

BERGEN COUNTY SOIL CONSERVATION DISTRICT
FINANCIAL STATEMENTS
WITH
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2018)
AND
INDEPENDENT AUDITOR'S REPORT

BERGEN COUNTY SOIL CONSERVATION DISTRICT
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page(s)</u>
Roster of Officials		1
Independent Auditor's Report		2 - 4
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 <i>Government Auditing Standards</i>		5 - 6
Statements of Financial Position	A	7
Statements of Activities and Changes in Net Position	B	8
Statements of Cash Flows	C	9
Notes to Financial Statements		10 - 19
Schedule of Budget Versus Actual Expenditures - Year Ended June 30, 2019	D	20
Schedule of Findings and Responses		21
Recommendations		22

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2019**

Board of Supervisors

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Carl Mecky	District Chairman	June 30, 2022
Raymond J. Cywinski	District Vice Chairman	June 30, 2021
Geraldine Byrne	District Secretary/Treasurer	June 30, 2022

Administrative Officials

Angelo Caruso	District Manager
Robyn Roberts	Administrative Secretary

DONOHUE, GIRONDA, DORIA & TOMKINS LLC

Certified Public Accountants

Matthew A. Donohue, CPA
Robert A. Gironda, CPA
Robert G. Doria, CPA (N.J. & N.Y.)
Frederick J. Tomkins, CPA, RMA

310 Broadway
Bayonne, NJ 07002
(201) 437-9000
Fax: (201) 437-1432
E-Mail: dgd@dgdcpas.com

Linda P. Kish, CPA, RMA
Mark W. Bednarz, CPA, RMA
Jason R. Gironda, CPA
Mauricio Canto, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors of the
Bergen County Soil Conservation District
Oradell, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the Bergen County Soil Conservation District (the "District"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the Department of Agriculture's manual, as prescribed by the New Jersey State Soil Conservation Committee. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 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.

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 various individual funds and account groups of the District as of June 30, 2019, or the results of its activities and changes in net position for the year then ended.

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 District as of June 30, 2019, and the changes in net position and its cash flows for the year then ended in accordance with the financial provisions of the New Jersey Department of Agriculture's Financial Accounting Manual.

Report on Summarized Comparative Information

We have previously audited Bergen County Soil Conservation's District's 2018 financial statements, and our report dated April 2, 2019, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed in the foregoing table of contents is 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 expenditures – all funds combined and is not a required part of

the financial statements. 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, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2020 on our consideration of the District's internal control over financial reporting and on our tests 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* in considering the District's internal control over financial reporting and compliance.


DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants

Bayonne, New Jersey
February 19, 2020

DONOHUE, GIRONDA, DORIA & TOMKINS LLC

Certified Public Accountants

Matthew A. Donohue, CPA
Robert A. Gironda, CPA
Robert G. Doria, CPA (N.J. & N.Y.)
Frederick J. Tomkins, CPA, RMA

310 Broadway
Bayonne, NJ 07002
(201) 437-9000
Fax: (201) 437-1432
E-Mail: dgd@dgdcpas.com

Linda P. Kish, CPA, RMA
Mark W. Bednarz, CPA, RMA
Jason R. Gironda, CPA
Mauricio Canto, CPA, RMA

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*

The Honorable Board of Supervisors of the
Bergen County Soil Conservation District
Oradell, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements as prescribed by the Department of Agriculture's manual, as prescribed by the New Jersey State Soil Conservation Committee, the financial statements of the Bergen County Soil Conservation District, (the "District"), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

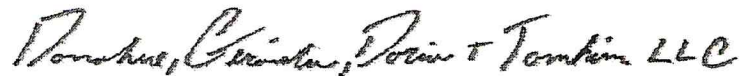
Compliance and Other Matters

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 determination of financial statement amounts. However, providing an opinion on compliance with those 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*.

However, we noted certain matters that we have reported to the management of the District in the accompanying comments and recommendations sections of this report.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants

