

Burlington County Community Action Program

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

February 28, 2017

Burlington County Community Action Program

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Independent Auditor's Report

To the Board of Trustees
Burlington County Community Action Program

Report on the Financial Statements

We have audited the accompanying financial statements of Burlington County Community Action Program (the "Organization"), which comprise the statement of financial position as of February 28, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Burlington County Community Action Program as of February 28, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules on pages 15 through 28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, 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*, and state of New Jersey Office of Management and Budget Circular 04-04, "Single Audit Policy of Recipients of Federal Grants, State Grants, and State Aid," is presented on pages 29 through 32 for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules on pages 15 through 28, except for the portion marked "unaudited" on which we express no opinion, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017 on our consideration of Burlington County Community Action Program's internal control over financial reporting and on 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 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 Burlington County Community Action Program's internal control over financial reporting and compliance.



Baltimore, Maryland
November 20, 2017

Taxpayer Identification Number:
22-1478099

Lead Auditor: Daniel J. Kenney

Burlington County Community Action Program

**Statement of Financial Position
February 28, 2017**

Assets

| | |
|--|---------------------|
| Cash | \$ 409,519 |
| Grants receivable | 914,011 |
| Prepaid expenses | 45,921 |
| Due from affiliates | 265,932 |
| Property, plant and equipment, less accumulated depreciation of \$6,270,183 | 3,058,517 |
| Other assets | <u>1,500</u> |
| Total assets | <u>\$ 4,695,400</u> |

Liabilities and Net Assets

| | |
|---------------------------------------|---------------------|
| Liabilities | |
| Mortgages and notes payable | \$ 979,804 |
| Lines of credit | 140,025 |
| Accrued interest | 4,503 |
| Accounts payable and accrued expenses | 1,013,254 |
| Deferred revenue | <u>189,795</u> |
| Total liabilities | 2,327,381 |
| Commitments and contingencies | - |
| Net assets | |
| Unrestricted | <u>2,368,019</u> |
| Total liabilities and net assets | <u>\$ 4,695,400</u> |

See Notes to Financial Statements.

Burlington County Community Action Program

**Statement of Activities
Year Ended February 28, 2017**

Unrestricted

| | |
|---|----------------------------|
| Revenue | |
| Grants | \$ 9,398,509 |
| Contributions in kind | 525,006 |
| Cash contributions | 12,000 |
| Other revenue | <u>110,973</u> |
| Total revenue | <u>10,046,488</u> |
| Operating expenses | |
| Program services | |
| Head Start | 4,485,245 |
| New Jersey programs | 3,010,316 |
| Burlington County programs | 402,126 |
| Other programs | <u>230,258</u> |
| Total program services | 8,127,945 |
| Support services - management and general | <u>1,581,781</u> |
| Total operating expenses | <u>9,709,726</u> |
| Change in net assets | 336,762 |
| Net assets, unrestricted, beginning of year | <u>2,031,257</u> |
| Net assets, unrestricted, end of year | <u><u>\$ 2,368,019</u></u> |

See Notes to Financial Statements.

Burlington County Community Action Program

**Statement of Cash Flows
Year Ended February 28, 2017**

| | |
|--|-------------------|
| Cash flows from operating activities | |
| Change in net assets | \$ 336,762 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Depreciation | 401,234 |
| Changes in assets and liabilities | |
| Decrease in grants receivable | 43,353 |
| Decrease in prepaid expenses | 26,670 |
| Increase in deferred revenue | 72,851 |
| Decrease in accounts payable and accrued expenses | <u>(315,415)</u> |
| Net cash provided by operating activities | <u>565,455</u> |
| Cash flows from investing activities | |
| Advances made to affiliates | (20,115) |
| Purchase of property, plant and equipment | <u>(109,831)</u> |
| Net cash used in investing activities | <u>(129,946)</u> |
| Cash flows from financing activities | |
| Repayment of mortgages and notes payable | (414,488) |
| Proceeds from lines of credit | 60,160 |
| Repayment of lines of credit | <u>(5,161)</u> |
| Net cash used in financing activities | <u>(359,489)</u> |
| Net increase in cash | 76,020 |
| Cash, beginning of year | <u>333,499</u> |
| Cash, end of year | <u>\$ 409,519</u> |
| Supplemental disclosure of cash flow information | |
| Cash paid during the year for interest | <u>\$ 46,843</u> |

See Notes to Financial Statements.

Burlington County Community Action Program

Notes to Financial Statements February 28, 2017

Note 1 - Organization

Burlington County Community Action Program (the "Organization") began operations in 1965 and was established to address the needs of low-income persons in Burlington County, New Jersey.

In response to the critical human needs of the poor, a small group of individuals began meeting in each other's homes and in area churches to develop strategies for eliminating poverty and removing barriers to self-sufficiency. With dedication to the mission and a common vision, these unsung heroes carved out the framework for a community-based organization of people helping people help themselves.

Now one of the oldest of twenty-three community action agencies operating in New Jersey, the Organization is led by a 21-member Board of Trustees consisting of one-third representation from business, one-third representation from government, and one-third representation from low-income persons.

The Organization is one of three commonly managed organizations, the others being BCCAP-SH, Inc., a non-profit organization, which operates a low-income, senior housing apartment project, and BCCAP-CHODO, Inc., a non-profit organization, which is the general partner of an entity that operates a low-income residential apartment project. The three organizations also have common but not absolute oversight through common Board of Trustees members. The Organization operates independently of the other organizations and the balances and activities of each related organization are not included in the accompanying financial statements.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Organization conforms with the accounting guidance for financial statements of not-for-profit organizations, under which the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. All the net assets of the Organization are unrestricted. Furthermore, information is required to segregate program service expenses from management and general expenses.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted - Unrestricted net assets include all net assets which are neither temporarily nor permanently restricted and are available for use in the performance of the activities of the Organization. If the Board of Trustees specifies a purpose where none has been stated by the donor, such funds are classified as designated, unrestricted funds.

Burlington County Community Action Program

Notes to Financial Statements February 28, 2017

Temporarily restricted - Temporarily restricted net assets include contributed net assets for which donor-imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted. Net assets released from restrictions represent net assets that became unrestricted because of expenses incurred during the year or the passage of time satisfied the original restriction.

Permanently restricted - Permanently restricted net assets consist of contributions subject to donor-imposed stipulations that they be maintained permanently by the Organization.

For the year ended February 28, 2017, all of the Organization's net assets were unrestricted.

Contributions

Contributions received are recognized as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor-imposed restrictions in the period received. Conditional promises to give are not recognized until they become unconditional. For the year ended February 28, 2017, all support received was recognized as unrestricted.

Contributions in kind

Contributions of donated noncash assets (materials and facilities) are recorded as unrestricted contributions at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as unrestricted contributions at fair value in the period received. See Note 13 for details of contributions in kind for the year ended February 28, 2017.

Financial dependency

Grants from government agencies are the Organization's largest source of revenue. The Organization is economically dependent on these grants to carry on its operations.

Grants revenue and receivable

The Organization accounts for its grants, including those from Federal and other governmental sources, as exchange transactions. Accordingly, revenue is recognized once the Organization incurs the costs associated with providing the program or serviced required under the grant agreement. Grant funds received are deferred until the corresponding expenditures have been incurred.

The majority of grants are from recurring sources. Based on prior experience with these entities, management considers all grants receivable to be fully collectible. Therefore, no allowance for doubtful accounts has been recorded as of February 28, 2017.

