

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
AUDIT OF FINANCIAL STATEMENTS
AND
FEDERAL AND STATE GRANT PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2011
AND REPORT OF INDEPENDENT AUDITOR'S**

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**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES**

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BOARD OF SOCIAL SERVICES**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
County of Bergen
Board of Social Services
Rochelle Park, New Jersey

We have audited the accompanying combined statement of assets, liabilities and fund balances of the Board of Social Services, County of Bergen, State of New Jersey, as of December 31, 2011, and the combined statement of receipts, disbursements and changes in fund balances for the year then ended. We have also audited the accompanying statement of assets, liabilities and fund balances of the Board of Social Services, County of Bergen, State of New Jersey Assistance Fund, as of December 1, 2011, and the statement of receipts, disbursements and changes in fund balance for the period then ended. These financial statements are the responsibility of the Board of Social Service's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Division of Family Development, Department of Human Services, and State of New Jersey. Those standards require that we plan and perform the 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 audits provide a reasonable basis for our opinions.

As described in Note 1, the financial statements were prepared in accordance with the County Welfare Agency Accounting Manual, Ruling 12, published by the State of New Jersey, Department of Human Services, Division of Family Development, which is a comprehensive 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

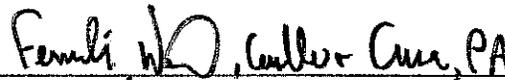


In our opinion, because of the Board of Social Services, County of Bergen, State of New Jersey's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements do not present fairly, in conformity with accounting principles generally accepted in the United States, the financial position of the Board of Social Services, County of Bergen, State of New Jersey, as of December 31, 2011 and December 1, 2011 and the results of its operations for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Social Services, County of Bergen, State of New Jersey, as of December 31, 2011 and December 1, 2011 and the results of its operations of such funds and the changes in its fund balances for the year and period then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 30, 2012 on our consideration of the Board of Social Services, County of Bergen, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement 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 to provide an opinion on 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 considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements, taken as a whole, the supplementary information in the foregoing Table of Contents is presented to meet the reporting requirements of the State of New Jersey, Department of Human Services, and Division of Family Development, Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB Circular 04-04, Single Audit Policy for recipients of Federal Grants, State Grants, and State Aid and are not a part of the required part of the financial statements. The information is also the responsibility of the management of the Board of Social Services and was derived from and relate 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 audits 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 taken as a whole, on the basis of accounting described in Note 1.



FERRAIOLI, WIELKOTZ, CERULLO & CUVA
Certified Public Accountants



STEVEN D. WIELKOTZ
Registered Municipal Accountant #CR00413

July 30, 2012
Pompton Lakes, New Jersey



COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES

COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
DECEMBER 31, 2011

	Administration Fund	General Assistance Fund	Clearing Fund	Child Support and Paternity Fund	Reach Account	Unemployment Trust Fund	December 1, 2011 Assistance Fund	General Fixed Asset Account Group
ASSETS								
Cash and Cash Equivalents								
Fixed Assets								
Total Assets	\$ 1,391,582	(17,671)	\$ -	\$ 79,803	499	130,917	771,620	1,176,128
	<u>\$ 3,532,878</u>	<u>\$ (17,671)</u>	<u>\$ -</u>	<u>\$ 79,803</u>	<u>\$ 499</u>	<u>\$ 130,917</u>	<u>\$ 771,620</u>	<u>\$ 1,176,128</u>
FUND BALANCES								
Fund Balance - Restricted								
Fund Balance - Unrestricted								
Investment in General Fixed Assets								
Total Fund Balances	\$ 1,391,582	(17,671)	\$ -	\$ 79,803	499	130,917	771,620	1,176,128
	<u>\$ 3,532,878</u>	<u>\$ (17,671)</u>	<u>\$ -</u>	<u>\$ 79,803</u>	<u>\$ 499</u>	<u>\$ 130,917</u>	<u>\$ 771,620</u>	<u>\$ 1,176,128</u>

COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
FOR THE YEAR ENDED DECEMBER 31, 2011

