

AMENDED FISCAL REPORTS  
For Fiscal Years:

July 1, 2008 to June 30, 2009

And

July 1, 2009 to June 30, 2010

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McKean County  
Children and Youth Agency

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December 2015



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DePASQUALE  
AUDITOR GENERAL

The Commissioners of McKean County  
County Courthouse  
500 West Main Street  
Smethport, PA 16749

Dear Commissioners:

We have examined the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the McKean County Children and Youth Agency (agency) for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the fiscal years July 1, 2008 to June 30, 2009 and July 1, 2009 to June 30, 2010, pursuant to authority derived from Act 148 of July 9, 1976, (P.L. 846, No. 148), as amended, 62 P.S. § 704.1(a)(4). The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2009 and June 30, 2010.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children resident within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code § 3140.1 *et seq.* and § 3170.1 *et seq.*). We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children within McKean County.

The results of our procedures performed during this engagement were as follows:

- For the July 1, 2008 to June 30, 2009 fiscal year, our engagement resulted in five adjustments being made to the agency's submitted fiscal reports. Four of these adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$29,793 and increasing revenue by \$57,461. The one remaining adjustment had no effect on the agency's Final Net State Share. It was made to reconcile Total Title IV-D collections to actual amounts received. This reconciliation is provided at the request of DHS. Based on the application of the state participation rates, the four adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$20,758. All five adjustments are detailed in our amended fiscal reports for the July 1, 2008 to June 30, 2009 fiscal year, as included in Section 1 of this report, beginning on page 3.

- For the July 1, 2009 to June 30, 2010 fiscal year, our engagement resulted in three adjustments being made to the agency's submitted fiscal reports. Two of these adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$13,360 and increasing revenue by \$45,060. The one remaining adjustment had no effect on the agency's Final Net State Share. It was made to reconcile Total Title IV-D collections to actual amounts received. This reconciliation is provided at the request of DHS. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$26,939. All three adjustments are detailed in our amended fiscal reports for the July 1, 2009 to June 30, 2010 fiscal year, as included in Section 2 of this report, beginning on page 10.

In addition, due to the DHS' implementation of significant changes to the child social services' reporting system, we concluded that the reissuance of the finding included in our prior released audit report was not warranted, as detailed in Section 3 of this report, beginning on page 17.

The results of our engagement procedures, as presented in this report, were discussed via conference call with agency management on November 13, 2015.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the McKean County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale  
Auditor General

December 17, 2015

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## **BACKGROUND**

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under Public Welfare Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” The Children and Youth Social Services Program is County-Administered and State-Supervised by the Department of Human Services (DHS) and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Public Welfare Code (62 P. S. § 703), the DHS is responsible for making and enforcing all rules and regulations necessary and appropriate to the proper accomplishment of the child welfare duties and functions vested by law in the county institution districts or their successors. Title 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, outlines the rules and regulations relative to the County Administration of the Children and Youth Social Service Programs. Specifically, in compliance with 55 Pa. Code § 3140.31, the Counties must report their cumulative actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DHS through the Act 148 Invoice package. The expenditures reported in the Act 148 Invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by the DHS.

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4<sup>th</sup> Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). The variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years and those costs and revenues’ impact on the County Children and Youth Agency’s corresponding Net State Shares.

# SECTION 1

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2008 to JUNE 30, 2009**

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>		\$	3,479,126
Supplemental Act 148			<u>0</u>
Total State Allocation			3,479,126
State Share (CY348) <sup>2</sup>	\$		3,174,974
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,174,974
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	3,174,974
Actual Act 148 Revenues Received <sup>4</sup>			<u>3,195,732</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>(20,758)</u></u>

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<sup>1</sup> Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