Bayonne, New Jersey
February 19, 2020

BERGEN COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	Unrestricted Funds	Temporarily Restricted Chapter 251	Equipment Fund	Comparative Totals June 30, 2019	June 30, 2018
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 153,079	\$ 867,630	\$ -	\$ 1,020,709	\$ 856,146
Certificate of Deposits	-	969,150	-	969,150	962,963
Accounts Receivable	-	7,200	-	7,200	8,450
Accrued Interest Receivable	-	20,249	-	20,249	9,042
Security Deposit	-	2,503	-	2,503	2,503
Prepaid Insurance	-	4,773	-	4,773	4,931
Total Current Assets	<u>153,079</u>	<u>1,871,505</u>	<u>-</u>	<u>2,024,584</u>	<u>1,844,035</u>
Property and Equipment:					
Office Furniture and Equipment	-	-	53,787	53,787	53,787
Less: Accumulated Depreciation	-	-	(44,042)	(44,042)	(39,818)
Total Fixed Assets, Net of Depreciation	<u>-</u>	<u>-</u>	<u>9,745</u>	<u>9,745</u>	<u>13,969</u>
Total Assets	<u>\$ 153,079</u>	<u>\$ 1,871,505</u>	<u>\$ 9,745</u>	<u>\$ 2,034,329</u>	<u>\$ 1,858,004</u>
LIABILITIES AND NET POSITION					
Current Liabilities:					
Accounts Payable and Accrued Expenses	\$ -	\$ 9,552	\$ -	\$ 9,552	\$ 7,256
Grants Payable	-	1,189	-	1,189	1,782
RFA Stormwater Fees Payable	-	2,160	-	2,160	2,535
NJDA Chapter 251 Fees Payable	-	3,875	-	3,875	4,250
Total Current Liabilities	<u>-</u>	<u>16,776</u>	<u>-</u>	<u>16,776</u>	<u>15,823</u>
Reserves:					
Reserve for Future Soil Erosion and Sediment Control Act Expenditures	-	565,095	-	565,095	562,711
Reserve for Future Legal Cost	-	40,000	-	40,000	40,000
Total Reserves	<u>-</u>	<u>605,095</u>	<u>-</u>	<u>605,095</u>	<u>602,711</u>
Net Position:					
Unrestricted Net Position	153,079	-	-	153,079	153,079
Temporarily Restricted Net Position	-	1,249,634	9,745	1,259,379	1,086,391
Total Net Position	<u>153,079</u>	<u>1,249,634</u>	<u>9,745</u>	<u>1,412,458</u>	<u>1,239,470</u>
Total Liabilities and Net Position	<u>\$ 153,079</u>	<u>\$ 1,871,505</u>	<u>\$ 9,745</u>	<u>\$ 2,034,329</u>	<u>\$ 1,858,004</u>

See accompanying notes to financial statements

BERGEN COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	Unrestricted Funds	Temporarily Restricted Chapter 251	Equipment Fund	Comparative Totals June 30, 2019	June 30, 2018
Support and Revenue					
Soil Erosion and Sediment Control Act Fees	\$ -	\$ 760,365	\$ -	\$ 760,365	\$ 770,230
Stormwater Permitting	-	24,780	-	24,780	19,215
Exemption Income	-	11,000	-	11,000	9,600
Interest	-	22,466	-	22,466	15,794
Miscellaneous Income	-	107	-	107	300
Total Support and Revenue	-	818,718	-	818,718	815,139
Expenditures					
Salaries and Wages	-	356,755	-	356,755	353,012
Fringe Benefits	-	116,210	-	116,210	109,361
Rent	-	37,762	-	37,762	38,010
Payroll Taxes	-	28,702	-	28,702	28,127
Surcharges	-	14,450	-	14,450	15,375
Office Supplies and Expenses	-	12,403	-	12,403	11,025
Travel and Related Expenses	-	10,005	-	10,005	10,500
Insurance	-	8,460	-	8,460	8,602
Consultant and Contract Services	-	7,300	-	7,300	7,150
Utilities	-	5,026	-	5,026	6,373
Telephone/Internet	-	6,563	-	6,563	6,162
Miscellaneous	-	4,127	-	4,127	4,140
Depreciation	-	-	4,224	4,224	4,224
Dues	-	2,215	-	2,215	2,315
Training and Seminars	-	3,048	-	3,048	2,299
Office Equipment	-	1,316	-	1,316	1,403
Bank Charges	-	-	-	-	54
Stormwater Discharge Permit Program:					
Salaries and Wages	-	24,780	-	24,780	19,215
Total Expenditures	-	639,122	4,224	643,346	627,347
Excess (Deficiency) of Support and Revenue Over Expenditures	-	179,596	(4,224)	175,372	187,792
Net Position, July 1	153,079	1,072,422	13,969	1,239,470	1,021,598
(Increase) Decrease in Reserve for Future Soil Erosion and Sediment Control Act Expenditures	-	(2,384)	-	(2,384)	30,080
Net Position, June 30	<u>\$ 153,079</u>	<u>\$ 1,249,634</u>	<u>\$ 9,745</u>	<u>\$ 1,412,458</u>	<u>\$ 1,239,470</u>

