

**GLOUCESTER COUNTY SOIL
CONSERVATION DISTRICT**

Sewell, New Jersey

REPORT OF AUDIT

FOR THE TWELVE MONTHS ENDED JUNE 30, 2013

CONTENTS

	<u>Page</u>
Roster of District Officials	1
Independent Auditor's Report	2 - 3
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>	4 - 5
Financial Statements - Exhibits	
A Statement of Financial Position	6 - 7
B Statement of Activities and Changes in Net Assets	8 - 9
D Comparative Statement of Cash Flows – All Funds Combined	10
Notes to Financial Statements	11 - 18
Schedules	
1 Schedule of Budget Versus Actual Expenditures – Operating Funds	19
2 Schedule of Expenditures of Federal Awards	20
3 Schedule of Expenditures of State Awards	21
Comments and Recommendations	22 - 23

GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2013

CONSERVATION DISTRICT BOARD OF SUPERVISORS

THE DISTRICT GOVERNING BODY

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Furfari	Chairman	June 30, 2015
West J. Kandle, III	Vice-Chairman	June 30, 2014
Jess Everett, Ph.D., P.E.	Supervisor	June 30, 2014
Jeffrey Gellenthin	Supervisor	June 30, 2016
Mike Visalli	Supervisor	June 30, 2016

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 16, 2013

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, 2013 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 2013 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, 2013, 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 16, 2013 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

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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August 16, 2013

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, 2013, and have issued our report thereon dated August 16, 2013. 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, 2013 AND 2012**

	Temporarily Restricted				Totals		
	Unrestricted	Chapter 251	Equipment	NJ Hydrologic Database	Conservation Assistance Program	June 30, 2013	June 30, 2012
ASSETS							
Current Assets							
Cash							
Operating Funds	\$	\$ 14,401	\$	\$	\$	\$ 14,401	\$ 17,234
Savings Investments	361,032	910,320		12,665		1,284,017	1,259,343
Petty Cash		100				100	100
Accounts Receivable:							
RFA	4,900					4,900	
Chapter 251 Fees							11,180
State Awards Receivable					30,186	30,186	32,261
Accrued interest Receivable							1,714
Interfund	25,456					25,456	27,531
Prepaid Expenses		3,157				3,157	7,728
Total Current Assets	391,388	927,978		12,665	30,186	1,362,217	1,357,091
Property, Plant and Equipment (Note 1E)							
Furniture and Equipment			157,258			157,258	157,258
Less: Accumulated Depreciation			(156,510)			(156,510)	(154,935)
Total Property, Plant and Equipment			748			748	2,323
Other Assets							
Security Deposit		3,250				3,250	3,250
Total Assets	\$ 391,388	\$ 931,228	\$ 748	\$ 12,665	\$ 30,186	\$ 1,366,215	\$ 1,362,664

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

GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	Temporarily Restricted				Totals		
	Unrestricted	Chapter 251	Equipment	NJ Hydrologic Database	Conservation Assistance Program	June 30, 2013	June 30, 2012
<u>LIABILITIES, NET ASSETS AND RESERVES</u>							
Current Liabilities							
Accounts Payable	\$	\$ 702	\$	\$	\$	\$ 702	\$ 519
Interfund					25,456	25,456	27,531
Accrued Payroll and Taxes		1,753				1,753	200
Due to the State of New Jersey	1,470	1,050				2,520	3,245
Deferred Revenue (Note 17)				12,665	4,730	17,395	126,551
Total Current Liabilities	1,470	3,505		12,665	30,186	47,826	158,046
Net Assets and Reserves							
Unrestricted Net Assets	389,918					389,918	275,472
Temporarily Restricted Net Assets And Reserves:							
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)		1,007				1,007	1,004
Reserve for Compensated Absences (Note 15)		88,541				88,541	102,419
Reserve for Capital Improvements (Note 13)		300,000				300,000	300,000
Reserve for Future Soil Erosion and Sediment Control Act Expenditures (Note 4)		237,175				237,175	222,400
Investment in Fixed Assets			748			748	2,323
Total Net Assets and Reserves	389,918	927,723	748			1,318,389	1,204,618
Total Liabilities, Net Assets and Reserves	\$ 391,388	\$ 931,228	\$ 748	\$ 12,665	\$ 30,186	\$ 1,366,215	\$ 1,362,664

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, 2013 AND 2012

	Temporarily Restricted				Totals	
	Unrestricted	Chapter 251	Equipment	Conservation Assistance Program	June 30, 2013	June 30, 2012
Support and Revenue						
Soil Erosion and Sediment Control	\$	\$ 361,130	\$	\$	\$ 361,130	\$ 315,048
Miscellaneous	1,830				1,830	21,123
Interest	2,536	7,621			10,157	8,563
NCRS Engineering Assistance Program (Note 20)						8,137
NCRS Outreach Program	8,579				8,579	1,008
Conservation Assistance Program				183,280	183,280	189,114
Watershed Management Program						
Camden County Soil Conservation District	1,105				1,105	255
NASD Grant Project Reimbursements						2,000
Stormwater Discharge Program	8,955				8,955	8,925
Non-Cash In-Kind; Included as Expenditures Below (Note 2)		262,347			262,347	254,884
Total Support and Revenue	\$ 23,005	\$ 631,098	\$	\$ 183,280	\$ 837,383	\$ 809,057
Expenditures						
Salaries and Wages	\$	\$ 359,421	\$	\$ 113,566	\$ 472,987	\$ 522,279
Fringe Benefits		107,555		52,458	160,013	182,257
Contracted Services		3,931		2,799	6,730	7,235
Travel, Meetings and Automobiles		1,994			1,994	18,781
Education and Training		585		745	1,330	1,311
Payroll Service		1,727		897	2,624	2,735
Equipment		4,059			4,059	4,135
Rent (Note 14)		45,762			45,762	58,131
Office Supplies and Expenses		2,114			2,114	2,136
Telephone		16,162		200	16,362	16,108
Utilities		6,046			6,046	5,527
Dues		1,395			1,395	895
Postage		1,320			1,320	1,816
Insurance		15,080			15,080	7,887
Indirect Costs		46,867			46,867	42,000
Pension Contribution (Note 9)		36,856		12,615	49,471	47,127
Miscellaneous		14,283			14,283	14,932

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, 2013 AND 2012

	Temporarily Restricted				Totals	
	Unrestricted	Chapter 251	Equipment	Conservation Assistance Program	June 30, 2013	June 30, 2012
Expenditures (Continued)						
Depreciation	\$	\$	\$ 1,575	\$	\$ 1,575	\$ 3,457
Total Expenditures		665,157	1,575	183,280	850,012	938,749
Excess (Deficiency) of Support and Revenue Over Expenditures	23,005	(34,059)	(1,575)		(12,629)	(129,692)
Net Assets, Beginning of year -	275,472	926,823	2,323		1,204,618	1,334,310
Gain on Sale of Vehicle	4,579				4,579	
Transfers	(34,959)	34,959				
Prior Year Adjustment to Deferred Revenue	121,821				121,821	
Net Assets, End of year -	\$ 389,918	\$ 927,723	\$ 748	\$	\$ 1,318,389	\$ 1,204,618

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