Property, plant and equipment

Buildings and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, ranging from 3 to 20 years. Maintenance and repair costs are charged to expense as incurred. When assets are disposed of, their cost and accumulated depreciation are removed from the accounts and the resulting gains or losses are credited or charged against operations. Buildings and equipment are capitalized if the cost is greater than or equal to \$5,000 and the useful life is greater than one year.

Burlington County Community Action Program

Notes to Financial Statements February 28, 2017

Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenue of the unrestricted net asset class. Contributions of cash or other assets with donor-imposed restrictions to be used to acquire land, buildings and equipment are reported as revenue of the temporarily restricted net asset class; the restrictions are considered to be released at the time the asset is placed in service.

Impairment of long-lived assets

In accordance with the accounting guidance for property, plant, and equipment, the Organization reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss was recognized during the year ended February 28, 2017.

Leases

The Organization has entered into various noncancelable operating leases for the use of office space and equipment. In accordance with accounting guidance for leases, minimum annual rental expense is recognized on a straight-line basis over the term of the related lease.

Other revenue

Other revenue consists of tenant rental revenue and other miscellaneous services provided to recipients. Amounts are recognized as revenue when earned.

Income taxes

The Organization is a not-for-profit organization exempt from taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The Organization has also been classified as an entity that is not a private foundation with the meaning of Section 509(a) and qualifies for deductible contributions in Section 170(b)(1)(A)(vi).

Note 3 - Property, plant and equipment

Property, plant and equipment consist of the following as of February 28, 2017:

| | | |
|-------------------------------|----|-------------------------|
| Land | \$ | 656,659 |
| Buildings and improvements | | 5,818,390 |
| Equipment | | <u>2,853,651</u> |
| | | 9,328,700 |
| Less accumulated depreciation | | <u>6,270,183</u> |
| | \$ | <u><u>3,058,517</u></u> |

Depreciation expense for the fiscal year ended February 28, 2017 was \$401,234.

Land, buildings and equipment that are acquired by grants or contracts and considered owned by the Organization while used in the program for which they were purchased or in other future authorized programs; however, the grantors have reversionary interests in the land, buildings and equipment. Disposition of these assets as well as ownership of any proceeds is subject to regulations.

Burlington County Community Action Program

Notes to Financial Statements February 28, 2017

Note 4 - Mortgages and notes payable

Lines of credit

The Organization maintains a line of credit with Wells Fargo Bank, N.A. in the amount of \$50,000. The note agreement was modified on May 10, 2010. Pursuant to the modified note agreement, interest is payable monthly at a rate of prime plus 1.75%, with a minimum rate of 5.00%, per annum (5.50% at February 28, 2017). Monthly interest-only payments are required until the principal is paid in full. Principal payments are due on demand. As of February 28, 2017, the outstanding balance is \$40,224.

The Organization maintains a line of credit for \$100,000 from TD Bank. Interest is payable monthly at a rate of prime plus 0.50%, with a minimum rate of 5.50%, per annum (5.50% at February 28, 2017). The line of credit agreement was set to expire on October 31, 2017, but was renewed through January 29, 2018, subsequent to year end. In the event a further extension cannot be reached, management intends to repay all outstanding principal and interest in full through available cash. As of February 28, 2017, the outstanding balance is \$99,801.

The lines of credit are secured by the general assets of the Organization.

Mortgages and notes payable

On March 1, 2003, the Organization entered into a mortgage with The New Jersey Economic Development Authority ("Authority") in the original amount of \$3,057,464. The note executed with the Authority was assigned to TD Bank from which a Series 2003 tax-exempt bond was purchased. The proceeds of the Series 2003 bond were used to finance the construction on the Lumberton property of the Head Start facility owned and operated by the Organization; to refinance the first mortgage loan and interest rate swap penalty with First Fidelity Urban Investment Corporation ("FFUIC") for the Delanco property; to refinance the mortgage loan with FFUIC for the Browns Mills property; and to pay a portion of the costs of issuance of the Series 2003 bond. The note is secured by certain real and personal property and assets including a first lien security interest in all of the property and assets of the Organization, and a first lien mortgage on the Lumberton property and the Delanco property. The note has a final maturity of May 2023. Interest on the mortgage shall accrue at a fixed tax-exempt rate which will reset every five years pursuant to the terms of the loan agreement.

Effective May 5, 2013, pursuant to a modification, the note requires monthly principal and interest payments of \$18,667 and shall accrue interest at the tax-exempt interest rate of 3.20% per annum. As of February 28, 2017, the outstanding principal and interest were \$892,475 and \$4,503, respectively.

On May 18, 2011, the Organization entered into a note agreement with TD Bank in the original amount of \$83,500. The note was amended and restated on October 31, 2016. Pursuant to the amended and restated note, total principal was reduced to \$61,564. Monthly principal and interest payments of \$1,148 are due through maturity, at which time all outstanding principal and interest are due. Interest on the loan accrues at 4.50% per annum. The loan matures on October 31, 2021. The loan is secured by a mortgage, security agreement, and assignment of leases and rents of the Van Sciver property. As of February 28, 2017, the outstanding principal balance was \$58,666.

Burlington County Community Action Program

Notes to Financial Statements February 28, 2017

On August 10, 2011, the Organization entered into a note agreement with TD Bank in the original amount of \$40,000. The note was amended and restated on October 31, 2016. Pursuant to the amended and restated note, total principal was reduced to \$29,589. Monthly principal and interest payments of \$551 are due through maturity, at which time all outstanding principal and interest are due. Interest on the loan accrues at 4.5% per annum. The loan matures on October 31, 2021. The loan is secured by a mortgage, security agreement, and assignment of leases and rents of the 411 South Lenola Road property. As of February 28, 2017, the outstanding principal balance was \$28,663.

Interest charged to operations was \$46,843 for the year ended February 28, 2017.

The following is a summary of principal payments due under the aforementioned debt for each of the five years following February 28, 2017 and thereafter:

| <u>Year ending</u> | <u>Amount</u> |
|--------------------|---------------------|
| February 28, 2018 | \$ 357,298 |
| February 28, 2019 | 224,658 |
| February 29, 2020 | 232,298 |
| February 28, 2021 | 240,170 |
| February 28, 2022 | <u>65,405</u> |
| | <u>\$ 1,119,829</u> |

Note 5 - Management and general expense

In accordance with publication ACYF-IM-83-9, the administration and program development costs of the Head Start program, as defined in the publication, did not exceed 15% of total Federal and nonfederal costs of the program. Allocation of management and general expenses is based upon direct costs of the individual program requirements.

Note 6 - Deferred revenue

Deferred revenue consists of unexpended grant funds held as of the end of the fiscal year. The grant revenues which are included in deferred revenue will be recognized as the contract is fulfilled or returned to the grantee as required.

Note 7 - Grant awards

As of February 28, 2017, the Organization has been awarded grant commitments of \$1,136,320 that have not been recorded in the accompanying financial statements. These funds are to be received and earned over the subsequent grant period based on payments terms outlined in the respective grants.

Burlington County Community Action Program

**Notes to Financial Statements
February 28, 2017**

Note 8 - Pension plan

The Organization has a qualified defined-contribution retirement plan covering substantially all employees who meet certain length-of-service and age requirements. Contributions are determined as a percentage of each covered employee's gross salary. The percentage is determined on an annual basis at the discretion of the Board of Trustees. The Board elected to make a contribution for the year ended February 28, 2017 in the amount of \$79,784.

