

Northern New Jersey  
MATERNAL / CHILD Health Consortium



**Consolidated Financial Statements**

**December 31, 2010**

**(With Summarized Consolidated Financial Information for 2009)**

**With Independent Auditors' Report**

**Northern New Jersey Maternal/Child Health Consortium**  
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**December 31, 2010 and 2009**  
**(With Summarized Consolidated Financial Information for 2009)**

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## Independent Auditors' Report

To the Board of Trustees,  
Northern New Jersey Maternal/Child Health Consortium:

We have audited the accompanying consolidated statement of financial position of Northern New Jersey Maternal/Child Health Consortium as of December 31, 2010, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Consortium's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized consolidated comparative information has been derived from the consolidated financial statements of Northern New Jersey Maternal/Child Health Consortium as of December 31, 2009. These consolidated financial statements were audited by us and in our report dated July 20, 2010, we expressed an unqualified opinion.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Northern New Jersey Maternal/Child Health Consortium as of December 31, 2010, and the consolidated changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2011, on our consideration of Northern New Jersey Maternal/Child Health Consortium'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 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* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of Northern New Jersey Maternal/Child Health Consortium, taken as a whole. The accompanying consolidated schedules of expenditures of federal and state awards, findings and questioned costs and prior year audit findings and questioned costs are presented for the purpose of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations,"* and the *State of New Jersey Treasury Circular 04-04*, and are not a required part of the basic consolidated financial statements. In addition, the accompanying other supplementary consolidated schedules are presented for additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects in relation to the consolidated financial statements taken as a whole.



June 7, 2011

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Statements of Financial Position**  
**December 31, 2010 and 2009**

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**Assets**

	<b>2010</b>	<b>2009</b>
Current Assets		
Cash	\$ 2,035,543	\$ 1,844,665
Accounts receivable, net of allowance of \$-0- and \$65,942 in 2010 and 2009 respectively	406,724	414,297
Prepaid expenses	<u>60,292</u>	<u>70,136</u>
Total current assets	2,502,559	2,329,098
Security deposits	<u>35,109</u>	<u>41,279</u>
	<u><u>\$ 2,537,668</u></u>	<u><u>\$ 2,370,377</u></u>

**Liabilities and Net Assets**

Current liabilities		
Accounts payable and accrued expenses	\$ 195,463	\$ 424,360
Refundable advances	<u>554,695</u>	<u>284,729</u>
Total current liabilities	<u>750,158</u>	<u>709,089</u>
Net assets		
Unrestricted	1,672,297	1,546,972
Temporarily restricted	<u>115,213</u>	<u>114,316</u>
Total net assets	<u>1,787,510</u>	<u>1,661,288</u>
	<u><u>\$ 2,537,668</u></u>	<u><u>\$ 2,370,377</u></u>

The notes to consolidated financial statements are an integral part of these statements.

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Statements of Activities and Changes in Net Assets**  
**Year Ended December 31, 2010**  
**(with summarized consolidated financial information for 2009)**

	<b>2010</b>			<b>2009</b>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Support and revenue				
Hospital assessments	\$ 563,719	\$ -	\$ 563,719	\$ 577,324
Conference funding	27,983	-	27,983	23,776
Interest income	6,613	-	6,613	3,758
Other income	62,957	3,564	66,521	125,597
Grant funding - restricted	-	4,209,002	4,209,002	4,883,782
Net assets released from restrictions	<u>4,211,669</u>	<u>(4,211,669)</u>	<u>-</u>	<u>-</u>
Total support and revenue	4,872,941	897	4,873,838	5,614,237
Expenses				
Program expenses	4,211,669	-	4,211,669	4,888,439
Management, general and administrative	535,947	-	535,947	587,411
Total expenses	<u>4,747,616</u>	<u>-</u>	<u>4,747,616</u>	<u>5,475,850</u>
Increase in net assets	125,325	897	126,222	138,387
Net assets at beginning of year	<u>1,546,972</u>	<u>114,316</u>	<u>1,661,288</u>	<u>1,522,901</u>
Net assets at end of year	<u>\$ 1,672,297</u>	<u>\$ 115,213</u>	<u>\$ 1,787,510</u>	<u>\$ 1,661,288</u>

The notes to consolidated financial statements are an integral part of these statements.

**Northern New Jersey Maternal/Child Health Consortium  
Consolidated Statement of Functional Expenses by Program  
Year Ended December 31, 2010  
(with summarized consolidated financial information for 2009)**

	Program Services												Management, General and Administrative	Total Expenses	2009	
	FIMR	BIMRRC	Passaic Programs	Essex Programs	Family Care	FAS	Family Worker	Lead Poisoning	NJHS- Immunization Info Sys	Health Literacy	Postpartum Depression	Total Program Expenses				
Personnel costs																
Salaries/wages	\$ 12,772	\$ 88,964	\$ 812,767	\$ 751,692	\$ 3,315	\$ 123,698	\$ 167,826	\$ 213,491	\$ 43,927	\$ 40,154	\$ 137,509	\$ 2,396,115	\$ 335,880	\$ 2,731,995	\$ 3,002,374	
Fringe benefits	1,933	13,697	136,438	147,584	367	21,385	32,875	34,595	9,879	9,107	25,682	433,542	50,618	484,160	563,624	
Consultants	8,775	8,265	21,035	86,210	16	3,084	5,109	9,604	1,759	1,341	5,291	150,489	28,119	178,608	281,366	
Other																
Office expense & related costs	946	5,394	45,559	82,757	352	4,823	14,233	17,593	3,590	2,944	8,669	186,860	25,108	211,968	257,036	
Program expenses & related costs	424	15,651	66,024	68,403	-	1,946	11,223	34,641	4,000	352	3,833	206,497	7,439	213,936	343,255	
Travel, conferences & meetings	451	6,518	20,232	54,137	-	3,872	4,979	25,939	285	1,972	8,883	127,268	32,188	159,456	219,021	
Equipment & other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Facility costs	1,381	9,696	70,213	119,011	520	9,905	28,922	26,934	6,559	5,913	15,503	294,557	61,545	356,102	401,348	
Subgrants	-	-	-	-	-	-	279,203	115,274	-	21,864	-	416,341	-	416,341	376,648	
Bad debts (recovery)	-	-	-	-	-	-	-	-	-	-	-	-	(4,950)	(4,950)	31,178	
<b>Total costs</b>	<b>\$ 26,682</b>	<b>\$ 148,185</b>	<b>\$ 1,172,268</b>	<b>\$ 1,309,794</b>	<b>\$ 4,570</b>	<b>\$ 168,713</b>	<b>\$ 544,370</b>	<b>\$ 478,071</b>	<b>\$ 69,999</b>	<b>\$ 83,647</b>	<b>\$ 205,370</b>	<b>\$ 4,211,669</b>	<b>\$ 535,947</b>	<b>\$ 4,747,616</b>	<b>\$ 5,475,850</b>	

The notes to consolidated financial statements are an integral part of these statements.

