



State of New Jersey

PHILIP D. MURPHY
GOVERNOR

DEPARTMENT OF HUMAN SERVICES
PO Box 700
TRENTON, NJ 08625-0700

CAROLE JOHNSON
COMMISSIONER

SHEILA Y. OLIVER
LT. GOVERNOR

November 2, 2018

Natasha Johnson, Director
Department of Human Services
Division of Family Development
P.O. Box 716
Trenton, New Jersey 08625

Dear Ms. Johnson:

Re: Camden County Board of Social Services
Single Audit
For Year Ended December 31, 2017
Audit Report Number S19-10

This office has recently completed a single audit of the Camden County Board of Social Services for the year ended December 31, 2017. Enclosed is a copy of the final report for your information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Nicholas Iatarola".

Nicholas Iatarola
Audit Manager

cmw18-47

c: Christine Hentisz, Director
Paulette Konopka, Fiscal Officer
Harish Panjabi, DFD
Mark Talbot, OOA
Audit File

**NEW JERSEY
DEPARTMENT OF HUMAN SERVICES**

CAMDEN COUNTY BOARD OF SOCIAL SERVICES

FINANCIAL STATEMENTS

DECEMBER 31, 2017

WITH INDEPENDENT AUDITOR'S REPORTS

OFFICE OF AUDITING

AUDIT REPORT NUMBER S19-10

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
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Independent Auditor's Report

Department of Human Services
Division of Family Development
P.O. Box 716
Trenton, New Jersey 08625

Report on the Financial Statements

We have audited the accompanying financial statements of Camden County Board of Social Services, a component unit of the County of Camden, which comprise the statement of assets, liabilities and fund balances - regulatory basis as of December 31, 2017, and the related statement of receipts, disbursements, and changes in fund balances – regulatory basis 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 accounting principles and practices prescribed by the New Jersey Department of Human Services, Division of Family Development; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the New Jersey Department of Human Services, Division of Family Development. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency'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 agency'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 opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1C, the Camden County Board of Social Services prepares its financial statements using accounting practices prescribed by the 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matters, as discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Camden County Board of Social Services, as of December 31, 2017, and the results of its operations and changes in fund balances for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – regulatory basis of the Camden County Board of Social Services, as of December 31, 2017, and results of its receipts, disbursements, and changes in fund balances in conformity with accounting principles and practices prescribed by New Jersey Department of Human Services, Division of Family Development, as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplementary financial statements presented as Schedule 1 through 7, on pages 28-35, are presented for purposes of additional analysis as required by New Jersey Department of Human Services, Division of Family Development and are not a required part of the above financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, on pages 13-14, are presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not a required part of the above 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. Such 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 2018 on our consideration of the Camden County Board of Social Services’ internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Camden County Board of Social Services’ internal control over financial reporting and compliance.

Mark E. Talbot

Mark E. Talbot, CPA
Director
Office of Auditing

October 15, 2018

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
 COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES (DEFICIT)
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	Total	Assistance Fund	Administration Fund	WFNJ General Assistance Fund	Unemployment Trust Fund	Clearing Fund	Child Support And Paternity Fund	Reach Account	General Fixed Asset Account Group
Assets									
Cash	\$ 26,034,923	\$ 4,489,822	\$ 19,733,162	\$ -	\$ 1,458,576	\$ 42,600	\$ 238,023	\$ 72,740	\$ -
Fixed Assets	153,953	-	-	-	-	-	-	-	153,953
Total Assets	<u>\$ 26,188,876</u>	<u>\$ 4,489,822</u>	<u>\$ 19,733,162</u>	<u>\$ -</u>	<u>\$ 1,458,576</u>	<u>\$ 42,600</u>	<u>\$ 238,023</u>	<u>\$ 72,740</u>	<u>\$ 153,953</u>
Liabilities and Fund Balances									
Liabilities									
Advance Payable	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -
Payroll Deductions Payable	509,217	-	509,217	-	-	-	-	-	-
Total Liabilities	<u>609,217</u>	<u>-</u>	<u>509,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Fund Balances (deficit)									
Restricted	1,431,316	-	-	-	1,458,576	-	-	(27,260)	-
Unrestricted	23,994,390	4,489,822	19,223,945	-	-	42,600	238,023	-	-
Fixed Assets	153,953	-	-	-	-	-	-	-	153,953
Total Fund Balances (deficit)	<u>25,579,659</u>	<u>4,489,822</u>	<u>19,223,945</u>	<u>-</u>	<u>1,458,576</u>	<u>42,600</u>	<u>238,023</u>	<u>(27,260)</u>	<u>153,953</u>
Total Liabilities and Fund Balance:	<u>\$ 26,188,876</u>	<u>\$ 4,489,822</u>	<u>\$ 19,733,162</u>	<u>\$ -</u>	<u>\$ 1,458,576</u>	<u>\$ 42,600</u>	<u>\$ 238,023</u>	<u>\$ 72,740</u>	<u>\$ 153,953</u>

The Notes to Financial Statements are an integral part of these statements.

