

**GLOUCESTER COUNTY SOIL  
CONSERVATION DISTRICT**

**Sewell, New Jersey**

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**REPORT OF AUDIT**

**FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

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**GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

**CONSERVATION DISTRICT BOARD OF SUPERVISORS**

**THE DISTRICT GOVERNING BODY**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Furfari	Chairman	June 30, 2012
West J. Kandle, III	Vice-Chairman	June 30, 2014
Jess Everett, Ph.D., P.E.	Supervisor	June 30, 2014
Dale Ledden	Supervisor	June 30, 2013
Mike Visalli	Supervisor	June 30, 2013

**MANAGEMENT AND ADMINISTRATIVE STAFF**

Victor DeVasto	District Manager
Karol Blew	Administrative Assistant

Note – A blanket bond in the amount of \$25,000 was in force during the period under review

# 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

August 17, 2012

## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Gloucester County Soil Conservation District  
14 Parke Place Blvd, Suite C  
Sewell, New Jersey 08080

Gentlemen:

We have audited the accompanying financial statements of the Gloucester County Soil Conservation District as of June 30, 2012 and the related statements of activities and changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Gloucester Soil Conservation District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Gloucester County Soil Conservation District's 2011 financial statements and in our report dated August 17, 2012, we expressed unqualified opinions on the respective financial statements of financial position, activities and changes in net assets and cash flows.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States; and the audit requirements prescribed by the Department of Agriculture's Manual, as required by the New Jersey State Soil Conservation Committee. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Gloucester County Soil Conservation District as of June 30, 2012, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America and requirements prescribed by the State Soil Conservation Committee, Department of Agriculture, State of New Jersey.

In accordance with **Government Auditing Standards**, we have also issued a report dated August 17, 2012 on our consideration of the Gloucester County Soil Conservation District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Gloucester County Soil District taken as a whole. The accompanying supplementary schedules of expenditures of budget versus actual expenditures and federal and state grant activity are presented for purposes of additional analysis as required by the State of New Jersey, Department of Agriculture, and State Soil Conservation Committee. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A.  
Registered Municipal Accountant

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August 17, 2012

## 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  
Gloucester County Soil Conservation District  
14 Parke Place Blvd, Suite C  
Sewell, New Jersey 08080

Gentlemen:

We have audited the financial statements of the Gloucester County Soil Conservation District as of and for the year ended June 30, 2012, and have issued our report thereon dated August 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the State Soil Conservation Committee, Department of Agriculture, State of New Jersey.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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**.

This report is intended solely for the information and use of management, the Board of Supervisors, and Federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

Raymond Colavita, C.P.A.  
Registered Municipal Accountant

**SCHEDULES**



**GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2012 and 2011**

	Temporarily Restricted			Totals		
	Unrestricted	Chapter 251	Equipment	Conservation Assistance Program	June 30, 2012	June 30, 2011
<b>ASSETS</b>						
Current Assets						
Cash						
Operating Funds	\$	\$ 17,234	\$	\$	\$ 17,234	\$ 22,028
Savings Investments	368,048	891,295			1,259,343	1,456,162
Petty Cash		100			100	100
Accounts Receivable:						
Chapter 251 Fees		11,180			11,180	1,750
Due from USDA/NARCS				32,261	32,261	16,026
Accrued interest Receivable	1,714				1,714	
Interfund	27,531				27,531	
Prepaid Expenses		7,728			7,728	10,095
<b>Total Current Assets</b>	<b>397,293</b>	<b>927,537</b>		<b>32,261</b>	<b>1,357,091</b>	<b>1,506,161</b>
Property, Plant and Equipment (Note 1E)						
Furniture and Equipment			157,258		157,258	218,672
Less: Accumulated Depreciation			(154,935)		(154,935)	(212,892)
<b>Total Property, Plant and Equipment</b>			<b>2,323</b>		<b>2,323</b>	<b>5,780</b>
Other Assets						
Security Deposit		3,250			3,250	3,250.00
<b>Total Assets</b>	<b>\$ 397,293</b>	<b>\$ 930,787</b>	<b>\$ 2,323</b>	<b>\$ 32,261</b>	<b>\$ 1,362,664</b>	<b>\$ 1,515,191</b>

