

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2008 to June 30, 2009

July 1, 2009 to June 30, 2010

July 1, 2010 to June 30, 2011

July 1, 2011 to June 30, 2012

July 1, 2012 to June 30, 2013

Mercer County Children and Youth Agency

October 2016



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 Mercer County
Mercer County Courthouse
120 South Diamond Street
Mercer, PA 16137

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 Mercer County Children and Youth Agency (agency) for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years ended June 30, 2009, June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013 pursuant to authority derived from Act 148 of 1976, 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 above referenced fiscal years.

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 residing within the County and to determine the County's compliance¹ 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.*).

At the start of our engagement, agency management provided our auditors with a Forensic Services Report prepared by an auditing firm hired by agency management to address their suspicions of fraudulent billing by an In-Home Purchased Service provider. The forensic auditors concluded that from January 2009 through January 2012 this provider falsified records and overcharged for contracted services rendered when invoicing the agency for payment. As detailed in Finding No. 1, beginning on page 40 of this report, after reviewing this forensic report, we performed a review of the agency's internal controls over its invoice review and approval process for the 2008-2009 through the 2012-2013 fiscal years. We determined that agency staff responsible for reviewing and approving invoices submitted for payment performed procedures to substantiate that monthly services invoiced by Placement providers were actually provided and adhered to key executed contract terms before these invoices were approved for payment. However, we also determined that no such corresponding procedures were performed for monthly services invoiced by In-Home Purchased Service providers.

Because of the significance of the matter described in the preceding paragraph, we had no assurance that total expenditures of \$6,159,428 paid to In-Home Purchased Service providers and included in total Purchased Services' expenditures of \$30,667,554 reported on the agency's CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, submitted to the DHS for fiscal years ended 2009, 2010, 2011, 2012 and 2013, and included in the agency's respective general ledgers, were valid because we were provided no evidence that the corresponding services were actually provided or, if provided, that the services adhered to respective key executed contract provisions and DHS regulations. Therefore, while we achieved our objective of ascertaining and certifying the total Commonwealth expenditures paid on behalf of children residing within the county for the fiscal years ended 2009, 2010, 2011, 2012 and 2013, we cannot attest that the In-Home Purchased Services, for which the Commonwealth expended \$6,159,428, were actually provided, or if provided, were provided in adherence to key executed contract provisions and DHS regulations because a high risk exists that overbillings and fraudulent billings could have occurred.

Despite the matter described in the third paragraph of page 1, we did perform procedures using the documentation available to us, and the results of those procedures are described in the bulleted paragraphs below. However, these results may have been affected by the matter described in the third paragraph, and our assurance provided is limited by that matter.

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

- For **fiscal year ended 2009**, our engagement resulted in three adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$16,374. However, no amount is due to the county or state because the agency's expenditures exceeded the Total State Act 148 Allocation by \$8,243, as detailed on page 4 of this report. While our adjustments resulted in a net increase of \$16,374 in expenditures for the agency for this fiscal year, as detailed on page 7 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share of Expenditures. All three adjustments are detailed in our amended fiscal reports for fiscal year 2008-2009, as included in Section 1 of this report, beginning on page 3.
- For **fiscal year ended 2010**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by increasing non-reimbursable expenditures by \$12,447. Based on the application of the state participation rates, the one adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$7,468. This adjustment is detailed in our amended fiscal reports for fiscal year 2009-2010, as included in Section 2 of this report, beginning on page 10
- For **fiscal year ended 2011**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures

by \$25,345 and a reclassification of indirect costs by \$25,345. 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 \$1,937. The two adjustments are detailed in our amended fiscal reports for fiscal year 2010-2011, as included in Section 3 of this report, beginning on page 17.

- For **fiscal year ended 2012**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$22,444 and a reclassification of indirect costs by \$22,444. 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 \$2,488. The two adjustments are detailed in our amended fiscal reports for fiscal year 2011-2012, as included in Section 4 of this report, beginning on page 24.
- For **fiscal year ended 2013**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$38,070 and a reclassification of indirect costs by \$38,070. 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 \$3,181. The two adjustments are detailed in our amended fiscal reports for fiscal year 2012-2013, as included in Section 5 of this report, beginning on page 31.

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 6 of this report, beginning on page 38.

Furthermore, we identified the following areas of non-compliance, as detailed in Section 7 of this report, beginning on page 40:

Finding No. 1 – Mercer County Children and Youth Agency Failed to Implement Effective Control Procedures over the Review of Invoices Prior to Payment

Finding No. 2 – Mercer County Children and Youth Agency Failed to Execute Purchase of Service Agreements with Multiple Providers and To Adhere to the Contract Provisions with Other Providers

Finding No. 3 – Failure to Conduct Time Studies Annually

Finally, significant control deficiencies exist in DHS' oversight of children and youth agencies' adherence to Child Protective Services Law (CPSL) requirements, as detailed in the Observation included in Section 8 of this report, beginning on page 51.

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on September 26, 2016.

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 Mercer County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

October 5, 2016

Endnote

¹ The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies, as well as the volunteers/employees of their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and DHS. Details regarding these deficiencies are further outlined in the Observation beginning on page 51 of this report.