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Total</u>	<u>Assistance Fund</u>	<u>Administration Fund</u>	<u>WFNJ General Assistance Fund</u>	<u>Unemployment Trust Fund</u>	<u>Clearing Fund</u>	<u>Child Support And Paternity Fund</u>	<u>Reach Account</u>	<u>General Fixed Asset Account Group</u>
Total Receipts	\$ 76,720,049	\$ 6,376,931	\$ 62,260,473	\$ 2,678,705	\$ 3,291	\$ 569,496	\$4,386,639	\$ 444,514	\$ -
Disbursements									
Fund Disbursements	72,517,273	4,179,578	60,280,722	2,667,080	30,642	543,222	4,405,403	410,626	-
Funds Returned to the State	789,152	789,152	-	-	-	-	-	-	-
Total Disbursements	<u>73,306,425</u>	<u>4,968,730</u>	<u>60,280,722</u>	<u>2,667,080</u>	<u>30,642</u>	<u>543,222</u>	<u>4,405,403</u>	<u>410,626</u>	<u>-</u>
Excess Receipts over (under) Disbursements	3,413,624	1,408,201	1,979,751	11,625	(27,351)	26,274	(18,764)	33,888	-
Net due from the State of New Jersey	<u>(11,625)</u>	<u>-</u>	<u>-</u>	<u>(11,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Receipts over (under) Disbursements and net due from the State of New Jersey	3,401,999	1,408,201	1,979,751	-	(27,351)	26,274	(18,764)	33,888	-
General Fixed Assets									
Additions	-	-	-	-	-	-	-	-	-
Retirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Receipts over (under) Disbursements, net due from the State of New Jersey and General Fixed Assets	3,401,999	1,408,201	1,979,751	-	(27,351)	26,274	(18,764)	33,888	-
Fund Balances, December 31, 2016	<u>22,177,660</u>	<u>3,081,621</u>	<u>17,244,194</u>	<u>-</u>	<u>1,485,927</u>	<u>16,326</u>	<u>256,787</u>	<u>(61,148)</u>	<u>153,953</u>
Fund Balances, December 31, 2017	<u><u>\$ 25,579,659</u></u>	<u><u>\$ 4,489,822</u></u>	<u><u>\$ 19,223,945</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,458,576</u></u>	<u><u>\$ 42,600</u></u>	<u><u>\$ 238,023</u></u>	<u><u>\$ (27,260)</u></u>	<u><u>\$ 153,953</u></u>
		Schedule 1	Schedule 2	Schedule 4		Schedule 5	Schedule 6	Schedule 7	

The Notes to Financial Statements are an integral part of these statements.

CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1. Summary of Significant Accounting Policies

A. Organization

The Camden County Board of Social Services (CCBSS) is a component unit of the County of Camden providing various social services to qualified individuals whose income is below certain specified limits. CCBSS provides residents with financial assistance through Temporary Assistance to Needy Families (TANF), General Assistance Program, Child Support and Paternity Services, Food Stamps, Medicaid, Medically Needy, Employment Programs, Homeless Services and other social service programs.

CCBSS is exempt from income taxes.

B. Reporting Entity

Governmental Accounting Standards Board (GASB) publication, *Codification of Governmental Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity", establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to resources and significance) should be included in the financial reporting entities. CCBSS would be considered a component unit of the County of Camden based on the requirements of GASB. However, as the reporting entity of the County of Camden was established in accordance with New Jersey statutes, the primary government financial statements do not include reporting on component units.

C. Basis of Financial Statements

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, Division of Family Development (DFD). The accounting practice prescribed is based on cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. A summary of the major differences is as follows:

- Revenues and expenses are recorded on cash basis. Under this basis revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred.

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statements (continued)

- Assistance Fund transactions, after the first of each month, are reflected in the subsequent month's activity. The Assistance Fund report reflects financial activity in each year for the period of December 2 of the prior year through December 1 of the current year.
- A statement of cash flows is not required by Ruling 12.
- Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit and short term investments with original maturities of three months or less.
- Fixed Asset purchases are recorded as expenses and are not capitalized or depreciated by the Agency.
- Prepaid items are charged as expenses when paid and such items from the prior period have not been amortized.
- Unrestricted funds consist of amounts that are available for use in carrying out the administration of CCBSS and are discretionary as to their use.
- Restricted funds result from grantor agencies or donors who place restrictions on the use of the funds which mandate the purpose(s) for which the funds may be utilized.

