

**CUMBERLAND-SALEM SOIL  
CONSERVATION DISTRICT**

**Deerfield, New Jersey**

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**REPORT OF AUDIT  
FOR THE YEAR ENDED JUNE 30, 2025**

## TABLE OF CONTENTS

	<u>Page</u>
Roster of Officials	1
Independent Auditor's Report	2 - 5
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	6
<b>Basic Financial Statements</b>	
<b>Exhibits</b>	
A Statement of Financial Position	7 - 8
B Statements of Activities and Changes in Net Assets	9 - 10
C Statement of Cash Flows – All Funds Combined	11
<b>Notes to Financial Statements</b>	12 – 25
<b>Required Supplemental Information</b>	
<b>Exhibits</b>	
D Statement of Budget Versus Actual Revenues & Expenditures – All Funds Combined	26
<b>Comments and Recommendations</b>	27 - 28

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**

**ROSTER OF OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2025**

**DISTRICT BOARD OF SUPERVISORS**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Ronald Thomas	Chairman	June 30, 2026
Ralph Sickler	Vice Chairman	June 30, 2027
Maurice Sheets	Supervisor	June 30, 2027
Henry Dubois	Supervisor	June 30, 2026
Tom Tedesco	Supervisor	June 30, 2028

**ADMINISTRATIVE OFFICIALS**

Michael J. Bonham	District Manager
Karol Blew	Program Manager

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
www.colavita.net

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Cumberland Salem Soil Conservation District  
1516 Route 77, P.O. Box 68  
Deerfield, New Jersey 08313

To the Board of Supervisors:

### **Opinion**

We have audited the accompanying financial statements of the Cumberland Salem Soil Conservation District as of June 30, 2025 and 2024, 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 Cumberland Salem 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 Cumberland Salem Soil Conservation District, as of June 30, 2025 and 2024, 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 Cumberland Salem Soil Conservation District, as of June 30, 2025 and 2024, 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 Cumberland Salem 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 Cumberland Salem 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 10, 2025, on our consideration of the Cumberland Salem 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 10, 2025

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## 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  
Cumberland Salem Soil Conservation District  
1516 Route 77 P.O. Box 68  
Deerfield, New Jersey 08313

To the Board of Supervisors:

We have audited the financial statements of the Cumberland Salem Soil Conservation District as of and for the year ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Cumberland Salem Soil Conservation District's basic financial statements and have issued our report thereon dated October 10, 2025. 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 Cumberland Salem Soil Conservation District, the funding sources of the Cumberland Salem 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 10, 2025

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2025  
(With Summarized Information as of June 30, 2024)**

	Unrestricted Funds	Temporarily Restricted		Totals for the Year Ended June 30		
		Chapter 251	Equipment Fund	Building Fund	2025	2024
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash						
Operating Funds	\$ 453,542	\$ 139,378	\$	\$	\$ 592,920	\$ 595,811
Savings and Investments		754,359		73,511	827,870	789,405
Accounts Receivable						
Stormwater Fees Receivable	3,745				3,745	3,640
Cumberland County	30,000				30,000	15,000
Prepaid Insurance (Note 13)		1,222			1,222	1,181
<b>Total Current Assets</b>	<b>487,287</b>	<b>894,959</b>		<b>73,511</b>	<b>1,455,757</b>	<b>1,405,037</b>
<b>Fixed Assets</b>						
Office Furniture and Equipment			96,075		96,075	94,139
Land				52,290	52,290	52,290
Building				60,281	60,281	60,281
Improvements and Renovations				64,874	64,874	64,874
<b>Total Fixed Assets</b>			<b>96,075</b>	<b>177,445</b>	<b>273,520</b>	<b>271,584</b>
Less: Accumulated Depreciation						
					213,022	211,914
<b>Total Fixed Assets - Net of Depreciation</b>			<b>2,459</b>	<b>58,039</b>	<b>60,498</b>	<b>59,670</b>
<b>Total Assets</b>	<b>\$ 487,287</b>	<b>\$ 894,959</b>	<b>\$ 2,459</b>	<b>\$ 131,550</b>	<b>\$ 1,516,255</b>	<b>\$ 1,464,707</b>