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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 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 4th 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

**MERCER 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 ¹	\$	4,513,520
Supplemental Act 148		<u>116,747</u>
Total State Allocation		4,630,267
State Share (CY348) ²	\$	4,638,510
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	4,638,510
Less: Expenditures in Excess of the Approved State Allocation		<u>8,243</u>
Final Net State Share Payable ³	\$	4,630,267
Actual Act 148 Revenues Received ⁴		<u>4,630,267</u>
Net Amount Due County/(State) ⁵	\$	<u>0</u>

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

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

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

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$8,243, as detailed on page 4 of this report. While our adjustments resulted in a net increase of \$16,374 in expenditures for the agency for said fiscal year, as detailed on page 7 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share of Expenditures.

MERCER 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	35,928	0	6,378	0	0	0	0	0	29,550	29,550	0
02. 90% REIMBURSEMENT	507,157	577	126,670	0	0	0	0	0	379,910	341,920	37,990
03. 80% REIMBURSEMENT	5,874,385	231,085	1,099,370	235,332	93,351	0	0	0	4,215,247	3,372,196	843,051
04. 60% REIMBURSEMENT	1,769,227	26,260	268,118	0	0	37,337	0	1,914	1,435,598	861,359	574,239
05. 50% REIMBURSEMENT	66,969	0	0	0	0	0	0	0	66,969	33,485	33,484
06. TOTAL NET CHILD WELFARE EXPEND.	8,253,666	257,922	1,500,536	235,332	93,351	37,337	0	1,914	6,127,274	4,638,510	1,488,764
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	589,632	10,735							578,897	347,338	231,559
08. NON-REIMBURSABLE EXPENDITURES	43,618	0	0						43,618		43,618
09. TOTAL EXPENDITURES	8,886,916	268,657	1,500,536	235,332	93,351	37,337	0	1,914	6,749,789	4,985,848	1,763,941
10. IL Grant Funds Reported	40,319										
11. TOTAL HSDF used for Child Welfare	62,640										
12. TOTAL TITLE IV-D COLLECTIONS	119,709										
13. TITLE IV-D Collections for IV-E Children	20,258										
14. STATE ACT 148 - line 6	4,638,510										
15. STATE ACT 148 ALLOCATION	4,630,267										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	4,630,267										
INVOICE											
AMENDED STATE SHARE (ACT 148)	4,638,510										
ACT 148 AMOUNT RECEIVED	4,630,267										
ADJUSTMENT TO STATE SHARE	8,243										
Subsidized Permanent Legal Custodianship											
SPLC	4,072	413	2								

MERCER 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
IN-HOME												
1-A ADOPTION SERVICE	35,928	0	123,084	6,378	0			0	0	29,550	29,550	0
1-B ADOPTION ASSISTANCE	234,736	0	123,084	0	0				0	111,652	89,322	22,330
1-C COUNSELING - DEPENDENT	486,216	37,985		11,403	91,749	93,351	0	0	0	251,728	201,382	50,346
1-D COUNSELING - DELINQUENT	491,357	24,998		0	4,205	0	0	0	0	462,154	369,723	92,431
1-E DAY CARE	3,783	0		0	0	0	0	0	0	3,783	3,026	757
1-F DAY TREATMENT - DEPENDENT	74,283	0		799	47,664	0	0	0	0	25,820	20,656	5,164
1-G DAY TREATMENT - DELINQUENT	55,920	0		0	2,880	0	0	0	0	53,040	42,432	10,608
1-H HOME/MAKER SERVICE	471,370	0		2,195	82,564	0	0	0	0	386,611	309,289	77,322
1-I INTAKE & REFERRAL	141,518	0		25,763	0	0	0	0	0	115,755	92,604	23,151
1-J LIFE SKILLS - DEPENDENT	61,395	0		1,882	6,270	0	0	0	0	53,243	42,594	10,649
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	202,727	0		40,837	0	0			0	161,890	129,512	32,378
1-M PROTECTIVE SERVICE - GENERAL	651,160	0		98,115	0	0			0	553,045	442,436	110,609
1-N SERVICE PLANNING	74,974	0		13,650	0	0	0	0	0	61,324	49,059	12,265
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	22,649	0		0	0	0	0	0	0	22,649	11,325	11,324
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	44,320	0		0	0				0	44,320	22,160	22,160
SUBTOTAL IN-HOME	3,052,336	62,983	123,084	201,022	235,332	93,351	0	0	0	2,336,564	1,855,070	481,494

COMMUNITY BASED PLACEMENT	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
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	4,000	0	0	0	0	0	0	0	0	4,000	3,200	800
2-C COMMUNITY RESIDENTIAL - DEPENDENT	860,685	45,499	197,161	3,612	0	0	0	0	0	614,413	491,530	122,883
2-D COMMUNITY RESIDENTIAL - DELINQUENT	948,667	60,001	257,562	45	0	0	0	0	0	631,059	504,847	126,212
2-E EMERGENCY SHELTER - DEPENDENT	221,196	0	55,339	6,942	0	0	0	0	0	158,915	143,024	15,891
2-F EMERGENCY SHELTER - DELINQUENT	285,961	577	64,389	0	0	0	0	0	0	220,995	198,896	22,099
2-G FOSTER FAMILY - DEPENDENT	1,051,550	60,053	171,872	140,035	0	0	0	0	0	679,590	543,672	135,918
2-H FOSTER FAMILY - DELINQUENT	60,044	2,549	8,089	3,266	0	0	0	0	0	46,140	36,912	9,228
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	3,432,103	168,679	754,412	153,900	0	0	0	0	0	2,355,112	1,922,081	433,031