D. Description of Funds

In order to ensure resources are used for their intended purpose, Camden County Board of Social Services has established certain funds to account for these resources:

- **Assistance Fund** - Consists of monies held in a State of New Jersey account, in which receipts are direct wires from the New Jersey Division of Family Development, and disbursements are made to Social Security and TANF clients through EBT (Electronic Benefits Transfer-plastic cards).
- **Administration Fund** - All administrative expenses are recorded to this account. Funding is received from the New Jersey Division of Family Development.
- **General Assistance Fund** - Receipts are from the State of New Jersey for single individuals. Reporting of these transactions is recorded through the General Assistance Automated System (GAAS).

CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

1. Summary of Significant Accounting Policies (continued)

D. Description of Funds (continued)

- **Unemployment Trust Fund** - CCBSS is self-funded for unemployment insurance. A portion of this insurance is deducted from payroll checks, and is deposited into the unemployment trust fund, set up by CCBSS.
- **Clearing Fund** - Reimburses various programs for funds that represents the recoupment of various types of overpayments, recoveries, and funds initially not identifiable.
- **Child Support and Paternity Fund** - Through the Automated Child Support Enforcement System (ACSES) or NJKiDS collects child support funds and remits through wire transfers to CCBSS.
- **Reach Account** - Assistance account used to make emergency utility payments, prevent utility shut-off, and record transportation expenses. The OMEGA system tracks these transactions.
- **General Fixed Asset Account Group** - Accounts for all fixed asset additions and retirements. Fixed assets are not depreciated.

E. Economic Dependency

Camden County Board of Social Services receives a substantial amount of its support from federal and state governments. A significant reduction on the level of support, if this were to occur, may have an effect of CCBSS' programs and activities.

2. Funding

Services provided by CCBSS were performed under a budget which has been approved by the State of New Jersey Divisions of Family Development, Youth and Family Services, and Medical Assistance and Health Services. Formal written requests for budget transfers are required for certain deviations from the approved budget statement. Funding for the year ended December 31, 2017, was available from Federal, State and Camden County sources.

In addition to the funding referred to above, CCBSS received grant contract funding. A grant/contract is an agreement, written or oral between a County Welfare Agency (CWA) (Grantee) and a person or organization (Grantor) to administer specific services, in which the Grantee is reimbursed directly, in whole or in part, as the agreement specifies, by the Grantor.

CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

3. Management Estimates

The preparation of financial statements in accordance with the basis of financial statements discussed in the summary of significant accounting policies requires the management of CCBSS to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Fixed Assets

Fixed Assets are charged against budget appropriations at the time of acquisition. Values reflected in the accompanying Combined Statement of Assets, Liabilities and Fund Balances are based on acquisition costs reported to the Division of Family Development since approximately 1976 to present, less the cost of items retired, replaced, etc. based on a comprehensive accounting of the current balance of inventory on hand.

5. Pension Plans

Plan Description

All eligible employees participate in the Public Employees' Retirement System (PERS), or the Defined Contribution Retirement Program (DCRP) which has been established by state statute and is administered by New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey 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 or other state pension fund or local jurisdiction's pension fund.

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

5. Pension Plans (continued)

Vesting and Benefit Provisions

The vesting and benefit provisions to PERS are set by N.J.S.A. 43:3B. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of continuous service. Retirement benefits for age and service are available age 60 and, under recently enacted legislation are generally determined to be 1/60 of final average salary for each year of service credit. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation, if other than the final three years). Members may seek early retirement after achieving 25 years' service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

Funding Policy

The contribution policy is set by New Jersey State Statutes 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 regulations. For PERS, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. 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. Employee contributions to DCRP are based on a percentage of 5.50% of the employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

6. Post Employment Benefits

The Board participates in the New Jersey State Health Benefits Program (the SHBP), which qualifies as a cost-sharing, multiple-employer plan in accordance with GASB Statement 45 "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" (OPEB). The SHBP is administered by the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits.

Under the SHBP, retirees may continue the health benefits programs in which they are enrolled at the time of retirement.

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

CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

6. Post Employment Benefits (continued)

The SHBP is established under the authority of N.J.S.A. 52:14-17.25 et seq. and regulations adopted by the State Health Benefits Commission. The required contribution rate is determined on an annual pay as you go basis.

7. Advance Payable

The \$100,000 represents cash advances received by CCBSS from the DFD to be utilized in the payment of expenditures. This amount would be payable upon cessation of the REACH fund program, to the State of New Jersey or its designee.

8. Contingencies

Camden County Board of Social Services is periodically involved in various lawsuits arising in the normal course of business. In the opinion of CCBSS management, the liability, if any, for such contingencies will not have a material adverse effect on their financial position

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by CCBSS as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Camden County Board of Social Services officials expects such amounts, if any, to be immaterial.