Note 9 - Lease commitments

The Organization has also entered into nine noncancelable operating equipment leases which expire on various dates through December 2019. Rental expense aggregated \$56,449 for the year ended February 28, 2017. Future minimum lease payments are as follows:

| | | |
|------|-----------|---------------|
| 2018 | \$ | 18,621 |
| 2019 | | 8,230 |
| 2020 | | <u>1,866</u> |
| | <u>\$</u> | <u>28,717</u> |

Note 10 - Commitments and contingencies

The Organization received financial assistance from the Federal government and the State of New Jersey in the form of grants. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the provision of services per the contractual requirements of the resources for allowable purposes. Substantially all grants are subject to financial and compliance audits by the grantors. The previous compliance audits completed for the Organization have not resulted in any material adjustments. Thus, as of February 28, 2017, the Organization estimates that adjustments, if any, as a result of such audits would not be material to its financial position.

In the event any of the programs cease to exist, there may be a contingent liability to the respective funding source for grants made to purchase certain assets. Such property or proceeds from the sale would revert to the funding source.

Note 11 - Transactions with affiliates

The Organization has recorded a receivable due from Roebing Village Inn Urban Renewal L.P. in the amount of \$199,405. The amount is unsecured and does not bear interest. This receivable relates to general operation advances made to the Roebing Village Inn and is due on demand.

The Organization has also recorded a receivable due from BCCAP-SH, Inc. in the amount of \$66,527. The receivable relates to support for the establishment of the related organization and is due on demand.

Burlington County Community Action Program

**Notes to Financial Statements
February 28, 2017**

Note 12 - Concentration of credit risk

The Organization maintains its cash balances in several accounts in various banks. The cash balances at each bank are insured by the Federal Deposit Insurance Corporation. At times, these balances may exceed the amount insured by the Federal Deposit Insurance Corporation; however, the Organization has not experienced any losses with respect to its bank balances in excess of government-provided insurance. Management believes no significant concentration of credit risk exists with respect to these cash balances as of February 28, 2017.

Note 13 - Contributions in kind

Contributions in kind represent funding for the Head Start program that the Organization must match contributions from sources outside of the grantor. As of February 28, 2017, contributions in kind consisted of:

| | |
|--------------------------------------|--------------------------|
| Consultants and contracting services | \$ 516,073 |
| Space costs and rentals | 2,676 |
| Other costs | <u>6,257</u> |
| | <u><u>\$ 525,006</u></u> |

The Organization estimates that volunteers have donated over 54,614 hours both for program services and supporting services during the year ended February 28, 2017. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer efforts have not been satisfied.

Note 14 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through November 20, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Burlington County Community Action Program

Schedule of Functional Expenses Year Ended February 28, 2017

| | Program Services | | | | | Total program services | Supporting services - management and general | Total |
|---|---------------------|---|------------------------|----------------------------------|-------------------|------------------------------|---|---------------------|
| | Head Start | Head Start in kind and cash contributions | New Jersey programs | Burlington County programs | Other programs | | | |
| Operating expenses | | | | | | | | |
| Salaries and wages | \$ 2,579,369 | \$ - | \$ 2,211,863 | \$ 134,808 | \$ 106,061 | \$ 5,032,101 | \$ 663,460 | \$ 5,695,561 |
| Fringe benefits | 667,233 | - | 385,880 | 22,571 | 47,505 | 1,123,189 | 144,539 | 1,267,728 |
| Consultants and contract services | 54,894 | 516,073 | 47,744 | 38 | 1,570 | 620,319 | 144,858 | 765,177 |
| Travel | 28,470 | - | 33,005 | - | 2,168 | 63,643 | 9,060 | 72,703 |
| Space costs and rentals | 160,143 | 2,676 | 36,710 | 1,100 | 53,217 | 253,846 | 70,361 | 324,207 |
| Consumable supplies | 118,112 | - | 61,631 | 229,595 | 3,434 | 412,772 | 44,306 | 457,078 |
| Equipment purchased, leased and rented | 70,144 | - | 7,689 | 18 | - | 77,851 | 3,451 | 81,302 |
| Specific assistance to clients | 130 | - | 102,093 | 2,122 | 2,333 | 106,678 | 98 | 106,776 |
| Other direct costs | 245,997 | 6,257 | 120,130 | 11,874 | 9,251 | 393,509 | 97,608 | 491,117 |
| Depreciation | - | - | - | - | - | - | 401,234 | 401,234 |
| Interest | 35,747 | - | 3,571 | - | 4,719 | 44,037 | 2,806 | 46,843 |
| Total operating expenses | \$ 3,960,239 | \$ 525,006 | \$ 3,010,316 | \$ 402,126 | \$ 230,258 | \$ 8,127,945 | \$ 1,581,781 | \$ 9,709,726 |

See Independent Auditor's Report.

**Burlington County Community Action Program
New Jersey Programs**

**Schedule of Expenditures
Year Ended February 28, 2017**

| | <u>Community Programs 2017-05235-0262</u> | <u>CSBG Admin 2017-05235-0262</u> | <u>Post TANF OFBI16SAP-013</u> | <u>CPR & First Aid Training UC17003</u> | <u>QIS UC17003</u> |
|---|---|---|------------------------------------|---|------------------------|
| Expenditures | | | | | |
| Salaries and wages | \$ 309,840 | \$ 40,694 | \$ 39,185 | \$ - | \$ 46,501 |
| Fringe benefits | 34,791 | 7,619 | 5,652 | - | 6,105 |
| Consultants and contract services | 7,400 | 3,513 | 763 | - | - |
| Travel | 3,669 | 764 | (535) | - | 650 |
| Space costs and rentals | 13,732 | 5,290 | 934 | - | - |
| Consumable supplies | 15,339 | 4,141 | 1,057 | 400 | 2,075 |
| Equipment purchased, leased and rented | 2,298 | 254 | (68) | - | - |
| Specific assistance to clients | 98 | 98 | - | - | - |
| Other direct costs | 26,483 | 10,373 | 542 | 2,926 | 8,336 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total expenditures | <u>\$ 413,650</u> | <u>\$ 72,746</u> | <u>\$ 47,530</u> | <u>\$ 3,326</u> | <u>\$ 63,667</u> |

**Burlington County Community Action Program
New Jersey Programs**

**Schedule of Expenditures - Continued
Year Ended February 28, 2017**

| | <u>CCR&R UC17003</u> | <u>Health & Safety Training UC17003</u> | <u>Professional Dev. Training UC17003</u> | <u>Approved & In Home Inspections UC17003</u> | <u>FCC QIS - RTTT UC17003</u> |
|---|------------------------------|---|---|---|---------------------------------------|
| Expenditures | | | | | |
| Salaries and wages | \$ 51,130 | \$ (470) | \$ 67,238 | \$ 38,791 | \$ 31,403 |
| Fringe benefits | (11,559) | (397) | 5,300 | 3,575 | 9,671 |
| Consultants and contract services | (139) | - | - | - | - |
| Travel | 659 | - | - | 209 | - |
| Space costs and rentals | 35 | - | - | - | - |
| Consumable supplies | 3,451 | 420 | 1,224 | 470 | - |
| Equipment purchased, leased and rented | 35 | - | - | - | - |
| Specific assistance to clients | - | - | - | - | - |
| Other direct costs | 8,546 | 1,601 | 3,740 | 2,190 | - |
| | <u>8,546</u> | <u>1,601</u> | <u>3,740</u> | <u>2,190</u> | <u>-</u> |
| Total expenditures | <u>\$ 52,158</u> | <u>\$ 1,154</u> | <u>\$ 77,502</u> | <u>\$ 45,235</u> | <u>\$ 41,074</u> |