<sup>2</sup> State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

<sup>5</sup> Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
 AMENDED CY348  
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	15,111	200	1,595	0	0	0	0	0	13,316	13,316	0
02. 90% REIMBURSEMENT	115,641	0	28,117	0	0	0	0	0	87,524	78,772	8,752
03. 80% REIMBURSEMENT	4,431,446	159,438	682,826	41,492	44,352	30,164	0	0	3,473,174	2,778,538	694,636
04. 60% REIMBURSEMENT	556,487	14,206	63,599	0	0	0	0	1,813	476,869	286,121	190,748
05. 50% REIMBURSEMENT	36,454	0	0	0	0	0	0	0	36,454	18,227	18,227
06. TOTAL NET CHILD WELFARE EXPEND.	5,155,139	173,844	776,137	41,492	44,352	30,164	0	1,813	4,087,337	3,174,974	912,363
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	16,020	0	0						16,020		16,020
09. TOTAL EXPENDITURES	5,171,159	173,844	776,137	41,492	44,352	30,164	0	1,813	4,103,357	3,174,974	928,383
10. IL Grant Funds Reported	60,229										
11. TOTAL HSDF used for Child Welfare	0										
12. TOTAL TITLE IV-D COLLECTIONS	28,190										
13. TITLE IV-D Collections for IV-E Children	1,107										
14. STATE ACT 148 - line 6	3,174,974										
15. STATE ACT 148 ALLOCATION	3,479,126										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	3,174,974										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,174,974										
ACT 148 AMOUNT RECEIVED	3,195,732										
ADJUSTMENT TO STATE SHARE	(20,758)										

Subsidized Permanent Legal Custodianship	209,107	8,362	28
SPLC			

Total Subsidies	209,107	8,362	28
Number of Days			
Number of Children			

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
AMENDED CY370A  
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	15,111	200		1,595	0		0	0	0	13,316	13,316	0
1-B ADOPTION ASSISTANCE	255,045	0	107,605	0	0	30,164	0	0	0	117,276	93,821	23,455
1-C COUNSELING - DEPENDENT	87,741	0		0	41,492	11,088	0	0	0	35,161	28,129	7,032
1-D COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-E DAY CARE	15,915	0		0	0	0	0	0	0	15,337	12,270	3,067
1-F DAY TREATMENT - DEPENDENT	8,198	0		0	0	0	0	0	0	8,198	6,558	1,640
1-G DAY TREATMENT - DELINQUENT	18,443	0		0	0	1,812	0	0	0	16,631	13,305	3,326
1-H HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	146,858	4,288		17,993	0	0	0	0	0	124,577	99,662	24,915
1-J LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	151,213	4,154		18,416	0	0	0	0	0	128,643	102,914	25,729
1-M PROTECTIVE SERVICE - GENERAL	711,416	17,852		70,097	0	30,874	0	0	0	592,593	474,074	118,519
1-N SERVICE PLANNING	262,809	7,488		32,108	0	0	0	0	0	223,213	178,570	44,643
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	20,000	0		0	0	0	0	0	0	20,000	10,000	10,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	13,650	0		0	0	0	0	0	0	13,650	6,825	6,825
<b>SUBTOTAL IN-HOME</b>	<b>1,706,399</b>	<b>33,982</b>	<b>107,605</b>	<b>140,209</b>	<b>41,492</b>	<b>44,352</b>	<b>30,164</b>	<b>0</b>	<b>0</b>	<b>1,308,595</b>	<b>1,039,444</b>	<b>269,151</b>
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	24,674	0		0	0	0	0	0	0	24,674	19,739	4,935
2-C COMMUNITY RESIDENTIAL - DEPENDENT	753,710	18,694	138,036	0	0	0	0	0	0	596,980	477,584	119,396
2-D COMMUNITY RESIDENTIAL - DELINQUENT	347,608	3,279	0	0	0	0	0	0	0	344,329	275,463	68,866
2-E EMERGENCY SHELTER - DEPENDENT	115,641	0	28,117	0	0	0	0	0	0	87,524	78,772	8,752
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,491,646	100,658	171,591	62,824	0	0	0	0	0	1,156,573	925,258	231,315
2-H FOSTER FAMILY - DELINQUENT	54,689	913	0	0	0	0	0	0	0	53,776	43,021	10,755
2-I SUP. INDEPENDENT LIVING - DEPENDENT	101,481	2,112	60,229	3,927	0	0	0	0	0	35,213	28,170	7,043
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K <b>SUBTOTAL CBP</b>	<b>2,889,449</b>	<b>125,656</b>	<b>397,973</b>	<b>66,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,299,069</b>	<b>1,848,007</b>	<b>451,062</b>
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	2,804	0		0	0	0	0	0	0	2,804	1,402	1,402
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0		0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	22,560	0		0	0	0	0	0	0	22,560	13,536	9,024
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	0	0	0	0	0	0	0	0
3-F YDC SECURE	0	0		0	0	0	0	0	0	0	0	0
3-G <b>SUBTOTAL INSTITUTIONAL</b>	<b>25,364</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,364</b>	<b>14,938</b>	<b>10,426</b>
<b>ADMINISTRATION</b>	<b>533,927</b>	<b>14,206</b>		<b>63,599</b>		<b>0</b>	<b>0</b>		<b>1,813</b>	<b>454,309</b>	<b>272,585</b>	<b>181,724</b>
<b>TOTAL REVENUES</b>	<b>5,155,139</b>	<b>173,844</b>	<b>505,578</b>	<b>270,559</b>	<b>41,492</b>	<b>44,352</b>	<b>30,164</b>	<b>0</b>	<b>1,813</b>	<b>4,087,337</b>	<b>3,174,974</b>	<b>912,363</b>

