

**BURLINGTON COUNTY SOIL
CONSERVATION DISTRICT
Columbus, New Jersey**

**REPORT OF AUDIT
FOR THE TWELVE MONTHS ENDED JUNE 30, 2023**

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BURLINGTON COUNTY SOIL CONSERVATION DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2023

DISTRICT GOVERNING BODY

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Gina Berg	District Chair	June 2025
Daniel J. Caldwell	Vice-Chair	June 2024
Thomas E. Budd	Treasurer	June 2024
Audrey Winzinger	Supervisor	June 2025
Daniel J. O'Connell	Supervisor	June 2024

Administrative Officials

Robert Reitmeyer	District Manager
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NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association
Certified Public Accountants*

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Burlington County Soil Conservation District
1971 Jacksonville – Jobstown Rd.
Columbus, New Jersey 08022

To the Board of Supervisors:

Opinion

We have audited the accompanying financial statements of the Burlington County Soil Conservation District as of June 30, 2023 and 2022, which comprise the statement of financial position and the related statements of activities and changes in net assets and of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Burlington County Soil Conservation District's basic financial statements as listed in the table of contents.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Burlington County Soil Conservation District, as of June 30, 2023 and 2022, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles and practices prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual, as described in note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Burlington County Soil Conservation District, as of June 30, 2023 and 2022, or the results of its operations and changes in net assets for the year then ended.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America, as required by the New Jersey State Soil Conservation Committee.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Burlington County Soil Conservation District's financial statements as a whole. The accompanying supplementary information listed in the foregoing table of contents, is presented for the are presented for the purposes of additional analysis as required by the New Jersey Department of Agriculture's Financial Accounting Manual in accordance with those standards regarding the statement of budget versus actual revenue and expenditures - all funds combined and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and the audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual. In our opinion, the statement of budget versus actual revenue and expenditures is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the Burlington County Soil Conservation District's basic financial statements. The supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not required as part of the basic financial statements prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and the audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual. In our opinion, supplementary schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued a report dated October 25, 2023, on our consideration of the Burlington County Soil Conservation District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A.
Registered Municipal Accountant
October 25, 2023

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Supervisors
Burlington County Soil Conservation District
1971 Jacksonville – Jobstown Rd.
Columbus, New Jersey 08022

To the Board of Supervisors:

We have audited the financial statements of the Burlington County Soil Conservation District as of and for the year ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Burlington County Soil Conservation District's basic financial statements and have issued our report thereon dated October 25, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, significant deficiencies or material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with such provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**.

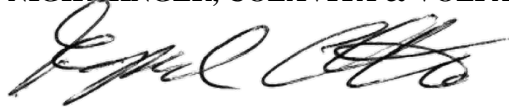
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Burlington County Soil Conservation District, the funding sources of the Burlington County Soil Conservation District, the New Jersey Department of Agriculture, and Federal and State audit agencies and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record, and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A.
Registered Municipal Accountant
October 25, 2023

SCHEDULES

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Information as of June 30, 2022)