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2010 and 2009**

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	2010	2009
Cash flows from operating activities:		
Increase in net assets	\$ 126,222	\$ 138,387
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Changes in operating assets and liabilities:		
Accounts receivable	7,573	(229,953)
Prepaid expenses	9,844	(40,142)
Accounts payable and accrued expenses	(228,897)	30,791
Refundable advances	269,966	284,729
	<u>184,708</u>	<u>183,812</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Change in security deposits	<u>6,170</u>	<u>-</u>
Net change in cash	190,878	183,812
Cash at beginning of year	<u>1,844,665</u>	<u>1,660,853</u>
Cash at end of year	<u>\$ 2,035,543</u>	<u>\$ 1,844,665</u>

The notes to consolidated financial statements are an integral part of these statements.

**Northern New Jersey Maternal/Child Health Consortium**  
**Notes to Consolidated Financial Statements**  
**December 31, 2010 and 2009**

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**1. Summary of Significant Accounting Policies and Nature of the Organization**

**Nature of the Organization**

The Northern New Jersey Maternal/Child Health Consortium (the "Consortium") was established on September 9, 1992 as a non-stock corporation and as an entity not for pecuniary profit. The Consortium's primary function is to improve maternal and child health in Bergen, Essex, Passaic and Morris Counties through regional education, quality assurance and improvement, health planning service coordination, program evaluation and advocacy.

**Financial Statement Presentation**

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles accepted in the United States of America. Accordingly, such information should be read in conjunction with the Consortium's consolidated financial statements for the year ended December 31, 2009, from which the summarized information was derived.

**Principles of Consolidation**

Pursuant to the New Jersey Charitable Registration and Investigation Section, Healthy Mothers/Healthy Babies of Essex and Paterson Healthy Mothers/Healthy Babies have separate registration requirements. Healthy Mothers/Healthy Babies of Essex and Paterson Healthy Mothers/Healthy Babies are part of the controlled group and have been included in these consolidated financial statements. All intercompany transactions have been eliminated in consolidation.

**Basis of Accounting**

The consolidated financial statements of the Consortium are presented on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses and costs are recognized when incurred.

**Net Assets**

The financial statement presentation follows guidance of the provisions of the Accounting Standard Codification ("ASC") No. 958 *Financial Statements of Not-for-Profit Organizations*. Under this standard, the Consortium 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.

Temporarily restricted funding was received during 2010 and 2009. Net assets temporarily restricted by grantors relate to ongoing programs. Grant funds received for these programs are restricted for the costs of the programs. These restrictions are satisfied when such costs are incurred. For the years ended December 31, 2010 and 2009, the Consortium only had transactions in the unrestricted and temporarily restricted net asset category.

**Donated Services**

In the event the Consortium receives donated services from an individual or organization that would normally receive a fee for services rendered, the donated services are reflected in the consolidated financial statements at their fair market value. The Consortium received no donated services during 2010 and 2009.

**Property and Equipment**

Property and equipment consists of computer equipment, furniture and fixtures, leasehold improvements and office equipment, which were purchased by the Consortium for use in its daily operations.

These assets are stated at cost and are depreciated and amortized on the straight-line basis over the assets' estimated useful life (over life of lease for leasehold improvements and 5 years for all others) if the asset cost is more than \$5,000.

**Northern New Jersey Maternal/Child Health Consortium**  
**Notes to Consolidated Financial Statements**  
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Grant property, plant and equipment consists of computer equipment, furniture and fixtures, and office equipment, which were purchased with grant funds by the Consortium for use in the funds' daily operations. These assets are stated at cost and are depreciated on the straight-line basis over the assets' useful life (5 years) if the asset cost is more than \$5,000.

At December 31, 2010 and 2009 property and equipment of \$256,318, were fully depreciated.

**Income Taxes**

The Consortium is exempt from federal and state income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not reflect provisions for federal and state income taxes.

On January 1, 2009, the Consortium adopted the recognition and disclosure provisions of the accounting for uncertainty in income taxes. Under this standard, the Consortium evaluates, tax positions requiring recognition using a more-likely-than-not threshold, and those tax positions requiring recognition are measured at the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. The Consortium has evaluated that the likelihood of their tax exempt status being challenged as remote. Accordingly, as of December 31, 2010 and 2009, the Consortium has not included any income tax provisions, including interest and penalties, in the financial statements. The Consortium is no longer subject to examination for tax years prior to 2007. There are no interest or penalties reflected on these financial statements.

**Consortium Membership**

The Consortium consists of the following 8 hospitals providing inpatient obstetrical services within Bergen, Essex, Passaic, and Morris Counties: Chilton Memorial Hospital, Englewood Hospital and Medical Center, Holy Name Medical Center, Mountainside Hospital, Saint Barnabas Medical Center, St. Joseph's Regional Medical Center, St. Mary's Hospital, and The Valley Hospital. Bergen Regional Medical Center, East Orange General Hospital, and Matheny Medical and Educational Center are also hospital members of the Consortium that provide pediatric services to the region. Saint Michael's Medical Center is also a hospital member of the Consortium that provides ambulatory prenatal services to the region. It is the Consortium's policy to reserve for bad debt(s) if a member hospital experiences financial difficulties and is unlikely to fulfill its obligation to pay membership dues.

**Support and Revenues**

The Consortium's support and revenue for the years ended 2010 and 2009 included the hospital assessments as well as conference funding, consulting, and other miscellaneous income. In 2010 and 2009, the Consortium received grant funding for temporarily restricted support projects (see note 3 for further details).

**Estimates**

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

**Advertising**

The Consortium follows the policy of charging the cost of advertising to expense as incurred. Advertising expense was \$2,555 and \$5,363 for the years ended December 31, 2010 and 2009, respectively.

