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August 25, 2015

To the Board of Supervisors of  
Warren County Soil Conservation District

We have audited the financial statements of Warren County Soil Conservation District (the "District") for the year ended June 30, 2015, and have issued our report thereon dated August 25, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and the Department of Agriculture's Financial Accounting Manual, required by the New Jersey State Soil Conservation Committee as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 2, 2015. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 25, 2015.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Supervisors and management of Warren County Soil Conservation District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Niswocchia LLP*

Niswocchia LLP

WARREN COUNTY SOIL CONSERVATION DISTRICT

HACKETTSTOWN, NEW JERSEY

REPORT OF AUDIT  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

WARREN COUNTY SOIL CONSERVATION DISTRICT  
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JUNE 30, 2015

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WARREN COUNTY SOIL CONSERVATION DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2015

DISTRICT GOVERNING BODY

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Wayne Jarvis	Chairman	2018
Nancy Bilyk	Vice Chairman	2017
Ronald Petersen	Supervisor	2016
Tony Wyhopen	Supervisor	2016
Sylvia Kovacs	Supervisor	2018

Management and Administrative Staff

Sandra Myers	District Manager
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## Independent Auditors' Report

To the Board of Supervisors  
Warren County Soil Conservation District  
Hackettstown, NJ

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Warren County Soil Conservation District (the "District"), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 presentation of the financial statements.

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

To the Board of Supervisors  
Warren County Soil Conservation District  
Page 3

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warren County Soil Conservation District, as of June 30, 2015, and the results of its operations and changes in net assets for the year then ended in accordance with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual, described in Note 1.

### ***Report on Summarized Comparative Information***

We have previously audited Warren County Soil Conservation District's 2014 financial statements, and our report dated September 22, 2014, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1, these financial statements were prepared in conformity with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between this statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed in the foregoing table of contents is presented for the purposes of additional analysis as required by the New Jersey Department of Agriculture's Financial Accounting Manual in accordance with those standards regarding the statement of budget versus actual revenue and expenditures – all funds combined and the schedule of federal awards and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected 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 and the audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Nisivoccia LLP*

August 25, 2015  
Mt. Arlington, New Jersey

WARREN COUNTY SOIL CONSERVATION DISTRICT  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	Unrestricted	Temporarily Restricted			Total	
		Chapter 251	Equipment Fund	Special Projects	2015	2014
<u>ASSETS</u>						
Current assets:						
Cash	\$ 164,708	\$ 326,169		\$ 8,288	\$ 499,165	\$ 444,791
Cash restricted for performance bonds	4,000				4,000	6,500
Accounts receivable				9,469	9,469	2,593
Total current assets	<u>168,708</u>	<u>326,169</u>		<u>17,757</u>	<u>512,634</u>	<u>453,884</u>
Office furniture and equipment			\$ 55,885		55,885	55,885
Vehicles			31,537		31,537	31,537
Less: accumulated depreciation			(87,422)		(87,422)	(87,422)
Total fixed assets, net of depreciation						
Total assets	<u>\$ 168,708</u>	<u>\$ 326,169</u>	<u>\$</u>	<u>\$ 17,757</u>	<u>\$ 512,634</u>	<u>\$ 453,884</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 2,700	\$ 1,945			\$ 4,645	\$ 4,389
Pequest funds received in advance				\$ 8,069	8,069	7,500
Compliance bonds payable	4,000				4,000	6,500
Chapter 251 administrative fees payable		125			125	300
RFA stormwater fees payable				210	210	
Deferred revenue						9,265
Due to (from) other funds	(169,298)	172,783		(3,485)		
Total current liabilities	<u>(162,598)</u>	<u>174,853</u>		<u>4,794</u>	<u>17,049</u>	<u>27,954</u>
Reserves:						
Reserve for future Soil Erosion and Sediment Control Act expenditures		48,114			48,114	63,589
Total reserves		<u>48,114</u>			<u>48,114</u>	<u>63,589</u>
Unrestricted net assets	331,306				331,306	245,191
Temporarily restricted net assets		103,202		12,963	116,165	117,150
Total net assets	<u>331,306</u>	<u>103,202</u>		<u>12,963</u>	<u>447,471</u>	<u>362,341</u>
Total liabilities and net assets	<u>\$ 168,708</u>	<u>\$ 326,169</u>	<u>\$</u>	<u>\$ 17,757</u>	<u>\$ 512,634</u>	<u>\$ 453,884</u>