See accompanying notes to financial statements

BERGEN COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS - ALL FUNDS COMBINED
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	Comparative Totals	
	June 30, 2019	June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Position	\$ 175,372	\$ 187,792
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	4,224	4,224
Decrease (Increase) in Receivables	1,250	(1,400)
Increase (Decrease) in Payables	1,703	(2,773)
Decrease in Prepaid Insurance	158	140
(Increase) Decrease in Accrued Interest Receivable	(11,207)	1,457
(Decrease) Increase in RFA Payable to NJ	(375)	420
(Decrease) Increase in NJDA Chapter 251 Fees Payable	(375)	750
Net Cash Provided by Operating Activities	170,750	190,610
Cash Flows From Investing Activities		
(Increase) in Certificate of Deposits	(6,187)	(137,160)
Net Increase in Cash	164,563	53,450
Cash, July 1	856,146	802,696
Cash, June 30	<u>\$ 1,020,709</u>	<u>\$ 856,146</u>

See accompanying notes to financial statements

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Bergen County Soil Conservation District, (the "District"), is one of fifteen Soil Conservation 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 USDA 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 NJ Soil Erosion and Sediment Control Act of 1975, the objective of which was to prevent soil erosion and sedimentation from development sites, mitigate impacts to soil resources, and enhance soil quality.

Financial Statement Presentation

The District is required to report information regarding its financial position and activities according to three classes of net assets: 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, at any time, as determined by management. Temporarily restricted net assets are either restricted to a specific program, a specific time period or both, but eventually, will be expended by the District. Permanently restricted net assets can never be expended, but benefit the District through investment earning on such assets. At June 30, 2019 the District had only unrestricted and temporarily restricted net assets.

Basis of Accounting

The accounting policies of the District conform to the financial reporting provisions and practices prescribed by the Department of Agriculture, State Soil Conservation Committee, State of New Jersey.

District funds are accounted for using the accrual basis of accounting, with the following exceptions. Support and revenue are recognized when they become both 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 are 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 its assets, liabilities, net assets, support and revenue and expenditures. Equipment purchases are recorded in the fund of acquisition with an appropriate transfer to the equipment fund. Accumulated depreciation is reported on the statement of financial position.

Reclassifications

Certain reclassifications may have been made to the prior year financial statements presentation to correspond to the current year's format. These reclassifications had no effect on net position or changes in net position.

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

2. INVESTMENTS

The District records investments at fair market value, when available. Certificates of deposit that have original maturities of greater than three months are considered investments.

Investments at fair value consisted of:

	<u>2019</u>
Certificate of Deposits	\$969,150

3. OPERATING LEASE

On April 10, 2018 the District signed a lease with Kamack Realty which took effect on May 1, 2018 and expires on April 30, 2023. Total operating lease payments (excluding utilities) made during the year ended June 30, 2019 was \$32,230. Future minimum lease payments are as follows:

<u>For the Year ending</u> <u>June 30,</u>	<u>Amount</u>
2020	\$ 32,230
2021	32,962
2022	33,695
2023	28,080
	<u>\$ 126,967</u>

The District also rents storage space on a monthly basis. The total rent paid for storage for the year ended June 30, 2019 was \$5,532.

4. PENSION PLAN

Substantially all full-time District employees participate in the Public Employees Retirement System (PERS). The PERS system is cost-sharing multiple-employer contributory defined benefit retirement system sponsored and administered by the State of New Jersey, Department of Treasury, Division of Pensions and Benefits.

According to state statutes, all obligations of PERS will be assumed by the State of New Jersey should the PERS be terminated. The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. The financial reports may be accessed via New Jersey Division of Pension and Benefits website at www.state.nj.us/treasury/pensions.

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

4. PENSION PLAN (Continued)

STATE-MANAGED PENSION PLANS – PERS CONTRIBUTIONS AND LIABILITY
(Continued)

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of all retirement systems.

The District's contributions for the past three years are as follows:

<u>For the Year ending</u> <u>June 30,</u>	<u>Amount</u>
2019	\$ 52,732
2018	48,466
2017	45,769

At June 30, 2019, the District's net pension liability for PERS was \$1,009,538.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the District's PERS proportion was 0.0051%, which was an increase of 0.0001% from June 30, 2017.