9. Investments

Camden County Board of Social Services invested a portion of the Administration Fund balance on March 21, 2016 through the purchase of shares of a Medium Term Note (of the Federal Home Loan Mortgage Corporation) with an original cost of \$4,004,883. As of December 31, 2017, the ending value of the investment with BB&T Capital Markets was \$4,019,759.

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

10. Subsequent Events

Subsequent events related to the Statement of Assets, Liabilities, and Fund Balance (Deficit) occurring after December 31, 2017 have been evaluated through October 15, 2018 which is the date the financial statements were available to be issued. No additional disclosures other than those indicated in the accompanying notes are required to be made

SUPPLEMENTARY INFORMATION

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal or State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number / State Appropriation Number	Expenditures
<u>U.S. Department of Health and Human Services (USDHHS)/</u>		
<u>N.J. Department of Human Services (NJDHS)</u>		
Pass-Through N.J. Division of Family Development		
Public Assistance:		
Temporary Assistance for Needy Families (TANF)	93.558	\$ 9,932,457
Refugee Resettlement Programs	93.566	11,486
Administrative cost relating to Public Assistance:		
Temporary Assistance for Needy Families (TANF)	93.558	6,056,520
Title IV-D, Child Support and Paternity Program	93.563	3,338,060
Title XIX, Medical Assistance Program	93.778	10,909,553
Title XX, Social Services Block Grant	93.667	1,986,394
State Children's Insurance Program	93.767	98,384
Pass-Through N.J. Division of Medical Assistance and Health Services		
Administrative costs relating to Public Assistance:		
Title XIX, Medical Assistance Program	93.778	878,639
Title XIX, Medically Needy Program	93.778	24,882
Total USDHHS/NJDHS		<u>33,236,375</u>
<u>Social Security Administration</u>		
Pass-Through Camden County		
Supplemental Security Income	96.006	541,280
Total Social Security Administration		<u>541,280</u>
<u>U.S. Department of Agriculture (USDA)/</u>		
<u>New Jersey Department of Human Services (NJDHS)</u>		
Pass-Through Program From N.J. Division of Family Development		
Administrative costs relating to the		
Supplemental Nutrition Assistance Program (SNAP)	10.561	14,752,519
Total USDA/NJDHS		<u>14,752,519</u>
Total Federal Expenditures		<u>48,530,174</u>

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal or State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number / State Appropriation Number	Expenditures
<u>N.J. Department of Human Services (NJDHS)</u>		
Pass-Through Camden County		
Adult Protective Services	100-054-7570-012	305,707
<u>N.J. Department of Human Services (NJDHS)</u>		
Pass-Through N.J. Division of Family Development		
WFNJ General Assistance (GA)	100-054-7550-121	4,978,190
WFNJ GA Administrative Costs	100-054-7550-121	2,926,900
Supplemental Security Income	100-054-7550-125	<u>1,202,866</u>
Total State Awards		<u>9,413,663</u>
Total Federal and State Expenditures		<u><u>\$ 57,943,837</u></u>

See Independent Auditor's Report.
See Notes to Schedule of Expenditures of Federal and State Awards.

CAMDEN COUNTY BOARD OF SOCIAL SERVICES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2017

1. General Information

The accompanying Schedule of Expenditures of Federal and State Awards include all of the federal and state grant activity of the Camden County Board of Social Services. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the cash basis of accounting. Expenditures are reported for the year ended December 31, 2017 except for Temporary Assistance for Needy Families (TANF) Public Assistance (CFDA No. 93.558) which are reported on a December 1 fiscal year end basis consistent with the basic financial statements. Additionally, the TANF amount has been presented as “Gross” expenditures excluding the effect of Federal and State collections as a result of a change in reporting by the New Jersey Department of Human Services, Division of Family Development.



State of New Jersey

PHILIP D. MURPHY

GOVERNOR

DEPARTMENT OF HUMAN SERVICES

PO Box 700

TRENTON, NJ 08625-0700

CAROLE JOHNSON

COMMISSIONER

SHEILA Y. OLIVER

LT. GOVERNOR

INDEPENDENT AUDITOR'S 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*

Department of Human Services
Division of Family Development
PO Box 716
Trenton, NJ 08625

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Camden County Board of Social Services, a component unit of the County of Camden as of and for the year ended December 31, 2017 and have issued our report thereon dated October 15, 2018. As described in Note 1C, our report refers to the preparation of the financial statements in accordance with the practices and procedures prescribed or permitted by the New Jersey Department of Human Services which is other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Camden County Board of Social Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Camden County Board of Social Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control Over Financial Reporting (continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as finding numbers 2017-001 and 2017-002 that we consider to be significant deficiencies.

We also noted certain matters, which we have reported to the management of the New Jersey Division of Family Development and Camden County Board of Social Services in a separate letter dated October 15, 2018.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camden County Board of Social Services' financial statements are free from 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*.

