

**CUMBERLAND-SALEM
CONSERVATION DISTRICT**
Deerfield, New Jersey

**REPORT OF AUDIT
FOR THE YEAR ENDED JUNE 30, 2013**

Report dated August 16, 2013

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CUMBERLAND-SALEM CONSERVATION DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2013

DISTRICT BOARD OF SUPERVISORS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ronald Thomas	Chairman	June 30, 2014
Ralph Sickler	Vice Chairman	June 30, 2015
Frank Laning	Secretary/Treasurer	June 30, 2013
A. Torrey Reade	Supervisor	June 30, 2015
Henry Dubois	Supervisor	June 30, 2014

ADMINISTRATIVE OFFICIALS

Michael J. Bonham	District Manager
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NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association
Certified Public Accountants*

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August 16, 2013

INDEPENDENT AUDITOR'S REPORT

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

Gentlemen:

We have audited the accompanying financial statements of the Cumberland/Salem Soil Conservation District as of and for the twelve months ended June 30, 2013, as listed in the table of contents. These financial statements are the responsibility of the 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 Cumberland/Salem Soil Conservation District's 2012 financial statements and in our report dated August 21, 2012, we expressed unqualified opinions on the respective financial statements of the balance sheet, support, revenue and expenditures and changes in fund balance 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 Cumberland/Salem Soil Conservation District as of June 30, 2013, and the results of its operations 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 Cumberland/Salem 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Cumberland/Salem Soil District taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary schedules as listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the financial statements. 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

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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
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 twelve months ended June 30, 2013, and have issued our report thereon dated August 16, 2013. We conducted our audit in accordance with generally accepted auditing standards; the 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 a 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 the 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 those 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 for the information of the Cumberland/Salem Soil Conservation District, the funding sources of the Cumberland/Salem Soil Conservation District, the New Jersey Department of Agriculture, and Federal and State audit agencies. 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, 2013 and 2012**

	Unrestricted Funds	Temporarily Restricted			Permanently Restricted NJ Hydrologic Database	Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund		2013	2012
ASSETS							
Current Assets:							
Cash							
Operating Funds	\$	\$ 340,966.58	\$	\$	\$	\$ 340,966.58	\$ 242,155.09
Savings and Investments	185,036.42	105,445.42	34.63	70,385.67	7,583.00	368,485.14	367,709.16
Accounts Receivable							
251 Fees							2,250.00
Stormwater Fees Receivable	1,250.00					1,250.00	2,765.00
Prepaid Insurance		764.74				764.74	827.50
Total Current Assets	186,286.42	447,176.74	34.63	70,385.67	7,583.00	711,466.46	615,706.75
Fixed Assets							
Office Furniture and Equipment			67,821.78			67,821.78	67,821.78
Land				52,289.87		52,289.87	52,289.87
Building				60,280.92		60,280.92	60,280.92
Improvements and Renovations				64,874.32		64,874.32	64,874.32
Total Fixed Assets			67,821.78	177,445.11		245,266.89	245,266.89
Less: Accumulated Depreciation			67,688.21	93,764.76		161,452.97	157,079.32
Total Fixed Assets - Net of Depreciation			133.57	83,680.35		83,813.92	88,187.57
Total Assets	\$ 186,286.42	\$ 447,176.74	\$ 168.20	\$ 154,066.02	\$ 7,583.00	\$ 795,280.38	\$ 703,894.32

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

**CUMBERLAND-SALEM CONSERVATION DISTRICT
COMBINED BALANCE SHEET
JUNE 30, 2013 and 2012**

	Unrestricted Funds	Temporarily Restricted			Permanently Restricted NJ Hydrologic Database	Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund		2013	2012
LIABILITIES, NET ASSETS AND RESERVES							
Current Liabilities:							
Accounts Payable	\$	\$ 1,458.45	\$	\$	\$	\$ 1,458.45	\$ 1,065.06
Due State of NJ Application Fee		725.00				725.00	
Due RFA Reimbursement Fee	375.00					375.00	
Accruals:							
Payroll		1,017.13				1,017.13	876.17
Payroll taxes		309.29				309.29	233.50
Deferred Revenue					7,583.00	7,583.00	
Total Current Liabilities	375.00	3,509.87			7,583.00	11,467.87	2,174.73
NET ASSETS AND RESERVES							
Reserve for Future Soil Erosion and Sediment Control							
Act Expenditures		117,404.00				117,404.00	114,860.50
Reserve for Future Legal Costs		18,137.00				18,137.00	18,242.33
Reserve for Compensated Absences		25,164.00				25,164.00	22,587.76
Fund Balances - Per Exhibit B	185,911.42	282,961.87	168.20	154,066.02		623,107.51	546,029.00
Total Net Assets and Reserves	185,911.42	443,666.87	168.20	154,066.02		783,812.51	701,719.59
Total Liabilities, Net Assets and Reserves	\$ 186,286.42	\$ 447,176.74	\$ 168.20	\$ 154,066.02	\$ 7,583.00	\$ 795,280.38	\$ 703,894.32

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

CUMBERLAND-SALEM CONSERVATION DISTRICT
STATEMENT OF SUPPORT, REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE
JUNE 30, 2013 and 2012

	Unrestricted Funds	Temporarily Restricted			Totals for the Year Ended June 30	
		Chapter 251	Equipment Fund	Building Fund	2013	2012
Support and Revenue						
Soil Erosion and Sediment						
Control Act Fees	\$	\$ 171,805.00	\$	\$	\$ 171,805.00	\$ 114,515.00
State Stormwater Fees	5,320.00				5,320.00	5,740.00
Cumberland County	15,000.00				15,000.00	15,000.00
Maps and Materials						40.00
Interest on Investments	1,136.16	1,941.82	8.97	1,633.68	4,720.63	6,648.68
Non-Cash In-Kind - Included as						
Expenditures Below						
Federal		473,219.00			473,219.00	530,296.00
State		46,867.00			46,867.00	42,000.00
Reduction in Reserve for Future						
Soil Erosion and Sediment						
Control Act Expenditures						40,243.70
Reduction in Reserve for						
Future Legal Costs						1,847.90
Total Support and Revenue	21,456.16	693,832.82	8.97	1,633.68	716,931.63	756,331.28
Expenditures						
Salaries and Wages		355,055.06			355,055.06	368,564.95
Fringe Benefits		92,822.36			92,822.36	98,539.14
Payroll Taxes		7,326.64			7,326.64	1,881.91
Legal and Professional Fees		3,865.00			3,865.00	5,110.50
Administrative Overhead - In-Kind		46,867.00			46,867.00	42,000.00
Meeting Expenses		991.22			991.22	396.96

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