WARREN COUNTY SOIL CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	Unrestricted	Temporarily Restricted			Total	
		Chapter 251	Equipment Fund	Special Projects	2015	2014
Support and revenue:						
Soil Erosion and Sediment Control Act fees		\$ 62,725			\$ 62,725	\$ 62,715
Seedling sales	\$ 5,411				5,411	5,700
Forestry income	75,251				75,251	111,229
Warren County Board of Chosen Freeholders grant	81,000				81,000	81,000
Stormwater permit revenue				\$ 1,645	1,645	4,730
Farmland inspections income	28,781				28,781	27,106
Interest income	161	312		3	476	453
Pequest funds				4,431	4,431	7,500
Hydrologic income				61,689	61,689	
Other income	1,476	1,369			2,845	5,945
State in-kind support		32,854			32,854	49,242
Total support and revenue	192,080	97,260		67,768	357,108	355,620
Expenses:						
Salaries and wages	95,626	45,715		41,696	141,341	143,442
Supplies	1,732	1,731			3,463	4,043
Seedling purchases	3,420				3,420	2,765
Rent	10,650	10,650			21,300	21,296
Dues and subscriptions	150	150			300	500
Professional fees	3,808	2,828			6,636	10,446
Repairs and maintenance	308	586			894	859
Payroll tax expense	7,328	3,772		4,231	11,100	11,356
Telephone	1,189	1,489			2,678	2,676
Office expense	1,358	123			1,481	2,465
Travel and meals	796	841			1,637	2,762
Employee benefits	39,175	13,152		15,436	52,327	47,752
Insurance	1,698	1,698			3,396	3,204
Conferences and seminars	90	105			195	3,583
Depreciation						707
Pequest funds				4,431	4,431	7,560
State in-kind expenses		32,854			32,854	49,242
Total expenses	167,328	115,694		65,794	287,453	314,658

WARREN COUNTY SOIL CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)  
 (CONTINUED)

	Unrestricted	Temporarily Restricted		Total		
		Chapter 251	Equipment Fund	Special Projects	2015	2014
Excess (deficiency) of support and revenue over expenses	24,752	(18,434)		1,974	69,655	40,962
Net assets, beginning of year	245,191	106,161		10,989	362,341	297,714
Decrease in Reserve for future Soil Erosion and Sediment Control Act expenditures		15,475			15,475	23,665
Net assets, end of year	<u>\$ 269,943</u>	<u>\$ 103,202</u>	<u>\$</u>	<u>\$ 12,963</u>	<u>\$ 447,471</u>	<u>\$ 362,341</u>

WARREN COUNTY SOIL CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS - ALL FUNDS COMBINED  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Excess of support and revenue over expenses	\$ 69,655	\$ 40,962
Adjustments to reconcile excess of support and revenue over expenses to net cash provided by (used in) operating activities:		
Depreciation		707
Changes in operating assets and liabilities:		
Accounts receivable	(6,876)	(2,593)
Accounts payable and accrued expenses	256	(2,716)
Pequest funds received in advance	569	
Compliance bonds payable	(2,500)	(37,500)
Chapter 251 administrative fees payable	(175)	(125)
RFA stormwater fees payable	210	(600)
Deferred revenue	(9,265)	
Net cash provided by (used in) operating activities	<u>51,874</u>	<u>(1,865)</u>
Net increase (decrease) in cash and temporary investments	51,874	(1,865)
Cash and temporary investments		
Beginning of year	<u>451,291</u>	<u>453,156</u>
End of year	<u>\$ 503,165</u>	<u>\$ 451,291</u>
Supplemental disclosure of non-cash activities		
Current year decrease in Reserve for Soil Erosion and Sediment Control Act Expenditures	\$ (15,475)	\$ (23,665)

WARREN COUNTY SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies

Organization

The Warren County Soil Conservation District (the "District") is one of fifteen Districts in the State of New Jersey under the auspices of the New Jersey Department of Agriculture. Each District is governed by a Board of Supervisors, which sets policies and performance guidelines. The Districts work closely with the U.S. Soil Conservation Service to promote the wise use of soil and water resources. In 1976 the Districts in New Jersey were mandated to administer Chapter 251, The Soil Erosion and Sediment Control Act of 1975, the objective of which was to prevent erosion and sedimentation from development sites, mitigate impacts to soil resources, and enhance soil quality.