**Burlington County Community Action Program
New Jersey Programs**

**Schedule of Expenditures - Continued
Year Ended February 28, 2017**

| | <u>Parenting Education UC17003</u> | <u>Family Day Care Registration UC17003</u> | <u>CCR&R Ops & Admin UC17003</u> | <u>Strengthening Families Ops UC17003</u> | <u>Universal Service Fund 2017-05133-0055</u> | <u>Heating Improvement 2017-05131-0131</u> |
|---|--|---|--|---|---|--|
| Expenditures | | | | | | |
| Salaries and wages | \$ 35,507 | \$ 78,966 | \$ 833,726 | \$ 8,033 | \$ 104,705 | \$ 184,314 |
| Fringe benefits | 7,230 | 14,974 | 130,288 | 2,275 | 29,237 | 32,643 |
| Consultants and contract services | - | 183 | 47,897 | - | 791 | 884 |
| Travel | - | 237 | 3,253 | - | - | - |
| Space costs and rentals | - | 87 | 59,428 | - | 7,236 | 10,532 |
| Consumable supplies | 12,750 | 6,023 | 2,521 | 2,275 | 6,434 | 5,862 |
| Equipment purchased, leased and rented | - | 86 | 2,440 | - | 1,985 | 1,998 |
| Specific assistance to clients | - | - | 96 | - | - | - |
| Other direct costs | 16,848 | 12,959 | 12,763 | 7,473 | 7,748 | 10,785 |
| | <u>16,848</u> | <u>12,959</u> | <u>12,763</u> | <u>7,473</u> | <u>7,748</u> | <u>10,785</u> |
| Total expenditures | <u>\$ 72,335</u> | <u>\$ 113,515</u> | <u>\$ 1,092,412</u> | <u>\$ 20,056</u> | <u>\$ 158,136</u> | <u>\$ 247,018</u> |

**Burlington County Community Action Program
New Jersey Programs**

**Schedule of Expenditures - Continued
Year Ended February 28, 2017**

| | <u>NJ Healthy Families 16AOCs</u> | <u>Homeless Prevention 2017-02150-0113</u> | <u>Counseling for NJHMFA</u> | <u>Outreach Central Intake DFHS17OTR006</u> | <u>NJS Default OTHER</u> | <u>Total</u> |
|---|---|--|----------------------------------|---|----------------------------------|------------------------------|
| Expenditures | | | | | | |
| Salaries and wages | \$ 422,201 | \$ 10,777 | \$ 11 | \$ 78,757 | \$ (6,202) | \$ 2,375,107 |
| Fringe benefits | 108,148 | 792 | 20 | 19,777 | 331 | 406,472 |
| Consultants and contract services | 11,965 | - | 68 | 4,345 | - | 77,670 |
| Travel | 24,099 | - | - | - | - | 33,005 |
| Space costs and rentals | 9,194 | - | 32 | 571 | - | 107,071 |
| Consumable supplies | 6,782 | 750 | 1 | 4,257 | - | 76,232 |
| Equipment purchased, leased and rented | 1,955 | - | 32 | 125 | - | 11,140 |
| Specific assistance to clients | 4,433 | 97,466 | - | - | - | 102,191 |
| Other direct costs | 15,521 | 27 | 53 | 1,117 | 149 | 150,180 |
| Total expenditures | <u>\$ 604,298</u> | <u>\$ 109,812</u> | <u>\$ 217</u> | <u>\$ 108,949</u> | <u>\$ (5,722)</u> | <u>\$ 3,339,068 *</u> |

* Amount is different than amount shown on page 15 (schedule of functional expenses) due to inclusion of New Jersey Programs Portion of Supporting Services - management and general expense in the amount of \$328,752.

See Independent Auditor's Report.

**Burlington County Community Action Program
State of New Jersey Department of Community Affairs
Community Services Block Grant (2017-05235-0262)**

**Schedule of Accounts Payable and Accrued Expenses
Year Ended February 28, 2017**

| Item | Vendor | Agency administration | Community programs | Date paid |
|-----------------------|---------------------------------|--------------------------|-----------------------|-----------|
| Telephone | Line Systems | \$ 38 | \$ 533 | 03/07/17 |
| EDP | ADP | 16 | 73 | 03/07/17 |
| Telephone | Telephone Tech. | - | 551 | 03/07/17 |
| Telephone | Dex Media | 7 | 41 | 03/07/17 |
| Janitorial supplies | Sentinel Supply Co. | - | 30 | 03/07/17 |
| Vehicle repairs | Olessi & Groft | - | 356 | 03/07/17 |
| Office supplies | Heritage Business Systems | - | 153 | 03/07/17 |
| Telephone | Ansercomm | - | 89 | 03/07/17 |
| Hartford | Hartford | 570 | - | 03/07/17 |
| Office supplies | Quill | 6 | 133 | 03/07/17 |
| Office supplies | Rubinstein's | - | 134 | 03/07/17 |
| Repairs | Home Depot | - | 16 | 03/07/17 |
| Insurance | Fidelity Security Life Inc. Co. | - | 21 | 03/07/17 |
| Local travel | Kenila Xavier | - | 32 | 03/07/17 |
| Utilities | PSE&G | - | 356 | 03/07/17 |
| EDP | ADP | - | 29 | 03/14/17 |
| Insurance | Prudential | - | 136 | 03/14/17 |
| Office supplies | W.B. Mason | 7 | 43 | 03/14/17 |
| Repairs | Father Nature Landscaping | 180 | 167 | 03/14/17 |
| Postage | Federal Express | 3 | 21 | 03/14/17 |
| Repairs | Hoffman's Ext. | - | 10 | 03/14/17 |
| Office supplies | Quill | 15 | 92 | 03/14/17 |
| Repairs | Kings Janitorial Service | - | 267 | 03/14/17 |
| Office supplies | Heritage Business Systems | 2 | - | 03/14/17 |
| Repairs | Father Nature Landscaping | - | 132 | 03/14/17 |
| Hartford | Hartford | 570 | - | 03/14/17 |
| Telephone | Paetec/Windstream | 128 | 1,093 | 03/20/17 |
| Office supplies | Staples | 12 | 76 | 03/20/17 |
| EDP | ADP | 13 | 60 | 03/20/17 |
| Repairs | Kings Janitorial Service | 69 | 64 | 03/20/17 |
| Office supplies | Ready Refresh | 6 | 75 | 03/20/17 |
| Repairs | Home Depot | - | 12 | 03/20/17 |
| Client transportation | Citgo Height Group | - | 89 | 03/28/17 |
| Office supplies | Heritage Business Systems | - | 56 | 03/28/17 |
| Legal fees | Montgomery, McCracken | 111 | 684 | 04/04/17 |
| EDP | ADP | 27 | 121 | 04/04/17 |
| Repairs | Father Nature Landscaping | - | 388 | 04/04/17 |
| Telephone | Line Systems | 38 | 534 | 04/04/17 |
| United Way | United Way | 324 | 718 | 04/04/17 |
| Computer supplies | Valley Information Systems Inc. | 75 | 482 | 04/04/17 |
| Repairs | Father Nature Landscaping | 129 | 119 | 04/18/17 |
| Office supplies | W.B. Mason | 25 | 155 | 04/25/17 |
| Insurance | Amerihealth | 969 | 2,606 | 05/02/17 |
| Professional services | CohnReznick LLP | 541 | 600 | 05/02/17 |
| Insurance | Amerihealth | 969 | 2,606 | 05/09/17 |
| Profit sharing | Prudential | 1,825 | 5,554 | 05/22/17 |
| Legal fees | Montgomery, McCracken | 250 | 1,534 | 05/30/17 |
| | | <u>\$ 6,925</u> | <u>\$ 21,041</u> | |

See Independent Auditor's Report.