	Temporarily Restricted					Totals		
	Unrestricted	Chapter 251	Fixed Assets Fund	Renewal and Replacement Fund	Reserve for Future Legal Cost	Employee Benefit Fund	June 30, 2023	June 30, 2022
<u>ASSETS</u>								
Current Assets								
Cash								
Operating Funds	\$ 531,709	\$ 1,503,487		\$ 400,000	\$ 150,000	\$ 120,000	\$ 2,705,196	\$ 2,684,440
Change Fund	100						100	100
On-hand with Fiscal Agent								25,896
Accounts Receivable:								
Federal								
N.J. State Stormwater (RFA)	2,850						2,850	6,285
Other								2,801
Prepaid Insurance								1,590
Total Current Assets	534,659	1,503,487		400,000	150,000	120,000	2,708,146	2,721,112
Fixed Assets, Net of Accumulated Depreciation (Note 22)			1,142,364				1,142,364	1,127,214
Total Assets	\$ 534,659	\$ 1,503,487	\$ 1,142,364	\$ 400,000	\$ 150,000	\$ 120,000	\$ 3,850,510	\$ 3,848,326
<u>LIABILITIES</u>								
Current Liabilities								
Accounts Payable	\$	\$ 1,852	\$	\$	\$	\$	\$ 1,852	\$ 5,728
Due State of New Jersey		2,025					2,025	3,700
Accrued Payroll, Taxes and Withholdings		8,102					8,102	1,557
Total Current Liabilities		11,979					11,979	10,985
<u>NET ASSETS AND RESERVES</u>								
Unrestricted Net Assets	534,659						534,659	419,211
Temporarily Restricted Net Assets and Reserves:								
Reserve for Future Soil Erosion and Sediment Control Act Expenditures (Note 2)		1,491,508					1,491,508	1,595,020
Reserve for Post Retirement Benefit Fund (Note 16)					60,000		60,000	60,000
Reserve for Future Legal Costs (Note 3)					150,000		150,000	150,000
Reserve for Capital Improvements (Note 4)				250,000			250,000	250,000
Reserve for Office Property and Building Maintenance (Note 4)				150,000			150,000	150,000
Reserve for Future Vehicle (Note 20)			30,000				30,000	30,000
Investment in Property and Equipment			1,112,364				1,112,364	1,123,110
Reserve for Compensated Absences (Note 17)						60,000	60,000	60,000
Total Net Assets and Reserves	534,659	1,491,508	1,142,364	400,000	150,000	120,000	3,838,531	3,837,341
Total Current Liabilities and Net Assets and Reserves	\$ 534,659	\$ 1,503,487	\$ 1,142,364	\$ 400,000	\$ 150,000	\$ 120,000	\$ 3,850,510	\$ 3,848,326

The accompanying Notes to Financial Statements are an integral part of this statement.

**BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Information as of June 30, 2022)**

	Unrestricted	Temporarily Restricted				Totals	
		Chapter 251	Fixed Assets Fund	Renewal and Replacement Fund	Reserve for Future Legal Cost	Employee Benefit Fund	June 30, 2023
Support and Revenue							
Soil Erosion and Sediment Control Act Fees	\$	\$ 455,386	\$	\$	\$	\$ 455,386	\$ 561,157
Chapter 251 - Non-Compliance Fees		4,250				4,250	4,250
Municipal Agreements		42,900				42,900	23,675
Interest		40,719				40,719	35,225
Open Space Admin Fee	100					100	
N.J. Stormwater Funds (RFA)	26,300					26,300	24,285
Rental Income (Note 12)	139,200					139,200	131,294
Federal Facility Fees		15,125				15,125	21,155
NRCS Program Assistance							8,590
Other Income		1,171				1,171	429
Total Support and Revenue	\$ 165,600	\$ 559,551	\$	\$	\$	\$ 725,151	\$ 810,060
Expenditures							
Advertising	\$	\$ 49	\$	\$	\$	\$ 49	\$ 1,855
Depreciation			53,008			53,008	53,544
District Technology		4,645				4,645	7,201
Dues and Subscriptions		1,075				1,075	1,989
Donations and Contributions		2,000				2,000	1,050
Equipment and Maintenance		56				56	1,507
Expense Reimbursement		4,445				4,445	5,805
Facility Maintenance		28,264				28,264	29,408
Fringe Benefits		84,133				84,133	85,099
Insurance		156,705				156,705	147,783
Meetings, Seminars and Conferences		2,979				2,979	450
Miscellaneous		1,763				1,763	1,694
Office Supplies		5,614				5,614	2,497
Postage		1,000				1,000	2,400
Professional Fees		7,070				7,070	6,600
Salaries and Wages		327,343				327,343	277,826
Travel and Related Expenses		16,727				16,727	3,565
Utilities		15,220				15,220	18,560
Envirothon							500
RFA Reimbursement to State	7,890					7,890	5,400
CHP 251 Administrative Fees		3,975				3,975	3,700
Total Expenditures	7,890	663,063	53,008			723,961	658,433
Excess (Deficiency) of Support and Revenue Over Expenditures	157,710	(103,512)	(53,008)			1,190	151,627
Net Assets, Beginning of Year	419,211	1,595,020	1,153,110	400,000	150,000	120,000	3,837,341
Non-Operating Sources and Uses: Transfers	(42,262)		42,262				
Net Assets, End of Year	\$ 534,659	\$ 1,491,508	\$ 1,142,364	\$ 400,000	\$ 150,000	\$ 120,000	\$ 3,837,341