**Concentrations of Credit Risk**

Cash at financial banking institutions fluctuates greatly during the year and at times such amounts exceed the current insured amount under the Federally Deposit Insurance Corporation (FDIC).

**Northern New Jersey Maternal/Child Health Consortium**  
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Management monitors regularly the financial condition of the banking institution, along with their balances in cash and tries to keep this potential risk to a minimum. In September 2009, the Consortium established a NOW account with a bank that participates in the FDIC's Transaction Account Guarantee Program. Under this new program, through January 2, 2011, funds held in NOW accounts were fully insured by the FDIC. Effective January 3, 2011 through December 31, 2012, funds in non-interest bearing accounts are insured in full by the FDIC. In April, 2011, the Consortium transferred NOW account balances to a fully-insured non-interest bearing account.

Grants represented approximately 92% and 79% of the gross receivables at December 31, 2010 and 2009, respectively. The majority of these grants are from government agencies.

At December 31, 2010 and 2009 one vendor represented approximately 26% and 41% of accounts payable, respectively.

**Financial Instruments**

The carrying value of the Consortium's financial instruments as of December 31, 2010 and 2009 include cash, accounts receivable, accounts payable and accrued expenses, and refundable advances and approximate their fair value due to relatively short maturity of these instruments.

**Revenue Recognition and Accounts Receivable**

Revenues are recognized in the period program and program related services are provided and consist primarily of grant revenues from federal and state grants and assessments from member hospitals that are reported at estimated net realizable amounts which are used to support various programs.

Accounts receivable are recorded at the net realizable value and do not bear interest, generally requiring payment within 30 days from the invoice date. Payments of accounts receivable are allocated to the specific programs identified in the remittance advice. The allowance for doubtful accounts is the Consortium's best estimate of the amount of probable credit losses in existing accounts receivable. The Consortium determines the allowance based on historical write-off experience. The Consortium reviews its allowance for doubtful accounts periodically and past due balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

**2. Grants**

The Consortium receives a substantial amount of their grants from the New Jersey Department of Health and Senior Services ("DHSS"), the New Jersey Department of Children and Families ("DCF"), the New Jersey Department of Human Services ("DHS"), and the New Jersey Department of Community Affairs ("DCA") as well as other funding sources to promote the Consortium's mission. The Consortium has approximately \$2,200,000 in approved awards that the Consortium can spend for budget periods ending in June 2011. The amount for the budget periods ending June 2010 was approximately \$2,100,000.

The following is a description of the various programs that are supported by DHSS, DCF, DHS, DCA and other funders:

Fetal Infant Mortality Review ("FIMR") - DHSS

Project to address infant and fetal mortality indicators in Bergen and Essex Counties.

Black Infant Mortality Reduction Resource Center ("BIMRRC") - DHSS

Provides information, education, advocacy, and support to consumers and providers related to the reduction of Black infant mortality.

**Northern New Jersey Maternal/Child Health Consortium**  
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Providing Education Through Advocacy and Learning Strategies ("PETALS") - DHSS  
Provides education and access to resources and culturally appropriate information related to the health of Black women of childbearing age. Program activity is included in BIMRRC. State funding for this program was discontinued after 12/31/09.

BIMR DVD Project – March of Dimes  
Project to develop and distribute a DVD to pregnant Black women and their health care providers focused on the prevention of infant mortality, low birth weight, and preterm birth. Program activity is included in BIMRRC.

Disparities Guides - Aetna Foundation  
Addresses racial disparities to improve pregnancy outcomes by developing standardized, culturally sensitive prenatal education materials for community outreach workers who primarily serve African American clients and providers who primarily serve Hispanic clients. Program activity is included in BIMRRC.

Paterson Healthy Mothers/Healthy Babies Coalition ("HMHB") - DHSS  
Programs designed to reduce the incidence of infant mortality, low birth-weight and adolescent pregnancy in areas designated as high risk for these indicators of poor maternal/child health status. State funding for this program was discontinued after 12/31/09.

Reproductive Health Access Information Network (RHAIN) – DHSS  
Program to educate Passaic County consumers and providers on the importance of prenatal, preconception, and inter-conception care and to establish a single point of entry and referral system to connect clients with services. Program activity is included in Passaic Programs.

Passaic County Healthy Families/TIP - DCF  
Programs to promote healthy family development for families at risk for child abuse and neglect in Passaic County. Program activity is included in Passaic Programs.

Paterson Oral Health Project – March of Dimes  
Project to educate consumers and community agencies about the importance of oral health for pregnant women, infants, and young children. Program activity is included in Passaic Programs.

Nurse Family Partnership Program (NFP) – DCF  
Program provides nurses to educate pregnant women in their homes to promote healthy birth outcomes and positive parenting. Program activity is included in Passaic Programs.

Healthy Mothers/Healthy Babies Coalition of Essex ("HMHBE") - DHSS  
Programs designed to reduce the incidence of infant mortality, low birth-weight and adolescent pregnancy in areas designated as high risk for these indicators of poor maternal/child health status. State funding for this program was discontinued after 12/31/09.

Central Intake: Essex Pregnancy and Parenting Connection (EPPC) – Prevent Child Abuse-NJ  
Program to collaborate with Prevent Child Abuse-NJ to establish and operate a centralized intake and referral system to facilitate access of women and families in Essex County to appropriate services. Program activity is included in Essex Programs.

Essex Care Management (MEd Mentor) – The Nicholson Foundation  
Program to identify and work with pregnant teens to facilitate early initiation and engagement in prenatal care. Program activity is included in Essex Programs.

Essex County Healthy Families/TIP – DCF  
Programs to promote healthy family development for families at risk for child abuse and neglect in East Orange and Urban Essex County. Program activity is included in Essex Programs.

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Irvington Family Development Center ("IFDC") - DCF and DHSS

Programs to provide community with resources and assistance in ten core service areas: access to health information, provision of family success plans, economic self-sufficiency, referral to community resources, life skills training, housing related services, parent education, parent-child activities, advocacy on behalf of families, and home visitation. The IFDC is a designated Family Success Center and also provides programs to support early childhood behavioral health and health screenings. Program activity is included in Essex Programs.

IFDC - Schumann Fund for New Jersey

Supports programs provided by the Irvington Family Development Center. Program activity is included in Essex Programs.