	Administration Fund	General Assistance Fund	Clearing Fund	Child Support and Paternity Fund	Reach Account	Unemployment Trust Fund	December 1, 2011 Assistance Fund	General Fixed Asset Account Group
Total Receipts	\$ 35,676,893	\$ 6,343,911	\$ 667,644	\$ 1,387,991	\$ 288,327	\$ 90	\$ 21,924,925	\$ -
Disbursements:								
Fund Disbursement Funds Returned to the State	64,917,393	6,219,632	667,644	1,376,197	290,954		20,754,898	967,892
Total Disbursement	65,885,285	6,219,632	667,644	1,376,197	290,954		21,722,790	-
Excess Receipts Over/Under Disbursements	404,496	124,279	-	11,794	(2,627)	90	202,135	-
Transfers out to State	124,695	124,695						
Fund Balance, December 31, 2010 (Except for Assistance Fund Balance December 1, 2010)	1,322,757	(17,255)		68,009	3,126	130,827	569,485	1,176,128
Fund Balance, December 31, 2011 (Except for Assistance Fund Balance December 1, 2011)	\$ 1,391,582	\$ (17,671)	\$ -	\$ 79,803	\$ 499	\$ 130,917	\$ 771,620	\$ 1,176,128
	Schedule 1	Schedule 3	Schedule 4	Schedule 5	Schedule 6		Schedule 7	

COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The County of Bergen, Board of Social Services, is an autonomous governmental organization providing various social services to qualified individuals whose income is below certain specified limits. The Board of Social Services is exempt from income taxes. The Bergen County Executive with the advice and consent of the Freeholders appoints the Board of Directors of the Board of Social Services. The Board of Social Services is a component unit of the County of Bergen as defined in the Government Accounting Standards Board Pronouncement Number 14.

B. BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with the County Welfare Agency Accounting Manual, Ruling 12, published by the State of New Jersey, Department of Human Services, and Division of Family Development. The accounting practice prescribed is based on a modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. A summary of the major differences is as follows:

- Revenues are recognized when received rather than earned. Expenditures are recognized when paid rather than incurred.
- The Assistance Fund is reported on a December 2, 2010 through December 1, 2011 basis.
- Fixed asset purchases are recorded as expenditures and are not capitalized or depreciated.
- Prepaid items are charged as expenditures when paid and such items from prior periods have not been amortized.
- Expenditures are offset by applicable credits.

C. DESCRIPTION OF A FUND

The Board of Social Services accounts for its financial transactions through the following separate funds, which differ from the fund structure required by generally accepted accounting principles:

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. DESCRIPTION OF A FUND, (continued)

Administration Fund - The Administration Fund is a General Fund, which accounts for all revenues and expenditures for operations of a general nature.

Assistance Fund, General Assistance Fund, Child Support and Paternity Fund, and REACH - The TANF Fund, General Assistance Fund, Child Support and Paternity Fund, and the REACH are Special Revenue Funds, which account for the proceeds of specific revenue sources, the expenditures for which are legally restricted for purposes specified in the grant agreement.

Unemployment Trust Fund - The Unemployment Trust Fund is a trust fund used to account for receipts, custodianship and disbursements held by the Board of Social Services in a trustee capacity or as an agent for individuals.

Account Groups - Account Groups are used to establish control and accountability for the Board of Social Services's fixed assets.

General Fixed Asset Account Group - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group rather than governmental fund.

D. BUDGETS AND BUDGETARY ACCOUNTING

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenue and expenditures.

Budget amounts presented in the accompanying financial statements represent the amounts adopted by the Board of Social Services and have been approved by the State Division of Family Development, Division of Youth and Family Services and the Division of Medical Assistance.

Formal written requests for budget transfers are required for any deviations from the approved budget. It does not include other program expenditures for the TANF Case Management Program in the annual budget.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. VALUATION OF GENERAL FIXED ASSET

Prior to December 31, 1985, detailed fixed capital records were not required to be maintained under the accounting principles prescribed by the State of New Jersey. At December 31, 1985, each governmental unit was required to take a fixed asset inventory of all non-infrastructure capital assets, which have a useful life over one year, and an acquisition cost of \$1,000 or more per unit. As of January 1, 1986 fixed assets have been recorded at cost in the General Fixed Asset Account Group. Assets acquired prior to January 1, 1986 have been assigned costs based on historical costs, which is in accordance with the promulgations of the Governmental Accounting Standards Board. Fixed assets as of December 31, 2011 consisted of equipment.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board of Social Services' policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$-0- of the Board of Social Services bank balance of \$2,736,396 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Board of Social Services does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Board of Social Services places no limit on the amount the Board of Social Services may invest in any one issuer.