Burlington County Community Action Program

**Schedule of United Way Expenses
Year Ended February 28, 2017**

| | <u>Grant*</u> | <u>Grant**</u> |
|--------------------|----------------------|----------------------|
| Expenses | | |
| Salaries and wages | \$ 33,491 | \$ 26,655 |
| Fringe benefits | 25,529 | 32,061 |
| Space | - | 219 |
| Consultants | - | 750 |
| Supplies | - | 362 |
| Other direct costs | 36 | 5,070 |
| | <u>36</u> | <u>5,070</u> |
| Total expenses | <u>\$ 59,056</u> | <u>\$ 65,117</u> |

* Grant period term is July 1, 2015 through June 30, 2016.

**Grant period term is July 1, 2016 through June 30, 2017.

See Independent Auditor's Report.

Burlington County Community Action Program

**Schedule of Weatherization Expenses
Year Ended February 28, 2017**

| | Home Energy Assistance DHS <u>16-05131-0127</u> | Home Energy Assistance DHS <u>17-05131-0131</u> | Universal Service Fund DHS <u>16-05133-0015</u> | Universal Service Fund DHS <u>17-05133-0055</u> |
|-------------------------------|--|--|--|--|
| Administration | \$ 17,190 | \$ 26,840 | \$ 11,411 | \$ 36,286 |
| Financial audit | 1,692 | 1,607 | 297 | 1,545 |
| Liability insurance | 566 | 167 | 138 | 161 |
| Weatherization | - | - | - | - |
| Program support | <u>118,219</u> | <u>80,736</u> | <u>30,456</u> | <u>77,842</u> |
| Total weatherization expenses | <u>\$ 137,667</u> | <u>\$ 109,350</u> | <u>\$ 42,302</u> | <u>\$ 115,834</u> |

See Independent Auditor's Report.

**Burlington County Community Action Program
Head Start Program Grant Number 02CH3123/02**

**Schedule of Revenue and Contract Carryover
Year Ended February 28, 2017
(With Unaudited Budget Amounts)**

| | <u>Budget (unaudited)</u> | <u>Actual</u> | <u>Federal share Actual (over) under budget</u> |
|--------------------------------------|-------------------------------|---------------------|---|
| Revenue and contract carryover | | | |
| ACYF funds for grant budget | \$ 5,524,068 | \$ 5,394,068 | \$ 130,000 |
| USDA food reimbursement | 344,299 | 336,500 | 7,799 |
| Nonfederal funds | | | |
| In kind contributions | <u>1,381,019</u> | <u>1,381,019</u> | ** - |
| Total revenue and contract carryover | <u>\$ 7,249,386</u> | <u>\$ 7,111,587</u> | <u>\$ 137,799</u> |
| Expenditures | | | |
| Federal share | | | |
| Personnel | \$ 3,029,231 | \$ 2,723,149 | \$ 306,082 |
| Fringe benefits | 1,385,238 | 1,154,493 | 230,745 |
| Nonlocal travel | 15,000 | 9,060 | 5,940 |
| Consumable supplies | 106,630 | 147,817 | (41,187) |
| Contract services | 216,504 | 146,636 | 69,868 |
| Other costs | <u>771,465</u> | <u>1,212,913</u> | <u>(441,448)</u> |
| Total federal share | <u>5,524,068</u> | <u>5,394,068</u> | <u>* \$ 130,000</u> |
| Nonfederal share | | | |
| Personnel | 470,588 | 470,588 | |
| Fringe benefits | 204,298 | 204,298 | |
| Consultants and contract services | 2,676 | 2,676 | |
| Space costs and rentals | 6,256 | 6,256 | |
| Consumable supplies | 516,074 | 516,074 | |
| Other costs | <u>12,000</u> | <u>12,000</u> | |
| Total nonfederal share | <u>1,211,892</u> | <u>1,211,892</u> | ** |
| Total expenditures excluding USDA | <u>\$ 6,735,960</u> | <u>\$ 6,605,960</u> | |

* Amount is different than amount shown on page 15 (schedule of functional expenses) due to inclusion of Head Start Programs Portion of Supporting Services - management and general expense.

** Donated materials, space costs and rentals and consultant services comprise \$525,006 of the in kind services as described in Note 13. Other costs comprise \$12,000 of cash contributions recognized as revenue. Unaudited volunteer hours and benefits comprise the remaining \$674,886 and are excluded from the financial statement for GAAP purposes.

See Independent Auditor's Report.

**Burlington County Community Action Program
Head Start Program Grant Number 02CH3123/02**

**Schedule of Expenditures by Program Account
(Excluding Food - USDA)
Year Ended February 28, 2017
(With Unaudited Budget Amounts)**

| | PA 22 | | | PA20 | | |
|-----------------------------------|-----------------------|---------------------|--|-----------------------|------------------|--|
| | Budget (unaudited) | Actual | Federal share Actual (over) under budget | Budget (unaudited) | Actual | Federal share Actual (over) under budget |
| Federal share | | | | | | |
| Personnel | \$ 3,029,231 | \$ 2,723,149 | \$ 306,082 | \$ - | \$ - | \$ - |
| Fringe benefits | 1,385,238 | 1,154,493 | 230,745 | - | - | - |
| Nonlocal travel | 15,000 | 9,060 | 5,940 | - | - | - |
| Consumable supplies | 106,630 | 147,817 | (41,187) | - | - | - |
| Contract services | 216,504 | 146,636 | 69,868 | - | - | - |
| Other costs | 729,353 | 1,170,801 | (441,448) | 42,112 | 42,112 | - |
| Total Federal share | <u>5,481,956</u> | <u>5,351,956</u> | <u>\$ 130,000</u> | <u>42,112</u> | <u>42,112</u> | <u>\$ -</u> |
| Non-federal share | | | | | | |
| Personnel | 470,588 | 470,588 | | - | - | |
| Fringe benefits | 204,298 | 204,298 | | - | - | |
| Consultants and contract services | 2,676 | 2,676 | | - | - | |
| Space costs and rentals | 6,256 | 6,256 | | - | - | |
| Consumable supplies | 516,074 | 516,074 | | - | - | |
| Other costs | 12,000 | 12,000 | | - | - | |
| Total non-federal share | <u>1,211,892</u> | <u>1,211,892</u> | | <u>-</u> | <u>-</u> | |
| Total expenditures | <u>\$ 6,693,848</u> | <u>\$ 6,563,848</u> | | <u>\$ 42,112</u> | <u>\$ 42,112</u> | |

See Independent Auditor's Report.

**Burlington County Community Action Program
Head Start Program Grant Number 02CH3123/02**

**Federal Financial Report
(Unaudited)**

FEDERAL FINANCIAL REPORT

(Follow form instructions)

| | | | |
|---|--|------------------|------------------|
| 1. Federal Agency and Organizational Element to Which Report is Submitted HHS-Administration for Children & Families | 2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 02CH3123-02-01 | Page 1 | of 1 pages |
|---|--|------------------|------------------|

3. Recipient Organization (Name and complete address including Zip code)
 Burlington County Community Action Program
 718 Rt. 130 South, Burlington, NJ 08016

| | | | | |
|------------------------------|-----------------------|--|--|---|
| 4a. DUNS Number 068284751 | 4b. EIN 22-1804209 | 5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) GO24120, GO24121, GO24122, GO24125 | 6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Final | 7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual |
|------------------------------|-----------------------|--|--|---|

| | | |
|---|--------------------------------------|--|
| 8. Project/Grant Period From: (Month, Day, Year) 03/01/2015 | To: (Month, Day, Year) 02/29/2020 | 9. Reporting Period End Date (Month, Day, Year) 02/28/2017 |
|---|--------------------------------------|--|