IFDC - Township of Irvington

Supports health and behavioral screening programs provided by the Irvington Family Development Center. Program activity is included in Essex Programs.

IFDC - Turrell Fund

Supports the Irvington Family Development Center's program focusing on early childhood behavioral health. Program activity is included in Essex Programs.

Early Childhood Behavioral Health Program in Irvington - Healthcare Foundation of New Jersey (HCFNJ)

Project to provide behavioral health screenings and short-term therapy to young children and education and support to caregivers. Program activity is included in Essex Programs.

Fathers Empowered to Learn, Lead, and Achieve Success (FELLAS) - DCF

Project to provide education and support to fathers living in Essex County to increase knowledge and skills of fathers and promote positive interaction and involvement in children's lives. Program activity is included in Essex Programs.

"Success by Six" Project - United Way of Essex and West Hudson

Programs to provide parent education and children's health screenings for populations at risk of poor health outcomes in Newark and Irvington. Program activity is included in Essex Programs. Funding for this program was discontinued after 12/31/09.

Pediatric Asthma Disparities – DHSS

Project to provide case management and support to clients residing in Newark to help improve management of pediatric asthma symptoms and reduce school absences and emergency department visits. Program activity is included in Essex Programs.

Essex Family Care – DHS/DHSS

Project to educate families about the availability of NJ Family Care (subsidized health insurance) and to assist eligible families to enroll for coverage. Program activity is included in Essex Programs.

Family Worker Outreach - DHS

Project to support the Family Development Credentialing (FDC) of Family Workers and to provide supervision to up to 60 family workers (FWs) serving Abbott contracted child care centers in Irvington, Passaic and the Oranges.

Fetal Alcohol Syndrome/Prenatal Addictions Prevention ("FAS") – DHSS

Project to provide information, education and support to providers and programs serving women, children and families affected by prenatal substance use/abuse.

Lead Poisoning Prevention Coalition – DHSS

Project to provide information, education and support to providers and consumers related to lead poisoning prevention and to increase the number of children who receive blood lead testing.

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Lead Education and Outreach (“LEO”) – DCA

Project to improve housing safety related to lead contamination and lead safe work practices and to educate consumers on the availability of Lead Hazard Control Assistance (reduced cost loans for lead abatement). Program activity is included in Lead Poisoning.

Wipe Out Lead (WOL) – Southern NJ Perinatal Cooperative

Project to complete lead swab tests and provide lead poisoning prevention education to clients during home visits, and track test kit data and assist clients in accessing lead poisoning prevention resources, including Lead Hazard Control Assistance funding. Program activity is included in Lead Poisoning.

Nuestra Salud: Health Literacy Project – Robert Wood Johnson Foundation, NJ Health Initiatives

Project to incorporate health literacy modules into existing adult English as a Second Language (ESL) programs geared toward immigrants to improve the ability to understand and access healthcare.

Immunization Information Systems – DHSS

Project to facilitate the enrollment and participation of regional providers in the NJ Immunization Information System and to ensure the accuracy of information submitted (immunization registry).

Postpartum Depression – DHSS

Project to provide education to health professionals and consumers related to postpartum mood disorders.

Validity Project – Unilever Foundation

Project to provide education to young women regarding the importance of exercise and healthy behaviors. Program activity is included in Management, General and Administrative.

**3. Restrictions on Net Assets**

Temporarily restricted net assets are available for the following purposes at December 31, 2010 and 2009:

	2010	2009
BIMRRC	\$ 4,781	\$ 4,781
Passaic Programs	106,014	104,514
Essex Programs	(4,656)	(4,049)
FAS	9,100	9,099
Lead Poisoning	(26)	(29)
Total	<u>\$ 115,213</u>	<u>\$ 114,316</u>

**4. Pension Plan**

The Consortium has a defined contribution pension plan, which covers all employees eligible under the plan. Eligible employees of the Consortium are immediately entitled to participate in the plan once the annuity agreement has been signed. The plan allows for voluntary employee contributions from 0-15% each plan year. There were no employer contributions for the years ended December 31, 2010 and 2009.

**5. Contingencies and Commitments**

The Consortium subleases office and program facilities under non-cancellable operating lease agreements. Terms of the agreements provide for monthly payments of \$15,597 and expire in June 2011, September 2011, and August 2012.

Future minimum lease payments subsequent to December 31, 2010 are as follows:

2011	\$ 145,674
2012	<u>58,966</u>
	<u>\$ 204,640</u>

**Northern New Jersey Maternal/Child Health Consortium**  
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The Consortium subleases various program facilities for various programs on a month to month basis. Monthly payments on these facilities are \$5,548. Rental expense for all office space leases amounted to \$237,028 and \$296,348 for the years ended December 31, 2010 and 2009, respectively.

**6. Subsequent Events**

The Consortium has evaluated subsequent events occurring after the balance sheet through the date of June 7, 2011, which is the date the financial statements were available to be issued. Based on this evaluation, the Consortium has determined that the following subsequent events have occurred.

Effective May 10, 2011, the Consortium renewed one of its leases for a one year term for the period July 1, 2011 – June 30, 2012 at a base monthly rental cost of \$2,000. This renewal is not reflected in the lease payments listed above under note 5.

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Schedule of Financial Position by Program**  
**December 31, 2010**  
**(with summarized consolidated financial information for 2009)**