INSTITUTIONAL PLACEMENT	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
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	249,173	13,636	5,902	6,981	0	0	37,337	0	0	185,317	111,190	74,127
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	653,799	7,820	120,694	0	0	0	0	0	0	525,285	315,171	210,114
3-D SECURE RES. SERVICE (EXCEPT YDC)	96,036	0								96,036	57,622	38,414
3-E YDC/YFC (NON-SECURE)-Institutional	589,632	10,113								579,519	347,711	231,808
3-F YDC SECURE	0	622								(622)	(373)	(249)
SUBTOTAL INSTITUTIONAL	1,588,640	32,191	126,596	6,981	0	0	37,337	0	0	1,385,535	831,321	554,214

4 ADMINISTRATION	770,219	4,804		134,541		0	0	0	1,914	628,960	377,376	251,584
TOTAL REVENUES	8,843,298	268,657	1,004,092	496,444	235,332	93,351	37,337	0	1,914	6,706,171	4,985,848	1,720,323

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 36,004	\$ (76)	\$ 35,928
Adoption Assistance	234,736	0	234,736
Counseling	977,662	(89)	977,573
Day Care	3,785	(2)	3,783
Day Treatment	130,209	(6)	130,203
Homemaker Service	471,387	(17)	471,370
Intake and Referral	141,720	(202)	141,518
Life Skills	61,702	(307)	61,395
Protective Service - Child Abuse	224,633	(653)	223,980
Protective Service - General	676,405	(3,713)	672,692
Service Planning	75,092	(118)	74,974
Juvenile Act Proceedings	67,017	(48)	66,969
Alternative Treatment	4,000	0	4,000
Community Residential	1,809,882	(445)	1,809,437
Emergency Shelter	507,356	(199)	507,157
Foster Family	1,113,517	(1,923)	1,111,594
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	903,171	(199)	902,972
Secure Residential Service (Except YDC)	96,036	0	96,036
YDC/YFC (Non-Secure) - Institutional	589,632	0	589,632
YDC Secure	0	0	0
Administration	746,596	24,371	770,967
Combined Total Expense	<u>8,870,542</u>	<u>16,374</u>	<u>8,886,916</u>
Less Non-reimbursables	<u>43,618</u>	<u>0</u>	<u>43,618</u>
Total Net Expense	<u>\$ 8,826,924</u>	<u>\$ 16,374</u>	<u>\$ 8,843,298</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,285,447	\$ 0	\$ 1,285,447
Employee Benefits	440,619	0	440,619
Subsidies	238,808	0	238,808
Operating	451,319	16,374	467,693
Purchased Services	6,452,212	0	6,452,212
Fixed Assets	2,137	0	2,137
Combined Total Expense	<u>8,870,542</u>	<u>16,374</u>	<u>8,886,916</u>
Less Non-reimbursables	<u>43,618</u>	<u>0</u>	<u>43,618</u>
Total Net Expense	<u>\$ 8,826,924</u>	<u>\$ 16,374</u>	<u>\$ 8,843,298</u>