10. Transactions Cumulative

(Use lines a-c for single or multiple grant reporting)

| | |
|---|-------------|
| Federal Cash (To report multiple grants, also use FFR Attachment): | |
| a. Cash Receipts | \$5,394,068 |
| b. Cash Disbursements | \$5,394,068 |
| c. Cash on Hand (line a minus b) | 0 |

(Use lines d-o for single grant reporting)

| | |
|--|-------------|
| Federal Expenditures and Unobligated Balance: | |
| d. Total Federal funds authorized | \$5,524,068 |
| e. Federal share of expenditures | \$5,394,068 |
| f. Federal share of unliquidated obligations | \$0 |
| g. Total Federal share (sum of lines e and f) | \$5,394,068 |
| h. Unobligated balance of Federal funds (line d minus g) | \$ 130,000 |

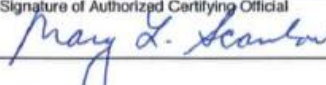
| | |
|--|-------------|
| Recipient Share: | |
| i. Total recipient share required | \$1,381,019 |
| j. Recipient share of expenditures | \$1,381,019 |
| k. Remaining recipient share to be provided (line i minus j) | \$0 |

| | |
|---|-----|
| Program Income: | |
| l. Total Federal program income earned | \$0 |
| m. Program income expended in accordance with the deduction alternative | \$0 |
| n. Program income expended in accordance with the addition alternative | \$0 |
| o. Unexpended program income (line l minus line m or line n) | \$0 |

| 11. Indirect Expense | a. Type | b. Rate | c. Period From | Period To | d. Base | e. Amount Charged | f. Federal Share |
|----------------------|---------|---------|----------------|-----------|---------|-------------------|------------------|
| | | | | | | | |
| g. Totals: | | | | | | | |

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:
 GO24122: \$4,563,974 GO24125: \$769,331 GO24120 \$42,112 GO24121 \$18,651 USDA \$344,299 Administrative Expense \$999,325

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

| | |
|---|--|
| a. Typed or Printed Name and Title of Authorized Certifying Official Mary L. Scanlon | c. Telephone (Area code, number and extension) 609-386-5800 ext. 4002 |
| | d. Email address mscanlon@bccap.org |
| b. Signature of Authorized Certifying Official  | e. Date Report Submitted (Month, Day, Year) June 13, 2017 |
| 14. Agency use only. | |

Standard Form 425 - Revised 5/29/2010
 OMB Approval Number: 0348-0061
 Expiration Date: 10/31/2011

Paperwork Burden Statement
 According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

See Independent Auditor's Report.

**Burlington County Community Action Program
Head Start Program Grant Number 02CH3123/02**

**Schedule of Recommended Costs to Be Disallowed
Year Ended February 28, 2017**

There were no costs recommended for disallowance and there were no questioned costs.

See Independent Auditor's Report.

**Burlington County Community Action Program
Head Start Program Grant Number 02CH3123/02**

**Schedule of Accounts Payable and Accrued Expenses
Year Ended February 28, 2017**

| Item | Vendor | Amount | Date paid |
|---------------------------|-----------------------------|----------|-----------|
| Telephone | Line Systems | \$ 1,097 | 03/07/17 |
| EDP | ADP | 1,140 | 03/07/17 |
| Janitorial supplies | Camden Bag & Paper | 3,328 | 03/07/17 |
| Telephone | Telephone Tech. | 551 | 03/07/17 |
| Telephone | Dex Media | 143 | 03/07/17 |
| Postage | Federal Express | 11 | 03/07/17 |
| Office supplies | Quill | 30 | 03/07/17 |
| Office supplies | Heritage Business Systems | 78 | 03/07/17 |
| Office supplies | Rubinstein's | 17 | 03/07/17 |
| Repairs | Wilmar, Inc. | 1,586 | 03/07/17 |
| Training | Grand Canyon University | 1,547 | 03/07/17 |
| Local travel | Andrew Stellwag | 27 | 03/07/17 |
| Consultant | Second Language | 2,008 | 03/07/17 |
| Insurance | Fidelity Security Life Inc. | 523 | 03/07/17 |
| Local travel | Linda W. Barnes | 245 | 03/07/17 |
| Utilities | N.J.American Water Co. | 179 | 03/07/17 |
| Utilities | PSE& G | 3,997 | 03/07/17 |
| Utilities | N.J.American Water Co. | 611 | 03/07/17 |
| Janitorial supplies | Camden Bag & Paper | 256 | 03/07/17 |
| Telephone | Line Systems | 496 | 03/07/17 |
| Program supplies | Michelle Weaver | 6 | 03/07/17 |
| Repairs | Diamond Lumber | 441 | 03/14/17 |
| EDP | ADP | 330 | 03/14/17 |
| Telephone | Verizon Wireless | 75 | 03/14/17 |
| Consultant | Jodi A. Maslowski | 1,848 | 03/14/17 |
| Office supplies | W.B. Mason | 33 | 03/14/17 |
| Repairs | Father Nature Landscaping | 187 | 03/14/17 |
| Postage | Federal Express | 16 | 03/14/17 |
| Classified ad | Burlington Co. Times | 121 | 03/14/17 |
| Repairs | AFA Pro. Systems | 166 | 03/14/17 |
| Office supplies | Heritage Business Systems | 9 | 03/14/17 |
| Office supplies | Quill | 72 | 03/14/17 |
| Program supplies | Cintas Corp. | 41 | 03/14/17 |
| Vehicle repairs | Mark Allen Auto Repair | 130 | 03/14/17 |
| Vehicle repairs | Hainesport Ent. | 95 | 03/14/17 |
| Vehicle repairs | Lenny's Towing & Repairs | 253 | 03/14/17 |
| Small tools and equipment | Peterson Service | 1,425 | 03/14/17 |
| Program supplies | Discount School Supplies | 442 | 03/14/17 |
| Repairs | Terminix | 69 | 03/14/17 |
| Repairs | Wilmar's | 394 | 03/14/17 |
| Hartford | Hartford | 1,075 | 03/14/17 |
| Background check | Sentrylink, LLC. | 80 | 03/14/17 |
| Office supplies | Heritage Business Systems | 241 | 03/14/17 |
| Telephone | Verizon Wireless | 209 | 03/14/17 |
| Repairs | Terminix | 80 | 03/14/17 |
| Telephone | PaetecWindstream | 1,271 | 03/20/17 |
| Office supplies | Staples | 2,814 | 03/20/17 |
| EDP | ADP | 829 | 03/20/17 |
| Repairs | Kings Jan. Service | 71 | 03/20/17 |
| Office supplies | Ready Refresh | 46 | 03/20/17 |
| Repairs | Terminix | 62 | 03/20/17 |

