

# **Morris County Soil Conservation District**

**Morristown, New Jersey**

**Report of Audit**

**For the Year Ended June 30, 2022**

**(With Summarized Comparative Totals for June 30, 2021)**



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**Morris County Soil Conservation District**  
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**June 30, 2022 and 2021**

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**Morris County Soil Conservation District  
Roster of Officials  
June 30, 2022 and 2021**

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<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Louise Davis	Chairman	2023
Phil Roehrich	Vice Chairman	2024
Marc Slaff	Treasurer	2025
Robert McEwan	Assistant Treasurer	2024
Robert Danowski	Secretary	2025

Management and Administrative Staff

Joseph P. Dunn	District Manager
Jacqueline Connelly	Bookkeeper

## Independent Auditors' Report

To the Board of Supervisors  
Morris County Soil Conservation District  
Morristown, NJ

### ***Opinion***

We have audited the accompanying financial statements of Morris County Soil Conservation District (the "District"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets and cash flows-all funds combined for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Morris County Soil Conservation District, as of June 30, 2022, and the results of its operations and changes in net assets for the year then ended in accordance with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual, described in Note 1.

### ***Basis for Opinion***

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Morris County Soil Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1, these financial statements were prepared in conformity with 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. The effects on the financial statements of the variances between this statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. Our opinion is not modified with respect to this matter.

To the Board of Supervisors  
Morris County Soil Conservation District

***Responsibilities of Management 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 and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Morris County Soil Conservation District's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditors' Responsibilities 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 auditors' report that includes our opinion. 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 the audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual 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 the audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual, 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 Morris County Soil Conservation 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 Morris County Soil Conservation District's ability to continue as a going concern for a reasonable period of time.

To the Board of Supervisors  
Morris County Soil Conservation District

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.

***Report on Summarized Comparative Information***

We have previously audited Morris County Soil Conservation District’s June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters – Supplementary 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 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 the schedule of federal and state awards and are 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.

*Nisivoccia LLP*

October 18, 2022  
Mt. Arlington, New Jersey

**Morris County Soil Conservation District**  
**Statement of Financial Position**  
**June 30, 2022 and 2021**

	Unrestricted	Temporarily Restricted			Total		
		Chapter 251	Equipment Fund	Special Projects	Total	2022	2021
<u>ASSETS</u>							
Current assets:							
Cash	\$ 326,830	\$ 330,122			\$ 330,122	\$ 656,952	\$ 499,358
Certificates of deposit		341,937			341,937	341,937	341,216
Cash restricted for performance bonds		125,472			125,472	125,472	93,369
Accounts receivable	22,713					22,713	36,542
Total current assets	<u>349,543</u>	<u>797,531</u>			<u>797,531</u>	<u>1,147,074</u>	<u>970,485</u>
Office furniture and equipment			\$ 73,961		73,961	73,961	73,961
Less: accumulated depreciation			(73,258)		(73,258)	(73,258)	(69,047)
Office furniture and equipment, net			<u>703</u>		<u>703</u>	<u>703</u>	<u>4,914</u>
Total assets	<u>\$ 349,543</u>	<u>\$ 797,531</u>	<u>\$ 703</u>		<u>\$ 798,234</u>	<u>\$ 1,147,777</u>	<u>\$ 975,399</u>
<u>LIABILITIES AND NET ASSETS</u>							
Current liabilities:							
Accounts payable and accrued expenses		\$ 58,498			\$ 58,498	\$ 58,498	\$ 85,146
Performance bonds payable		125,472			125,472	125,472	93,369
Deferred grant revenue	\$ 44,753			\$ 10,000	10,000	54,753	35,499
Total current liabilities	<u>44,728</u>	<u>183,995</u>		<u>10,000</u>	<u>193,995</u>	<u>238,723</u>	<u>214,014</u>
Reserves:							
Reserve for future Soil Erosion and Sediment Control Act expenditures		613,256			613,256	613,256	506,106
Total reserves		<u>613,256</u>			<u>613,256</u>	<u>613,256</u>	<u>506,106</u>
Unrestricted net assets	304,815					304,815	82,028
Temporarily restricted net assets (deficiency)		280	703	(10,000)	(9,017)	(9,017)	173,251
Total net assets	<u>304,815</u>	<u>280</u>	<u>703</u>	<u>(10,000)</u>	<u>(9,017)</u>	<u>295,798</u>	<u>255,279</u>
Total liabilities and net assets	<u>\$ 349,543</u>	<u>\$ 797,531</u>	<u>\$ 703</u>	<u>\$ -</u>	<u>\$ 798,234</u>	<u>\$ 1,147,777</u>	<u>\$ 975,399</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements

**Morris County Soil Conservation District**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2022**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2021)**

	Unrestricted	Temporarily Restricted			Total		
		Chapter 251	Equipment Fund	Special Projects	Total	2022	2021
Support and revenue:							
Soil Erosion and Sediment Control Act fees		\$ 628,513			\$ 628,513	\$ 628,513	\$ 600,446
Forestry income	\$ 13,135					13,135	42,906
Morris County Board of Chosen Freeholders grant	40,388					40,388	34,873
Stormwater permit revenue				\$ 5,600	5,600	5,600	18,375
NACD - Technical assistance	108,608					108,608	109,580
USDA- Technical assistance	76,640					76,640	9,665
Interest income		1,239			1,239	1,239	2,442
Other income	87					87	50
Total support and revenue	<u>238,858</u>	<u>629,752</u>		<u>5,600</u>	<u>635,352</u>	<u>874,210</u>	<u>818,337</u>
Expenses:							
Salaries and wages	148,267	317,573			317,573	465,840	461,457
Forestry expenses							
Supplies		2,826			2,826	2,826	2,739
Dues and registrations		3,308			3,308	3,308	2,133
Professional fees		6,221			6,221	6,221	6,156
Payroll tax expense	13,032	25,303			25,303	38,335	34,752
Telephone		2,125			2,125	2,125	2,081
Office expense	2,377	240			240	2,617	5,356
Travel and meals	9,169	1,750			1,750	10,919	12,432
Employee benefits	52,560	111,664			111,664	164,224	160,818
Insurance	15,832	4,340			4,340	20,172	14,413
Conferences and seminars		3,586			3,586	3,586	400
Depreciation			\$ 4,211		4,211	4,211	4,211
Other		2,157			2,157	2,157	4,293
Total expenses	<u>241,237</u>	<u>481,093</u>	<u>4,211</u>		<u>485,304</u>	<u>726,541</u>	<u>711,241</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements



**Morris County Soil Conservation District**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended June 30, 2022**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2021)**

	Unrestricted	Temporarily Restricted			Total	Total	
		Chapter 251	Equipment Fund	Special Projects		2022	2021
Excess (deficiency) of support and revenue over expenses:	(2,379)	148,659	(4,211)	5,600	150,048	147,669	107,096
Net assets (deficiency), beginning of year	82,028	172,787	4,914	(4,450)	173,251	255,279	207,742
Transfer of net assets	225,166	(214,016)		(11,150)	(225,166)		
Increase in Reserve for future Soil Erosion and Sediment Control Act Expenditures		(107,150)			(107,150)	(107,150)	(59,559)
Net assets (deficiency), end of year	<u>\$ 304,815</u>	<u>\$ 280</u>	<u>\$ 703</u>	<u>\$ (10,000)</u>	<u>\$ (9,017)</u>	<u>\$ 295,798</u>	<u>\$ 255,279</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements

**Morris County Soil Conservation District  
Statement of Cash Flows – All Funds Combined  
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Excess of support and revenue over expenses	\$ 147,669	\$ 107,096
Adjustments to reconcile excess of support and revenue over expenses to net cash provided by (used in) operating activities:		
Depreciation	4,211	4,211
Changes in operating assets and liabilities:		
Accounts receivable	13,829	(16,046)
Accounts payable and accrued expenses	(26,648)	5,707
Performance bonds payable	32,103	(141,930)
Deferred grant revenue	19,254	(19,145)
Net cash provided by (used in) operating activities	<u>190,418</u>	<u>(60,107)</u>
Cash flows from investing activities		
Purchases of certificates of deposit	(341,937)	(341,216)
Redemption of certificates of deposit	341,216	338,923
Net cash used in investing activities	<u>(721)</u>	<u>(2,293)</u>
Net increase (decrease) in cash and restricted cash	189,697	(62,400)
Cash and restricted cash, beginning of year	<u>592,727</u>	<u>655,127</u>
Cash and restricted cash, end of year	<u>\$ 782,424</u>	<u>\$ 592,727</u>
Supplemental disclosure of non-cash activities		
Increase in Reserve for Soil Erosion and Sediment Control Act Expenditures	<u>\$ 107,150</u>	<u>\$ 59,559</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements

**Morris County Soil Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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1. Summary of Significant Accounting Policies

Organization

The Morris County Soil Conservation District (“the 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 1975, 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 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 as 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 earnings on such assets. At June 30, 2022 and 2021, the District had only unrestricted and temporarily restricted net assets.