**MERCER 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	4	4	1	Administration-Operating To increase Administration-Operating expenditures by \$32,115 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	\$ 215,974	\$ 32,115	\$ 248,089
CY-370	1-A	4	2	Adoption Service-Operating	\$ 2,689	\$ 24	\$ 2,713
	1-C	4		Counseling - Dependent-Operating	\$ 3,491	\$ 42	\$ 3,533
	1-F	4		Day Treatment - Dependent-Operating	\$ 245	\$ 3	\$ 248
	1-H	4		Homemaker Service-Operating	\$ 673	\$ 8	\$ 681
	1-I	4		Intake & Referral-Operating	\$ 7,888	\$ 95	\$ 7,983
	1-J	4		Life Skills - Dependent-Operating	\$ 8,358	\$ 7	\$ 8,365
	1-L	4		Protective Service - Child Abuse-Operating	\$ 21,209	\$ 145	\$ 21,354
	1-M	4		Protective Service - General-Operating	\$ 108,041	\$ 350	\$ 108,391
	1-N	4		Service Planning-Operating	\$ 4,463	\$ 50	\$ 4,513
	2-C	4		Community Residential - Dependent-Operating	\$ 10,560	\$ 13	\$ 10,573
	2-E	4		Emergency Shelter - Dependent-Operating	\$ 5,281	\$ 6	\$ 5,287
	2-G	4		Foster Family - Dependent-Operating	\$ 52,941	\$ 84	\$ 53,025
	3-B	4		Residential Service - Dependent-Operating	\$ 5,398	\$ 26	\$ 5,424
	4	4		Administration-Operating	\$ 248,089	\$ 377	\$ 248,466
					Total Adjustment Amount		\$ 1,230
				To increase Operating expenditures by \$1,230 to include expenditures which were not reported to DHS on the submitted CY-370 Expenditure Report and to reconcile to the agency's final general ledger. Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	1-A	4	3	Adoption Service-Operating	\$ 2,713	\$ (100)	\$ 2,613
	1-C	4		Counseling - Dependent-Operating	\$ 3,533	\$ (131)	\$ 3,402
	1-E	4		Day Care - Operating	\$ 55	\$ (2)	\$ 53
	1-F	4		Day Treatment - Dependent-Operating	\$ 248	\$ (9)	\$ 239
	1-H	4		Homemaker Service-Operating	\$ 681	\$ (25)	\$ 656
	1-I	4		Intake & Referral-Operating	\$ 7,983	\$ (297)	\$ 7,686
	1-J	4		Life Skills - Dependent-Operating	\$ 8,365	\$ (314)	\$ 8,051
	1-L	4		Protective Service - Child Abuse-Operating	\$ 21,354	\$ (798)	\$ 20,556
	1-M	4		Protective Service - General-Operating	\$ 108,391	\$ (4,063)	\$ 104,328
	1-N	4		Service Planning-Operating	\$ 4,513	\$ (168)	\$ 4,345
	1-O	4		Juvenile Act Proceedings - Dep. - Operating	\$ 1,100	\$ (41)	\$ 1,059
	1-P	4		Juvenile Act Proceedings - Del. - Operating	\$ 175	\$ (7)	\$ 168
	2-C	4		Community Residential - Dependent-Operating	\$ 10,573	\$ (397)	\$ 10,176
	2-D	4		Community Residential - Del.-Operating	\$ 1,618	\$ (61)	\$ 1,557
	2-E	4		Emergency Shelter - Dependent-Operating	\$ 5,287	\$ (199)	\$ 5,088
2-F	4	Emergency Shelter - Del.-Operating	\$ 148	\$ (6)	\$ 142		
2-G	4	Foster Family - Dependent-Operating	\$ 53,025	\$ (1,991)	\$ 51,034		
2-H	4	Foster Family - Del.-Operating	\$ 437	\$ (16)	\$ 421		
3-B	4	Residential Service - Dependent-Operating	\$ 5,424	\$ (203)	\$ 5,221		
3-C	4	Res. Service - Del. (Operating)	\$ 575	\$ (22)	\$ 553		
4	4	Administration-Operating	\$ 248,466	\$ (8,121)	\$ 240,345		
				Total Adjustment Amount		\$ (16,971)	
				To remove \$16,971 of Indirect Costs that were improperly direct charged and allocated across various cost centers. Indirect Costs should be expensed in the Administration cost center only and subject to the 2 percent cost limitation. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2009 to JUNE 30, 2010

**MERCER 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 ¹		\$	3,838,947
Supplemental Act 148			<u>0</u>
Total State Allocation			3,838,947
State Share (CY348) ²	\$		3,655,144
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,655,144
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,655,144
Actual Act 148 Revenues Received ⁴			<u>3,662,612</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(7,468)</u></u>

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

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

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

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ 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.

MERCER 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
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	29,939	0	6,183	0	0	0	0	0	23,756	23,756	0
02. 90% REIMBURSEMENT	533,696	0	162,626	0	0	0	0	0	371,070	333,964	37,106
03. 80% REIMBURSEMENT	5,058,708	243,407	1,099,501	235,332	93,351	0	0	0	3,387,117	2,709,693	677,424
04. 60% REIMBURSEMENT	1,360,271	24,729	339,882	0	0	37,337	0	3,265	955,058	573,034	382,024
05. 50% REIMBURSEMENT	29,393	0	0	0	0	0	0	0	29,393	14,697	14,696
06. TOTAL NET CHILD WELFARE EXPEND.	7,012,007	268,136	1,608,192	235,332	93,351	37,337	0	3,265	4,766,394	3,655,144	1,111,250

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	564,549	17,454							547,095	328,257	218,838

08. NON-REIMBURSABLE EXPENDITURES	42,076	0	0						42,076		42,076
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09. TOTAL EXPENDITURES	7,618,632	285,590	1,608,192	235,332	93,351	37,337	0	3,265	5,355,565	3,983,401	1,372,164
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10. IL Grant Funds Reported 0

11. TOTAL HSDP used for Child Welfare 57,917

12. TOTAL TITLE IV-D COLLECTIONS 110,544

13. TITLE IV-D Collections for IV-E Children 20,396

14. STATE ACT 148 - line 6 3,655,144

15. STATE ACT 148 ALLOCATION 3,838,947

16. ADJUSTED STATE SHARE (lower of 14 or 15) 3,655,144

INVOICE	
AMENDED STATE SHARE (ACT 148)	3,655,144
ACT 148 AMOUNT RECEIVED	3,662,612
ADJUSTMENT TO STATE SHARE	(7,468)

