Clerk III be provided with the final executed SLWAP contract to ensure billing is accurate. We further suggest District Management address the contract shortage with City Officials.*
- D. We noted claiming for administrative expenses to the City of Syracuse incurred on behalf of SLWAP were two quarters behind, an improvement from the prior year of being three behind.

Recommendation:

4. *We recommend as stated in the prior year, the goal should be to only have the District's last quarter (10/31/xx-12/31/xx) as the amount due from the City of Syracuse for the administrative fee.*

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 actual District's cost. It is District Management's position that realized gains are kept 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 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.

E. We noted differences when comparing the deferred revenue book balance to the bank balance at 12/31/18. 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 net amount of funds which can be transferred to reimburse District funds is \$22,061. The deferred revenue account detail we tested is illustrated below:

	Deferred Book Balance 12/31/18	Deferred Balance Per Quick Class Report	Balance per 12/31/18 Bank Statement	Interest Liability	Funds NOT Deposited in Grant Project Bank Accounts	Due to District for Expenses Incurred	Transfers to District Accounts	Gain in Account	Balance left in acct from prior grant	Total of reconciling items	Immaterial Difference
EPF23 Chittenango	\$ 87,532.75	\$ 87,532.75	\$ 87,532.86	\$ 0.11	\$ -	\$ 10,120.63	\$ (12,592.61)	\$ 2,471.87	\$ -	\$ (0.00)	\$ (0.11)
CAFO Richards	95,904.00	95,905.00	95,893.93	0.13	-	270.74	(356.20)	74.26	-	(11.07)	(1.00)
CAFO Hourigan	93,140.29	93,140.29	-	-	(93,119.05)	814.08	(1,545.95)	710.63	-	(93,140.29)	(0.00)
CAFO Barbland	181,464.36	181,464.36	-	-	(181,452.97)	142,929.48	(143,595.78)	654.91	-	(181,464.36)	(0.00)
CAFO Pastureland	240,102.80	240,102.80	-	-	(239,989.80)	930.45	(1,358.95)	315.50	-	(240,102.80)	-
City Funds	278,592.17	278,592.17	269,700.75	92.42	-	34,611.59	(43,595.43)	-	-	(8,891.42)	0.00
EPF21 Seneca	192,854.45	192,854.45	201,973.90	197.82	-	6,160.72	-	1,897.03	886.58	9,142.15	22.70
EPF22 Carley	134,531.90	134,531.90	149,414.84	83.14	-	14,035.44	-	764.36	-	14,882.94	(0.00)
EPF22 Chit/Fraze	90,039.79	90,039.79	95,547.20	103.64	-	41,446.24	(37,374.84)	1,332.67	-	5,507.71	0.30
EPF23 Seneca	85,501.38	85,501.08	-	-	(99,426.90)	42,848.56	(31,686.65)	2,763.91	-	(85,501.08)	0.30
	<u>\$ 1,479,663.89</u>	<u>\$ 1,479,664.59</u>	<u>\$ 900,063.48</u>	<u>\$ 477.26</u>	<u>\$(613,988.72)</u>	<u>\$ 294,167.93</u>	<u>\$(272,106.41)</u>	<u>\$ 10,985.14</u>	<u>\$ 886.58</u>	<u>\$(579,578.22)</u>	<u>\$ 22.19</u>
						1	1	2			
						Σ 1 = \$ 22,061.52					

1 The difference between the total amount in "Due to District" and "Transfers to District Accounts" of \$22,061.52 represents the net total of funds which can be transferred to District accounts out of respective separate project bank accounts.
2 Gains are kept in the separate project bank accounts for each of the grants until the projects are completed.

F. We noted six of the ten deferred accounts tested (EPF 23 Chittenango, CAFO Richards, CAFO Hourigan, CAFO Barbland, CAFO Pastureland and City Funds) the funds transferred or the net of funds kept in the District's accounts was more than the actual grant expenses incurred. In other words, the District needs to move funds back into these respective grant bank accounts.

We also noted four of the ten deferred accounts tested (EPF 21 Seneca, EPF 22 Carley, EPF 23 Seneca and EPF 22 Chit/Fraze) the funds transferred or the net of funds kept in the District's accounts was less than the actual grant expenses. In other words, the District did not keep or transfer enough funds to cover the expenses incurred.

Recommendation:

5. *We recommend due care is taken when reconciling the Quick Class Reports with bank statements to ascertain proper amounts have been or will be transferred from the District bank account to the dedicated savings accounts and vice versa.*
- G. We noted State funds when received as a single check were not transferred into respective dedicated bank accounts in a timely manner as stipulated by the grant funding agreements. Due to this time lapse, funds were transferred net of incurred expenses and it appears based on the previous finding, the potential for errors is greater. This also weakens the audit trail of grant funds received. In four of the ten grants tested we estimated the net deposit (funds less expense) of \$614,000 was not placed into a dedicated savings account as required.