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS - ALL FUNDS COMBINED
FOR THE YEAR ENDED JUNE 30, 2023 AND 2022

	Totals for the Period Ended	
	June 30, 2023	June 30, 2022
<u>Cash Flows Provided (Used) by Operating Activities</u>		
Excess (Deficiency) of Support and Revenue over Expenditures	\$ 1,190	\$ 151,627
Adjustments to Reconcile Excess (Deficiency) of Support and Revenue over Expenditures to Net Cash Provided by Operating Activities:		
Non-Cash Items Included in Income:		
Depreciation	53,008	53,544
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	6,236	5,065
(Increase) Decrease in Prepaid Insurance	1,590	(1,590)
(Decrease) Increase in Accounts Payable	(5,551)	1,985
(Decrease) Increase in Payroll Deductions Payable	6,545	(2,171)
	\$ 63,018	\$ 208,460
<u>Cash Flows (Used) by Investing Activities</u>		
Acquisition of Fixed Assets	(42,262)	(25,896)
Net Cash Provided by Investing Activities	(42,262)	(25,896)
Net (Decrease) in Cash	20,756	182,564
Cash and Cash Equivalents - June 30, 2022	2,684,540	2,501,976
Cash and Cash Equivalents - June 30, 2023	\$ 2,705,296	\$ 2,684,540

The accompanying Notes to Financial Statements are an integral part of this statement.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity

The Burlington County Soil Conservation District is one of fifteen Districts in the state of New Jersey under the auspices of the New Jersey Department of Agriculture. Each District is governed by a Board of Supervisors, which sets policies and performance guidelines. The Districts work closely with the U.S.D.A Natural Resources Conservation Service to promote the wise use of soil and water resources. In 1976, the Districts in New Jersey were mandated to administer Chapter 251, The Soil Erosion And Sediment Control Act of 1976, the objective of which was to prevent erosion and sedimentation from development sites, mitigate impacts to soil resources and enhance soil quality.

Organization

The District is a governmental subdivision of the State of New Jersey, and a public body corporate and politic, located in the Township of Springfield, County of Burlington. It was organized in 1959 in accordance with the provisions of the Soil Conservation Act, N.J.S.A. 4:24 et seq.

The supervisors serve staggered three-year terms with the nominations made by an open public forum and the appointments of the nominees are made by the State Soil Conservation Committee each June on a rotating basis.

Financial Statement Presentation

The District is required to report information regarding its financial position and activities according to three classes of assets, which are Unrestricted Net Assets, Temporarily Restricted Net Assets and Permanently Restricted Net Assets. Unrestricted Net Assets can be expended by the District for any aspect of its operations and at any time, as determined by management. Temporarily Restricted Net Assets are either restricted as to a specific program, a specific time period or both, but will eventually be expended by the District. Permanently Restricted Net Assets can never be expended, but benefit the District through investment earnings on such assets. As of June 30, 2023, the District had only Unrestricted and Temporarily Restricted Net Assets.

Basis of Accounting

The accounting policies of the District conform to practices prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Accounting (Continued)

All of the District's funds are accounted for using the accrual basis of accounting. Support and revenue are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related fund liability is incurred. Chapter 251 revenue is recognized when received and Chapter 251 expenses are recognized when incurred.

The accounts of the District shall be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, net assets, support, revenue and expenditures. Fixed asset purchases are to be recorded in the fund of acquisition, with an appropriate transfer to the equipment fund. Accumulated depreciation is reported on the statement of financial position.

Property, Plant and Equipment Fund

Capital Assets acquired or constructed during the year are recorded at cost and reflected as expenditures in the applicable governmental fund. Donated assets are valued at their estimated fair market value on the date received. Capital Asset acquired is transferred into the Property, Plant and Equipment fund. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets as listed below:

Equipment	5 Years
Furniture	10 Years
Land Improvements	15 Years
Building and Improvements	40 Years

Amortization of Financing Costs – Financing costs, if any, are amortized over the term of the loan using the straight-line method.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenue and expenditures. Accordingly, actual results may differ from those estimates.