Financial Statement Presentation

The District is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets can be expended by the District for any aspect of its operations, at any time, as determined by management. Temporarily restricted net assets are either restricted as to a specific program, a specific time period or both, but eventually, will be expended by the District. Permanently restricted net assets can never be expended, but benefit the District through investment earnings on such assets. At June 30, 2015, the District had only unrestricted and temporarily restricted net assets.

Basis of Accounting

The financial statements of the District have been prepared in conformity with the financial reporting provisions of the New Jersey Department of Agriculture's Financial Accounting Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

All District funds are accounted for using the modified accrual basis of accounting. Revenue is recorded when received in cash, except where it is susceptible to accrual as being both measurable and available. Expenses are recorded as liabilities are incurred. Recorded adjustments to the Reserve for Future Chapter 251 Expenditures Account and the Reserve for Future Legal Costs Account are limited to amounts required to bring their reserve account balances to their maximum limits. Generally, expenses benefiting more than one accounting period are not divided between years by recognizing prepaid expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles and practices prescribed by the State Soil Conservation Committee, Department of Agriculture, State of New Jersey requires management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the District's estimates may change in the near term.

WARREN COUNTY SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

Total Columns

Total columns are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position.

Property and Equipment

Property and equipment are recorded at cost. Major renewals and betterments are charged to the property accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Depreciation is provided for over the estimated useful lives of the related assets using the straight-line method. The principal estimated useful lives used in computing the depreciation provisions are as follows:

Equipment	3-5 years
Furniture and fixtures	5-7 years
Vehicles	5 years

Cash

Operating funds consist of demand deposits at various financial institutions. At times, amounts on deposit exceed federally insured limits. Management reviews the soundness of its financial institutions and considers its risk negligible.

Performance Bonds

Performance bonds are received on projects where the work is not complete but the contractor requests a temporary certificate of occupancy. The bonds are deposited in an escrow cash account and interest earned is for the benefit of the contractor. The District retains an administrative fee from the initial bond deposit and returns the bond to the contractor upon completion of the project. Bonded projects are typically completed within one year and, accordingly, the escrow cash is recorded as temporarily restricted in the current section of the balance sheet.

Note 2 - In-kind Support

In-kind support, which is not controlled by the District, consists of estimated payroll, and administrative overhead provided by state governments to assist in the operations of the District, as follows:

	Total for the Year Ended
	<u>June 30, 2015</u>
Technical support	\$ 31,000
Direct support: Vehicle	1,854
	<u>\$ 32,854</u>

WARREN COUNTY SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

Note 3 - Reserve for Future Soil Erosion and Sediment Control Act Expenditures

The Reserve for Future Soil Erosion and Sediment Control Act Expenditures is established to account for all related costs of future site inspections currently in progress, for which fees under the Soil Conservation Act, NJSA 4:24, et seq. have previously been collected. The current balance of the reserve is calculated by multiplying the certification fees collected during the current and two preceding years by the following percentages:

Certification Fees Collected to June 30,	Reserve Balance June 30, 2015
2013    \$ 104,807    x    10%	\$        10,481
2014    \$ 62,715    x    20%	12,543
2015    \$ 62,725    x    40%	25,090
	\$        48,114

Note 4 - Pension

District employees are enrolled in the Public Employees' Retirement System (PERS) of New Jersey. The State of New Jersey sponsors and administers this plan which covers substantially all District employees. As a general rule, all full-time employees are required to join the public employee retirement system.

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal year's compensation for each year of membership during years of creditable service. Vesting occurs after 10 years of service.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on a percentage of 5.0% of employees' annual compensation, as defined. As of July 2012, the employees' annual contribution percentage began a yearly increase of 0.14% which will occur every July for the next six consecutive years. Employers are required to contribute at an actuarially determined rate. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

District contributions to the plan amounted to \$19,255 for the year ended June 30, 2015. The contributions represented 100% of the District's annual pension costs (APC).