EPF 23 Seneca - funds received of \$113,113 in April and May of 2018, net funds of \$99,427 were deposited on 1/4/19.

CAFO Hourigan - funds received of \$94,665 in July of 2018, net funds of \$93,119 were deposited on 1/3/19.

CAFO Barbland - funds received of \$325,049 in July and August of 2018, net funds of \$181,453 were deposited on 4/19/19.

CAFO Pastureland - funds received of \$241,349 in August of 2018, net funds of \$239,990 were deposited on 4/19/19.

EPF 23 Chittenango - funds received of \$100,125 in May and July of 2018, net funds of \$87,532 were deposited on 12/31/18.

Recommendation:

6. *We recommend to be in compliance with NYSAM grant requirements and to facilitate the accounting and reconciliation of these monies, the Account Clerk III deposit and or transfer in total funds received into respective grant project funds as soon as reasonably possible.*
- H. We noted interest relating to the NYSAM accounts is inconsistently recognized as a liability and entered on their respective Quick Class Reports.

Recommendation:

7. *We recommend the Account Clerk III implement procedures to have the interest earned properly posted at the time of the preparation of the monthly bank reconciliations.*

Landowners Escrow:

The District has an Agricultural Environmental Management (AEM) & Implementation Program Escrow Policy as revised and adopted October 2016 which states the following:

For all AEM, and other projects that require a landowner/producer cash match, the landowner/producer is required to provide *a certified check, money order, or guaranteed letter of credit from a lending institution* to the Onondaga County Soil and Water Conservation District in an amount equal to the cash match, as per the approved funding agreement. *Arrangements will be made prior to the start of the implementation.*

The overall concept of the above requirement is to ensure contractors will be paid in full and the District is kept in good graces with contractors and the general public.

Escrowed funds are deposited into a special AEM bank account and transferred to the District's checking account to pay the contractor once the project is completed.

General ledger account #2001-Due to Contractors is used to record the activity of escrowed funds and the AEM ESCROW Savings is where these funds are deposited. It is our understanding the balance in the Due to Contractor account represents the landowner's advanced share of the project funds and is a liability to the District until the project is completed and the contractor is paid. If this correlation is maintained it facilitates the reconciliation of the general ledger to the AEM ESCROW account.

I. We reviewed 5 landowner share projects and the following issues came to our attention:

- Landowners pay with a personal check.
- Bank letters in the project files did not meet the requirement of a standard Bank Letter of Credit which guarantee's payment. Denoted as item A in exhibit on page 12.
- Landowner payments were not deposited timely. Item B in exhibit on page 12.
- Project files do not provide supporting documentation as to the actual start date of the project to determine if landowner share payments are received as intended.

Two of the five project files contained bank letters which indicated the land owner has available funding on their Farm Line of credit. However, these letters did not guarantee the bank will make payment to the District upon project completion. The District's assigned County Attorney concluded the bank letter as written did not meet the requirement of a standard Bank Letter of Credit.

Although the project files did not provide a start date of a project, the files did contain signed contracts between the landowners and contractors as well as invoices. We prepared the illustration on the following page to compare these dates to the date the landowners made their escrow payments. We noted four landowners were not paid in full before the date of their last invoice. This potentially could lead to a contractor not being paid in full or in a

timely manner. We do note the last landowner in the exhibit paid soon after the contract signing date and well before their invoice date.

Illustration of Significant Program Dates to Landowner Share Cash Match as of 12/31/18										
Farm	Initial Estimated Share from Board Minutes	Contract Date	Landowner's Share Check Receipt Date	Landowner's Share Deposit Date	Difference Receipt vs. Deposit Date	Landowner's Share Amount	Contractor Invoice date	Contractor Payment Date	Landowner's share to Contractor	
* Barkland Dairy	\$ 200,000	8/2/2018	A/B	11/2/2018	11/21/2018	19	\$ 79,597.26	10/17/2018	11/20/2018	\$ 79,597.26
Watson Farms	\$ 20,288	7/26/2018	B	7/25/2018	7/31/2018	6	\$ 17,420.00			
			B	7/25/2018	7/31/2018	6	3,988.00			
			B	7/25/2018	7/31/2018	6	1,686.00	8/30/2018	9/25/2018	\$ 4,241.20
			B	9/19/2018	10/10/18	21	253.20	9/18/2018	10/12/2018	1,686.00
			A	11/1/2018	11/1/2018	0	7,692.68	9/15/2018	11/2/2018	25,024.30
							\$ 31,039.88		\$ 30,951.50	
The Apple Ponies	\$ 1,537	5/31/2017	B	5/11/2018	6/19/2018	39	\$ 1,537.00			
			A/B	5/22/2018	6/19/2018	28	132.40			
							\$ 1,669.40	5/18/2018	6/1/2018	\$ 1,669.40
* Co-Vale Holsteins	\$ 29,606	2/13/2018	A	10/9/2018	10/10/2018	1	\$ 27,766.00	9/21/2018	10/10/2018	\$ 27,766.00
Emmi & Sons	\$ 4,605	9/6/2018	B	9/4/18	9/12/2018	8	\$ 4,605.00	10/25/2018	11/19/2018	\$ 4,605.00

* Project file contained a bank letter which did not meet the standards of the Escrow Policy requirement of a Bank Letter of Credit.
A Landowner share check was received after the invoice.
B Untimely deposit of landowner check.