NOTE 3: PENSION PLANS

Description of Systems

Substantially all employees participate in the Public Employees Retirement System (PERS) contributory defined benefit public employee retirement systems which have been established by State statute. This system is sponsored and administered by the State of New Jersey.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 3: PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 3: PENSION PLANS, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

Contributions made by employees to PERS for the previous three fiscal years are as follows:

<u>Year Ended December 31,</u>	<u>Contribution as Percentages of Base Wages</u>	<u>Contribution Amount</u>
2011	5.50%	\$1,140,211
2010	5.50	881,631
2009	5.50	855,570

Contributions made by the Board of Social Services to PERS for the previous three fiscal years are as follows:

<u>Year Ended December 31,</u>	<u>Contribution Amount</u>
2011	\$1,603,680
2010	1,338,721
2009	1,155,797

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 3: PENSION PLANS, (continued)

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 3: PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

NOTE 4: OTHER POST EMPLOYEMENT BENEFITS

On March 16, 2010, the Bergen County Board of Social Services approved a resolution to participate in the Health Program provided by the New Jersey State Health Benefits Act of the State of New Jersey (N.J.S.A 52:14-17.25 et seq.) and to authorize the coverage for all the employees and their dependents thereunder in accordance with the statute and regulations adopted by the State Health Benefits Commission. The State Health Benefits Program was established in 1961 to provide health benefits to State employees, Retirees and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body of established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-aug2011.pdf>.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 4: OTHER POST EMPLOYEMENT BENEFITS, (continued)

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the Board shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Board. This does not include dental benefits.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of the participating employees in the SHBP are billed to the Bergen County Board of Social Services on a monthly basis. The rate charged by the system for the year ended December 31, 2011 was as follows:

The Bergen County Board of Social Services contributions to SHBP for post-retirement benefits for the year ended December 31, 2011 was \$962,651, which equaled the required contribution for the year.

NOTE 5: DEFERRED COMPENSATION PLAN (UNAUDITED)

The Board of Social Services has established a deferred compensation plan for its employees under Section 457 of the Internal Revenue Code (IRC), which is part of the County of Bergen's deferred compensation plan. The Plan is administered by an outside agency, which pays claims and invests in the funds. Under the IRC, the assets in the plan remain the property of the Board of Social Services until paid or made available to the participants, subject only to the claims of the Board of Social Service's general creditors.

The Plan, available to all Board of Social Service's employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 5: DEFERRED COMPENSATION PLAN (UNAUDITED), (continued)

On November 1, 1997, the Bergen County Board of Social Services instituted a Flexible Spending Program for employees. All employees are eligible to enroll in the plan. The Flexible Spending Plan offers employees benefits for unreimbursed medical expenses, childcare and disability. Each employee enrolled in the Plan must contribute through payroll deductions. The Board of Social Services is responsible to pay the administrative expenses for the Plan. Total administrative costs for the year ended December 31, 2011 was \$942.

NOTE 6: FLEXIBLE SPENDING PLAN

The Plan limits reimbursements for childcare to \$5,000 per year in accordance with Section 129 of the Internal Revenue Code and unreimbursed medical expenses are limited to \$1,800 per year in accordance with Section 105 of the Internal Revenue Code. Employee contributions to the Plan for the year ended December 31, 2011 was \$13,442.

NOTE 7: EARLY RETIREMENT INCENTIVE PROGRAM

On July 15, 1993, the Board of Social Services elected to participate in the State of New Jersey's, Division of Pensions and Benefits, Early Retirement Incentive Program. On February 5, 1996, the Board of Social Services received a notice from the State of New Jersey's, Department of the Treasury, Division of Pensions and Benefits stating that the Board of Social Services can elect to pay the remaining balance in a lump sum or over 5, 10, 15, 20 years, or over the full remaining time period for accrued liability payments to the retirement system which is 37 years. The Board of Social Services elected to make payments over the 37-year period.

As of April 2003, the liability of \$1,035,064 was refunded through the Bergen County Improvement Authority Early Retirement Incentive Pooled Financing. The Board of Social Services will reimburse the County of Bergen who will repay the debt.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 7: EARLY RETIREMENT INCENTIVE PROGRAM, (continued)

Aggregate debt service requirements during the next five years and thereafter are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$35,000	\$48,450	\$83,450
2013	43,000	46,403	89,403
2014	51,000	44,075	95,075
2015	59,000	41,476	100,476
2016	68,000	38,443	106,443
2017-2021	518,000	124,921	642,921
2022-2023	<u>185,000</u>	<u>10,192</u>	<u>195,192</u>
	<u>\$959,000</u>	<u>\$353,960</u>	<u>\$1,312,960</u>

NOTE 8: OPERATING LEASES

The Board of Social Services has commitments to lease a building and office equipment under operating leases. On February 18, 1989, the Board of Social Services entered into a fifteen year lease agreement on the building located at 216 Route 17 North, Rochelle Park, New Jersey. The lease commenced October 1, 1989 and was to terminate September 30, 2004. On November 18, 1993, the lease was amended and will terminate September 18, 2014. Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$1,840,000
2013	1,840,000
2014	<u>1,380,000</u>
	<u>\$5,060,000</u>

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 8: OPERATING LEASES, (continued)

On May 1, 2006, the Board of Social Services entered into a sublease agreement for space on the fourth floor with the Board of Education of the Bergen County Special Services School District. The term of the sublease shall terminate one day prior to the termination of the Bergen County Board of Social Services' building lease agreement. In the event the Board of Social Services extends the building lease agreement, the Sublessee has the option to renew for an additional five years. Under the terms of the agreement, the Board of Education shall pay the Bergen County Board of Social Services \$7,931 per month rent. This amount is recorded as a reduction in the Bergen County Board of Social Services rent expense.