	Program Services												Management, General and Administrative	Total	2009
	FIMR	BIMRRC	Passaic Programs	Essex Programs	Family Care	FAS	Family Worker	Lead Poisoning	NJIS- Immunization Info Sys	Health Literacy	Postpartum Depression	Total Program Services			
<b>Assets</b>															
Current assets															
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,035,543	\$ 2,035,543	\$ 1,844,665
Accounts receivable, net	-	-	95	81,810	-	84,797	23,733	101,080	-	1,940	80,792	374,247	32,477	406,724	414,297
Due from / to other funds	19,800	126,059	401,560	139,143	(753)	(71,360)	(17,668)	(79,095)	7,504	4,110	(74,770)	454,530	(454,530)	-	-
Prepaid expenses	76	546	6,810	10,188	-	822	1,598	1,373	64	425	1,117	23,019	37,273	60,292	70,136
<b>Total current assets</b>	<b>19,876</b>	<b>126,605</b>	<b>408,465</b>	<b>231,141</b>	<b>(753)</b>	<b>14,259</b>	<b>7,663</b>	<b>23,358</b>	<b>7,568</b>	<b>6,475</b>	<b>7,139</b>	<b>851,796</b>	<b>1,650,763</b>	<b>2,502,559</b>	<b>2,329,098</b>
Security deposits	-	-	-	10,959	-	-	-	-	-	-	-	10,959	24,150	35,109	41,279
	<b>\$ 19,876</b>	<b>\$ 126,605</b>	<b>\$ 408,465</b>	<b>\$ 242,100</b>	<b>\$ (753)</b>	<b>\$ 14,259</b>	<b>\$ 7,663</b>	<b>\$ 23,358</b>	<b>\$ 7,568</b>	<b>\$ 6,475</b>	<b>\$ 7,139</b>	<b>\$ 862,755</b>	<b>\$ 1,674,913</b>	<b>\$ 2,537,668</b>	<b>\$ 2,370,377</b>
<b>Liabilities and Net Assets</b>															
Current liabilities															
Accounts payable and accrued expenses	\$ (149)	\$ 26,997	\$ 64,293	\$ 45,071	\$ (753)	\$ 5,159	\$ 7,663	\$ 23,384	\$ 7,568	\$ 6,475	\$ 7,139	\$ 192,847	\$ 2,616	\$ 195,463	\$ 424,360
Refundable advances	20,025	94,827	238,158	201,685	-	-	-	-	-	-	-	554,695	-	554,695	284,729
<b>Total current liabilities</b>	<b>19,876</b>	<b>121,824</b>	<b>302,451</b>	<b>246,756</b>	<b>(753)</b>	<b>5,159</b>	<b>7,663</b>	<b>23,384</b>	<b>7,568</b>	<b>6,475</b>	<b>7,139</b>	<b>747,542</b>	<b>2,616</b>	<b>750,158</b>	<b>709,089</b>
Net assets (deficiency)															
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	1,672,297	1,672,297	1,546,972
Temporarily restricted	-	4,781	106,014	(4,656)	-	9,100	-	(26)	-	-	-	115,213	-	115,213	114,316
<b>Total net assets</b>	<b>-</b>	<b>4,781</b>	<b>106,014</b>	<b>(4,656)</b>	<b>-</b>	<b>9,100</b>	<b>-</b>	<b>(26)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,213</b>	<b>1,672,297</b>	<b>1,787,510</b>	<b>1,661,288</b>
	<b>\$ 19,876</b>	<b>\$ 126,605</b>	<b>\$ 408,465</b>	<b>\$ 242,100</b>	<b>\$ (753)</b>	<b>\$ 14,259</b>	<b>\$ 7,663</b>	<b>\$ 23,358</b>	<b>\$ 7,568</b>	<b>\$ 6,475</b>	<b>\$ 7,139</b>	<b>\$ 862,755</b>	<b>\$ 1,674,913</b>	<b>\$ 2,537,668</b>	<b>\$ 2,370,377</b>

See independent auditors' report.

Northern New Jersey Maternal/Child Health Consortium  
Consolidated Schedules of Activities and Changes in Net Assets by Program  
Year ended December 31, 2010  
(with summarized consolidated financial information for 2009)

	Program Services											Management, General and Administrative	Total	2009		
	FIMR	BIMRRC	Passaic Programs	Essex Programs	Family Care	FAS	Family Worker	Lead Poisoning	NJIS- Immunization Info Sys	Health Literacy	Postpartum Depression				Total Program Services	
Support and revenue																
Hospital assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,719	\$ 563,719	\$ 577,324	
Conference funding	-	-	-	-	-	-	-	-	-	-	-	-	27,983	27,983	23,776	
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	6,613	6,613	3,758	
Other income	-	-	1,500	2,064	-	-	-	-	-	-	-	3,564	62,957	66,521	125,597	
Grant funding - restricted	26,682	148,185	1,172,271	1,307,124	4,570	168,713	544,370	478,071	69,999	83,647	205,370	4,209,002	-	4,209,002	4,883,782	
Total support and revenue	26,682	148,185	1,173,771	1,309,188	4,570	168,713	544,370	478,071	69,999	83,647	205,370	4,212,566	661,272	4,873,838	5,614,237	
Expenses																
Program expenses	26,682	148,185	1,172,268	1,309,794	4,570	168,713	544,370	478,071	69,999	83,647	205,370	4,211,669	-	4,211,669	4,888,439	
Management, general and administrative	-	-	-	-	-	-	-	-	-	-	-	-	535,947	535,947	587,411	
Total expenses	26,682	148,185	1,172,268	1,309,794	4,570	168,713	544,370	478,071	69,999	83,647	205,370	4,211,669	535,947	4,747,616	5,475,850	
Increase (decrease) in net assets	-	-	1,503	(606)	-	-	-	-	-	-	-	897	125,325	126,222	138,387	
Net assets (deficiency) at beginning of year	-	4,781	104,511	(4,050)	-	9,100	-	(26)	-	-	-	114,316	1,546,972	1,661,288	1,522,901	
Net assets (deficiency) at end of year	\$ -	\$ 4,781	\$ 106,014	\$ (4,656)	\$ -	\$ 9,100	\$ -	\$ (26)	\$ -	\$ -	\$ -	\$ 115,213	\$ 1,672,297	\$ 1,787,510	\$ 1,661,288	

See independent auditors' report.

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Schedule of Cash Flows by Program**  
**Year ended December 31, 2010**  
**(with summarized consolidated financial information for 2009)**