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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Unrestricted Funds	Temporarily Restricted			Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund	2025	2024
<b>LIABILITIES, NET ASSETS AND RESERVES</b>						
Current Liabilities:						
Accounts Payable	\$	\$ 6,504	\$	\$	\$ 6,504	\$ 1,397
Due State of NJ Application Fee		1,750			1,750	2,350
Due RFA Reimbursement Fee						
Accrued Payroll Liabilities		4,586			4,586	2,817
<b>Total Current Liabilities</b>		<b>12,840</b>			<b>12,840</b>	<b>6,564</b>
<b>NET ASSETS AND RESERVES</b>						
Reserve for Future Soil Erosion and Sediment Control Act Expenditures (See Note 2)		882,119			882,119	897,107
Reserve for Future Legal Costs (See Note 3)	42,000				42,000	42,000
Reserve for Compensated Absences (See Note 6)	66,061				66,061	60,913
Net Assets - Per Exhibit B	379,226		2,459	131,550	513,235	458,123
<b>Total Net Assets and Reserves</b>	<b>487,287</b>	<b>882,119</b>	<b>2,459</b>	<b>131,550</b>	<b>1,503,415</b>	<b>1,458,143</b>
<b>Total Liabilities, Net Assets and Reserves</b>	<b>\$ 487,287</b>	<b>\$ 894,959</b>	<b>\$ 2,459</b>	<b>\$ 131,550</b>	<b>\$ 1,516,255</b>	<b>\$ 1,464,707</b>

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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(With Summarized Information as of June 30, 2024)**

	Unrestricted Funds	Temporarily Restricted			Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund	2025	2024
Support and Revenue						
Soil Erosion and Sediment Control Act Fees	\$	\$ 198,575	\$	\$	\$ 198,575	\$ 261,924
State Stormwater Fees	12,880				12,880	14,735
Cumberland County	15,000				15,000	15,000
Interest on Investments	33,488				33,488	5,133
<b>Total Support and Revenue</b>	<b>61,368</b>	<b>198,575</b>			<b>259,943</b>	<b>296,792</b>
Expenditures						
Salaries and Wages		123,511			123,511	94,856
Health Benefits		21,197			21,197	9,161
Payroll Taxes		9,019			9,019	7,622
Pension Expense		12,162			12,162	12,468
Professional Services		8,365			8,365	12,604
Maintenance/Repairs		7,492			7,492	6,061
Office Supplies and Expenses		12,026			12,026	8,468
Insurance		5,771			5,771	6,616

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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Unrestricted Funds	Temporarily Restricted		Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund	2025
Expenditures (continued)					
Professional/Training	\$	\$ 4,270	\$	\$	\$ 2,950
Utilities		6,699			7,109
Vehicle Expenses		3,051			2,466
Depreciation			677	431	1,108
Total Expenditures		213,563	677	431	214,671
Excess (Deficiency) of Support and Revenues Over Expenditures	61,368	(14,988)	(677)	(431)	45,272
Non-Operating Sources and Uses:					
(Increase) Decrease in Reserves:					
Future Soil Erosion and Sediment Control Act Expenditures		14,988			14,988
Compensated Absences	(5,148)				(5,148)
Transfer to Reserves	(1,936)		1,936		(1,459)
Net Assets, July 1, 2024	324,942		1,200	131,981	458,123
Net Assets, June 30, 2025 to Exhibit A	\$ 379,226	\$	\$ 2,459	\$ 131,550	\$ 513,235
					\$ 458,123

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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**STATEMENT OF CASH FLOWS - ALL FUNDS COMBINED**  
**FOR THE YEAR ENDED JUNE 30, 2025 AND 2024**

	Totals for the Year Ended June 30	
	2025	2024
<u>Cash Flow from Operating Activities</u>		
Excess (deficiency) of Support and Revenues Over Expenditures	\$ 45,272	\$ 125,557
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	1,108	854
Increase (decrease) in Prior Revenue		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	(15,105)	14,650
(Increase)/Decrease in Prepaid Insurance	(41)	4
(Decrease)/Increase in Accounts Payable	5,107	873
(Decrease)/Increase in Due State of NJ Application Fees	(600)	565
(Decrease)/Increase in Accrued Payroll	1,769	(1,917)
Cash Provided From Operations	37,510	140,586
<u>Cash Flow from Investing Activities</u>		
Acquisition of Fixed Assets	(1,936)	
Net Increase (Decrease) in Cash	35,574	140,586
Cash and Cash Equivalents - June 30, 2024	1,385,216	1,244,630
Cash and Cash Equivalents - June 30, 2025	\$ 1,420,790	\$ 1,385,216

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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity**

The Cumberland-Salem 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. Soil 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.

**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 Position, Temporarily Restricted Net Position and Permanently Restricted Net Position. Unrestricted Net Position can be expended by the District for any aspect of its operations and at any time, as determined by management. Temporarily Restricted Net Position 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 Position can never be expended, but benefit the District through investment earnings on such Assets. As of June 30, 2025, the District had only Unrestricted and Temporarily Restricted Net Position.

**Basis of Accounting**

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

All of the District's funds are accounted for using the modified accrual basis of accounting. Support and revenues 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 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 its assets, liabilities, Net Position, support, revenues 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.