The Board of Social Services also lease numerous copy machines and postage machines. Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$62,499
2013	46,026
2014	20,731
2015	16,680
2016	<u>1,390</u>
	<u>\$147,326</u>

NOTE 9: PENDING LITIGATION

There are matters regarding pending litigation, which involve possible liability exposure for the Board of Social Services. In the opinion of the Board of Social Services's Legal Department, pending claims have no significant impact on the Board of Social Service's financial position.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 10: POTENTIAL LIABILITY FOR ACCRUED SICK TIME AND ACCRUED VACATION TIME

Employees accrue sick time at the rate of 15 days per year. The time remains accrued until used. At time of retirement, the accrued unused sick time is used as a basis for calculating terminal leave as follows: present hourly rate times unused one-half accrued sick leave. The potential sick leave liability as of December 31, 2011 was \$1,588,361.

Employees accrue vacation time at the rate of 14 days per year for the first five years of service, 17 days per year for years 6 through 12, 22 days per year for years 13 through 16, 23 days per year for years 17 through 20 and 25 days per year thereafter. Unused vacation time at the end of the year is carried over to the following year but must be used by the employee by the end of the next calendar year. Terminated employees are paid for accrued time at the current rate. The value of accrued vacation time as of December 31, 2011 was \$612,658. No provision is made in the financial statements for the accrued value of terminal leave and vacation time.

NOTE 11: LOSSES DUE TO FRAUDULENT RECEIPT OF BENEFITS

The Board of Social Services incurs losses due to recipients receiving benefits that they were not eligible to receive. The Board of Social Services has established a Fraud Investigation Unit to perform the function of investigation of all potential fraudulent receipt of benefits.

The Board of Social Services has established procedures for recoupment of monies owed by recipients of fraudulent benefits. For recipients currently receiving assistance, the amount of the fraud is deducted from the assistance received. For recipients not on the active on the welfare roles, the Board of Social Services attempts to enter into a repayment plan. The Board of Social Services also has recourse to recoup these monies through withholdings from unemployment checks, federal and state tax refunds, disability and garnishee of wages. Cases which exceed certain dollar thresholds are referred to the Bergen County's Prosecutor's Office.

The County of Bergen has no liability for repayment of monies disbursed to recipients with state and federal funds. The Federal and State funding agencies also do not require any repayments by the Board of Social Services for these fraudulent payments.

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 11: LOSSES DUE TO FRAUDULENT RECEIPT OF BENEFITS, (continued)

According to guidelines established by the federal and state funding agencies, the Board of Social Services receives a percentage of the collections of fraudulent monies recouped, which is deposited into the Administration Account and utilized for administrative expenses. The total amount of fraudulent cases completed amounted to \$543,903 for the year ended December 31, 2011.

NOTE 12: PAYMENT OF MEDICAL CLAIMS FOR QUALIFIED RECIPIENTS

The State of New Jersey administers medical benefits to qualified recipients through Work First New Jersey, General Assistance Program. These costs are processed through a fiscal intermediary, Unisys. The Board of Social Services is responsible for determining eligibility, issuing recipient eligibility cards and monitoring eligibility of payments to care providers. The amount of medical claims paid Work First New Jersey, General Assistance recipients for the year ended December 31, 2011 was \$393,477,841.

NOTE 13: ADMINISTRATION OF MUNICIPAL PUBLIC ASSISTANCE

The Bergen County Board of Social Services is the administrator of municipal public assistance for the following towns in Bergen County:

Allendale	Alpine	Bergenfield	Bogota	Carlstadt
Cliffside Park	Closter	Cresskill	Demarest	Dumont
East Rutherford	Elmwood Park	Emerson	Englewood	Englewood Cliffs
Fairlawn	Franklin Lakes	Garfield	Glen Rock	Harrington Park
Hasbrouck Heights	Haworth	Ho Ho Kus	Leonia	Little Ferry
Lodi	Lyndhurst	Mahwah	Maywood	Midland Park
Moonachie	New Milford	North Arlington	Northvale	Norwood
Oakland	Old Tappan	Oradell	Palisades Park	Paramus
Ramsey	Ridgefield	Ridgewood	River Edge	River Vale
Rochelle Park	Rockleigh	Saddle Brook	Saddle River	South Hackensack
Teaneck	Tenafly	Upper Saddle River	Teterboro	Waldwick
Wallington	Washington Township	Wyckoff		

COUNTY OF BERGEN

BOARD OF SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS, CONTINUED

DECEMBER 31, 2011

NOTE 13: ADMINISTRATION OF MUNICIPAL PUBLIC ASSISTANCE, (continued)

The Division of Family Development determined the Bergen County Board of Social Services would be the sole administrator of municipal public assistance for all towns in Bergen County who voluntarily turned over the administration to the County. However, municipalities may continue to administer the program if they so desire.