	Program Services												Management, General and Administrative	Total	2009		
	FIMR	BIMRRC	Passaic Programs	Essex Programs	Family Care	FAS	Family Worker	Lead Poisoning	NJHS- Immunization Info Sys	Health Literacy	Postpartum Depression	Cord Blood				Total Program Services	
Cash flows from operating activities:																	
Increase (decrease) in net assets	\$ -	\$ -	\$ 1,503	\$ (606)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897	\$ 125,325	\$ 126,222	\$ 138,387	
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:																	
Change in operating assets and liabilities :																	
Accounts receivable	13,294	75,086	396	(61,898)	11,591	(356)	(23,660)	(26,955)	20	(1,940)	19,724	-	5,302	2,271	7,573	(229,953)	
Prepaid expenses	(65)	724	3,349	6,677	-	25	88	(102)	402	(2)	(312)	-	10,784	(940)	9,844	(40,142)	
Accounts payable and accrued expenses	(3,490)	(13,661)	(16,215)	(104,213)	(340)	(4,627)	(21,481)	(19,682)	(542)	(884)	(28,799)	-	(213,934)	(14,963)	(228,897)	30,791	
Refundable advances	20,025	36,567	208,768	79,149	-	-	(66,816)	-	-	(7,727)	-	-	269,966	-	269,966	284,729	
Net cash provided (used) by operating activities	29,764	98,716	197,801	(80,891)	11,251	(4,958)	(111,869)	(46,739)	(120)	(10,553)	(9,387)	-	73,015	111,693	184,708	183,812	
Cash flow from investing activities:																	
Change in security deposits	-	-	-	6,170	-	-	-	-	-	-	-	-	6,170	-	6,170	-	
Net cash used by investing activities:	-	-	-	6,170	-	-	-	-	-	-	-	-	6,170	-	6,170	-	
Cash flows from financing activities:																	
Proceeds (repayments of) due from other funds	(29,764)	(98,716)	(197,801)	74,721	(11,251)	4,958	111,869	46,739	120	10,553	9,387	-	(79,185)	79,185	-	-	
Net cash provided (used) by financing activities	(29,764)	(98,716)	(197,801)	74,721	(11,251)	4,958	111,869	46,739	120	10,553	9,387	-	(79,185)	79,185	-	-	
Net change in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	190,878	190,878	183,812	
Cash at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	1,844,665	1,844,665	1,660,853	
Cash at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,035,543	\$ 2,035,543	\$ 1,844,665	

See independent auditors' report.

**Northern New Jersey Maternal/Child Health Consortium**  
**Additional Information**  
**Year Ended December 31, 2010**

**New Jersey Department of Health and Senior Services**  
**Grant Numbers 10-239-CHS-N-3, FHS-2011-Infant Mortality-0001, and FHS-2011-Fetal Alcohol-0001**  
**Consolidated Schedule of Budgeted and Incurred Costs**  
**For the period January 1, 2010 to December 31, 2010**

10-239-CHS-N-3 Description	Budgeted Costs 7/1/09-6/30/10	Actual Costs Incurred 7/1/09-12/31/09	Actual Costs Incurred 1/1/10-6/30/10	Total	Expenses Per Final Report
Personnel					
Salaries	\$ 611,823	\$ 382,648	\$ 233,315	\$ 615,963	\$ 615,963
Fringe benefits	102,018	57,765	42,988	100,753	100,753
Consultants	28,982	11,954	17,320	29,274	29,274
Office expense and related cost	46,089	26,474	19,561	46,035	46,035
Program expense and related cost	74,435	25,730	47,949	73,679	73,679
Travel, conferences and meetings	51,480	33,644	17,084	50,728	50,728
Facility cost	79,208	51,325	26,278	77,603	77,603
Subgrant	170,785	170,785	-	170,785	170,785
<b>Total</b>	<b>\$ 1,164,820</b>	<b>\$ 760,325</b>	<b>\$ 404,495</b>	<b>\$ 1,164,820</b>	<b>\$ 1,164,820</b>

FHS-2011-Infant Mortality-0001 Description	Budgeted Costs 7/1/10-6/30/11	Actual Costs Incurred 7/1/10-12/31/10	Actual Costs Incurred 1/1/11-6/30/11	Total	Current Year Expenditures
Personnel					
Salaries	\$ 393,044	\$ 208,443	\$ -	\$ 208,443	\$ 208,443
Fringe benefits	92,365	36,739	-	36,739	36,739
Consultants	65,744	7,099	-	7,099	7,099
Office expense and related cost	26,247	9,783	-	9,783	9,783
Program expense and related cost	23,510	4,169	-	4,169	4,169
Travel, conferences and meetings	43,102	5,087	-	5,087	5,087
Facility cost	35,718	17,864	-	17,864	17,864
Subgrant	-	-	-	-	-
<b>Total</b>	<b>\$ 679,730</b>	<b>\$ 289,184</b>	<b>\$ -</b>	<b>\$ 289,184</b>	<b>\$ 289,184</b>

FHS-2011-Fetal Alcohol-0001 Description	Budgeted Costs 7/1/10-6/30/11	Actual Costs Incurred 7/1/10-12/31/10	Actual Costs Incurred 1/1/11-6/30/11	Total	Current Year Expenditures
Personnel					
Salaries	\$ 120,142	\$ 60,702	\$ -	\$ 60,702	\$ 60,702
Fringe benefits	28,233	9,598	-	9,598	9,598
Consultants	3,585	1,816	-	1,816	1,816
Office expense and related cost	6,446	3,284	-	3,284	3,284
Program expense and related cost	200	-	-	-	-
Travel, conferences and meetings	3,300	1,104	-	1,104	1,104
Facility cost	13,094	6,583	-	6,583	6,583
Subgrant	-	-	-	-	-
<b>Total</b>	<b>\$ 175,000</b>	<b>\$ 83,087</b>	<b>\$ -</b>	<b>\$ 83,087</b>	<b>\$ 83,087</b>

See Independent Auditors' Report.

**Northern New Jersey Maternal/Child Health Consortium  
Additional Information  
Year Ended December 31, 2010**

**New Jersey Department of Health and Senior Services  
Grant Numbers 10-361-CHS-N-0 and FHS-2011-Child Health-0004  
Consolidated Schedule of Budgeted and Incurred Costs  
For the period January 1, 2010 to December 31, 2010**

10-361-CHS-N-0 Description	Budgeted Costs 7/1/09-6/30/10	Actual Costs Incurred 7/1/09-12/31/09	Actual Costs Incurred 1/1/10-6/30/10	Total	Expenses Per Final Report
Personnel					
Salaries	\$ 80,933	\$ 40,615	\$ 40,276	\$ 80,891	\$ 80,891
Fringe benefits	18,753	9,373	9,385	18,758	18,758
Consultants	1,648	676	970	1,646	1,646
Office expense and related cost	5,510	3,120	2,372	5,492	5,492
Program expense and related cost	11,600	10,969	535	11,504	11,504
Travel, conferences and meetings	6,556	4,078	2,631	6,709	6,709
Facility cost	-	-	-	-	-
Total	<u>\$ 125,000</u>	<u>\$ 68,831</u>	<u>\$ 56,169</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>