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
 AMENDED CY370  
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non-Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS SUBSIDIES	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>	5,046	1,679		7,121	0	1,265	15,111	21	0	0	0	0
1-A ADOPTION SERVICE	0	0	255,045	0	0	0	255,045	60	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0		15,060	87,741	0	102,801	288	125	15,060	0	0
1-C COUNSELING - DEPENDENT	0	0		700	0	0	700	0	0	700	0	0
1-D COUNSELING - DELINQUENT	0	0		0	15,915	0	15,915	0	48	0	0	0
1-E DAY CARE	0	0		8,198	0	0	8,198	0	0	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		12,761	5,682	0	18,443	0	27	0	0	0
1-G DAY TREATMENT - DELINQUENT	0	0		25,820	0	854	146,858	1,736	0	0	0	0
1-H HOMEMAKER SERVICE	84,984	35,200		0	0	0	120,184	0	0	0	0	0
1-I INTAKE & REFERRAL	0	0		0	0	0	0	0	0	0	0	0
1-J LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-K LIFE SKILLS - DELINQUENT	92,268	34,916		22,579	0	1,450	151,213	303	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	361,327	150,050		86,804	104,517	8,718	711,416	44	44	0	0	0
1-M PROTECTIVE SERVICE - GENERAL	169,723	62,937		27,969	0	2,180	262,809	600	0	0	0	0
1-N SERVICE PLANNING				0	20,000		20,000	0	132	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT				0	13,650		13,650	0	65	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-Q <b>SUBTOTAL IN-HOME</b>	713,348	284,782	255,045	207,012	247,505	14,467	1,722,159			15,760	0	0
	Number of Children receiving <b>only NON-PURCHASED IN-Home Services</b>											
<b>COMMUNITY BASED PLACEMENT</b>								DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	24,674	0	24,674	145	4	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	4,212	749,758	0	753,970	2,698	29	260	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	534	347,074	0	347,608	1,823	24	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	5,344	110,297	0	115,641	1,533	80	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	172,136	99,269	209,107	97,389	911,281	2,464	1,491,646	24,874	107	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	900	53,789	0	54,689	1,076	5	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	51,758	11,540	24,873	9,885	2,912	513	101,481	274	54	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K <b>SUBTOTAL CBP</b>	223,894	110,809	233,980	118,264	2,199,785	2,977	2,889,709	32,423	303	260	0	0
<b>INSTITUTIONAL PLACEMENT</b>								DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	50	2,754	0	2,804	15	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	22,560	0	22,560	96	1	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	0	0	0	0	0	0	0	0
3-F YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-G <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	50	25,314	0	25,364	111	2	0	0	0
<b>4 ADMINISTRATION</b>	256,539	87,382	0	186,071	0	3,935	533,927			0	0	0
<b>5 TOTAL EXPENDITURES</b>	1,193,781	482,973	489,025	511,397	2,472,604	21,379	5,171,159			16,020	0	0
	County Indirect Costs = \$ 120,139											