NOTE 14: SUBSEQUENT EVENTS

In April 2012, the liability for the Early Retirement Incentive Program was refunded through the Bergen County Improvement Authority Early Retirement Incentive Pooled Financing.

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Schedule 1

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
ADMINISTRATION FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

RECEIPTS:

State Treasurer:

Division of Family Development:

Earned Grant Subsidy	\$ 14,381,588
Child Support	581,803
Food Stamp Fraud Incentives	62,672
Home Energy Assistance Reimbursements	29,368

Division of Medical Assistance and Health Services:

Medical Assistance Program	1,246,652
UNISYS - Community Care Waiver	591,515
UNISYS - Medical Outstation Workers	336,000
Medically Needy	624,148

Other Grants:

Medicaid Ives Reimbursement	95,535
ARRA - Food Stamp Funding	1,436
Children's Health Insurance Program Reauthorization Act	25,511

Other Funds Received from the County:

Appropriations	8,540,000
Adult Protective Services	370,693
Peer Group Funds	916,996
Social Services Block Grant	64,134
Trans Plus	5,505
CM and Work Activity	79,080
Homeless Funding	19,565
Other	13,704

Employee Contributions	7,685,383
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Other Additions:

Administrative Interest	5,175
Interest on Investments - Child Support	220
Non-TANF application fees	210

Total Receipts	<u>35,676,893</u>
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**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
ADMINISTRATION FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

DISBURSEMENTS:

Operating Disbursements:	
Personal Services Expense	15,468,174
Employee Benefit Plans	7,494,526
Travel Expense	40,145
Office Expense	645,330
Office Space, Rental, Repairs and Alterations	2,395,861
Staff Development and Training	6,748
Purchased Services for Clients	40,651
Miscellaneous Matchable Expenses	50,905
Food Stamp Program Expense	359,706
Child Support and Paternity Expense	38,992
Electronic Data Processing Expense	289,141
Miscellaneous Nonmatchable Expense	1,145,711
Reserve for Employee Contributions	<u>7,632,178</u>
 Total Disbursements	 <u>35,608,068</u>
 Excess (Deficit) Receipts Over Disbursements	 68,825
 Fund Balance, December 31, 2010	 <u>1,322,757</u>
 Fund Balance, December 31, 2011	 \$ <u><u>1,391,582</u></u>

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
ADMINISTRATION FUND
SCHEDULE OF NET DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>OPERATING DISBURSEMENTS</u>	<u>BUDGET (1)</u>	<u>ACTUAL NET OPERATING DISBURSEMENTS</u>	<u>VARIANCE (OVER) UNDER (2)</u>
Salaries and Wages	\$ 15,774,866	\$ 15,468,174	\$ 306,692
Employee Benefit Plans	7,697,262	7,494,526	202,736
Travel Expense	52,800	40,145	12,655
Office Expense	678,000	645,330	32,670
Major Equipment Purchases	10,000		10,000
Office Space, Rental, Repairs & Alterations	2,426,784	2,395,861	30,923
Staff Development and Training	10,000	6,748	3,252
Purchased Services for Clients	75,000	40,651	34,349
Miscellaneous Matchable Expense	64,500	50,905	13,595
Food Stamp Program	360,220	359,706	514
Child Support and Paternity	88,621	38,992	49,629
Electronic Data Processing	293,777	289,141	4,636
Miscellaneous Nonmatchable Expenses	<u>1,326,336</u>	<u>1,145,711</u>	<u>180,625</u>
	<u>\$ 28,858,166</u>	<u>\$ 27,975,890</u>	<u>\$ 882,276</u>

(1) Budget data represents the approved State of New Jersey, Division of Family Development budget inclusive of any modifications letters and any amounts reserved from prior year's budget to be included in the current budget.