SUPPLEMENTARY INFORMATION

WARREN COUNTY SOIL CONSERVATION DISTRICT  
SCHEDULE OF BUDGET VERSUS ACTUAL REVENUE AND EXPENDITURES - ALL FUNDS COMBINED  
FOR THE YEAR ENDED JUNE 30, 2015  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

	Total Funds -2015			Total Funds 2014
	Budget (Unaudited)	Actual	Variance	Actual
Support and revenue:				
Soil Erosion and Sediment Control Act fees	\$ 65,000	\$ 62,725	\$ (2,275)	\$ 62,715
Seedling sales	2,000	5,411	3,411	5,700
Forestry income	70,000	75,251	5,251	111,229
Warren County Board of Chosen Freeholders grant	81,000	81,000		81,000
Stormwater permit revenue	2,000	1,645	(355)	4,730
Farmland Preservation Inspections	27,000	28,781	1,781	27,106
Bonds	1,000	1,369	369	4,333
Interest income	100	476	376	453
Pequest funds		4,431	4,431	7,500
Hydrologic income		61,689	61,689	
Other income	1,650	1,476	(174)	1,612
State in-kind support	-	32,854	32,854	49,242
Total support and revenue	<u>249,750</u>	<u>357,108</u>	<u>107,358</u>	<u>355,620</u>
Expenses:				
Salaries and wages	140,950	141,341	391	143,442
Supplies	1,000	3,463	2,463	4,043
Seedling purchases	1,500	3,420	1,920	2,765
Rent	21,300	21,300		21,296
Dues and registrations	300	300		500
Professional fees	6,500	6,636	136	10,446
Repairs and maintenance	5,000	894	(4,106)	859
Payroll tax expense	10,839	11,100	261	11,356
Telephone	2,040	2,678	638	2,676
Office expense	3,200	1,481	(1,719)	2,465
Travel and meals	105	1,637	1,532	2,762
Employee benefits	50,960	52,327	1,367	47,752
Insurance	3,203	3,396	193	3,204
Conferences and seminars	500	195	(305)	3,583
Depreciation				707
Pequest funds		4,431	4,431	7,560
State in-kind expenses		32,854	32,854	49,242
Total expenses	<u>247,397</u>	<u>287,453</u>	<u>40,056</u>	<u>314,658</u>
Excess of support and revenue over expenses	<u>\$ 2,353</u>	<u>\$ 69,655</u>	<u>\$ 67,302</u>	<u>\$ 40,962</u>



WARREN COUNTY SOIL CONSERVATION DISTRICT  
SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>
<u>U.S. Department of Agriculture</u> Emergency Forest Restoration Program (EFRP)	10.652	\$ 93,000	\$ 2,302	\$ 41,076

WARREN COUNTY SOIL CONSERVATION DISTRICT  
CURRENT YEAR RECOMMENDATIONS  
JUNE 30, 2015

Segregation of Duties

The Financial Accounting Manual for New Jersey Soil Conservation Districts, as adopted on September 13, 2007, provides several internal control recommendations relative to the operations of the District. At present, the district manager is responsible for all accounting functions. She is responsible for cash disbursements, payroll, accruals, all journal entries, and financial statement preparation. Additionally, all bank statements are received and reconciled by the district manager and all cash deposits are made by the district manager or administrative assistant.

Although the small size of the District's office staff limits the extent of separation of duties, we believe certain steps could be taken to separate noncompatible duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

We recommend that management continually take the proper steps to segregate duties in certain areas where possible. Where not practical, management should determine ways to mitigate the effect on internal controls due to lack of segregation.

WARREN COUNTY SOIL CONSERVATION DISTRICT  
PRIOR YEAR RECOMMENDATIONS  
JUNE 30, 2014

Segregation of Duties

The Financial Accounting Manual for New Jersey Soil Conservation Districts, as adopted on September 13, 2007, provides several internal control recommendations relative to the operations of the District. At present, the district manager is responsible for all accounting functions. She is responsible for cash disbursements, payroll, accruals, all journal entries, and financial statement preparation. Additionally, all bank statements are received and reconciled by the district manager and all cash deposits are made by the district manager or administrative assistant.

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We recommend that management continually take the proper steps to segregate duties in certain areas where possible. Where not practical, management should determine ways to mitigate the effect on internal controls due to lack of segregation.