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 15,129	\$ (18)	\$ 15,111
Adoption Assistance	255,045	0	255,045
Counseling	103,501	0	103,501
Day Care	15,915	0	15,915
Day Treatment	26,641	0	26,641
Homemaker Service	0	0	0
Intake and Referral	146,904	(46)	146,858
Life Skills	0	0	0
Protective Service - Child Abuse	151,466	(253)	151,213
Protective Service - General	684,177	27,239	711,416
Service Planning	263,204	(395)	262,809
Juvenile Act Proceedings	33,650	0	33,650
Alternative Treatment	24,674	0	24,674
Community Residential	1,101,578	0	1,101,578
Emergency Shelter	115,641	0	115,641
Foster Family	1,546,352	(17)	1,546,335
Supervised Independent Living	101,481	0	101,481
Juvenile Detention Service	2,804	0	2,804
Residential Service	0	0	0
Secure Residential Service (Except YDC)	22,560	0	22,560
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	0	0	0
Administration	530,644	3,283	533,927
Combined Total Expense	<u>5,141,366</u>	<u>29,793</u>	<u>5,171,159</u>
Less Non-reimbursables	<u>16,020</u>	<u>0</u>	<u>16,020</u>
Total Net Expense	<u>\$ 5,125,346</u>	<u>\$ 29,793</u>	<u>\$ 5,155,139</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,196,041	\$ (2,260)	\$ 1,193,781
Employee Benefits	482,973	0	482,973
Subsidies	489,025	0	489,025
Operating	507,229	4,168	511,397
Purchased Services	2,444,719	27,885	2,472,604
Fixed Assets	21,379	0	21,379
Combined Total Expense	<u>5,141,366</u>	<u>29,793</u>	<u>5,171,159</u>
Less Non-reimbursables	<u>16,020</u>	<u>0</u>	<u>16,020</u>
Total Net Expense	<u>\$ 5,125,346</u>	<u>\$ 29,793</u>	<u>\$ 5,155,139</u>