FHS-2011-Child Health-0004 Description	Budgeted Costs 7/1/10-6/30/11	Actual Costs Incurred 7/1/10-12/31/10	Actual Costs Incurred 1/1/11-6/30/11	Total	Current Year Expenditures
Personnel					
Salaries	\$ 80,625	\$ 39,942	\$ -	\$ 39,942	\$ 39,942
Fringe benefits	18,544	7,157	-	7,157	7,157
Consultants	3,181	1,781	-	1,781	1,781
Office expense and related cost	6,704	3,801	-	3,801	3,801
Program expense and related cost	13,705	2,235	-	2,235	2,235
Travel, conferences and meetings	9,504	2,371	-	2,371	2,371
Facility cost	12,737	6,362	-	6,362	6,362
Total	<u>\$ 145,000</u>	<u>\$ 63,649</u>	<u>\$ -</u>	<u>\$ 63,649</u>	<u>\$ 63,649</u>

See Independent Auditors' Report.

**Northern New Jersey Maternal/Child Health Consortium  
Additional Information  
Year Ended December 31, 2010**

**New Jersey Department of Health and Senior Services  
Grant Number 10-59-IMM-N-1  
Consolidated Schedule of Budgeted and Incurred Costs  
For the period January 1, 2010 to December 31, 2010**

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10-59-IMM-N-1 Description	Budgeted Costs 1/1/10-12/31/10	Actual Costs Incurred 1/1/10-12/31/10	Expenses Per Final Report
Personnel			
Salaries	\$ 44,346	\$ 43,927	\$ 43,927
Fringe benefits	9,637	9,879	9,879
Consultants	1,720	1,759	1,759
Office expense and related cost	3,533	3,591	3,591
Program expense and related cost	3,900	4,000	4,000
Travel, conferences and meetings	278	285	285
Facility cost	6,586	6,559	6,559
	<hr/>	<hr/>	<hr/>
Total	\$ 70,000	\$ 70,000	\$ 70,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Independent Auditors' Report.

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Schedule of Expenditures of Federal and State Awards**  
**Year Ended December 31, 2010**

State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-Through	Period Covered by Award	Program or Award Amount	Current year's Expenditures
<u>Pass-through from Federal Agencies:</u>					
New Jersey Department of Health and Senior Services					
Health Services Grant - Reproductive/Perinatal Services	93.926	10-239-CHS-N-3 FHS-2011-Infant	07/1/09-06/30/10	\$ 1,164,820	\$ 404,495
Health Services Grant - Outreach & Education Services	93.926	Mortality-0001	07/1/10-06/30/11	679,730	289,184
Health Services Grant - Immunization	93.268	10-59-IMM-N-1	1/1/10-12/31/10	70,000	70,000
Health Services Grant - Childhood Lead Poisoning Coalition	93.994 / 93.197	FHS-2011-Child Health-0004	07/1/10-06/30/11	<u>145,000</u>	<u>63,649</u>
Total Federal Awards				<u>\$ 2,059,550</u>	<u>\$ 827,328</u>
<u>State Awards:</u>					
New Jersey Department of Health and Senior Services					
Health Services Grant - Fetal Alcohol	N/A	FHS-2011-Fetal Alcohol-0001	07/1/10-06/30/11	175,000	83,087
Health Services Grant - Childhood Lead Poisoning Coalition	N/A	10-361-CHS-N-0	07/1/09-06/30/10	125,000	56,169
Health Services Grant - Pediatric Asthma Disparities	N/A	10-1502-OMH-N-2	07/1/09-01/31/10	47,625	8,078
Health Services Grant - Essex Family Care	N/A	09-1502-OMH-N-1	05/1/09-03/12/10	16,160	4,569
New Jersey Department of Children and Families					
Home Visitation - Healthy Families/TIP	N/A	10FTRN	07/1/09-06/30/10	1,113,354	529,138
Home Visitation - Healthy Families/TIP	N/A	11FTRN	07/1/10-06/30/11	1,113,354	528,399
Home Visitation - Nurse Family Partnership	N/A	10AZBP	07/1/09-06/30/10	421,020	216,818
Family Success Center & Fatherhood Initiative	N/A	10AYBP	07/1/09-06/30/10	333,333	221,814
Family Success Center, Fatherhood Initiative & NFP	N/A	11AYBP	07/1/10-06/30/11	821,020	379,785
New Jersey Department of Human Services					
Family Worker Outreach	N/A	FW10011	07/1/09-06/30/10	524,471	127,848
Family Worker Outreach	N/A	FW11011	07/1/10-06/30/11	565,049	416,523
New Jersey Department of Community Affairs					
Grant / Loan Agreement for Lead Education Outreach (LEO)	N/A	08-2820-05	07/1/08-06/30/10	443,143	173,950
Grant / Loan Agreement for Lead Education Outreach (LEO)	N/A	2011-99995-0000-01	07/1/10-06/30/11	<u>455,000</u>	<u>173,251</u>
Total State Awards				<u>\$ 6,153,529</u>	<u>\$ 2,919,429</u>
Total Federal and State Awards				<u>\$ 8,213,079</u>	<u>\$ 3,746,757</u>

See Independent Auditors' Report.

See accompanying Notes to Consolidated Schedule of Federal and State Awards

Northern New Jersey Maternal/Child Health Consortium  
Consolidated Schedule of Federal and State Expenditures by Budget Line Item  
Year Ended December 31, 2010

Budget line item	Reproductive and Perinatal Health Services 10-239-CHS-N-3 (Federal)	Outreach and Education Health Services FHS-2011-Inf. Mortality-0001 (Federal)	Fetal Alcohol Syndrome Prevention FHS-2011-Fetal Alcohol-0001 (State)	NJIS Recruitment and Training 10-59-IMM-N-1 (Federal)	NNJ Regional Lead Poisoning Prevention Coalition 10-361-CHS-N-0 (State)	Childhood Lead Poisoning Prevention Coalition FHS-2011-Child Health-0004 (Federal)	Essex Family Care Project 09-1502-OMH-N-1 (State)	Reducing Pediatric Asthma Disparities Project 10-1502-OMH-N-2 (State)	Healthy Families/TIP Passaic Co. and Healthy Families/TIP Urban Essex 10FTRN (State)
Personnel									
Salaries	\$ 233,315	\$ 208,443	\$ 60,702	\$ 43,927	\$ 40,276	\$ 39,942	\$ 3,315	\$ 5,717	\$ 323,546
Fringe benefits	42,988	36,739	9,598	9,879	9,385	7,157	367	1,438	72,069
Consultants	17,320	7,099	1,816	1,759	970	1,781	16	33	9,893
Office expense and related cost	19,561	9,783	3,284	3,591	2,372	3,801	352	175	25,996
Program expense and related cost	47,949	4,169	--	4,000	535	2,235	--	--	40,657
Travel, conferences and meetings	17,084	5,087	1,104	285	2,631	2,371	--	--	11,708
Facility cost	26,278	17,864	6,583	6,559	--	6,362	519	715	45,269
Subgrant	--	--	--	--	--	--	--	--	--
Total expenditures	\$ 404,495	\$ 289,184	\$ 83,087	\$ 70,000	\$ 56,169	\$ 63,649	\$ 4,569	\$ 8,078	\$ 529,138