Basis of Accounting

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

All the District funds are accounted for using the accrual basis of accounting. Support and revenue are recognized when they become both measurable and available as net current assets. Expenditures are recognized when the related 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 revenues and expenses. Fixed asset 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles and practices prescribed by the State Soil Conservation Committee, Department of Agriculture, State of New Jersey requires management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses and changes therein, and disclosure of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the District’s estimates may change in the near term.

**Morris County Soil Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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Total Columns

Total columns are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position.

Property and Equipment

Property and equipment are recorded at cost. Major renewals and betterments are charged to the property accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Depreciation is provided for over the estimated useful lives of the related assets using the straight-line method. The principal estimated useful lives used in computing the depreciation provisions are as follows:

Equipment	3-5 years
Furniture and fixtures	5-7 years

Cash and Temporary Investments

The District considers all highly liquid investments purchased within an original maturity of three months or less to be determined as cash. Operating funds consist of demand deposits at various financial institutions. At times, amounts on deposit exceed federally insured limits. Management reviews the soundness of its financial institutions and considers its risk negligible.

Performance Bonds

Performance bonds are received on projects where the work is not complete, but the contractor requests a temporary certificate of occupancy. The bonds are deposited in an escrow cash account and interest earned is for the benefit of the contractor. The District retains an administrative fee from the initial bond deposit and returns the bond to the contractor upon completion of the project. Bonded projects are typically completed within one year and, accordingly, the escrow cash is recorded as temporarily restricted in the current assets section of the statement of financial position.

Income Taxes

The District is a not-for-profit governmental unit that is exempt from federal and state income taxes.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after June 30, 2022, through the date of the independent auditors' report and the date the financial statements were available to be issued, October 18, 2022. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

**Morris County Soil Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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2. Reserve for Future Soil Erosion and Sediment Control Act Expenditures

The Reserve for Future Soil Erosion and Sediment Control Act Expenditures is established to account for all related costs of future site inspections currently in progress, for which fees under the Soil Conservation Act, NJSA 4:24, et seq. have previously been collected. The current balance of the reserve is calculated on actual funds for each individual project that is still open at the end of each fiscal year plus 10% of the actual funds calculated. At June 30, 2022 and 2021, the current balance of the reserve amounted to \$613,256 and \$506,106, respectively.

3. Pension

District employees are enrolled in the Public Employees' Retirement System (PERS) of New Jersey. The State of New Jersey sponsors and administers this plan which covers substantially all District employees.

As a general rule, all full-time employees are required to join the public employee retirement system.

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal year's compensation for each year of membership during years of creditable service. Vesting occurs after 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on a percentage of 6.64% of employees' annual compensation, as defined.

As of July 2012, the employees' annual contribution percentage began a yearly increase of 0.14% which will occur every July for the next six consecutive years. Employers are required to contribute at a rate determined by an actuary. The employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

District contributions to the plan amounted to \$49,408 and \$55,706 for the years ended June 30, 2022 and 2021, respectively. The contributions represented 100% of the District's annual pension costs (APC).

4. Certificates of Deposit

Financial assets of the District have been valued using level 2 inputs as of June 30, 2022 and 2021. All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

**Morris County Soil Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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Investments at June 30, 2022 and 2021, are comprised of the following:

	June 30, 2022		
	Cost	Fair Value (Level 2)	Unrealized Appreciation (Depreciation)
Certificates of deposit	\$ 341,216	\$ 341,937	\$ 721
Interest rates: 0.25% - 0.35%			
Maturing: 7/8/22 - 8/1/22			

	June 30, 2021		
	Cost	Fair Value (Level 2)	Unrealized Appreciation (Depreciation)
Certificates of deposit	\$ 338,923	\$ 341,216	\$ 2,293
Interest rates: 0.05% - 0.45%			
Maturing: 12/8/21 - 2/12/22			

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets for identical assets and liabilities. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets and liabilities in active or inactive markets. Financial assets and liabilities valued using level 3 inputs are based on estimates using present value or other valuation techniques where quoted market prices are not available.