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments							
CY-370	1-A	1	1	Adoption Service-Wages and Salaries	\$ 5,064	\$ (18)	\$ 5,046
	1-I	1		Intake and Referral-Wages and Salaries	\$ 85,030	\$ (46)	\$ 84,984
	1-L	1		Protective Service-Child Abuse-Wages and Salaries	\$ 92,521	\$ (253)	\$ 92,268
	1-M	1		Protective Service-General-Wages and Salaries	\$ 361,973	\$ (646)	\$ 361,327
	1-N	1		Service Planning-Wages and Salaries	\$ 170,118	\$ (395)	\$ 169,723
	2-G	1		Foster Family-Dependent-Wages and Salaries	\$ 172,153	\$ (17)	\$ 172,136
	4	1		Administration-Wages and Salaries	\$ 257,424	\$ (885)	\$ 256,539
					Total Adjustment Amount		\$ (2,260)
				To decrease Wages and Salaries by \$2,260 to eliminate 5% of the wages of two agency employees due to their participation in the CWEL program during the fiscal year.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	4	2	Administration-Operating	\$ 181,903	\$ 4,168	\$ 186,071
				To increase Operating Expenditures by \$4,168 to reconcile to the County Cost Allocation Plan and properly report indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	1-M	5	3	Protective Service-General-Purchased Services	\$ 76,632	\$ 27,885	\$ 104,517
				To increase Purchased Services by \$27,885 to reconcile to the agency's general ledger and properly report expenditures.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A Adjustment							
CY-370A	1-A	2	4	Adoption Service-Program Income	\$ -	\$ 200	\$ 200
	1-I	2		Intake and Referral-Program Income	\$ 100	\$ 4,188	\$ 4,288
	1-L	2		Protective Service-Child Abuse-Program Income	\$ -	\$ 4,154	\$ 4,154
	1-M	2		Protective Service-General-Program Income	\$ -	\$ 17,852	\$ 17,852
	1-N	2		Service Planning-Program Income	\$ -	\$ 7,488	\$ 7,488
	2-G	2		Foster Family-Dependent-Program Income	\$ 88,848	\$ 11,810	\$ 100,658
	2-I	2		Supervised Ind. Living-Dependent-Program Income	\$ 739	\$ 1,373	\$ 2,112
	4	2		Administration-Program Income	\$ 3,810	\$ 10,396	\$ 14,206
			Total Adjustment Amount		\$ 57,461		
				To increase Program Income by \$57,461 to include health insurance refunds not reported by the agency.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-348 Adjustment							
CY-348	12	A	5	Total Title IV-D Collections	\$ 27,054	\$ 1,136	\$ 28,190
				To increase Total Title IV-D Collections by \$1,136 to properly report the amount received. This adjustment does not affect the state share of expenditures.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2009 to JUNE 30, 2010**

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>		\$ 3,131,206
Supplemental Act 148		<u>0</u>
Total State Allocation		3,131,206
State Share (CY348) <sup>2</sup>	\$ 2,647,017	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 2,647,017
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$ 2,647,017
Actual Act 148 Revenues Received <sup>4</sup>		<u>2,673,956</u>
Net Amount Due County/(State) <sup>5</sup>		<u><u>\$ (26,939)</u></u>

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<sup>1</sup> Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

<sup>2</sup> State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

<sup>5</sup> Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010  
AMENDED CY348  
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
<b>NET CHILD WELFARE EXPENDITURES</b>											
01. 100% REIMBURSEMENT	104,978	2,410	16,915	0	0	0	0	0	85,653	85,653	0
02. 90% REIMBURSEMENT	28,918	0	7,988	0	0	0	0	0	20,930	18,837	2,093
03. 80% REIMBURSEMENT	3,749,981	122,746	699,832	41,492	44,351	30,164	0	0	2,811,396	2,249,117	562,279
04. 60% REIMBURSEMENT	567,206	12,347	82,894	0	0	0	0	3,236	468,729	281,237	187,492
05. 50% REIMBURSEMENT	24,346	0	0	0	0	0	0	0	24,346	12,173	12,173
<b>06. TOTAL NET CHILD WELFARE EXPEND.</b>	<b>4,475,429</b>	<b>137,503</b>	<b>807,629</b>	<b>41,492</b>	<b>44,351</b>	<b>30,164</b>	<b>0</b>	<b>3,236</b>	<b>3,411,054</b>	<b>2,647,017</b>	<b>764,037</b>

<b>YDC/YFC PLACEMENT COSTS</b>											
07. 60% DHS PARTICIPATION	0	0	0						0	0	0

<b>08. NON-REIMBURSABLE EXPENDITURES</b>	<b>22,096</b>	<b>0</b>	<b>0</b>						<b>22,096</b>		<b>22,096</b>
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<b>09. TOTAL EXPENDITURES</b>	<b>4,497,525</b>	<b>137,503</b>	<b>807,629</b>	<b>41,492</b>	<b>44,351</b>	<b>30,164</b>	<b>0</b>	<b>3,236</b>	<b>3,433,150</b>	<b>2,647,017</b>	<b>786,133</b>
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10. IL Grant Funds Reported 0