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	22,136	1,186	5

MERCER 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
IN-HOME	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
1-A ADOPTION SERVICE	29,939	0	114,068	6,183	0	0	0	0	0	23,756	23,756	0
1-B ADOPTION ASSISTANCE	213,302	0	0	0	0	0	0	0	0	99,234	79,387	19,847
1-C COUNSELING - DEPENDENT	190,753	36,811	0	8,428	30,198	93,351	0	0	0	21,965	17,572	4,393
1-D COUNSELING - DELINQUENT	220,801	21,646	0	0	43,506	0	0	0	0	155,649	124,519	31,130
1-E DAY CARE	5,035	0	0	0	0	0	0	0	0	5,035	4,028	1,007
1-F DAY TREATMENT - DEPENDENT	18,512	0	0	358	14,112	0	0	0	0	4,042	3,234	808
1-G DAY TREATMENT - DELINQUENT	23,760	0	0	0	7,272	0	0	0	0	16,488	13,190	3,298
1-H HOMEMAKER SERVICE	364,557	0	0	985	139,664	0	0	0	0	223,908	179,126	44,782
1-I INTAKE & REFERRAL	93,349	0	0	17,251	0	0	0	0	0	76,098	60,878	15,220
1-J LIFE SKILLS- DEPENDENT	16,052	0	0	1,935	580	0	0	0	0	13,537	10,830	2,707
1-K LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	166,642	0	0	30,934	0	0	0	0	0	135,708	108,566	27,142
1-M PROTECTIVE SERVICE - GENERAL	786,863	0	0	127,374	0	0	0	0	0	659,489	527,591	131,898
1-N SERVICE PLANNING	56,231	0	0	10,444	0	0	0	0	0	45,787	36,630	9,157
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	29,036	0	0	0	0	0	0	0	0	29,036	14,518	14,518
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	357	0	0	0	0	0	0	0	0	357	179	178
1-Q SUBTOTAL IN-HOME	2,215,189	58,457	114,068	203,892	235,332	93,351	0	0	0	1,510,089	1,204,004	306,085

COMMUNITY BASED PLACEMENT	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	
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	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	774,633	53,180	201,977	4,157	0	0	0	0	515,319	412,255	103,064	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	838,555	38,455	182,114	0	0	0	0	0	617,986	494,389	123,597	
2-E EMERGENCY SHELTER - DEPENDENT	243,906	0	59,676	22,955	0	0	0	0	161,275	145,148	16,127	
2-F EMERGENCY SHELTER - DELINQUENT	289,790	0	79,995	0	0	0	0	0	209,795	188,816	20,979	
2-G FOSTER FAMILY - DEPENDENT	1,258,180	92,146	194,166	192,173	0	0	0	0	779,695	623,756	155,939	
2-H FOSTER FAMILY - DELINQUENT	31,483	1,169	6,437	6,700	0	0	0	0	17,177	13,742	3,435	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	3,436,547	184,950	724,365	225,985	0	0	0	0	2,301,247	1,878,106	423,141	

INSTITUTIONAL PLACEMENT	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	
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	141,515	10,060	44,856	6,225	0	37,337	0	0	43,037	25,822	17,215	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	498,761	10,372	153,885	0	0	0	0	0	334,504	200,702	133,802	
3-D SECURE RES. SERVICE (EXCEPT YDC)	9,177	0	0	0	0	0	0	0	9,177	5,506	3,671	
3-E YDC/YFC (NON-SECURE)-Institutional	435,921	12,875	0	0	0	0	0	0	423,046	253,828	169,218	
3-F YDC SECURE	128,628	4,579	0	0	0	0	0	0	124,049	74,429	49,620	
3-G SUBTOTAL INSTITUTIONAL	1,214,002	37,886	198,741	6,225	0	37,337	0	0	933,813	560,287	373,526	