5. Risk and Uncertainties

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the District and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the District operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

Supplementary Information

**Morris County Soil Conservation District**  
**Schedule of Budget Versus Actual Revenue and Expenditures**  
**All Funds Combined**  
**For the Year Ended June 30, 2022**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2021)**

	Total Funds - 2022			Total Funds 2021
	Budget (Unaudited)	Actual	Variance	Actual
Support and revenue:				
Soil Erosion and Sediment Control Act fees	\$ 645,450	\$ 628,513	\$ (16,937)	\$ 600,446
Forestry income	25,000	13,135	(11,865)	42,906
Morris County Board of Chosen Freeholders grant	50,000	40,388	(9,612)	34,873
Stormwater permit revenue	20,000	5,600	(14,400)	18,375
NACD- Technical assistance	128,577	108,608	(19,969)	109,580
USDA- Technical assistance	133,000	76,640	(56,360)	9,665
Interest income	7,000	1,239	(5,761)	2,442
Other income	200	87	(113)	50
Total support and revenue	<u>1,009,227</u>	<u>874,210</u>	<u>(135,017)</u>	<u>818,337</u>
Expenses:				
Salaries and wages	586,000	465,840	(120,160)	461,457
Forestry expenses	100		(100)	
Supplies	7,100	2,826	(4,274)	2,739
Dues and registrations	3,000	3,308	308	2,133
Professional fees	10,800	6,221	(4,579)	6,156
Payroll tax expense	62,500	38,335	(24,165)	34,752
Telephone	3,000	2,125	(875)	2,081
Office expense	9,700	2,617	(7,083)	5,356
Travel and meals	25,427	10,919	(14,508)	12,432
Employee benefits	247,000	164,224	(82,776)	160,818
Insurance	21,300	20,172	(1,128)	14,413
Conferences and seminars	25,000	3,586	(21,414)	400
Depreciation		4,211	4,211	4,211
Other	8,300	2,157	(6,143)	4,293
Total expenses	<u>1,009,227</u>	<u>726,541</u>	<u>(282,686)</u>	<u>711,241</u>
Excess of support and revenue over expenses	<u>\$ -</u>	<u>\$ 147,669</u>	<u>\$ 147,669</u>	<u>\$ 107,096</u>

See Independent Auditors' Report



**Morris County Soil Conservation District  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity ID #</u>	<u>Grantor's Number</u>	<u>Grant Period</u>	<u>Grant Awards</u>	<u>Cumulative Program Disbursements</u>	<u>Current Year</u>		
							<u>Program Disbursements</u>	<u>Cash Received</u>	<u>Provided to Subrecipients</u>
<u>U.S. Department of Agriculture</u>									
<u>Natural Resources Conservation Service</u>									
Environmental Quality Incentives Program	10.902 / 10.912	N/A	N/A	9/30/20 - 9/30/25	\$ 301,326	\$ 82,632	\$ 76,640	\$ 59,919	
						<u>\$ 82,632</u>	<u>\$ 76,640</u>	<u>\$ 59,919</u>	<u>\$ -</u>

See Independent Auditors' Report

**Morris County Soil Conservation District  
 Schedule of Expenditures of State Awards  
 For the Year Ended June 30, 2022**

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<u>State Grantor/Pass-Through Grantor/Program</u>	<u>Grant ID #</u>	<u>State Account Number</u>	<u>Grant Period</u>	<u>Grant Awards</u>	<u>Cumulative Program Disbursements</u>	<u>Program Disbursements</u>	<u>Cash Received</u>
Department of Environmental Protection Forestry Management Grant - 2002	N/A	04248703235234	3/2/02 - 3/2/03	\$ 10,000	\$ -	\$ -	\$ 10,000
					<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>

See Independent Auditors' Report

**Morris County Soil Conservation District**  
**Current Year Recommendations**  
**June 30, 2022**

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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.

At present, the Bookkeeper is responsible for all accounting functions including cash disbursements, payroll, accruals, all journal entries, and financial statement preparation. Additionally, all bank statements are received and reconciled by the Bookkeeper, although all cash deposits are made by an employee other than the Bookkeeper.

While several steps have been taken to address the effect on internal controls due to lack of segregation of duties, we recommend that Management continually monitors the situation.

Forestry Grant

A \$10,000 forestry grant was received in 2002 for a forestry project in the Passaic River Watershed. As of the date of our report, the project has not been started, the grant funds have not been utilized, and approval for an alternate use of the funds has not been granted.

We recommend that management continue to review the terms of this grant through contact with the State of New Jersey – Department of Environmental Protection to confirm that the District is still entitled to this grant and determine whether or not an alternate use of the funds has been approved.

**Morris County Soil Conservation District**  
**Prior Year Recommendations**  
**June 30, 2021**

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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.

At present, the Bookkeeper is responsible for all accounting functions including cash disbursements, payroll, accruals, all journal entries, and financial statement preparation. Additionally, all bank statements are received and reconciled by the Bookkeeper, although all cash deposits are made by an employee other than the Bookkeeper.

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