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September 2026

Jennifer L. Lindsay, Director
Broome County Office of Management and Budget
60 Hawley Street
Binghamton, NY 13902

Report Number: 2026-C&T-2

Dear Director[1] Lindsay:

County officials are responsible for safeguarding court and trust funds in their care. This responsibility includes establishing and maintaining an internal control structure to provide reasonable assurance that resources are safeguarded against loss from unauthorized use or disposition; transactions are executed in accordance with court orders and/or statutory authorization and are properly recorded; appropriate reports are prepared; and appropriate corrective action is taken in response to examination findings.

Pursuant to the New York State Constitution, Article V, Section 1 and further authority granted to the State Comptroller by Articles 2 and 12 of the New York State Finance Law (SFL) and Section 42 of the New York State Executive Law, we examined certain records and reports for the County of Broome's (County) court and trust funds for the period January 1, 2024 through May 31, 2026.

Background and Methodology

Pursuant to a court order, certain assets may be provided to the court and then delivered to a county treasurer for safekeeping. Payments made pursuant to court orders commonly involve surplus money from foreclosures and contract disputes resulting in a mechanic's lien.[2] These actions are recorded in the county clerk's office when payments are deposited as required by court order. Additionally, in certain circumstances,[3] funds from estates are entrusted to the county treasurer for safekeeping by order of the county surrogate's court. Together, the county treasurer, county clerk and surrogate's court must develop sound procedures and processes which, when implemented properly and consistently, provide a system of internal controls to account for and safeguard these funds.

Pursuant to SFL Section 184, a county treasurer is required to submit a report on an annual basis to the State Comptroller accounting for all money, securities and other properties deposited into a court and ordered into the county treasurer's custody. Pursuant to New York State Abandoned

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1 The former Director served for the duration of our review period until January 9, 2026. Starting March 9, 2026, the current Director was appointed to the position.
2 Security interest in property filed to ensure payment for contracted services rendered on the property
3 When the whereabouts of any person entitled to payment from the estate is unknown

Property Law Section 600(1), money that has remained in the hands of the county treasurer for a period of three years, together with any accumulated interest, less the Director's statutory fees, is deemed abandoned property. After public notice, the county treasurer should pay all abandoned property to the State Comptroller by the 10th of April of the next year.

In accordance with its County Charter, the Broome County's Director of the Office of Management and Budget (Director) serves as the chief fiscal officer of the County. In that capacity, the Director also serves the role as the County Treasurer.

Our objective was to determine whether County officials established appropriate controls to safeguard and account for court and trust funds. We examined records maintained by the Director, County Clerk and Surrogate's Court. We interviewed County officials and reviewed relevant financial and court records. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS).

Results

We reviewed the Directors', County Clerk's and Surrogate's Court's processes, procedures and records for the receipt and management of court and trust funds, as well as estates in the Directors' custody. The Director did not establish adequate procedures that ensured all court and trust funds were received, accounted for and properly reported. Specifically, reconciliations were not performed in a timely manner among the Director, County Clerk and Surrogate's Court Clerk.

On June 10, 2026, upon receiving notification of our impending review of court and trust funds, the Director and Surrogate's Court Clerk reconciled their records and found that the current Director did not receive estate funds from an attorney, totaling $4,444, following a December 10, 2024 order of the Surrogate's Court, which directed funds to the former Director. The Surrogate's Court Clerk contacted the attorney, who notified the Surrogate's Court on June 24, 2026 of their intention to remit funds to the Director. However, had the Director performed reconciliations in a timely manner, this discrepancy could have been identified sooner, instead of more than one year after the Surrogate's Court order.

In addition, one payment totaling $1,531 in the Directors' custody was deposited into the County's operating bank account. However, the payment was not recorded on the former Director's annual reports sent to the State Comptroller's Office as required. The current Director told us that the former Director considered the $1,531 a fee for time spent on the case and, therefore, did not hold the funds for the beneficiary named by the Surrogate's Court. After researching the case, the current Director agreed that the money should have been deposited into the court and trust bank account when received in March 2024 and reported on the annual reports sent to the State Comptroller's Office. The current Director told us she was in the process of setting up a separate bank account for this case to hold the funds until the beneficiary is located or it becomes abandoned.

Furthermore, the Directors retained custody of approximately $214,197 from seven cases, though this amount should have been turned over to the State Comptroller as abandoned property. As detailed in Appendix A, this abandoned property ranged from 51 to 2,242 days late as of May 31, 2026. The current Director agreed that these funds should be paid to the State Comptroller as abandoned property and told us they were reported through the State Comptroller's website on July 27, 2026.

Aside from these discrepancies, the County Clerk generally maintained appropriate records and properly reported court and trust funds.

Recommendations

The Director should:

1. Perform an annual reconciliation of court and trust funds with the County Clerk and Surrogate's Court Clerk.

2. Ensure that all court-ordered funds are received.

3. Ensure that all court-ordered money in their custody is properly accounted for and reported on the annual report to the State Comptroller.

4. Ensure that all money deemed abandoned property is paid to the State Comptroller in a timely manner.

We would like to thank County officials and staff for the courtesies and cooperation that were extended to our auditors.

Sincerely,

Robin L. Lois, CPA
Deputy Comptroller

cc: Jason T. Garnar, County Executive
Aaron M. Martin, County Clerk
David H. Guy, Surrogate's Court Judge
Rebecca A. Malmquist, Surrogate's Court Chief Clerk
Meaghan Klenovic, County Comptroller
Carol Jones, New York State Unified Court System, Chief Internal Auditor

Appendix A: Schedule of Abandoned Property as of May 31, 2026

Date of Receipt	Report & Remittance Due Date	Days Late	Amount
April 5, 2016	April 10, 2020	2,242	$22,345
December 21, 2021	April 10, 2025	416	28,148
March 14, 2022	April 10, 2026	51	2,110
March 14, 2022	April 10, 2026	51	55
May 13, 2022	April 10, 2026	51	232
September 21, 2022	April 10, 2026	51	11,389
December 6, 2022	April 10, 2026	51	149,918
		Total	**$214,197**