4 ADMINISTRATION	710,818	4,297	0	134,916	0	0	0	0	3,265	568,340	341,004	227,336
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5 TOTAL REVENUES	7,576,556	285,590	1,037,174	571,018	235,332	93,351	37,337	0	3,265	5,313,489	3,983,401	1,330,088
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MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
 AMENDED CY 370
 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		12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies		Program Income Reimbursable
IN-HOME													
I-A ADOPTION SERVICE	19,348	7,937		2,565	0	89	29,939	14	0	0	0	0	
I-B ADOPTION ASSISTANCE	0	0	213,302	0	0	0	213,302	0	163	0	0	0	
I-C COUNSELING - DEPENDENT	30,117	12,376		2,834	145,312	114	190,753	0	551	0	0	0	
I-D COUNSELING - DELINQUENT	0	0		0	220,801	0	220,801	0	447	0	0	0	
I-E DAY CARE	0	0		7	5,028	0	5,035	0	6	0	0	0	
I-F DAY TREATMENT - DEPENDENT	1,310	543		123	16,536	0	18,512	0	25	0	0	0	
I-G DAY TREATMENT - DELINQUENT	0	0		0	23,760	0	23,760	0	37	0	0	0	
I-H HOMEMAKER SERVICE	3,604	1,493		338	359,122	0	364,557	0	183	0	0	0	
I-I INTAKE & REFERRAL	61,820	25,438		5,895	196	0	93,349	4,076	0	0	0	0	
I-J LIFE SKILLS - DEPENDENT	6,835	2,798		1,780	4,600	39	16,052	0	15	0	0	0	
I-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	
I-L PROTECTIVE SERVICE - CHILD ABUSE	104,487	42,929		18,823	0	403	166,642	577	0	0	0	0	
I-M PROTECTIVE SERVICE - GENERAL	443,970	181,337		106,174	79,850	4,679	816,010	3,269	164	0	29,147	0	
I-N SERVICE PLANNING	37,266	15,305		3,510	0	150	56,231	5,980	0	0	0	0	
I-O JUVENILE ACT PROCEEDINGS - DEPENDENT				7,526	21,510		29,036	0	221	0	0	0	
I-P JUVENILE ACT PROCEEDINGS - DELINQUENT				357	0		357	0	1	0	0	0	
I-Q SUBTOTAL IN-HOME	708,757	290,156	213,302	149,932	876,519	5,670	2,244,336	Number of Children receiving only NON-PURCHASED IN-Home Services	943	0	29,147	0	
COMMUNITY BASED PLACEMENT													
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	0	0	0	0	0	0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	12,308	5,041		13,147	744,073	64	774,633	5,014	82	0	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		1,874	836,681	0	838,555	5,418	105	0	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	27,171	11,036		6,554	198,898	247	243,906	2,071	114	0	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	289,790	0	289,790	1,925	129	0	0	0	
2-G FOSTER FAMILY - DEPENDENT	105,938	43,273		69,197	1,016,948	688	1,258,180	22,762	286	0	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0		242	31,241	0	31,483	558	12	0	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	145,417	59,350	22,136	91,014	3,117,631	999	3,436,547	37,748	728	0	0	0	
INSTITUTIONAL PLACEMENT													
3-A JUVENILE DETENTION SERVICE	0	0		0	0	0	0	0	0	0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	22,104	9,062		5,339	104,903	107	141,515	750	13	0	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		1,100	497,661	0	498,761	3,172	52	0	0	0	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	9,177	0	9,177	30	1	0	0	0	
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	435,921	0	435,921	1,299	22	0	0	0	
3-F YDC SECURE	0	0		0	128,628	0	128,628	351	9	0	0	0	
3-G SUBTOTAL INSTITUTIONAL	22,104	9,062	0	6,439	1,176,290	107	1,214,002	5,602	97	0	0	0	
4 ADMINISTRATION	351,690	144,046	0	226,160	0	1,851	723,747			12,648	281	0	
5 TOTAL EXPENDITURES	1,227,968	502,614	235,438	473,545	5,170,440	8,627	7,618,632			12,648	29,428	0	
				County Indirect Costs = \$	142,072								

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 29,939	\$ 0	\$ 29,939
Adoption Assistance	213,302	0	213,302
Counseling	411,554	0	411,554
Day Care	5,035	0	5,035
Day Treatment	42,272	0	42,272
Homemaker Service	364,557	0	364,557
Intake and Referral	93,349	0	93,349
Life Skills	16,052	0	16,052
Protective Service - Child Abuse	166,642	0	166,642
Protective Service - General	816,010	0	816,010
Service Planning	56,231	0	56,231
Juvenile Act Proceedings	29,393	0	29,393
Alternative Treatment	0	0	0
Community Residential	1,613,188	0	1,613,188
Emergency Shelter	533,696	0	533,696
Foster Family	1,289,663	0	1,289,663
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	640,276	0	640,276
Secure Residential Service (Except YDC)	9,177	0	9,177
YDC/YFC (Non-Secure) - Institutional	435,921	0	435,921
YDC Secure	128,628	0	128,628
Administration	<u>723,747</u>	<u>0</u>	<u>723,747</u>
Combined Total Expense	7,618,632	0	7,618,632
Less Non-reimbursables	<u>29,629</u>	<u>12,447</u>	<u>42,076</u>
Total Net Expense	<u>\$ 7,589,003</u>	<u>\$ (12,447)</u>	<u>\$ 7,576,556</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,227,968	\$ 0	\$ 1,227,968
Employee Benefits	502,614	0	502,614
Subsidies	235,438	0	235,438
Operating	473,545	0	473,545
Purchased Services	5,170,440	0	5,170,440
Fixed Assets	<u>8,627</u>	<u>0</u>	<u>8,627</u>
Combined Total Expense	7,618,632	0	7,618,632
Less Non-reimbursables	<u>29,629</u>	<u>12,447</u>	<u>42,076</u>
Total Net Expense	<u>\$ 7,589,003</u>	<u>\$ (12,447)</u>	<u>\$ 7,576,556</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non Reimbursable Non P/S Sub</p> <p>To claim Non-Reimbursable Expenditures of \$12,447 within the Administration cost center to reflect the indirect costs that exceeded the 2% cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ -	\$ 12,447	\$ 12,447

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2010 to JUNE 30, 2011

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	4,242,372
Supplemental Act 148			<u>309,751</u>
Total State Allocation			4,552,123
State Share (CY348) ²	\$		4,550,186
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,550,186
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	4,550,186
Actual Act 148 Revenues Received ⁴			<u>4,552,123</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(1,937)</u></u>

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

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

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

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ 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.