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

**GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2012 and 2011**

	Temporarily Restricted			Totals		
	<u>Unrestricted</u>	<u>Chapter 251</u>	<u>Equipment</u>	<u>Conservation Assistance Program</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
<b><u>LIABILITIES, NET ASSETS AND RESERVES</u></b>						
<b>Current Liabilities</b>						
Accounts Payable	\$	\$ 519	\$	\$	\$ 519	\$ 888
Interfund				27,531	27,531	
Accrued Payroll and Taxes		200			200	15,203
Due to the State of New Jersey		3,245			3,245	850
Deferred Revenue (Note 17)	121,821			4,730	126,551	163,940
<b>Total Current Liabilities</b>	<b>121,821</b>	<b>3,964</b>		<b>32,261</b>	<b>158,046</b>	<b>180,881</b>
<b>Net Assets and Reserves</b>						
Unrestricted Net Assets	275,472	-			275,472	434,014
<b>Temporarily Restricted Net Assets And Reserves:</b>						
Reserve for Future Legal Fees (Note 3)		150,000			150,000	150,000
Reserve for Equipment Purchases (Note 18)		75,000			75,000	75,000
Reserve for Long Range Plan		1,000			1,000	1,000
Reserve for Retirement Health Benefits (Note 16)		75,000			75,000	75,000
Reserve for Unemployment (Note 12)		1,004			1,004	1,002
Reserve for Compensated Absences (Note 15)		102,419			102,419	60,508
Reserve for Capital Improvements (Note 13)		300,000			300,000	300,000
Reserve for Future Soil Erosion and Sediment Control Act Expenditures (Note 4)		222,400			222,400	232,006
Investment in Fixed Assets			2,323		2,323	5,780
<b>Total Net Assets and Reserves</b>	<b>275,472</b>	<b>926,823</b>	<b>2,323</b>		<b>1,204,618</b>	<b>1,334,310</b>
<b>Total Liabilities, Net Assets and Reserves</b>	<b>\$ 397,293</b>	<b>\$ 930,787</b>	<b>\$ 2,323</b>	<b>\$ 32,261</b>	<b>\$ 1,362,664</b>	<b>\$ 1,515,191</b>

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

**GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT**  
**STATEMENT OF ACITIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2012 AND 2011**

	Temporarily Restricted				Totals	
	Unrestricted	Chapter 251	Equipment	Conservation Assistance Program	June 30, 2012	June 30, 2011
Support and Revenue						
Soil Erosion and Sediment Control	\$	\$ 315,048	\$	\$	\$ 315,048	\$ 297,145
Miscellaneous		21,123			21,123	2,808
Interest and Miscellaneous	2,142	6,421			8,563	21,462
NCRS Engineering Assistance Program (Note 20)	8,137				8,137	14,778
NCRS Outreach Program		1,008			1,008	
Conservation Assistance Program				189,114	189,114	184,891
Watershed Management Program						
Camden County Soil Conservation District		255			255	
NASD Grant Project Reimbursements		2,000			2,000	
Stormwater Discharge Program		8,925			8,925	11,165
Non-Cash In-Kind; Included as Expenditures Below (Note 2)		254,884			254,884	233,643
<b>Total Support and Revenue</b>	<b>\$ 10,279</b>	<b>\$ 609,664</b>	<b>\$</b>	<b>\$ 189,114</b>	<b>\$ 809,057</b>	<b>\$ 765,892</b>
Expenditures						
Salaries and Wages	\$ 8,137	\$ 393,846	\$	\$ 120,296	\$ 522,279	\$ 551,586
Fringe Benefits		131,521		50,736	182,257	195,284
Contracted Services		7,235			7,235	8,465
Travel, Meetings and Automobiles		17,519		1,262	18,781	21,661
Education and Training		811		500	1,311	727
Payroll Service		1,957		778	2,735	2,934
Equipment		4,135			4,135	7,036
Rent (Note 14)		58,131			58,131	82,307
Office Supplies and Expenses		2,136			2,136	2,236
Telephone		15,900		208	16,108	4,394
Utilities		5,527			5,527	5,928
Dues		895			895	1,020
Postage		1,816			1,816	2,410
Insurance		7,087		800	7,887	9,124
Indirect Costs		42,000			42,000	36,000
Pension Contribution (Note 9)		34,593		12,534	47,127	53,391
Miscellaneous		12,932		2,000	14,932	3,625

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