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	1.65 – 4.15%
Through 2026	Based on age
Thereafter	2.65 – 5.15%
	Based on age
Investment rate of return	7.00%

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

4. PENSION PLAN (Continued)

STATE-MANAGED PENSION PLANS – PERS CONTRIBUTIONS AND LIABILITY
(Continued)

Pension Plan fiduciary net position

Detailed information about the PERS pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at www.state.nj.us/treasury/pensions

5. RESERVE FOR FUTURE SOIL EROSION AND SEDIMENT CONTROL ACT
(CH.251) 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 received shall remain with the reserve balance total. 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 at N.J.A.C. 2:90-1.12 and pursuant to policy approval by the SSCC on September 13, 2007.

Reserve Balance on June 30, 2019 \$565,095

6. SURETY BOND COVERAGE

The District Manager and the Administrative Secretary/Bookkeeper have coverage of \$200,000 each.

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

7. RELATED PARTY TRANSACTIONS/GRANTS PAYABLE

The Bergen County Environmental Council, (the "Council"), is a volunteer committee organization dedicated to improving water quality through education and demonstration projects. The Council consists of private citizens as well as representatives of various private and public organizations. Council members are appointed by the Bergen County Board of Chosen Freeholders and serve two year terms. Funding is obtained through grants from the Bergen County Freeholders and Bergen County Department of Health Services Clean Communities Program. The Council's programs include the stream bank restoration (shrubs are purchased and planted), stream cleaning and environmental education.

The Council's funds are kept in the District's checking account. A treasurer's report is prepared for each monthly meeting. As of June 30, 2019, funds in the amount of \$1,200 are available to the council for grant activities.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Equipment	5 years
Vehicles	5 years
Furniture	7 years

9. CONTINGENT LIABILITIES

The District's counsel is not aware of any litigation claims or assessments pending or threatened against the District that will have a material effect on the financial statements, or the complaints have been referred to the insurance carrier.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2020, the date on which the financial statements were available to be issued. No significant subsequent events were noted.

BERGEN COUNTY SOIL CONSERVATION DISTRICT
SCHEDULE OF BUDGET VERSUS ACTUAL REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018)

	All Funds 2019			Total Funds For the year Ended June 30, 2018
	Budget (Unaudited)	Actual	Variance	Actual
Support and Revenue				
Chapter 251 fees	\$ 625,000	\$ 760,365	\$ (135,365)	\$ 770,230
State of New Jersey - RFA	7,500	24,780	(17,280)	19,215
Exemptions	7,500	11,000	(3,500)	9,600
Interest	14,000	22,466	(8,466)	15,794
Miscellaneous	200	107	93	300
Total Support and Revenue	654,200	818,718	(164,518)	815,139
Expenditures:				
Salaries and Wages	349,450	356,755	7,305	353,012
Fringe Benefits	115,750	116,210	460	109,361
Rent	42,000	37,762	(4,238)	38,010
State of NJ - RFA Salaries	20,000	24,780	4,780	19,215
Payroll Taxes	30,000	28,702	(1,298)	28,127
Surcharges	14,500	14,450	(50)	15,375
Office Supplies and Expenses	15,000	12,403	(2,597)	11,025
Insurance	11,000	8,460	(2,540)	8,602
Travel and Related Expenses	14,000	10,005	(3,995)	10,500
Office Equipment	4,500	1,316	(3,184)	1,403
Consultant and Contract Services	8,000	7,300	(700)	7,150
Telephone/Internet	6,500	6,563	63	6,162
Miscellaneous	6,000	4,127	(1,873)	4,140
Depreciation	4,500	4,224	(276)	4,224
Utilities	2,500	5,026	2,526	6,373
Dues and Contributions	3,000	2,215	(785)	2,315
Training and Seminars	4,000	3,048	(952)	2,299
Bank Charges	-	-	-	54
Repairs and Maintenance	3,500	-	(3,500)	-
	654,200	643,346	(10,854)	627,347
Excess of Support and Revenues Over Expense	\$ -	\$ 175,372	\$ (175,372)	\$ 187,792

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and agreements, and abuse related to the financial statements for which Government auditing Standards requires reporting.

No matters were reported.

**BERGEN COUNTY SOIL CONSERVATION DISTRICT
RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

SEGREGATION OF DUTIES

The Financial Accounting Manual for New Jersey Soil Conservation Districts provides several internal control recommendations with an overall premise of segregation of duties. The principal concept is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The District Secretary controls disbursements of funds, has control of checks and reconciles bank statements. This situation occurred because of the small size of the District's office staff and because of the limited number of employees qualified to perform these services. While steps have been taken to address the effect on internal controls due to lack of segregation of duties, we recommend that management continually monitor the situation. This recommendation is repeated from the prior year.