Agency's Response to Findings

Camden County Board of Social Services' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Camden County Board of Social Services' response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mark E. Talbot

Mark E. Talbot, CPA
Director
Office of Auditing

October 15, 2018



State of New Jersey

PHILIP D. MURPHY
GOVERNOR

DEPARTMENT OF HUMAN SERVICES
PO Box 700
TRENTON, NJ 08625-0700

CAROLE JOHNSON
COMMISSIONER

SHEILA Y. OLIVER
LT. GOVERNOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJ OMB CIRCULAR 15-08

Department of Human Services
Division of Family Development
PO Box 716
Trenton, NJ 08625

Report on Compliance for Each Major Federal and State Programs

We have audited Camden County Board of Social Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *NJ State Grant Compliance Supplement for Major State Programs* that could have a direct and material effect on each of Camden County Board of Social Services' major and federal and state programs for the year ended December 31, 2017. Camden County 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Camden County Board of Social Services' major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance

Auditor's Responsibility (continued)

and NJ OMB Circular 15-08 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 a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Camden County Board of Social Services' 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Camden County Division of Social Services' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Camden County Board of Social Services' complied, in all material respects, with the types of 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, 2017.

Report on Internal Control Over Compliance

Management of Camden County Board of Social Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Camden County Board of Social Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state programs and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, 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 Camden County Board of Social Services' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a deficiency, or combination of 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 and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (continued)

Our consideration of 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding number 2017-001 that we consider to be a significant deficiency

We also noted certain matters, which we have reported to the management of the New Jersey Division of Family Development and Camden County Board of Social Services in a separate letter dated October 15, 2018.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mark E. Talbot

Mark E. Talbot, CPA
Director
Office of Auditing

October 15, 2018

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified - Regulatory Basis
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or NJ OMB Circular 15-08:	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.563	Title IV-D, Child Support and Paternity Program
93.778	Title XIX, Medical Assistance Program

<u>Grant Number</u>	<u>Name of State Program</u>
100-054-7550-121	WFNJ General Assistance (GA)
100-054-7550-121	WFNJ GA Administration Costs
100-054-7550-125	Supplemental Security Income

Dollar threshold used to distinguish between type A and type B programs:	
Federal	\$1,455,905
State	\$750,000

Auditee qualified as low-risk auditee?	Yes
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**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding #2017-001: (Significant Deficiency)

Administration Fund

- Condition:** Bank reconciliations are not prepared for the Investment Account, and bank reconciliations are not signed and dated by both the preparer and the reviewer for the Administration Account, Workmen’s Comp Account, Unemployment Trust Fund Account, and Payroll Account. Additionally, the Payroll bank reconciliation carried several outstanding checks dating back to 2015.
- Criteria:** New Jersey Department of Human Services County Welfare Agency Accounting Manual (Ruling 12), Chapter 1, Section 1330 requires bank reconciliations be completed promptly at the end of each month and that proper controls are assured for such reconciliations. Additionally, Ruling 12, Chapter 1, Section 1340 requires that investigations shall be made for checks outstanding over thirty days, stop payment notices shall be issued on checks outstanding over three months and the check amount credited. Furthermore, the State of New Jersey Department of Treasury, Unclaimed Property Administration set forth guidelines regarding specific periods of time for unclaimed property to be presumed as abandoned.
- Effect:** Due to lack of bank reconciliation, the Agency’s WFNJ-215 form and general ledger cash balances are greater than the Investment account bank statement balance in the amount of \$9,266 with no reconciling item(s) identified. Additionally, internal controls related to the remaining Agency’s Administration Fund bank accounts noted in the Condition section of this finding are weakened, and transactions and balances in the these funds may be misstated and not readily detected. Additionally, certain outstanding checks may be required to be escheated to the State of New Jersey in accordance with State of NJ unclaimed property guidelines.
- Cause:** The cause was undetermined.

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding #2017-001: (Significant Deficiency) (continued)

Administration Fund (continued)

Recommendation: It is recommended that Camden County Board of Social Services complete the missing bank reconciliations and catch up to the current time period for the Investment account, and require that both the preparer and reviewer sign and date all bank reconciliations going forward. Additionally, all outstanding checks that meet the abandonment criteria should be escheated to the State of New Jersey in accordance with State of NJ unclaimed property guidelines.

Agency Response: We agree with the finding as presented and will implement the Corrective Action Plan as indicated.