Relying on inappropriate bank letters and receiving land owner share funds after the start of the projects and not depositing checks timely has the potential to cause an adverse financial situation between the contractor, landowner and District.

Recommendation:

8. *We recommend District Management revisit their Landowner Escrow Policy to either request a certified check or adjust it to their current operating practices. Since the policy, as written, indicates landowner payments should be provided prior to implementation (start date), the project files should contain this date as a means to document adherence to this policy requirement and strengthen the audit trail. If this is not feasible, District Management should determine an alternative date, such as landowner/contractor contract signing date, to represent the due date of the landowner share.*
9. *District Management should either only accept a true bank letter of credit or work with their County Attorney as to an appropriate alternative.*

10. Landowner share payments should be deposited promptly to ensure the validity of the check or a minimum in accordance with the Districts policy, which states bi-weekly. We interpret this to mean deposits are made twice a week.

- J. We noted the AEM bank account still has funds of \$9,384.18 identified in the prior year audit as an amount that should have been transferred to a District account. These funds were part of a transfer of \$55,178.47 to a district account on October 10, 2019. Upon further review we identified an additional \$7,195.46 which can be transferred.

Recommendation:

11. We recommend the Account Clerk III implement a periodic review and reconciliation of the Due to Contractors account and the AEM Escrow Savings account balances, at a minimum this should be done quarterly.

12. We also recommend the Program Manager inform and work with the Account Clerk III as projects are modified and or completed to ensure the appropriate landowner share has been received, as well as to facilitate the transfer of funds out of the AEM Escrow account as project invoices are processed.

- K. We noted unrelated postings to the Due to Contractor account and inconsistent depositing of escrow funds into the AEM Escrow Savings account as follows:

- An entry to record a liability in the amount of \$2,460.00 was made on 10/29/18. This should have been posted to the Accounts Payable general ledger account.
- An entry to record a deposit in District Savings in the amount of \$90.91 was posted on 11/21/18. These funds should have been posted in the AEW Escrow Savings account.

To maintain a correlation between the Due to Contractor account and the AEM Escrow Savings only entries which have a direct relationship to the two accounts should be posted to them.

13. We recommend the Account Clerk III pay closer attention to the entries being posted to the Due to Contractor account and consider their effect in relation to the AEM Escrow Savings account. District Administration should also consider posting all escrowed funds in the AEM Escrow Savings account.

Section V Management Response



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

IV A. 1. This is true. There were errors and necessary changes were made.

IV. B. 2. This is the reality of the office. With all of the rules and regs and duties and responsibilities that have to be followed for the 70-plus contacts per year that is required to keep this office running, this comes down to an issue of time/value/money/space. We work diligently and beyond normal work hours to keep all aspects of this shop running to the best of our ability. The Account Clerk and the Director did communicate regarding the lateness of the EAB invoicing.

Overall, only a few adjustments were necessary compared to the volume of grants and funding that we are dealing with. We appreciate the audit for helping to address these matters.

With that said we are making changes with the staff so that the new Administrative Assistant takes over additional roles and responsibilities to help address some of these issues. These duties include but are not limited to:

- preparing Excellus monthly invoice (saves ~1 day / mo) -prepare quarterly and semi-annual expense and hours reports for Program Manager and Hydroseeding program for grant reporting (saves 3 -4 days every 6 months)
- maintain a monthly list of past-due accounts
- process checks for bills to be paid after BOD approval (saves ~1/2 day/mo)
- process direct deposits on as-needed basis

This will commence in January 2020 and we will see if it helps.

We are also going to try printing out this schedule large scale (~24"x36") and presenting the AR/DEF REV schedule to the BOD during the monthly meeting to address this comment.

IV. C. 3. Done

IV. D. 4. This was done in 2019.

IV. E & F. 5. Ok.

IV. G. 6. Ok.

IV. H. 7. We will make changes in our process to address this. The District is well aware that the interest belongs to the State of New York.

IV. I. 8. The District has revisited the Landowner Escrow Policy and is adjusting current operating practices. The District has already revised two of three procurement documents to address the recommendation of the project starting date. And, every effort will be made by District staff to obtain escrow payment prior to the project commencing. The escrow policy has been amended and approved by the District BOD.

IV. I. 9. The District will continue to use both bank letters of credit or personal checks. The District went back to the lending institution on a few projects and requested a revised letter stating the funding was exclusively for the project. The bank obliged.

IV. I. 10. Landowner escrow checks will be deposited weekly by the new Administrative Assistant.

IV. J. 11. Ok.

IV. J. 12. Ok.

IV. K. 13. Ok.