**Burlington County Community Action Program
Head Start Program Grant Number 02CH3123/02**

**Schedule of Accounts Payable and Accrued Expenses - Continued
Year Ended February 28, 2017**

| Item | Vendor | Amount | Date paid |
|-----------------------|---------------------------------|------------|-----------|
| Repairs | Hartford Steam Boiler | 55 | 03/20/17 |
| Postage | Federal Express | 22 | 03/20/17 |
| Training | School Bus Safety Co. | 240 | 03/20/17 |
| EPD | ADP | 99 | 03/20/17 |
| Repairs | Terminix | 50 | 03/28/17 |
| Office supplies | Heritage Business Systems | 61 | 03/28/17 |
| Client transportation | APCO Petroleum Co. | 718 | 03/28/17 |
| Client transportation | Citgo Height Group | 1,544 | 03/28/17 |
| Vehicle repairs | Hainesport Ent. | 235 | 03/28/17 |
| Vehicle repairs | Hainesport Ent. | 161 | 03/28/17 |
| Legal fees | Montgomery, McCracken | 530 | 04/04/17 |
| Professional services | Cohn Reznick | 5,656 | 04/04/17 |
| EDP | ADP | 1,651 | 04/04/17 |
| Telephone | Line Systems | 1,087 | 04/04/17 |
| Office supplies | Staples | 359 | 04/04/17 |
| United Way | United Way | 743 | 04/04/17 |
| Computer supplies | Valley Information Systems Inc. | 374 | 04/04/17 |
| Local travel | Donna Wilbur | 14 | 04/04/17 |
| Classified ad | Burlington Co. Times | 1,159 | 04/04/17 |
| Repairs | Carl's Lawn Service | 1,590 | 04/04/17 |
| Janitorial supplies | Camden Bag & Paper | 377 | 04/04/17 |
| EPD | ADP | 201 | 04/04/17 |
| Office supplies | Staples | 526 | 04/04/17 |
| Telephone | Line Systems | 495 | 04/04/17 |
| Training | U.S. Foods | 392 | 04/11/17 |
| Legal fees | Montgomery, McCracken | 761 | 04/18/17 |
| Repairs | Father Nature Landscaping | 133 | 04/18/17 |
| Professional services | CohnReznick LLP | 72,500 | 04/18/17 |
| Parent activity | U.S. Foods | 108 | 04/25/17 |
| Office supplies | W.B. Mason | 120 | 04/25/17 |
| Office supplies | Heritage Business Systems | 68 | 04/25/17 |
| Legal fees | Montgomery, McCracken | 1,190 | 05/16/17 |
| Profit sharing | Prudential | 33,294 | 05/22/17 |
| Profit sharing | Prudential | 5,573 | 05/23/17 |
| | | \$ 162,887 | |

See Independent Auditor's Report.

Burlington County Community Action Program

Schedule of Expenditures of Federal Awards Year Ended February 28, 2017

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Pass-through Grantor's Number | Program Award Amount | Current Year Expenditures |
|--|------------------------|----------------------------------|-------------------------|------------------------------|
| U.S. Department of Health and Human Services | | | | |
| Direct Program | | | | |
| Head Start | 93.600 | 02CH3123/01 | \$ 5,394,068 | \$ 90,332 |
| Head Start | 93.600 | 02CH3123/02 | 5,427,607 | <u>5,394,353</u> |
| Subtotal | | | | <u>5,484,685</u> |
| Passed through the State of New Jersey | | | | |
| LIHEAP Assistance 2016 | 93.568 | 2016-05131-0127-00 | 280,170 | 137,667 |
| LIHEAP Assistance 2017 | 93.568 | 2017-05131-0131-00 | 273,588 | <u>109,351</u> |
| Subtotal | | | | <u>247,018</u> |
| CSBG Community Programs | 93.569 | 2016-05235-0189-00 | 411,645 | 244,634 |
| CSBG Administration | 93.569 | 2016-05235-0189-00 | 73,812 | 55,737 |
| CSBG Community Programs | 93.569 | 2017-05235-0262-00 | 231,484 | 187,381 |
| CSBG Administration | 93.569 | 2017-05235-0262-00 | 44,091 | <u>17,010</u> |
| Subtotal | | | | <u>504,762</u> |
| CCR&R | 93.667 | UC16003 | 83,430 | 30,829 |
| CCR&R | 93.667 | UC17003 | 66,744 | 21,331 |
| FDC Registration | 93.667 | UC16003 | 145,887 | 67,105 |
| FDC Registration | 93.667 | UC17003 | 176,710 | 46,410 |
| NJ Healthy Families / TIP | 93.667 | 16AOCs | 337,297 | 337,297 |
| NJ Healthy Families / PAT | 93.667 | 16AOCs | 192,000 | 192,000 |
| NJ Healthy Families / CCYC | 93.667 | 16AOCs | 75,000 | 75,000 |
| Parent Education | 93.667 | UC16003 | 96,559 | 50,199 |
| Parent Education | 93.667 | UC17003 | 77,247 | 22,135 |
| Strengthening Families | 93.667 | UC16003 | 30,493 | 13,383 |
| Strengthening Families | 93.667 | UC17003 | 24,394 | 6,683 |
| Voucher Support /Admin | 93.667 | UC16003 | 263,506 | 108,619 |
| Voucher Support /Admin | 93.667 | UC17003 | 211,390 | 59,170 |

Burlington County Community Action Program
Schedule of Expenditures of Federal Awards - Continued
Year Ended February 28, 2017

| Federal Grantor/Pass-through Grantor/ Program Title | Federal CFDA Number | Pass-through Grantor's Number | Program Award Amount | Current Year Expenditures |
|--|------------------------|----------------------------------|-------------------------|------------------------------|
| U.S. Department of Health and Human Services (continued) | | | | |
| Passed through the State of New Jersey (continued) | | | | |
| Voucher Support /Operations | 93.667 | UC16003 | 1,202,151 | 481,775 |
| Voucher Support /Operations | 93.667 | UC17003 | 961,136 | 442,853 |
| Professional Development Training | 93.667 | UC16003 | 66,519 | 56,095 |
| Professional Development Training | 93.667 | UC17003 | 53,215 | 21,407 |
| Health & Safety Training | 93.667 | UC17003 | 12,410 | 3,248 |
| Approved & In-Home Inspections | 93.667 | UC16003 | 71,078 | 28,232 |
| Approved & In-Home Inspections | 93.667 | UC17003 | 56,862 | 17,003 |
| CPR & First Aid Training | 93.667 | UC16003 | 4,207 | 3,052 |
| CPR & First Aid Training | 93.667 | UC17003 | 3,366 | 273 |
| QIS | 93.667 | UC16003 | 75,380 | 42,463 |
| QIS | 93.667 | UC17003 | 60,304 | 21,203 |
| FCC - QIS | 93.667 | UC16003 | 50,000 | 16,229 |
| FCC - QIS | 93.667 | UC17003 | 75,000 | 24,844 |
| Subtotal | | | | 2,188,838 |
| Office of Faith Based Initiatives | 93.558 | OFBI16SAP-003 | 80,000 | 47,531 |
| Subtotal | | | | 47,531 |
| Outreach and Education 2016 / Central Intake | 93.926 | DFHS16OTR004 | 100,000 | 42,636 |
| Subtotal | | | | 42,636 |
| Outreach and Education 2017/ Central Intake | 93.994 | DFHS17OTR007 | 100,000 | 66,311 |
| Subtotal | | | | 66,311 |
| Total U.S. Department of Health and Human Services | | | | 8,581,781 |

Burlington County Community Action Program
Schedule of Expenditures of Federal Awards - Continued
Year Ended February 28, 2017

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Pass-through Grantor's Number | Program Award Amount | Current Year Expenditures |
|--|------------------------|----------------------------------|---|------------------------------|
| U.S. Department of Housing and Urban Development | | | | |
| Passed through State of New Jersey | | | | |
| Transitional Housing/Working Poor | 14.218 | NJ0032L2F021407 | 10,667 | 1,750 |
| Housing Counseling | 14.218 | HC-150341-005 | 35,645 | 4,510 |
| Housing Counseling | 14.218 | HC-160341-006 | 24,557 | 15,813 |
| Transitional Housing/Svcs for Veterans | 14.218 | NJ0031L2F021407 | 14,172 | 10,563 |
| Passed through Burlington County Department of Community Development | | | | |
| Homeless Prevention | 14.218 | RFP-14-0042 | 31,000 | 2,896 |
| Housing Counseling | 14.218 | 0519-15 | 22,000 | 8,846 |
| Housing Counseling | 14.218 | 0519-16 | 20,000 | 20,000 |
| Total U.S. Department of Housing and Urban Development | | | | <u>64,378</u> |
| U.S. Department of Homeland Security | | | | |
| Passed through Other | | | | |
| Emergency Food and Shelter | 97.024 | | 2,000 | 2,000 |
| Total U.S. Department of Homeland Security | | | | <u>2,000</u> |
| U.S. Department of Agriculture | | | | |
| Direct Program | | | | |
| Child Care Food Program | 10.558 | | Reimbursed at defined rates per meals | 357,764 |
| Total U.S. Department of Agriculture | | | | <u>357,764</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 9,005,923</u> |

See Notes to Schedule of Expenditures of Federal Awards.

