

**CUMBERLAND-SALEM
CONSERVATION DISTRICT**

Deerfield, New Jersey

**REPORT OF AUDIT
FOR THE YEAR ENDED JUNE 30, 2015**

Report dated September 21, 2015

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CUMBERLAND-SALEM CONSERVATION DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2015

DISTRICT BOARD OF SUPERVISORS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ronald Thomas	Chairman	June 30, 2017
Ralph Sickler	Vice Chairman	June 30, 2018
A. Terrey Reado	Supervisor	June 30, 2015
Henry Dubois	Supervisor	June 30, 2017

ADMINISTRATIVE OFFICIALS

Michael J. Bonham	District Manager
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NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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September 21, 2015

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Cumberland/Salem Soil Conservation District
1516 Route 77, P.O. Box 68
Deerfield, New Jersey 08313

Gentlemen:

Report on Financial Statements

We have audited the accompanying financial statements of the Cumberland Salem Conservation District as of June 30, 2015 and the related statements of activities and changes in net position and of cash flows for the year then ended, which collectively comprise the Cumberland Salem Conservation District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 Cumberland Salem Conservation District's 2014 financial statements and in our report dated September 15, 2014, we expressed unmodified opinions on the respective financial statements of financial position, activities and changes in net position 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cumberland Salem Conservation District as of June 30, 2015, and the changes in net position 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cumberland Salem Conservation District's financial statements as a whole. The accompanying introductory section and other supplementary information such as the schedule of budget versus actual expenditures, schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying supplementary schedules of expenditures of budget versus actual expenditures and schedule of expenditures of federal awards and state assistance are presented for purposes of additional analysis as required by the State of New Jersey, Department of Agriculture, and State Soil Conservation Committee. These schedules were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued a report dated September 21, 2015 on our consideration of the Cumberland Salem 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.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

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

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September 21, 2015

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
Cumberland/Salem Soil Conservation District
1516 Route 77 P.O. Box 68
Deerfield, New Jersey 08313

Gentlemen:

We have audited the financial statements of the Cumberland Salem Soil Conservation District as of and for the year ended June 30, 2015, and have issued our report thereon dated September 21, 2015. 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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**.

Purpose of this Report

This report is intended for the information of the Cumberland Salem Conservation District, the funding sources of the Cumberland Salem Conservation District, the New Jersey Department of Agriculture, and Federal and State audit agencies and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.

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

SCHEDULES

**CUMBERLAND-SALEM CONSERVATION DISTRICT
COMBINED BALANCE SHEET
JUNE 30, 2015 and 2014**

	Unrestricted Funds	Temporarily Restricted			Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund	NJ Hydrologic Database	2015
ASSETS						
Current Assets:						
Cash						
Operating Funds	\$	\$ 162,300.41	\$	\$	\$	\$
Savings and Investments	190,970.67	224,493.10	35.71	71,378.04	7,583.00	
Accounts Receivable						
Stormwater Fees Receivable	1,250.00					
Camden County	15,000.00					
Prepaid Insurance		972.17				
Total Current Assets	207,220.67	387,765.68	35.71	71,378.04	7,583.00	673,983.10
Fixed Assets						
Office Furniture and Equipment			92,529.78			
Land				52,289.87		
Building				60,280.92		
Improvements and Renovations				64,874.32		
Total Fixed Assets			92,529.78	177,445.11		269,974.89
Less: Accumulated Depreciation			74,645.89	100,053.45		
Total Fixed Assets - Net of Depreciation			17,883.89	77,391.66		95,275.55
Total Assets	\$ 207,220.67	\$ 387,765.68	\$ 17,919.60	\$ 148,769.70	\$ 7,583.00	\$ 769,258.65
						\$ 788,599.98

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

**CUMBERLAND-SALEM CONSERVATION DISTRICT
COMBINED BALANCE SHEET
JUNE 30, 2015 and 2014**

	Unrestricted Funds	Temporarily Restricted			Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund	NJ Hydrologic Database	2015
LIABILITIES, NET POSITION AND RESERVES						
Current Liabilities:						
Accounts Payable	\$	\$ 3,569.68	\$	\$	\$ 3,569.68	\$ 3,190.96
Due State of NJ Application Fee		425.00			425.00	1,025.00
Due RFA Reimbursement Fee	375.00				375.00	690.00
Accruals:						
Payroll		1,127.16			1,127.16	1,117.64
Payroll taxes		341.49			341.49	339.85
Unearned Revenue				7,583.00	7,583.00	7,583.00
Total Current Liabilities	375.00	5,463.33		7,583.00	13,421.33	13,946.45
NET POSITION AND RESERVES						
Reserve for Future Soil Erosion and Sediment Control Act Expenditures (See Note 4)		74,080.30			74,080.30	87,512.10
Reserve for Future Legal Costs (See Note 5)		12,205.97			12,205.97	13,018.97
Reserve for Compensated Absences (See Note 8)		32,788.48			32,788.48	25,164.00
Fund Balances - Per Exhibit B	206,845.67	263,227.60	17,919.60	148,769.70	636,762.57	648,958.46
Total Net Position and Reserves	206,845.67	382,302.35	17,919.60	148,769.70	755,837.32	774,653.53
Total Liabilities, Net Position and Reserves	\$ 207,220.67	\$ 387,765.68	\$ 17,919.60	\$ 148,769.70	\$ 769,258.65	\$ 788,599.98

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