**Northern New Jersey Maternal/Child Health Consortium**  
**Consolidated Schedule of Federal and State Expenditures by Budget Line Item**  
**Year Ended December 31, 2010**

<b>Budget line item</b>	<b>Healthy Families/TIP Passaic Co. and Healthy Families/TIP Urban Essex 11FTRN (State)</b>	<b>Nurse Family Partnership (NFP) 10AZBP (State)</b>	<b>Irvington Family Success Center and FELLAS 10AYBP (State)</b>	<b>Irvington Family Success Center, FELLAS, and NFP 11AYBP (State)</b>	<b>Family Worker Outreach FW10011 (State)</b>	<b>Family Worker Outreach FW11011 (State)</b>	<b>Lead Education Outreach (LEO) 08-2820-05 (State)</b>	<b>Lead Education Outreach (LEO) 2011-99995-0000-01 (State)</b>
Personnel								
Salaries	\$ 365,136	\$ 163,019	\$ 116,495	\$ 259,002	\$ 78,516	\$ 89,310	\$ 50,476	\$ 75,680
Fringe benefits	62,057	26,177	22,209	36,762	16,710	16,165	7,137	10,094
Consultants	14,203	2,431	8,947	7,927	545	4,565	3,253	3,600
Office expense and related cost	30,781	4,649	13,152	16,655	6,349	7,884	4,323	6,664
Program expense and related cost	5,267	6,334	25,581	11,459	11,101	122	20,724	10,212
Travel, conferences and meetings	9,559	3,406	17,912	18,650	2,321	2,658	9,070	11,295
Equipment & other capital expenditures	--	--	--	--	--	--	--	--
Facility cost	41,396	10,802	17,518	29,330	12,306	16,616	8,443	10,956
Subgrant	--	--	--	--	--	279,203	70,524	44,750
Total expenditures	<u>\$ 528,399</u>	<u>\$ 216,818</u>	<u>\$ 221,814</u>	<u>\$ 379,785</u>	<u>\$ 127,848</u>	<u>\$ 416,523</u>	<u>\$ 173,950</u>	<u>\$ 173,251</u>

**Northern New Jersey Maternal/Child Health Consortium**  
**Notes to Consolidated Schedule of Expenditures of Federal and State Awards**  
**December 31, 2010**

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**1. Basis of Presentation**

The accompanying consolidated schedule of expenditures of federal and state awards includes the federal and state grant activity of Northern New Jersey Maternal/Child Health Consortium, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State of New Jersey Treasury OMB Circular 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.



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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With *Government Auditing Standards***

To the Board of Trustees,  
Northern New Jersey Maternal/Child Health Consortium

We have audited the consolidated financial statements of Northern New Jersey Maternal/Child Health Consortium as of and for the year ended December 31, 2010, and have issued our report thereon dated June 7, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Northern New Jersey Maternal/Child Health Consortium's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Northern New Jersey Maternal/Child Health Consortium's consolidated financial statements are free of material misstatements, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and federal and state awarding agencies, others within the entity, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Witche + PC*

June 7, 2011



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## **Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and State of New Jersey Treasury Circular 04-04**

To the Board of Trustees,  
Northern New Jersey Maternal/Child Health Consortium:

### **Compliance**

We have audited the compliance of Northern New Jersey Maternal/Child Health Consortium with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement and the State of New Jersey Treasury Circular 04-04* that could have a material effect on its major federal and state programs for the year ended December 31, 2010. Northern New Jersey Maternal/Child Health Consortium's major federal and state programs are identified in the summary of auditors' results section of the accompanying consolidated schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Northern New Jersey Maternal/Child Health Consortium's management. Our responsibility is to express an opinion on Northern New Jersey Maternal/Child Health Consortium's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations and the State of New Jersey Treasury Circular 04-04*. Those standards and OMB Circular A-133 and New Jersey Treasury Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Northern New Jersey Maternal/Child Health Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Northern New Jersey Maternal/Child Health Consortium's compliance with those requirements.

In our opinion, Northern New Jersey Maternal/Child Health Consortium complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010.

### **Internal Control Over Compliance**

Management of Northern New Jersey Maternal/Child Health Consortium is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Northern New Jersey Maternal/Child Health Consortium's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Consortium'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 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 or state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management and private, federal or state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



June 7, 2011

**Northern New Jersey Maternal/Child Health Consortium  
 Consolidated Schedule of Findings and Questioned Costs  
 Year ended December 31, 2010**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  None
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported.

Noncompliance material to financial statements noted?  Yes  None

Federal and State Awards

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported.

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs :

<u>CFDA</u>	<u>Grant Numbers</u>	<u>Name</u>
N/A	10AZBP	NJDCF Home Visitation - Nurse Family Partnership
N/A	10AYBP	NJDCF Family Success Center and Fatherhood Initiative
N/A	11AYBP	NJDCF Family Success Center, Fatherhood Initiative, and Nurse Family
N/A	08-2820-05	NJDCA Lead Education Outreach
N/A	2011-99995-0000-01	NJDCA Lead Education Outreach

Dollar threshold used to distinguish between Type A and type B programs? \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Findings**

None.

**Section III - Federal and State Award Findings and Questioned Costs**

None.

See Independent Auditors' Report.

**Northern New Jersey Maternal/Child Health Consortium  
Consolidated Schedule of Prior Year Audit Findings and Questioned Costs  
Year Ended December 31, 2010**

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NONE