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding #2017-002: (Significant Deficiency)

General Fixed Asset Account Group

- Condition: A physical inventory of general fixed assets was not completed as of December 31, 2017 as recommended in the management letter associated with the prior audit of the Agency’s financial statements for the year ended December 31, 2016. Additionally, the Agency has not updated the General Fixed Asset Account Group list in several years, and the present list includes items that do not meet the criteria for inclusion in the General Fixed Asset Account Group.
- Criteria: New Jersey Department of Human Services County Welfare Agency Accounting Manual (Ruling 12), Chapter VII, Section 7020 requires a physical inventory of assets be taken annually and that the annually updated perpetual inventory listing must be available for audit. Additionally, Ruling 12, Chapter VII, Section 7010 states that an item is considered to be a fixed asset if it meets the following criteria: 1) item has a unit cost of \$5,000 or more, unless a lesser amount is specified by county regulation, 2) item is a tangible asset classified as CWA property, 3) item has an expected useful life of three years or more, and 4) item has been acquired through the CWA purchasing process. Equipment purchased by the State on behalf of the CWA is not required to be included in the fixed asset inventory.
- Effect: Internal controls related to the General Fixed Asset Account Group are weakened, and Agency assets may be misstated and not readily detected.
- Cause: The cause was undetermined.
- Recommendation: It is recommended that Camden County Board of Social Services take a physical inventory of assets annually and maintain that inventory for audit inspection. Additionally, the Agency should routinely review its General Fixed Asset Account Group to ensure that items included meet the definition of fixed assets set forth in Ruling 12.
- Agency Response: We agree with the finding as presented and will implement the Corrective Action Plan as indicated.

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding #2017-001:

Title IV-D, Child Support and Paternity Program – CFDA #93.563

Title XIX, Medical Assistance Program – CFDA #93.778

Condition: Bank reconciliations are not prepared for the Investment Account, and bank reconciliations are not signed and dated by both the preparer and the reviewer for the Administration Account, Workmen’s Comp Account, Unemployment Trust Fund Account, and Payroll Account. Additionally, the Payroll bank reconciliation carried several outstanding checks dating back to 2015.

This finding is explained in detail in **Section II – Financial Statement Findings**.

Compliance requirement – Cash Management

Questioned costs of \$0.

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding #2017-001:

WFNJ GA Administrative Costs – State Appropriation #100-054-7550-121

Condition: Bank reconciliations are not prepared for the Investment Account, and bank reconciliations are not signed and dated by both the preparer and the reviewer for the Administration Account, Workmen’s Comp Account, Unemployment Trust Fund Account, and Payroll Account. Additionally, the Payroll bank reconciliation carried several outstanding checks dating back to 2015.

This finding is explained in detail in **Section II – Financial Statement Findings**.

Compliance requirement – Cash Management

Questioned costs of \$0.

TOTAL QUESTIONED COSTS – FEDERAL & STATE = \$0

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017**

CORRECTIVE ACTION PLAN

Finding #2017-001:

Bank reconciliations are not prepared for the Investment Account, and bank reconciliations are not signed and dated by both the preparer and the reviewer for the Administration Account, Workmen's Comp Account, Unemployment Trust Fund Account, and Payroll Account. Additionally, the Payroll bank reconciliation carried several outstanding checks dating back to 2015.

Corrective Action Plan:

Bank reconciliations will be prepared for the Investment Account, all bank reconciliation will be signed and dated by the preparer and review. The 2015 outstanding checks will be cancelled.

Responsible Party:

Accountant, Fiscal Officer

Anticipated Completion Dates:

Immediately

Finding #2017-002:

A physical inventory of general fixed assets was not completed as of December 31, 2017 as recommended in the management letter associated with the prior audit of the Agency's financial statements for the year ended December 31, 2016. Additionally, the Agency has not updated the General Fixed Asset Account Group list in several years, and the present list includes items that do meet the criteria for inclusion in the General Fixed Asset Account Group.

Corrective Action Plan:

A physical inventory of general fixed assets will be completed - once completed a new listing will be upgraded. The Agency intends to purchase a Fixed Asset Inventory Module.

Responsible Party:

Purchasing, Fiscal Officer

Anticipated Completion Dates:

12/31/2019

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2017**

There were no prior audit findings.

SUPPLEMENTARY SCHEDULES

SCHEDULE 1

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
ASSISTANCE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

State Treasurer	\$ 4,009,034
County Treasurer	1,688,264
Clearing Fund - County Reimbursement	14,652
Clearing Fund - State Reimbursement	278,390
CSP Disregard	386,591
	<hr/>
Total Receipts	6,376,931

Disbursements

Assistance to SSI Recipients	2,353,821
Aid to Families with Dependent Children	10,269,467
Child Support and Paternity Disregards	386,591
Refugee Resettlement Program	11,486
Electronic Benefit Transfer	(8,841,787)
Total Disbursements	4,179,578
	<hr/>
Funds returned to the State (TANF and CSP)	789,152
	<hr/>
Total Disbursements	4,968,730
	<hr/>
Excess of Receipts over (under) Disbursements	1,408,201
Transfers In	-
Transfers Out	-
	<hr/>
Excess of Receipts over (under) Disbursements and Transfers	1,408,201
	<hr/>
Fund Balance, December 2, 2016	3,081,621
	<hr/>
Fund Balance, December 1, 2017	\$ 4,489,822

See Independent Auditor's Report.