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 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	24,531	0	3,998	0	0	0	0	0	20,533	20,533	0
02. 90% REIMBURSEMENT	599,216	105	102,325	0	0	0	0	0	496,786	447,107	49,679
03. 80% REIMBURSEMENT	5,621,171	209,927	1,099,670	197,198	93,351	0	0	0	4,021,025	3,216,819	804,206
04. 60% REIMBURSEMENT	1,676,349	30,681	260,170	0	0	37,337	0	2,278	1,345,883	807,531	538,352
05. 50% REIMBURSEMENT	116,394	0	3	0	0	0	0	0	116,391	58,196	58,195
06. TOTAL NET CHILD WELFARE EXPEND.	8,037,661	240,713	1,466,166	197,198	93,351	37,337	0	2,278	6,000,618	4,550,186	1,450,432
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	776,249	15,219							761,030	456,618	304,412
08. NON-REIMBURSABLE EXPENDITURES	44,735	0	0						44,735		44,735
09. TOTAL EXPENDITURES	8,858,645	255,932	1,466,166	197,198	93,351	37,337	0	2,278	6,806,383	5,006,804	1,799,579
10. IL Grant Funds Reported	0										
11. TOTAL HSDF used for Child Welfare	46,637										
12. TOTAL TITLE IV-D COLLECTIONS	137,293										
13. TITLE IV-D Collections for IV-E Children	10,481										
14. STATE ACT 148 - line 6	4,550,186										
15. STATE ACT 148 ALLOCATION	4,552,123										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	4,550,186										
INVOICE											
AMENDED STATE SHARE (ACT 148)	4,550,186										
ACT 148 AMOUNT RECEIVED	4,552,123										
ADJUSTMENT TO STATE SHARE	(1,937)										

Subsidized Permanent Legal Custodianship	58,900	3,308	Number of Children	14
SPLC				

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 AMENDED CY370A
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	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
1-A ADOPTION SERVICE	24,531	0		3,998	0		0	0	0	20,533	20,533	0
1-B ADOPTION ASSISTANCE	198,750	0	102,970	0			0			95,780	76,624	19,156
1-C COUNSELING - DEPENDENT	247,163	31,409		5,109	4,403	46,675	0	0	0	159,567	127,654	31,913
1-D COUNSELING - DELINQUENT	182,660	15,610		0	8,862	0	0	0	0	158,188	126,550	31,638
1-E DAY CARE	4,278	0		0	0	0	0	0	0	4,278	3,422	856
1-F DAY TREATMENT - DEPENDENT	12,240	0		0	9,720	0	0	0	0	2,520	2,016	504
1-G DAY TREATMENT - DELINQUENT	14,208	0		0	0	0	0	0	0	14,208	11,366	2,842
1-H HOMEMAKER SERVICE	494,204	0		0	174,213	46,676	0	0	0	273,315	218,652	54,663
1-I INTAKE & REFERRAL	53,692	0		8,750	0	0	0	0	0	44,942	35,954	8,988
1-J LIFE SKILLS - DEPENDENT	13,241	0		1,744	0	0	0	0	0	11,497	9,198	2,299
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	120,976	0		19,788	0	0		0	0	101,188	80,950	20,238
1-M PROTECTIVE SERVICE - GENERAL	977,118	157		133,876	0	0		0	0	843,085	674,468	168,617
1-N SERVICE PLANNING	41,113	0		6,700	0	0	0	0	0	34,413	27,530	6,883
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	115,940	0		3	0	0	0	0	0	115,937	57,969	57,968
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	454	0		0	0	0	0	0	0	454	227	227
1-Q SUBTOTAL IN-HOME	2,500,568	47,176	102,970	179,968	197,198	93,351	0	0	0	1,879,905	1,473,113	406,792
COMMUNITY BASED PLACEMENT	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
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0		0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	959,189	48,471	266,569	2,943		0	0	0	0	641,206	512,965	128,241
2-D COMMUNITY RESIDENTIAL - DELINQUENT	699,736	47,823	94,153	39		0	0	0	0	557,721	446,177	111,544
2-E EMERGENCY SHELTER - DEPENDENT	270,547	105	54,997	14,685		0	0	0	0	200,760	180,684	20,076
2-F EMERGENCY SHELTER - DELINQUENT	328,669	0	32,643	0		0	0	0	0	296,026	266,423	29,603
2-G FOSTER FAMILY - DEPENDENT	1,548,366	66,457	187,915	247,970		0	0	0	0	1,046,024	836,819	209,205
2-H FOSTER FAMILY - DELINQUENT	47,937	0	11,113	10,031		0	0	0	0	26,793	21,434	5,359
2-I SUP. INDEPENDENT LIVING - DEPENDENT	6,300	0	0	0		0	0	0	0	6,300	5,040	1,260
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-K SUBTOTAL CBP	3,860,744	162,856	647,390	275,668	0	0	0	0	0	2,774,830	2,269,542	505,288
INSTITUTIONAL PLACEMENT	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
3-A JUVENILE DETENTION SERVICE	0	0								0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	217,112	4,447	83,377	4,705		0	37,337	0	0	87,246	52,348	34,898
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	721,086	23,943	59,341	(39)		0	0	0	0	637,841	382,705	255,136
3-D SECURE RES. SERVICE (EXCEPT YDC)	21,870	0								21,870	13,122	8,748
3-E YDC/YFC (NON-SECURE) - Institutional	512,860	3,940								508,920	305,352	203,568
3-F YDC SECURE	263,389	11,279								252,110	151,266	100,844
3-G SUBTOTAL INSTITUTIONAL	1,736,317	43,609	142,718	4,666	0	0	37,337	0	0	1,507,987	904,793	603,194
4 ADMINISTRATION	716,281	2,291		112,786		0	0		2,278	598,926	359,356	239,570
5 TOTAL REVENUES	8,813,910	255,932	893,078	573,088	197,198	93,351	37,337	0	2,278	6,761,648	5,006,804	1,754,844