Comparative Data – The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the New Jersey Department of Agriculture's Financial Accounting Manual. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2022, from which the summarized information was derived.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Support and Expenses

Contributions and restricted grant revenues are measured at their fair values and are reported as an increase in net assets. The district reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor or grantor restriction expires, that is, when a stipulated time restriction ends, or purpose is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

2. **RESERVE FOR FUTURE SOIL EROSION AND SEDIMENT CONTROL EXPENDITURES**

The Reserve for Future Soil Erosion and Sediment Control Act Expenditures is established to identify the funds available for the costs of future expenditures on projects currently received and in progress, for which fees under the act have been previously collected.

All fees collected from applicants are restricted to the Chapter 251 program and used only for implementing that program. The reserve balance includes the unexpended initial review/certification/inspection fees and supplemental fees received. At the option of the District Board and pursuant to formal action by the District Board, interest income from reserve balances may be utilized for the Chapter 251 program or for the District education program. Use of interest income is authorized by N.J.A.C. 2:90-1.12 and pursuant to policy approval by the State Soil Conservation Committee on September 13, 2007. The certification fees collected by the District are derived from an adopted fee schedule that was effective starting August 1, 2010. On April 15, 2010, a \$25 increase was approved for State Administration fees.

The Reserve for Future Soil Erosion and Sediment Control Act Expenditures at June 30, 2023 was \$1,491,508, as compared with \$1,595,020 in the prior year.

3. **RESERVE FOR FUTURE LEGAL COSTS**

The Reserve for Future Legal Costs provides the District with funds necessary to pay for estimated future legal costs incurred as a result of current Chapter 251 operations. The balance in the reserve as of June 30, 2023 is \$150,000.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4. **RENEWAL AND REPLACEMENT FUND**

The District has established a Renewal and Replacement Fund to provide a Reserve for Capital Improvements in the amount of \$250,000 and a Reserve for Maintenance Costs in the amount of \$150,000. The purpose of these reserves is to meet the future repair costs of the existing facility, as well as, fund the desired addition to the building.

5. **CASH AND CASH EQUIVALENTS**

The District is responsible to designate and approve a list of authorized depository institutions based on their evaluation of each financial institution. Cash may consist of demand deposits and temporary investments in the form of certificates of deposit held at financial institutions. For purposes of the statement of cash flows, the Burlington County Soil Conservation District considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

6. **CONCENTRATION OF CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2023, the District's bank balance of \$2,256,561 was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 1,187,310
Insured by GUDPA	1,069,251
	<hr/>
	\$ 2,256,561
	<hr/> <hr/>

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2023, the District had \$23,615 on deposit with the New Jersey Cash Management Fund.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

7. **DEFERRED COMPENSATION SALARY ACCOUNT**

The District offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

8. **CONTINGENT LIABILITIES**

Per confirmation by the Burlington County Soil Conservation District's legal counsel, there are no pending litigations, claims, assessments, unasserted claims, or contingent liabilities against the District, which are considered material.

9. **OPERATING LEASES**

At June 30, 2023, the District had an operating lease agreement for one copy machine. Future minimum lease payments are as follows:

Year Ending June 30:	Amount
2024	\$ 579
Total	<u>\$ 579</u>

10. **PENSION PLANS**

Public Employees' Retirement System

Description of Plan - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found. This report may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

The District does not and is not required to follow generally accepted accounting principles (GAAP) and, as such, does not follow GASB requirements with respect to the recording of pension liabilities and deferred outflows/inflows of resources on its balance sheets. Therefore, the following information is provided for disclosure purposes only and is not reflected in the financial statements of the District.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

Basis of Presentation - The employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The following disclosures were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2022 was 7.5% of base salary. The District employee's contributions for the year ended June 30, 2023 were \$21,083. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2022 is 15.98% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for 2022. The District's contributions to PERS for the years ended June 30, 2023, and 2022 were \$42,655 and \$57,077 respectively.

Components of Net Pension Liability - At June 30, 2023, the District's proportionate share of the PERS net pension liability was \$490,002. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The District's proportion measured as of June 30, 2023 was 0.003247% which was a decrease of 0.00148% from its proportion measured as of June 30, 2022.

Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the District's proportionate share of PERS pension expense, calculated by the plan as of the June 30, 2022 measurement date was (\$25,167). The District's deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,537	\$ 3,119
Changes of assumptions	1,518	73,373
Net difference between projected and actual earnings on pension plan investments	20,281	
Changes in proportion	111,313	224,892
Contributions subsequent to the measurement date		
Total	\$ 136,649	\$ 301,384

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>		<u>PERS</u>
2023	\$	(38,949)
2024		(44,981)
2025		(61,655)
2026		(17,306)
2027		(1,844)
Thereafter		-
Total	\$	<u>(164,735)</u>

Actuarial Assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Years of Service):	2.75%-6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Actuarial Assumptions (Continued) - The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
Total	100.00%	

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10. PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>634,841</u>	\$ <u>490,002</u>	\$ <u>374,420</u>

Pension Plan Fiduciary Net Assets - Detailed information about each pension plan's fiduciary net Assets is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan - The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Special Funding Situation - The District is considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the District does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the District related to this legislation. However, the notes to the financial statements of the District must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the District.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Net OPEB Liability (Continued)

Mortality:

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on years of service within the respective plan.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate - The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the longterm rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate -

The following presents the collective net OPEB liability of the participating employers as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.54%	3.54%	4.54%
\$ 18,720,632,230	16,149,595,478	14,080,955,857

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)) (Continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate - The following presents the collective net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2022		
<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
\$ 13,700,188,049	16,149,595,478	19,286,596,671

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - The District's proportionate OPEB expense, as of June 30, 2022 was \$17,869. The District had proportionate deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,943	\$ 197,208
Changes of assumptions	141,987	363,101
Net difference between projected and actual earnings on OPEB plan investments	280	
Changes in proportion	136,315	116,842
Total	\$ 333,525	\$ 677,151

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2022:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Collective Deferred Outflows of Resources	\$ 2,993,464,316	\$ 3,001,822,350
Collective Deferred Inflows of Resources	8,504,994,107	6,947,492,748
Collective Net OPEB Liability	16,149,595,478	17,999,791,235
 District's Portion	 0.006588%	 0.006632%

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

11. **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)) (Continued)**

Additional Information (Continued)

The collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year</u>	<u>OPEB</u>
2023	\$ (1,463,380,541)
2024	(1,464,672,406)
2025	(1,156,630,075)
2026	(516,557,746)
2027	(115,810,526)
Thereafter	<u>(794,478,497)</u>
Total	<u>\$ (5,511,529,791)</u>

12. **RISK MANAGEMENT**

The Soil Conservation District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and employee dishonesty. Adequacy of insurance coverage is the responsibility of the District.

New Jersey Unemployment Compensation Insurance

The District covers its employees on a cost experience basis under the New Jersey Unemployment Trust Fund by the "contributions" method. Under this method, a contribution rate is established annually for the District share of unemployment tax.

13. **RENTAL INCOME**

During fiscal year 2006-07, the District began renting office space to three Federal Agencies at \$9,304 per month. Rental space decreased from 6,047 square feet to 5,800 during the 2009-2010 year and the rental charge per square foot was \$21.75 over the past year. Total rental income was \$139,200 for fiscal year end June 30, 2023.

14. **SURETY BONDS**

An honesty blanket bond in the amount of \$750,000 was maintained covering all district personnel handling cash with a \$2,000 deductible.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

15. **REQUEST FOR AUTHORIZATION – (RFA)**

All stormwater discharge associated with construction activity within the state of New Jersey incurs a fee payable to “Treasurer – State of New Jersey”. A portion of the fee is due to the New Jersey Department of Environmental Protection, the remaining is split 70% and 30% to the District and State Soil Conservation Committee, respectively.

16. **RESERVE FOR POST RETIREMENT BENEFITS**

The District Maintains a Post Retirement Benefit Reserve account, which covers its employees on a pay-as-you-go basis. Under this method, an annual provision is made and charged against the operating budget of the District. The balance as of June 30, 2023 is \$60,000.

17. **RESERVE FOR COMPENSATED ABSENCES**

All permanent, full-time temporary and full-time hourly employees are entitled to paid sick leave days. Sick leave days with pay are accumulated on the basis of fifteen paid sick leave days in every calendar year. Unused sick leave may be accumulated and carried forward for an unlimited period of time. Upon leaving employment, unused earned sick leave may be cashed in at one-half their value up to a maximum of \$15,000.