SCHEDULE 2

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
ADMINISTRATION FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

State Treasurer:

Division of Family Development

Earned Grant Subsidy \$ 40,074,649

Food Stamp Fraud Incentives 109,842

Division of Medical Assistance and Health Services

Medical Assistance Program - MAP 878,639

Medically Needy Program - MNP 24,882

UNISYS - MOS 851,000

Other Grants:

APS 305,707

HEA Reallotment 43,680

SNAP Timeliness Grant 5,374

Funds received from the County Treasurer:

Appropriation Funds 18,068,861

Other Additions:

Child Support Incentives 1,778,603

Interest on Investments - Non-Child Support 93,207

Interest on Investments - Child Support 1,767

Dividend 24,262

Total Receipts 62,260,473

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
ADMINISTRATION FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Disbursements

Operating Disbursements:	
Personal Services Expense	34,843,491
Employee Benefit Plans	21,999,573
Travel Expense	105,112
Office Expense	889,890
Major Equipment Purchases	5,475
Office Space, Rental, Repairs and Alterations	599,360
Staff Development and Training	45,574
Purchased Services for Clients	13,689
Miscellaneous Matchable Expense	151,940
Food Stamp Program Expense	5,966
Child Support and Paternity Expense	105,711
Electronic Data Processing Expense	391,725
Miscellaneous Non-Matchable Expense	817,509
Other Deductions:	
APS	305,707
Total Disbursements	<u>60,280,722</u>
Excess Receipts over (under) Disbursements	1,979,751
Transfer In	-
Transfer Out	<u>-</u>
Excess Receipts over (under) Disbursements and Transfers	1,979,751
Fund Balance, December 31, 2016	<u>17,244,194</u>
Fund Balance, December 31, 2017	<u><u>\$ 19,223,945</u></u>

See Independent Auditor's Report.

SCHEDULE 3

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
ADMINISTRATION FUND
SCHEDULE OF NET DISBURSEMENTS
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017**

Operating Disbursements	Budget (1)	Actual Net Operation Disbursements	Variance (Over) Under
Personal Service Expense	\$ 38,014,753	\$ 34,843,491	\$ 3,171,262
Employee Benefit Plans	24,682,702	21,999,573	2,683,129
Travel Expense	130,000	105,112	24,888
Office Expense	1,050,000	889,890	160,110
Major Equipment Purchases		5,475	42,775
Office Space, Rental, Repairs and Alterations	875,000	599,360	275,640
Staff Development and Training	65,000	45,574	19,426
Purchased Services for Clients	41,000	13,689	27,311
Miscellaneous Matchable Expense	188,750	151,940	36,810
Food Stamp Program Expense	146,000	5,966	140,034
Child Support and Paternity Expense	182,000	105,711	76,289
Electronic Data Processing Expense	534,051	391,725	142,326
Miscellaneous Non-Matchable Expense	835,000	817,509	17,491
Totals	<u>\$ 66,792,506</u>	<u>\$ 59,975,015</u>	<u>\$ 6,817,491</u>

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

See Independent Auditor's Report.

SCHEDULE 4

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
WFNJ GENERAL ASSISTANCE FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

State Aid Payments Received	\$ 2,007,719
SSI Initial Retro Checks (GA-31)	541,280
Refunds-Reported Assist. (GA-12)	116,275
Other-Automatic Recoupments	3,250
Other-Bank Adjustments	10,181
	<hr/>
Total Receipts	2,678,705

Disbursements

GA Expenditures (Eligible) - (GA-6A)	5,519,470
Prior Months Void Checks	(4,971)
ZBA Debit Transfers to State	659,429
Other	10,191
Net EBT Disbursement	(3,517,039)
	<hr/>
Total Disbursements	2,667,080
	<hr/>
Excess of Receipts over Disbursements	11,625
	<hr/>
Due from State of New Jersey - December 31, 2016	(44,187)
Due from State of New Jersey - December 31, 2017	32,562
	<hr/>
Net Due from State of New Jersey	(11,625)

Excess of Receipts over (under) Disbursements
and Net Due From State of New Jersey

-

Fund Balance, December 31, 2016

-

Fund Balance, December 31, 2017

\$ -

See Independent Auditor's Report.

SCHEDULE 5

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
CLEARING FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

Pending Claims	\$ 196,495
Other Refunds of Overpayments	133,261
SNAP Recoupment for Overissuances	119,630
Medical Assistance	68,488
Other Collections	<u>51,622</u>
Total Receipts	<u>569,496</u>

Disbursements

Cash to Clients	47,600
State Treasurer - Food Stamp Repayments	77,290
State Treasurer - Medical Assistance	50,444
Administration Account - County Share Medical Assistance	16,814
Reimbursement to Assistance Fund (AFDC/TANF and Adult Programs)	301,281
Other	<u>49,793</u>
Total Disbursements	<u>543,222</u>

Excess of Receipts over Disbursements	26,274
Transfers In	-
Transfer Out	<u>-</u>
Excess of Receipts over Disbursements and Transfers	26,274
Fund Balance, December 31, 2016	<u>16,326</u>
Fund Balance, December 31, 2017	<u>\$ 42,600</u>

See Independent Auditor's Report.