Burlington County Community Action Program

Notes to Schedule of Expenditures of Federal Awards February 28, 2017

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Burlington County Community Action Program (the "Organization") under federal government for the year ended February 28, 2017. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122 for Non-Profit Organizations, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in OMB Circular A-122, "Cost Principles for Non-Profit Organizations," or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Subrecipients

The Organization did not pass any amounts through to subrecipients for the year ended February 28, 2017.

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

To the Board of Trustees
Burlington County Community Action Program

We have audited, 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, the financial statements of Burlington County Community Action Program (a nonprofit organization), which comprise the statement of financial position as of February 28, 2017, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2017.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Burlington County Community Action Program's 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 Burlington County Community Action Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Burlington County Community Action Program'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Burlington County Community Action Program'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*.

Burlington County Community Action Program's Response to Findings

Burlington County Community Action Program's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Burlington County Community Action Program's response was not subjected to the auditing procedures applied in the audit of the financial statements 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Baltimore, Maryland
November 20, 2017

Independent Auditor's Report on Compliance for the Major Federal Program and on
Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustee
Burlington County Community Action Program

Report on Compliance for the Major Federal Program

We have audited Burlington County Community Action Program's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Burlington County Community Action Program's major federal program for the year ended February 28, 2017. Burlington County Community Action Program's major federal program is 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 federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Burlington County Community Action Program's major federal program 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about Burlington County Community Action Program'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 on compliance for the major federal program. However, our audit does not provide a legal determination of Burlington County Community Action Program's compliance.

Basis for Qualified Opinion on CFDA 93.600 Head Start

As described in the accompanying schedule of findings and questioned costs, Burlington County Community Action Program did not comply with the requirements regarding CFDA 93.600 Head Start as described in finding number 2017-002 for matching. Compliance with such requirements is necessary, in our opinion, for Burlington County Community Action Program to comply with requirements applicable to that program.

Qualified Opinion on CFDA 93.600 Head Start

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, Burlington County Community Action Program complied, in all material respects, with the types of compliance requirements that could have a direct or material effect on CFDA 93.600 Head Start for the year ended February 28, 2017.

Report on Internal Control over Compliance

Management of Burlington County Community Action Program 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 Burlington County Community Action Program's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Burlington County Community Action Program's 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 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 program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2017-002 to be a material weakness.

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 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.

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 were not identified.

Burlington County Community Action Program's response to the internal control over compliance finding as identified in our audit is described in the accompanying schedule of findings and questions costs. Burlington County Community Action Program's response was not subject to auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Accordingly, this report is not suitable for any other purpose.



Baltimore, Maryland
November 20, 2017

Burlington County Community Action Program

**Schedule of Findings and Questioned Costs
February 28, 2017**

A. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified? Yes X None
Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified? Yes X None
Reported

Type of auditor's report issued on compliance for major programs: Qualified for CFDA 93.600 Head Start

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a) of the Uniform Guidance? X Yes No

Identification of major programs:

| Name of Federal Program or Cluster | CFDA Number(s) | Fiscal Year 2/28/2017 Expenditures |
|---|-------------------|---|
| Head Start | 93.600 | <u><u>\$ 5,484,685</u></u> |
| Dollar threshold used to distinguish between type A and type B programs | | <u><u>\$ 750,000</u></u> |
| Auditee qualified as low-risk auditee? | | <u> </u> Yes <u> X </u> No |

Burlington County Community Action Program

**Schedule of Findings and Questioned Costs
February 28, 2017**

B. Financial Statement Findings

Finding No. 2017-001

Statement of Condition

The financial statements for the year ended February 28, 2017 required adjusting journal entries to properly reflect grants receivable, deferred revenues, and net assets.

Criteria

The Organization did not record the necessary adjustments to reconcile grants receivable and deferred revenue for each grant.

Cause

Management records grant awards and expenditures incurred against these awards in the net asset account of each respective grant in order for management to easily identify the current unexpended balance of each grant. Additionally, management records grant awards and cash received under the grant in the grant receivable account for each respective grant in order for management to easily identify cash remaining to be received under the grant. Management did not record the necessary year end reconciliation adjustment in order to properly record deferred revenue, grants receivable and net assets in accordance with GAAP.

Effect

Grants receivable, deferred revenues and net asset accounts required audit adjustments.

Questioned Costs

There are no questioned costs.

Recommendation

The Organization should record a year-end adjusting entry in order to properly state deferred revenue, grants receivable and net assets in accordance with GAAP.

View of Responsible Officials

Management agrees to comply with the recommendation to record a year-end adjusting entry in order to properly state deferred revenue, grants receivable and net assets in accordance with GAAP.

C. Federal Award Findings and Questioned Costs

Finding No. 2017-002: CFDA 93.600 Head Start

Statement of Condition

The Organization did not contribute at least 20% of the costs of the Head Start program through cash or in-kind contributions.

Criteria

The Department of Health and Human Services requires that grantees receiving Head Start funds contribute at least 20% of the costs of the Head Start program through cash or in-kind contributions; unless a non-Federal share waiver has been obtained.

Cause

During the grant period ended February 28, 2017, external factors led to a decrease in volunteer hours provided to the Organization for the Head Start grant. As a result of the decrease in volunteer hours, the Organization was unable to obtain sufficient cash and in-kind contributions

Burlington County Community Action Program

Schedule of Findings and Questioned Costs February 28, 2017

to meet the 20% matching requirement under the grant. For the grant period ended February 28, 2017, the Organization received cash and in-kind contributions valued at \$1,211,892 compared to the \$1,348,519 matching threshold as required under the grant.

Effect

The Organization failed to comply with the requirement to contribute at least 20% of the costs of the Head Start program through cash or in-kind contributions.

Questioned Costs

There are no questioned costs.

Recommendation

The Director of the Head Start Program, with the assistance of the Controller, should review cumulative in-kind and cash contributions received, so that any budgeted shortfalls for non-Federal matching funds can be detected early, allowing management sufficient time to address such shortfalls.

View of Responsible Officials

Management agrees to comply with the recommendation for the Director of the Head Start Program, with the assistance of the Controller, to review cumulative in-kind and cash contributions received, so that any budgeted shortfalls for non-Federal matching funds can be detected early, allowing management sufficient time to address such shortfalls.

Burlington County Community Action Program

**Schedule of the Status of Prior Findings and Questioned Costs
February 28, 2017**

Finding No. 2016-01

Statement of Condition

The financial statements for the year ended February 28, 2017 required adjusting journal entries to properly reflect grants receivable, deferred revenues, and net assets.

Criteria

The Organization did not record the necessary adjustments to reconcile grants receivable and deferred revenue for each grant.

Status

Finding has not been cleared. Finding has been reported in the schedule of findings and questioned costs as Finding 2017-001.

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