(2) Of the total variance, the Division of Family Development approved for carry-forward, to the next calendar year, the amount as follows:

Miscellaneous Nonmatchable Expense	<u>\$ 30,862.00</u>
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**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
WFNJ GENERAL ASSISTANCE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

RECEIPTS:

State Aid Payment Received	\$ 3,092,163
Supplemental Security Income Initial Retro Checks (GA-31)	881,203
Refund - Reported Assistance (GA-12)	5,448
Automatic Recoupments	5,225
Other	<u>2,759,872</u>
Total Receipts	<u>6,343,911</u>

DISBURSEMENTS:

GA Expenditures (Eligible) - (GA-6A)	6,213,066
Supplemental Security Income Payments (GA-31)	5,948
Other	<u>618</u>
Total Disbursements	<u>6,219,632</u>

Excess (Deficit) Receipts Over Disbursements	124,279
Transfer Out to State	<u>(124,695)</u>
Excess (Deficit) Receipts Over Disbursements and Transfers	(416)
Fund Balance, December 31, 2010	<u>(17,255)</u>
Fund Balance, December 31, 2011	<u>\$ (17,671)</u>

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
CLEARING FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

RECEIPTS:

Pending Claims	\$ 31,838
Overpayments	145,457
Probation and LRR	372,910
Food Stamp Recoupment for Overissuances	60,927
Medicaid Recoupment	14,523
Other	41,989
	<hr/>
Total Receipts	667,644

DISBURSEMENTS:

Cash to Clients	6,101
Assistance Payments	210,246
Medical Assistance	387,253
State Treasurer - Food Stamp Recoupments	58,031
Other	6,013
	<hr/>
Total Disbursements	667,644

Excess (Deficit) Receipts Over Disbursements

-

Fund Balance, December 31, 2010

Fund Balance, December 31, 2011

\$

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COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
CHILD SUPPORT AND PATERNITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

RECEIPTS:

Regular Collections	\$ 1,372,422
Direct Payments	<u>15,569</u>
Total Receipts	<u>1,387,991</u>

DISBURSEMENTS:

Refunds to Assistance Account	578,325
Incentive Payments	578,325
Payments to Clients	215,602
Payments to Probation	
Other	3,945
Surplus Payments	<u> </u>
Total Disbursements	<u>1,376,197</u>

Excess (Deficit) Receipts Over Disbursements	11,794
Fund Balance, December 31, 2010	<u>68,009</u>
Fund Balance, December 31, 2011	<u>\$ 79,803</u>

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
REACH FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

RECEIPTS:

Assistance Fund Reimbursements	\$ <u>288,327</u>
Total Receipts	<u>288,327</u>

DISBURSEMENTS:

Administration Disbursements	<u>290,954</u>
Total Disbursements	<u>290,954</u>

Excess (Deficit) Receipts Over Disbursements	(2,627)
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Fund Balance, December 31, 2010	<u>3,126</u>
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Fund Balance, December 31, 2011	<u><u>\$ 499</u></u>
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**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES
ASSISTANCE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 1, 2011**

RECEIPTS:

State Treasurer	\$ 1,940,000
County Treasurer	2,097,607
Federal	16,933,469
Clearing Fund - County Reimbursement	69,212
Clearing Fund - State Reimbursement	12,750
Clearing Fund - Federal Reimbursement	652,486
Child Support and Paternity Funds - Disregards	<u>219,401</u>
Total Receipts	<u>21,924,925</u>

NET DISBURSEMENTS BY PROGRAM:

Assistance to Supplemental Security Income Recipients	2,562,869
Temporary Assistance to Needy Families	12,494,053
Child Support and Paternity Disregards	219,401
Refugee Resettlement Program	<u>16,171</u>
Total Net Program and Fund Disbursements	<u>15,292,494</u>

OTHER DISBURSEMENTS:

Funds Returned to the State	967,892
Electronic Benefit Transfer	<u>5,462,404</u>
Total Other Disbursements	<u>6,430,296</u>
Total Disbursements	<u>21,722,790</u>
Excess (Deficit) Receipts Over Disbursements	202,135
Fund Balance, December 1, 2010	<u>569,485</u>
Fund Balance, December 1, 2011	<u>\$ 771,620</u>

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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 Directors
County of Bergen
Board of Social Services
Rochelle Park, New Jersey

We have audited the financial statements of the County of Bergen, Board of Social Services, as of and for the year ended December 31, 2011 and December 1, 2011 and have issued our report thereon dated July 30, 2012. 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 Division of Family Development, Department.

As disclosed in Note 1, the financial statements were prepared in conformity with accounting practices prescribed by the Division of Family Development, State of New Jersey that demonstrates compliance with a modified accrual basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

Management of the Board of Social Services is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County of Bergen, Board of Social Service's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Bergen, Board of Social Service's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Bergen, Board of Social Service'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 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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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 County of Bergen, Board of Social Service'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 and use of the County of Bergen, Board of Social Service's governing body and management, Division of Family Development, applicable 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.



