

RESOLUTION NO. 2023- 523

RESOLUTION ACKNOWLEDGING THE RECEIPT OF THE CITY OF VINELAND, COUNTY OF CUMBERLAND LANDFILL CLOSURE ESCROW FUND AUDIT REPORT FOR YEAR ENDING SEPTEMBER 30, 2023 AND AUTHORIZE THE SAME TO BE RECEIVED AND FILED WITH THE CITY ENGINEER AND CHIEF FINANCE OFFICER.

WHEREAS, City Council has received the independent auditor's report of Edward L. Avena, P.A., which provides the financial statement of the City of Vineland Landfill Closure Escrow Fund on the basis of accounting prescribed by the Local Government Services Division; and

WHEREAS, said independent auditor's report found no conditions which would be considered to be a matter of noncompliance.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Vineland that receipt of the independent auditor's report dated October 10, 2023 is hereby acknowledged, and further that the same shall be received and filed with the City Engineer and Chief Finance Officer.

Adopted:

President of Council

ATTEST:

City Clerk

CITY OF VINELAND
LANDFILL CLOSURE ESCROW FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

CITY OF VINELAND
LANDFILL CLOSURE ESCROW FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
FINANCIAL STATEMENTS:	
Statement of Assets and Fund Balance	4
Statement of Revenue, Expenditures and Changes in Fund Balance	5
Notes to Financial Statements	6
FINDINGS AND RECOMMENDATIONS	
Findings and Recommendations	7

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Vineland
County of Cumberland, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Landfill Closure Escrow Fund of the City of Vineland, as of, and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

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 each fund of the Landfill Closure Escrow Fund of the City of Vineland, or changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial statements as of and for the year ended September 30, 2023 in accordance with the basis of financial reporting prescribed by the Department of Environmental Protection, State of New Jersey.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Landfill Closure Escrow Fund of the City of Vineland 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 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 Landfill Closure Escrow Fund of the City of Vineland on the basis of the financial reporting provisions prescribed by the Department of Environmental Protection, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by Department of Environmental Protection, State of New Jersey. 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 misstatements, 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 the Landfill Closure Escrow Fund of the City of Vineland'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 GAAS, *Government Auditing Standards* and audit requirements prescribed by Department of Environmental Protection, State of New Jersey 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 an 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by Department of Environmental Protection, State of New Jersey, we:

- exercise professional judgement 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 the 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 Landfill Closure Escrow Fund of the City of Vineland'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 judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Landfill Closure Escrow Fund of the City of Vineland's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge 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.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Registered Municipal Accountant
No. 393

October 10, 2023

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CITY OF VINELAND
LANDFILL CLOSURE ESCROW FUND
STATEMENT OF ASSETS AND FUND BALANCE
SEPTEMBER 30, 2023

ASSETS

Cash	<u>\$ 920,501.47</u>
	<u><u>\$ 920,501.47</u></u>

FUND BALANCE

Fund Balance	<u><u>\$ 920,501.47</u></u>
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See accompanying Notes to Financial Statements

CITY OF VINELAND
LANDFILL CLOSURE ESCROW FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2023

	<u>Number Tons Accepted</u>	<u>Date of Deposit</u>	<u>Dollars Deposited</u>	<u>Income on Invested Funds</u>	<u>Total for Month</u>
October	-	N/A	\$ -	\$ 876.82	\$ 876.82
November	-	N/A	-	918.20	918.20
December	-	N/A	-	1,002.12	1,002.12
January	-	N/A	-	970.64	970.64
February	-	N/A	-	971.67	971.67
March	-	N/A	-	1,387.18	1,387.18
April	-	N/A	-	1,559.16	1,559.16
May	-	N/A	-	1,460.97	1,460.97
June	-	N/A	-	3,491.64	3,491.64
July	-	N/A	-	3,605.28	3,605.28
August	-	N/A	-	3,607.82	3,607.82
September	-	N/A	-	4,151.50	4,151.50
Total Revenue			<u>\$ -</u>	<u>\$ 24,003.00</u>	<u>\$ 24,003.00</u>
Less:					
Closure Cost Withdrawals					\$ 26,709.00
Escrow Agent Fees					-
Total Expenditures					<u>26,709.00</u>
Net Decrease in Fund Balance					(2,706.00)
Fund Balance Beginning of Fiscal Year					<u>923,207.47</u>
Fund Balance End of Fiscal Year					<u>\$ 920,501.47</u>

Financial Institution Name - OceanFirst Bank

Escrow Account Number 8000413800

See accompanying Notes to Financial Statements

CITY OF VINELAND
LANDFILL CLOSURE ESCROW FUND
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE A: FINANCIAL STATEMENT PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. The Landfill Closure Escrow Account was created pursuant to the "Sanitary Landfill Facility Closure and Contingency Fund Act" (P.L. 1981, c. 306). It requires the owner or operator of every sanitary landfill to establish a separate interest bearing escrow account for each landfill. The escrow account is for the closure and post closure care of that particular landfill.
2. The financial statements presented are prepared from only the accounts and financial transactions of the Landfill Closure Escrow Fund of the City of Vineland. The financial statements of the City of Vineland for the year ended December 31, 2022 have been audited by Ford, Scott & Associates, L.L.C., Certified Public Accountants and the report has been issued and is dated July 17, 2023.
3. Revenues are recorded on the accrual basis of accounting.

NOTE B: CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 requires disclosure of the level of custodial credit risk assumed by the City in its cash, cash equivalents and investments.

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. As of September 30, 2023, \$0.00 of the Fund's bank balance of \$920,501.47 is subject to custodial credit risk. The City has adopted a policy regarding custodial credit risk.

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FINDINGS AND RECOMMENDATIONS

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CITY OF VINELAND
LANDFILL CLOSURE ESCROW FUND
FINDINGS AND RECOMMENDATIONS

Findings and Recommendations:

None