11. TOTAL HSDF used for Child Welfare 1,954

12. TOTAL TITLE IV-D COLLECTIONS 24,548

13. TITLE IV-D Collections for IV-E Children 1,170

14. STATE ACT 148 - line 6 2,647,017

15. STATE ACT 148 ALLOCATION 3,131,206

16. ADJUSTED STATE SHARE (lower of 14 or 15) 2,647,017

<b>INVOICE</b>	
AMENDED STATE SHARE (ACT 148)	2,647,017
ACT 148 AMOUNT RECEIVED	2,673,956
ADJUSTMENT TO STATE SHARE	(26,939)

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	191,387	8,203	26

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010  
AMENDED CY370A  
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	104,978	2,410		16,915	0		0	0	0	85,653	85,653	0
1-B ADOPTION ASSISTANCE	317,521	0	111,947	0	41,492	0	30,164	0	0	175,410	140,328	35,082
1-C COUNSELING - DEPENDENT	87,741	0						0	0	46,249	36,999	9,250
1-D COUNSELING - DELINQUENT	0	0						0	0	0	0	0
1-E DAY CARE	4,735	0				4,735	0	0	0	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0						0	0	0	0	0
1-G DAY TREATMENT - DELINQUENT	7,785	0				7,785	0	0	0	0	0	0
1-H HOMEMAKER SERVICE	0	0						0	0	0	0	0
1-I INTAKE & REFERRAL	137,329	2,534		22,753	0			0	0	112,042	89,634	22,408
1-J LIFE SKILLS - DEPENDENT	0	0						0	0	0	0	0
1-K LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	126,134	3,154		20,648	0			0	0	102,332	81,866	20,466
1-M PROTECTIVE SERVICE - GENERAL	826,940	17,573		119,325	0	31,831		0	0	658,211	526,569	131,642
1-N SERVICE PLANNING	173,347	3,588		28,271	0			0	0	141,488	113,190	28,298
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	20,000	0			0			0	0	20,000	10,000	10,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0			0	0	0	0	0
1-Q <b>SUBTOTAL IN-HOME</b>	1,806,510	29,259	111,947	207,912	41,492	44,351	30,164	0	0	1,341,385	1,084,239	257,146
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0						0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	516,433	21,049		86,956	14			0	0	408,414	326,731	81,683
2-D COMMUNITY RESIDENTIAL - DELINQUENT	138,230	2,000						0	0	136,230	108,984	27,246
2-E EMERGENCY SHELTER - DEPENDENT	28,918	0		7,964	24			0	0	20,930	18,837	2,093
2-F EMERGENCY SHELTER - DELINQUENT	0	0						0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,285,478	72,848		245,281	64,637			0	0	902,712	722,170	180,542
2-H FOSTER FAMILY - DELINQUENT	128,308	0						0	0	128,308	102,646	25,662
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0						0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-K <b>SUBTOTAL CBP</b>	2,097,367	95,897	340,201	64,675	0	0	0	0	0	1,596,594	1,279,368	317,226
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	4,346	0						0	0	4,346	2,173	2,173
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0						0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0						0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	39,245	0						0	0	39,245	23,547	15,698
3-E YDC/YFC (NON-SECURE)-Institutional	0	0						0	0	0	0	0
3-F YDC SECURE	0	0						0	0	0	0	0
3-G <b>SUBTOTAL INSTITUTIONAL</b>	43,591	0	0	0	0	0	0	0	0	43,591	25,720	17,871
<b>4 ADMINISTRATION</b>	527,961	12,347		82,894		0	0		3,236	429,484	257,690	171,794
<b>5 TOTAL REVENUES</b>	4,475,429	137,503	452,148	355,481	41,492	44,351	30,164	0	3,236	3,411,054	2,647,017	764,037