**Amortization of Financing Costs**

Financing costs would be amortized using the straight-line method over the term of the loan. The District currently has no loans.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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

**Fixed Asset Fund**

Capital Assets acquired or constructed for Property Plant and Equipment are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets as listed below:

Equipment	5 Years
Building and Improvements	40 Years

The District's fixed assets as of June 30, 2025 and 2024 was as follows:

	<u>6/30/2025</u>	<u>6/30/2024</u>
Buildings	\$ 60,281	\$ 60,281
Equipment	96,075	94,139
Improvements/Renovations	64,874	64,874
Land	52,290	52,290
Total at Historical Cost	273,520	271,584
Less Accumulated Depreciation	(213,022)	(211,914)
Fixed Assets, Net	\$ 60,498	\$ 59,670

**Use of Estimates**

The preparation of financial statements in conformity with the New Jersey Department of Agriculture's Financial Accounting Manual requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures at the date of the financial statements, as well as the reported amounts of revenue and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**Concentration of 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, 2025, the District's bank balance of \$1,426,564 was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 706,681
Uninsured and collateralized under GUDPA by pledging financial institutions	719,883
	\$ 1,426,564

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**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 November 21, 1994. As a result of rising expenses incurred by the District to maintain their level of services, the Board has revised the fee schedule, effective August 1, 2010 to bring the fees charged in comparability to the expenses incurred.

The Reserve for Future Soil Erosion and Sediment Control Act Expenditures at June 30, 2025 was \$882,119 as compared with \$897,107 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. Management estimates that based on prior experience, the reserve balance for future legal costs should be \$42,000.

**4. CASH EQUIVALENTS**

For purposes of the Statement of Cash Flows, the Cumberland-Salem Soil Conservation District considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**5. LITIGATION**

Per confirmation by the Cumberland-Salem 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.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

6. **RESERVE FOR COMPENSATED ABSENCES**

Compensated Absences are those absences for which employees will be paid, such as vacation or sick leave. While the benefit has already been earned, payment is conditioned upon use of the time earned or payment upon retirement, based on the policy in affect at the time of separation. Therefore, a liability has not been set up on the balance sheet, but Net Position has instead been reserved. The balance in the reserve as of June 30, 2025 and June 30, 2024 was \$66,061 and \$60,913, respectively.

7. **LEASES**

The District had no leases as of June 30, 2025.

8. **SURETY BOND COVERAGE**

The Cumberland-Salem Soil Conservation District has a public official's liability bond with coverage of \$70,000.

9. **REQUEST FOR AUTHORIZATION**

All storm water 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.

10. **UNEARNED REVENUE**

Unearned Revenue represents restricted revenue that has been received but not yet earned. As of June 30, 2025, the District had no unearned revenue.

11. **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 the Division's annual financial statements, which can be found at <https://www.nj.gov/treasury/pensions/annual-reports.shtml>.

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.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

11. **PENSION PLANS (Continued)**

**Public Employees' Retirement System (Continued)**

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.

**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, 2024 was 7.5% of base salary. The District employee's contributions for the year ended June 30, 2025 were \$7,950. 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 2025 is 17.11% 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 each year. The District's contributions to PERS for the years ended June 30, 2025, and 2024 were \$12,162 and \$12,468, respectively.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

11. **PENSION PLANS (Continued)**

**Public Employees' Retirement System (Continued)**

**Components of Net Pension Liability** - At June 30, 2025, the District's proportionate share of the PERS net pension liability was \$107,748. The net pension liability was measured as of June 30, 2024. 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, 2024. The District's proportion measured as of June 30, 2025 was 0.000793% which was an decrease of 0.000004% from its proportion measured as of June 30, 2024.

**Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2025, the District's proportionate share of PERS pension expense, calculated by the plan as of the June 30, 2024 measurement date was (\$1,042). The District's deferred outflows of resources and deferred inflows of resources were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,158	\$ 287
Changes of assumptions	134	1,226
Net difference between projected and actual earnings on pension plan investments		4,996
Changes in proportion		8,130
Contributions subsequent to the measurement date	12,162	
<b>Total</b>	<b>\$ 14,454</b>	<b>\$ 14,639</b>

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>
2025	\$ (7,337)
2026	(28)
2027	(2,895)
2028	(2,033)
2029	(54)
Thereafter	
<b>Total</b>	<b>\$ (12,347)</b>

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

11. **PENSION PLANS (Continued)**

**Public Employees' Retirement System (Continued)**

**Actuarial Assumptions** - The total pension liability for the June 30, 2025 measurement date was determined by an actuarial valuation as of July 1, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>PERS</b>
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

The actuarial assumptions used in the July 1, 2023 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, 2024) 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.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**11. PENSION PLANS (Continued)**

**Public Employees' Retirement System (Continued)**

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	PERS Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

11. **PENSION PLANS (Continued)**

**Public Employees' Retirement System (Continued)**

**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, 2025, 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>144,376</u>	\$ <u>107,748</u>	\$ <u>78,257</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.