All full-time employees are entitled to annual vacation leave with pay. Vacation leave with pay is earned at the rate of one vacation day per month during the first calendar year of employment after initial appointment, twelve vacation days thereafter for every year and up to five years of service, fifteen vacation days after the completion of five years and up to twelve years of service, twenty vacation days after the completion of twelve years and up to twenty years of service, and twenty-five vacation days after the twentieth year of service. Unused vacation leave may be carried forward into the succeeding year only when approved by the District Supervisor, but not to exceed one year’s allowance. Permanent part-time employees are entitled to receive paid vacation leave on a proportionate basis. The District does not record accrued expenses related to compensated absences, but have instead been reserved. The balance in the reserve as of June 30, 2023 is \$60,000.

18. **RELATED PARTY TRANSACTIONS**

On occasion, certain activities related to the land development industry may be provided by Board Supervisors as a professional service to a developer. In such cases, the applicable Board Supervisor recuses him, or herself, from any decisions concerning these applications. The New Jersey State Soil Conservation Committee approves the appointments of all Board Supervisors.

19. **UNEARNED REVENUE**

Unearned Revenue represents restricted revenue that has been received but not yet earned. District Management reviews the status of Unearned Revenue on an ongoing basis. The District had no unearned revenue, as of June 30, 2023.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

20. **RESERVE FOR FUTURE VEHICLE**

During the 2020-21 fiscal year, the District established a reserve for future vehicle purchase. As of June 30, 2023, the reserve for future vehicle was \$30,000.

21. **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The District has \$2,708,146 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$2,705,296 and accounts receivable of \$2,850.

22. **FIXED ASSETS**

The District's fixed assets as of June 30, 2023 and 2022 was as follows:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Building & Improvements	\$ 1,881,186	\$ 1,881,186
Land Improvements	134,130	134,130
Furniture & Fixtures	4,505	4,505
Vehicles	110,344	49,573
Equipment	49,535	42,148
Total at Historical Cost	<u>2,179,700</u>	<u>2,111,542</u>
Less Accumulated Depreciation	<u>(1,037,336)</u>	<u>(984,328)</u>
Fixed Assets, Net	<u>\$ 1,142,364</u>	<u>\$ 1,127,214</u>

23. **SUBSEQUENT EVENTS**

There were no material events between June 30, 2023 and October 25, 2023 affecting the financial status of the Burlington County Soil Conservation District.

End of Notes to Financial Statements

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF BUDGET VERSUS ACTUAL REVENUE & EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Support and Revenue</u>				
SE & SC Act Fees	\$ 325,000	\$ 325,000	\$ 455,386	\$ 130,386
Burlington Co. Open Space	60,000	60,000	10,072	(49,928)
Miscellaneous Income	500	500	1,171	671
Interest on Investments	30,000	30,000	40,719	10,719
NC Fees	3,000	3,000	4,250	1,250
Federal Rent	134,125	134,125	139,200	5,075
Federal Facility	5,000	5,000	15,125	10,125
RFA Reimbursements	22,000	22,000	26,300	4,300
Training Seminars	1,500	1,500		(1,500)
Municipal Agreements	43,000	43,000	42,900	(100)
Total Support and Revenue	\$ 624,125	\$ 624,125	\$ 735,123	\$ 110,998

<u>Expenditures</u>				
Salaries and Wages	\$ 332,000	\$ 332,000	\$ 327,343	\$ 4,657
Fringe Benefits	85,000	85,000	84,133	867
Travel & Related Exp.-District	6,000	6,000	16,371	(10,371)
Office Supplies	5,000	5,000	5,614	(614)
Utilities	22,000	22,000	15,220	6,780
SHB Health	140,000	140,000	124,322	15,678
Dues and Subscriptions	3,000	3,000	1,075	1,925
Postage	3,000	3,000	1,000	2,000
Professional Fees	10,000	10,000	7,070	2,930
Advertising	2,000	2,000	49	1,951
Meetings, Conferences, Seminars	2,500	2,500	2,565	(65)
Printing	500	500		500
Miscellaneous Expenses	-	-	247	(247)
Donations and Contributions	3,000	3,000	2,000	1,000
District Technology	13,000	13,000	12,032	968
Equipment and Maintenance	1,000	1,000	56	944
Insurance - Auto and Liability	38,000	38,000	32,383	5,617
Contingency	15,000	15,000		15,000
New Vehicle	30,000	30,000	34,875	(4,875)
Envirothon	500	500		500
Travel Non - District	3,500	3,500	356	3,144
Training/Professional Certifications	5,000	5,000	644	4,356
Supervisor/Staff Apparel	800	800	872	(72)
Expense Reimbursement	6,000	6,000	4,445	1,555
Petty Cash	500	500		500
Meeting Meals	800	800	414	386
Facility Maintenance Expense	70,000	70,000	28,264	41,736
Furniture	1,000	1,000		1,000
Open Space Expenses	59,000	59,000	9,972	49,028
RFA Reimbursement to NJ	8,000	8,000	7,890	110
Credit Card	50	50		50
CHP 251 Administrative Fees	5,000	5,000	3,975	1,025
Total Expenditures	\$ 871,150	\$ 871,150	\$ 723,187	\$ 147,963