FERRAIOLI, WIELKOTZ, CERULLO & CUVA
Certified Public Accountants



STEVEN D. WIELKOTZ
Registered Municipal Accountant #CR00413

July 30, 2012
Pompton Lakes, New Jersey



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Board of Directors
County of Bergen
Board of Social Services
Rochelle Park, New Jersey

Compliance

We have audited the compliance of the County of Bergen, Board of Social Services, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the County of Bergen, Board of Social Services major federal and state programs for the year ended December 31, 2011 and December 1, 2011. The County of Bergen, Board of Social Services major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the County of Bergen, Board of Social Service's management. Our responsibility is to express an opinion on the County of Bergen, Board of Social Service's compliance based on our audit.

We conducted our audit of compliance 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, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and the State of New Jersey OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County of Bergen, Board of Social Service's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Bergen, Board of Social Services compliance with those requirements.

In our opinion, the County of Bergen, Board of Social Services complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2011 and December 1, 2011.



Internal Control over Compliance

Management of the County of Bergen, Board of Social Services is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the County of Bergen, Board of Social Service's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State OMB Circular 04-04 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Bergen, Board of Social Service's internal control over compliance.

In planning and performing our audit, we considered the County of Bergen, Board of Social Service's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Bergen, Board of Social Service's internal control over financial reporting.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is deficiency, or a combination of significant deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, detected and corrected, on a timely basis.

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the County of Bergen, Board of Social Service's governing body and management, Division of Family Development, applicable 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.



FERRAIOLI, WIELKOTZ, CERULLO & CUVA
Certified Public Accountants



STEVEN D. WIELKOTZ

Registered Municipal Accountant #CR00413

July 30, 2012
Pompton Lakes, New Jersey



COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES

Schedule of Expenditures of Federal Awards

Year ended December 31, 2011

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Expenditures	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
U. S. Department of Health and Human Services (USDMHHS) New Jersey Department of Human Services (NJ DHS) Pass Through Programs from:								
NJ Division of Family Development:								
Temporary Assistance to Needy Families (TANF)	93.558	2011	6,071,824		6,071,824	6,071,824		6,071,824
Temporary Assistance to Needy Families (TANF) - Administration	93.558	2011	1,259,951		1,259,951	1,259,951		1,259,951
Temporary Assistance to Needy Families (TANF) - Case Management	93.558	2011	377,031		377,031	377,031		377,031
Social Services for the Homeless (TANF)	93.558	2011	34,110		34,110	34,110		34,110
					7,742,916	7,742,916		7,742,916
WFNJ General Assistance Case Management	93.044	2011	130,124		130,124	130,124		130,124
					130,124	130,124		130,124
Social Service Block Grant - Title XX	93.667	2011	642,609		642,609	642,609		642,609
					642,609	642,609		642,609
Child Support and Paternity Enforcement Fund	93.563	2011	1,444,525		1,444,525	1,444,525		1,444,525
					1,444,525	1,444,525		1,444,525
Medical Assistance Program: Title XIX Medical Outstationing	93.778 93.778	2011 2011	1,314,734 389,349		1,314,734 389,349	1,314,734 389,349		1,314,734 389,349

COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES

Schedule of Expenditures of Federal Awards

Year ended December 31, 2011

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2010	Cash Received	Expenditures	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
Children Assistance Program					1,704,083	1,704,083	*	1,704,083
Child Health Insurance Program	93.767	2011	997,243		997,243	997,243	*	997,243
Community Care Waiver	93.767	2011	743		743	743	*	743
					997,986	997,986	*	997,986
National Family Caregiver Support Program Title III E	93.052	2011	13,649		13,649	13,649	*	13,649
					13,649	13,649	*	13,649
Refugee Resettlement Program	93.566	2011	16,171		16,171	16,171	*	16,171
					16,171	16,171	*	16,171
U.S. Department of Agriculture Pass Through Programs from: NJ Division of Family Development: U.S.D.A. Food Stamps Program	10.551	2011	5,423,027		5,423,027	5,423,027	*	5,423,027
					5,423,027	5,423,027	*	5,423,027
Total Federal Awards			\$		18,115,090	18,115,090	*	18,115,090