12. **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan** - The State Health Benefits 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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, 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 participating 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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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

**General Information about the OPEB Plan (Continued)**

that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**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.

**Basis of Presentation** - The employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of 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 the participating employers or the State. The following disclosures were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.



**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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

**Net OPEB Liability (Continued)**

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

Actuarial assumptions used in the July 1, 2023 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, 2024 was 3.93%. 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 long-term 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, 2024, 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:

	<b>June 30, 2024</b>		
	At 1.00% Decrease 2.93%	At Discount Rate 3.93%	At 1.00% Increase 4.93%
\$	20,857,914,273	17,905,445,505	15,540,780,410

**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, 2024, 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:

	<b>June 30, 2024</b>		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
\$	15,144,352,142	17,905,445,505	21,455,435,620

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - The District's proportionate OPEB benefit, as of June 30, 2024 was (\$29,459). The District had proportionate deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$
Changes of assumptions		
Net difference between projected and actual earnings on OPEB plan investments		
Changes in proportion	78,473	185,893
Total	\$ 78,473	\$ 185,893

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2023:

	6/30/2024	6/30/2023
Collective Deferred Outflows of Resources	\$ 3,900,235,821	\$ 2,635,934,069
Collective Deferred Inflows of Resources	6,014,094,455	8,319,630,129
Collective Net OPEB Liability	17,905,445,505	15,006,539,477
 District's Portion	 0.000000%	 0.000000%

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:

Year	OPEB
2025	\$ (1,123,975,872)
2026	(483,903,543)
2027	(83,156,324)
2028	(443,334,965)
2029	(282,447,899)
Thereafter	302,959,969
Total	\$ (2,113,858,634)

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

13. **PREPAID EXPENSE**

Prepaid expenses represent expenses paid in advance, which creates a benefit beyond the current period. As of June 30, 2025, the District had \$1,222 in prepaid expenses.

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

The District has \$1,455,757 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 \$1,420,790, accounts receivable of \$33,745 and prepaid expenses of \$1,222.

15. **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 and in accordance with N.J.S.A. section 52:13D, 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.

16. **SUBSEQUENT EVENTS**

There were no material events between June 30, 2025 and October 10, 2025, affecting the financial status of the Cumberland-Salem Soil Conservation District.

**End of Notes to Financial Statements**

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**STATEMENT OF BUDGET VERSUS ACTUAL REVENUE & EXPENDITURES -**  
**ALL FUNDS COMBINED**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>General Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Soil Erosion & Sediment Control Fees	\$ 230,000	\$ 198,575	\$ (31,425)
County Funding	15,000	15,000	
RFA Income	16,000	12,880	(3,120)
Interest	30,000	33,488	3,488
Total Revenues	<u>291,000</u>	<u>259,943</u>	<u>(31,057)</u>
<u>Expenditures</u>			
Salaries and Wages	185,000	123,511	61,489
Health Benefits	30,000	21,197	8,803
Pension	15,000	12,162	2,838
Payroll Taxes	18,000	9,019	8,981
Professional Services	7,500	8,365	(865)
Maintenance and Repairs - Building	4,200	7,492	(3,292)
Office Expenses/Supplies	6,700	13,962	(7,262)
Insurance	8,200	5,771	2,429
Professional/Training	3,500	4,270	(770)
Utilities	8,500	6,699	1,801
Vehicle	4,200	3,051	1,149
	<u>\$ 290,800</u>	<u>215,499</u>	<u>\$ 75,301</u>
Adjustments:			
Depreciation		1,108	
Purchase of Fixed Assets		(1,936)	
Total Expenditures - to Exhibit B(2)		<u>\$ 214,671</u>	

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

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**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.

The District was in compliance with the **Financial Accounting Manual for New Jersey Soil Conservation Districts**, which states that all checks must have two signatures, at least one of which shall be the District chairman.

The District's surety bond coverage appears to be in accordance with the minimum requirements noted in the **Financial Accounting Manual for New Jersey Soil Conservation Districts**.

**Financial Planning, Accounting and Reporting**

Revenues and receipts appear to be recorded properly and deposited on a timely basis.

Bank Statements are reconciled monthly. Sources of revenues and receipts are able to be traced to files.

The District's payroll reports appear to be filed on a timely basis and the amounts withheld as payroll deductions appear to be remitted properly.

Expenditures are to be evidenced by adequate supporting documentation, including notation of date of payment and check number. No exceptions were noted with regard to expenditure documentation.

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 2024-25 District budget was presented in an acceptable format, as prescribed by the revised financial accounting manual.

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 Cumberland Salem Soil Conservation District maintains its records on a June 30 fiscal year basis.

**CUMBERLAND-SALEM SOIL CONSERVATION DISTRICT**  
**COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Financial Planning, Accounting and Reporting (Continued)**

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.

**Findings**

None

**Status of Prior Year Findings**

None

**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.