SCHEDULE 6

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
CHILD SUPPORT AND PATERNITY FUND
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

Regular Collections	\$ 4,373,679
Interest/Dividends	2,313
Other	<u>10,647</u>
Total Receipts	<u>4,386,639</u>

Disbursements

Refunds to Assistance Fund	2,008,960
Incentive Payments	2,008,960
Disregard Payments to Assistance Fund	385,170
Interest/Dividends	<u>2,313</u>
Total Disbursements	4,405,403

Excess of Receipts over (under) Disbursements	(18,764)
Transfers In	-
Transfers Out	<u>-</u>

Excess of Receipts over (under) Disbursements and Transfers	(18,764)
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Fund Balance, December 31, 2016	<u>256,787</u>
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Fund Balance, December 31, 2017	<u><u>\$ 238,023</u></u>
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See Independent Auditor's Report.

SCHEDULE 7

**CAMDEN COUNTY BOARD OF SOCIAL SERVICES
REACH ACCOUNT
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Receipts

Assistance Reimbursement	\$ 148,553
Other (Bus Pass Reimbursement)	<u>295,961</u>
Total Receipts	<u>444,514</u>

Disbursements

TRE Expenditures	733,154
OMEGA EBT	(288,229)
Cancellations	<u>(34,299)</u>
Total Disbursements	<u>410,626</u>
Excess of Receipts over Disbursements	33,888
Transfers In	-
Transfers Out	<u>-</u>
Excess Receipts over Disbursements and Transfers	33,888
Fund Balance (deficit), December 31, 2016	<u>(61,148)</u>
Fund Balance (deficit), December 31, 2017	<u><u>\$ (27,260)</u></u>

See Independent Auditor's Report.



State of New Jersey

PHILIP D. MURPHY
GOVERNOR

DEPARTMENT OF HUMAN SERVICES
PO Box 700
TRENTON, NJ 08625-0700

CAROLE JOHNSON
COMMISSIONER

SHEILA Y. OLIVER
Lt. GOVERNOR

Department of Human Services
New Jersey Division of Family Development
PO Box 716
Trenton, New Jersey 08625

In planning and performing our audit of the financial statements of Camden County Board of Social Services (Agency) for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, we considered the Agency's internal control over financial reporting (internal control) 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding these matters. We previously reported on the Agency's internal control in our report dated October 15, 2018. This letter does not affect our report dated October 15, 2018, on the financial statements of Camden County Board of Social Services.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Agency personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional studies of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Unreconciled Difference - Payroll Expense

Payroll expenses per the Agency's Payroll Register/Tax Returns were greater than the Agency's general ledger/WFNJ-215 form by \$25,842. After extensive review with Agency personnel the nature of the difference could not be determined. It was noted the individual who prepared the general ledger/WFNJ-215 form is no longer with the agency and was not available to explain the differences.

It is recommended that the Agency routinely complete a full reconciliation of its Payroll Register/Tax Returns to its general ledger/WFNJ-215, and ensure that this information is maintained and readily available for audit inspection.

Accumulating Balance – Administration Fund

It was noted that the Administration Fund account balance per the WFNJ-215 form has increased approximately 75% over the past 8 years from \$10,979,378 to \$19,223,945. Furthermore, based on a multiyear analysis of the fund balances, it appears very unlikely that this growth is due to random fluctuations in the business cycle.

It is recommended that the Agency review its Administration Fund activity to determine the cause, source and type of funds accumulating. Furthermore, upon making those determinations, the Agency should document a final course of action to continue to maintain the funds, and/or utilize the funds, and/or transfer the funds in accordance with regulations/guidance of the applicable funding sources.

Unprocessed Reimbursements – Medically Needy Program (MNP)

The Agency has virtually ceased processing MNP cases and, as a result, MNP receipts have decreased by over 96% for the year ended December 31, 2017.

It is recommended that the Agency begin processing claims for reimbursement immediately and attempt to recapture unrealized reimbursements.

This letter is intended solely for the information and use of the management of the Camden County Board of Social Services and the Department of Human Services, and is not intended to be, and should not be used by anyone other than these specified parties.

Mark E. Talbot

Mark E. Talbot, CPA
Director
Office of Auditing

October 15, 2018

c: Christine Hentisz, Director
Paulette Konopka, Fiscal Officer
Harish Panjabi, DFD
Audit File