Adjustments:

Depreciation	53,008
Open Space Pass-Through	(9,972)
Fixed Asset Additions	(42,262)

Total Expenditures - to Exhibit B \$ 723,961

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2023

None

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

Status of Prior Year Recommendations

In accordance with governmental auditing standards, our procedures include a review of the prior year's recommendations and resulted in this conclusion:

There were no prior year comments and recommendations.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED JUNE 30, 2023

COMMENTS

Administrative Practices and Procedures

Purchases shall be in conformance with the State Public Contracts Law for securing formal bids on purchases in excess of \$17,500 and on Quotations are required to be sought for purchases over \$2,625, where it is possible to solicit more than one quotation. If there is a reason why quotations are not solicited, a brief explanation regarding this should be documented and included in the District minutes. For purchases, which are unusual or not routine in nature, a policy should be adopted addressing such purchases. Any suggested policy should be reviewed with the solicitor. In addition, when making purchases utilizing the state contract system, the award of such a contract shall be authorized by a resolution of the Board of Supervisors as required by **N.J.A.C. 5:34-1.2**. No exceptions were noted.

Chapter 251 fees collected appear to be in accordance with the adopted fee schedule.

Revenues and receipts were properly recorded within the District's accounting records.

The District made deposits within the required 5 business days.

According to the **Financial Accounting Manual for New Jersey Soil Conservation Districts**, all checks of \$1,000 or more must have two signatures, at least one of which shall be the District chair. No exceptions were noted with regard to the required signatures.

The Internal Revenue Service regulations require that Form 1099-M be filed for each unincorporated person to whom at least \$600 for services was paid. No exceptions were noted.

Purchases were made with the proper authorizations.

Financial Planning, Accounting and Reporting

In August 2015, a revised **Financial Accounting Manual for New Jersey Soil Conservation Districts** was adopted by the NJ State Soil Committee, which contained a new uniform budget format. The 2022-23 District budget was presented in an acceptable format, as prescribed by the revised financial accounting manual.

BURLINGTON COUNTY SOIL CONSERVATION DISTRICT

COMMENTS AND RECOMMENDATIONS

FOR THE YEAR JUNE 30, 2023

In accordance with the **Financial Accounting Manual for New Jersey Soil Conservation Districts**, the accounting period used by all Soil Conservation Districts is to be the same as that of the State of New Jersey. Accordingly, the Burlington Soil Conservation District maintains its records on a June 30 fiscal year basis.

The Chapter 251 Reserve Fund Balance shall be evaluated annually by the District Board to determine its adequacy based on the Chapter 251 workload obligations remaining to be completed. Districts have the ability to assess additional fees beyond the initial fees received following the exhaustion of the original fees received. Once the district is able to determine the amount of money on hand for each individual file a total will be calculated at the end of each fiscal year during the audit. This total amount of all funds for each 251 project will determine the reserve needed by each district. The district should have as a target at the end of each fiscal year of having close to 100% of the restricted reserves for 251 projects to complete those projects still active. Anything less than 110% for this purpose serves as a warning that reserves may not be sufficient to complete projects as additional fees for projects may not be collected or additional inspections are needed requiring additional funds. The District has met the 110% reserve requirement.

APPRECIATION

We wish to express our appreciation for the assistance and courtesies rendered to us by the officials during the course of the audit.

Should any questions arise as to our comments, please do not hesitate to call us.