**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 104,978	\$ 0	\$ 104,978
Adoption Assistance	317,521	0	317,521
Counseling	103,933	0	103,933
Day Care	4,735	0	4,735
Day Treatment	7,785	0	7,785
Homemaker Service	0	0	0
Intake and Referral	137,329	0	137,329
Life Skills	0	0	0
Protective Service - Child Abuse	126,134	0	126,134
Protective Service - General	826,940	0	826,940
Service Planning	173,347	0	173,347
Juvenile Act Proceedings	20,000	0	20,000
Alternative Treatment	0	0	0
Community Residential	657,222	0	657,222
Emergency Shelter	28,918	0	28,918
Foster Family	1,417,131	0	1,417,131
Supervised Independent Living	0	0	0
Juvenile Detention Service	4,346	0	4,346
Residential Service	0	0	0
Secure Residential Service (Except YDC)	39,245	0	39,245
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	0	0	0
Administration	514,601	13,360	527,961
Combined Total Expense	<u>4,484,165</u>	<u>13,360</u>	<u>4,497,525</u>
Less Non-reimbursables	<u>22,096</u>	<u>0</u>	<u>22,096</u>
Total Net Expense	<u>\$ 4,462,069</u>	<u>\$ 13,360</u>	<u>\$ 4,475,429</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,171,184	\$ 0	\$ 1,171,184
Employee Benefits	507,815	0	507,815
Subsidies	508,908	0	508,908
Operating	421,434	13,360	434,794
Purchased Services	1,837,948	0	1,837,948
Fixed Assets	36,876	0	36,876
Combined Total Expense	<u>4,484,165</u>	<u>13,360</u>	<u>4,497,525</u>
Less Non-reimbursables	<u>22,096</u>	<u>0</u>	<u>22,096</u>
Total Net Expense	<u>\$ 4,462,069</u>	<u>\$ 13,360</u>	<u>\$ 4,475,429</u>

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	CY-370 Adjustment			
				Administration-Operating	\$ 159,549	\$ 13,360	\$ 172,909
				To increase Operating Expenditures by \$13,360 to reconcile to the County Cost Allocation Plan and properly report indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370A	1-A 1-I 1-L 1-M 1-N 2-G 4	2 2 2 2 2 2 2	2	CY-370A Adjustment			
				Adoption Service-Program Income	\$ -	\$ 2,410	\$ 2,410
				Intake and Referral-Program Income	\$ -	\$ 2,534	\$ 2,534
				Protective Service-Child Abuse-Program Income	\$ -	\$ 3,154	\$ 3,154
				Protective Service-General-Program Income	\$ -	\$ 17,573	\$ 17,573
				Service Planning-Program Income	\$ -	\$ 3,588	\$ 3,588
				Foster Family-Dependent-Program Income	\$ 64,921	\$ 7,927	\$ 72,848
				Administration-Program Income	\$ 4,473	\$ 7,874	\$ 12,347
				Total Adjustment Amount		<u>\$ 45,060</u>	
							To increase Program Income by \$45,060 to include health insurance refunds not reported by the agency.
			Title 55 PA Code, Chapter 3170.95(a)(b)				
CY-348	12	A	3	CY-348 Adjustment			
				Total Title IV-D Collections	\$ 23,111	\$ 1,437	\$ 24,548
				To increase Total Title IV-D Collections by \$1,437 to properly report the amount received. This adjustment does not affect the state share of expenditures.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

## SECTION 3

# STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
STATUS OF PRIOR ENGAGEMENT FINDING(S) AND RECOMMENDATION(S)

**STATUS OF PRIOR AUDIT FINDING FOR FISCAL YEAR JULY 1, 2006 TO  
JUNE 30, 2007**

Finding – McKean County Children and Youth Services Did Not Submit its Quarterly Reports  
on Time

Even though the McKean County Children and Youth Agency did not file all its Act 148 fiscal reports with the State Department of Human Services (DHS) in a timely manner during the current engagement period, as a result of DHS implementing significant changes to the child social services' reporting system which caused unavoidable delays in the filing of these reports, we concluded that a reissuance of this finding was not warranted.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

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