

**GLOUCESTER COUNTY SOIL
CONSERVATION DISTRICT**

Sewell, New Jersey

REPORT OF AUDIT

FOR THE TWELVE MONTHS ENDED JUNE 30, 2011

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GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2011

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
Darlene Hess	Administrative Assistant (From June 30, 2010 to January 7, 2011)
Karol Blew	Administrative Assistant (From November 3, 2010 to June 30, 2011)

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
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Williamstown, NJ 08094

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August 17, 2011

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, 2011 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 2010 financial statements and in our report dated August 9, 2010, 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, 2011, 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, 2011 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 17, 2011

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, 2011, and have issued our report thereon dated August 17, 2011. 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

GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011 and 2010

	Temporarily Restricted			Totals		
	Unrestricted	Chapter 251	Equipment	Conservation Assistance Program	June 30, 2011	June 30, 2010
<u>ASSETS</u>						
Current Assets						
Cash						
Operating Funds	\$	\$ 22,028	\$	\$	\$ 22,028	\$ 15,458
Savings Investments	283,808	1,022,880		149,474	1,456,162	1,675,324
Petty Cash		100			100	100
Accounts Receivable:						
Federal Stormwater Receivable		1,750			1,750	2,520
Due from USDA/NARCS		1,560		14,466	16,026	26,392
Prepaid Expenses		10,095			10,095	9,138
Total Current Assets	283,808	1,058,413		163,940	1,506,161	1,728,932
Property, Plant and Equipment (Note 1E)						
Furniture and Equipment			218,672		218,672	218,682
Less: Accumulated Depreciation			(212,892)		(212,892)	(207,519)
Total Property, Plant and Equipment			5,780		5,780	11,163
Other Assets						
Security Deposit		3,250			3,250	3,250.00
Total Assets	\$ 283,808	\$ 1,061,663	\$ 5,780	\$ 163,940	\$ 1,515,191	\$ 1,743,345

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

GLOUCESTER COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011 and 2010

	Temporarily Restricted			Totals		
	Unrestricted	Chapter 251	Equipment	Conservation Assistance Program	June 30, 2011	June 30, 2010
<u>LIABILITIES, NET ASSETS AND RESERVES</u>						
Current Liabilities						
Accounts Payable	\$	\$ 888	\$	\$	\$ 888	\$ 2,247
Accrued Payroll and Taxes		15,203			15,203	14,454
Due to the State of New Jersey		850			850	775
Deferred Revenue (Note 17)				163,940	163,940	163,940
Total Current Liabilities		16,941		163,940	180,881	181,416
Net Assets and Reserves						
Unrestricted Net Assets	283,808	150,206			434,014	603,412
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)		1,002			1,002	998
Reserve for Compensated Absences (Note 15)		60,508			60,508	72,028
Reserve for Capital Improvements (Note 13)		300,000			300,000	300,000
Reserve for Future Soil Erosion and Sediment Control Act Expenditures (Note 4)		232,006			232,006	273,328
Investment in Fixed Assets			5,780		5,780	11,153
Total Net Assets and Reserves	283,808	1,044,722	5,780		1,334,310	1,561,919
Total Liabilities, Net Assets and Reserves	\$ 283,808	\$ 1,061,663	\$ 5,780	\$ 163,940	\$ 1,515,191	\$ 1,743,335

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