Note: This schedule was subject to an audit in accordance with OMB A-133

COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2011

Grant number	Grant period	Award Amount	Balance Dec. 31, 2010	Cash Received	Budgetary Expenditures	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2011	MEMO Cumulative Total Expenditures
New Jersey Department of Human Services (NJ DHS)							
Division of Family Development:							
100-054-7550-121	2011	5,471,568		5,471,568	5,471,568	*	5,471,568
WFNJ Temporary Assistance to Needy Families -							
Administrative Costs							
100-054-7550-121	2011	329,085		329,085	329,085	*	329,085
100-054-7550-121	2011	6,344,327		6,344,327	6,344,327	*	6,344,327
WFNJ General Assistance							
100-054-7550-121	2011	1,905,031		1,905,031	1,905,031	*	1,905,031
WFNJ General Assistance - Administrative Costs							
100-054-7550-121	2011	1,922,152		1,922,152	1,922,152	*	1,922,152
Supplemental Security Income							
				15,972,163	15,972,163	*	15,972,163
Child Support Act - Title IV-D							
*	2011	120,003		120,003	120,003	*	120,003
Pass Through the County of Bergen Division of Senior Services:							
TANF Transportation Wrap-Around							
020-022-665-23-14	2011	20,045		20,045	20,045	*	20,045
Peer Grouping for Home Health Aide Program							
220-900-665-23-14	2011	979,803		979,803	979,803	*	979,803
220-900-665-23-14	2011	54,198		54,198	54,198	*	54,198
Certified Home Health Aid - SSB							
				1,034,001	1,034,001	*	1,034,001
Adult Protective Services							
*	2011	369,481		370,693	370,693	*	370,693
Total State Awards							
		\$		17,516,905	17,516,905	*	17,516,905

Note: This schedule was subject to an audit in accordance with N.J. OMB 04-04

* - Information Not Available

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES**

**NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

FOR THE YEAR ENDED DECEMBER 31, 2011

- NOTE 1.** The accompanying Schedule of Expenditures of Federal and State Awards includes all of the federal and state grant activity of the Board of Social Services and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Federal OMB Circular A-133, Audits of States, Local Governments and nonprofit Organizations and New Jersey OMB Circular 04-04.
- NOTE 2.** The amount represents the federal and state share of disbursements on a fiscal year basis of December 2, 2010 through December 1, 2011 which is the basis used to report to federal and state agencies.

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2011

Section I - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: unqualified
- B) Internal control over financial reporting:
1. Material weakness(es) identified? yes X no
2. Were significant deficiencies identified that were not considered to be material weaknesses? yes X no
- C) Noncompliance material to general-purpose Financial statements noted? yes X no

Federal Awards Section

- D) Dollar threshold used to distinguish between Type A programs: \$ 543,453
- E) Auditee qualified as low-risk auditee? yes X no
- F) Type of auditors' report on compliance for major programs: unqualified
- G) Internal control over compliance:
1. Material weakness(es) identified? yes X no
2. Were significant deficiencies identified that were not considered to be material weaknesses? yes X no
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)? yes X no
- I) Identification of major programs:

<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>
<u>93.558</u>	(A)	<u>Temporary Assistance to Needy Families</u>
<u>93.563</u>	(A)	<u>Child Support and Paternity Fund</u>
<u>93.667</u>	(A)	<u>Social Service Clock Grant</u>
<u>93.767</u>	(A)	<u>Child Health Insurance Program</u>
<u>93.778</u>	(A)	<u>Medical Assistance Program</u>
<u>96.006</u>	(A)	<u>Supplemental Security Income</u>
<u>10.551</u>	(A)	<u>U.S.D.A. Food Stamps Program</u>

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2011

Section I - Summary of Auditor's Results, (continued)

State Awards Section

J) Dollar threshold used to distinguish between Type A programs:

\$ 525,471

K) Auditee qualified as low-risk auditee?

_____ yes X no

L) Type of auditors' report on compliance for major programs:

unqualified

M) Internal control over compliance:

1. Material weakness(es) identified?

_____ yes X no

2. Were significant deficiencies identified that were not considered to be material weaknesses?

_____ yes X no

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended?

_____ yes X no

O) Identification of major programs:

<u>GMIS Number(s)</u>	
<u>100-054-7550-121</u>	(A)
<u>220-900-665-23-14</u>	(A)

<u>Name of Federal Program or Cluster</u>
<u>Work First New Jersey Cluster</u>
<u>Peer Group Homemaker Program</u>

Note: (A) - Tested as Major Type A Program

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2011

STATUS OF PRIOR YEAR FINDINGS

Finding 2010-1

Condition:

Chapter 2, P.L. 2010 required that on May 21, 2010, or on expiration of an existing labor agreement in force on that date, all employees must contribute a minimum of 1.5% of current base salary towards their health benefits cost. The Board of Social Services did not implement this law as required.

Current Status:

Corrective action was taken.

**COUNTY OF BERGEN
BOARD OF SOCIAL SERVICES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2011

Section II - Schedule of Financial Statement Findings

NONE

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

NONE