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 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
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	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
I-A ADOPTION SERVICE	16,591	6,795		1,089	0	56	24,531	21	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	198,750	0	0	0	198,750	0	149	0	0	0
I-C COUNSELING - DEPENDENT	21,314	8,727		1,237	215,812	73	247,163	0	562	0	0	0
I-D COUNSELING - DELINQUENT	0	0		72	182,588	0	182,660	0	428	0	0	0
I-E DAY CARE	0	0		0	4,278	0	4,278	0	7	0	0	0
I-F DAY TREATMENT - DEPENDENT	0	0		0	12,240	0	12,240	0	16	0	0	0
I-G DAY TREATMENT - DELINQUENT	0	0		0	14,208	0	14,208	0	31	0	0	0
I-H HOME MAKER SERVICE	0	0		0	494,204	0	494,204	0	406	0	0	0
I-I INTAKE & REFERRAL	36,502	14,946		2,120	0	124	53,692	4,147	0	0	0	0
I-J LIFE SKILLS - DEPENDENT	7,274	2,979		423	2,540	25	13,241	0	8	0	0	0
I-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-L PROTECTIVE SERVICE - CHILD ABUSE	75,173	30,782		14,765	0	256	120,976	428	0	0	0	0
I-M PROTECTIVE SERVICE - GENERAL	540,375	221,276		161,812	95,488	1,839	1,020,790	3,678	135	0	43,672	0
I-N SERVICE PLANNING	27,949	11,445		1,624	0	95	41,113	5,981	0	0	0	0
I-O JUVENILE ACT PROCEEDINGS - DEPENDENT				94,059	21,881		115,940	0	222	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DELINQUENT				454	0		454	1	1	0	0	0
I-Q SUBTOTAL IN-HOME	725,178	296,950	198,750	277,655	1,043,239	2,468	2,544,240			0	43,672	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	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	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	11,997	4,912	0	9,052	933,187	41	959,189	7,851	100	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,160	698,576	0	699,736	6,357	96	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	45,945	18,814	0	5,906	199,726	156	270,547	2,914	104	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	328,669	0	328,669	2,715	133	0	0	0
2-G FOSTER FAMILY - DEPENDENT	128,265	52,522	58,900	57,744	1,250,499	436	1,548,366	35,597	366	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	47,937	0	47,937	841	10	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	6,300	0	0	0	6,300	311	5	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	186,207	76,248	65,200	73,862	3,458,594	633	3,860,744	56,586	814	0	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	19,910	8,153	0	2,795	186,187	67	217,112	1,565	23	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,896	719,190	0	721,086	5,431	69	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	21,870	0	21,870	142	2	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	512,860	0	512,860	1,626	19	0	0	0
3-F YDC SECURE	0	0	0	0	263,389	0	263,389	895	11	0	0	0
3-G SUBTOTAL INSTITUTIONAL	19,910	8,153	0	4,691	1,703,496	67	1,736,317	9,659	124	0	0	0
4 ADMINISTRATION	344,981	141,263	0	228,082	0	3,018	717,344			577	486	0
5 TOTAL EXPENDITURES	1,276,276	522,614	263,950	584,290	6,205,329	6,186	8,858,645			577	44,158	0
County Indirect Costs = \$ 162,908												

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 24,580	\$ (49)	\$ 24,531
Adoption Assistance	198,750	0	198,750
Counseling	429,882	(59)	429,823
Day Care	4,278	0	4,278
Day Treatment	26,448	0	26,448
Homemaker Service	494,204	0	494,204
Intake and Referral	53,788	(96)	53,692
Life Skills	13,260	(19)	13,241
Protective Service - Child Abuse	121,646	(670)	120,976
Protective Service - General	1,028,127	(7,337)	1,020,790
Service Planning	41,187	(74)	41,113
Juvenile Act Proceedings	120,680	(4,286)	116,394
Alternative Treatment	0	0	0
Community Residential	1,659,388	(463)	1,658,925
Emergency Shelter	599,484	(268)	599,216
Foster Family	1,598,921	(2,618)	1,596,303
Supervised Independent Living	6,300	0	6,300
Juvenile Detention Service	0	0	0
Residential Service	938,411	(213)	938,198
Secure Residential Service (Except YDC)	21,870	0	21,870
YDC/YFC (Non-Secure) - Institutional	512,860	0	512,860
YDC Secure	263,389	0	263,389
Administration	701,192	16,152	717,344
Combined Total Expense	<u>8,858,645</u>	<u>0</u>	<u>8,858,645</u>
Less Non-reimbursables	<u>44,735</u>	<u>0</u>	<u>44,735</u>
Total Net Expense	<u>\$ 8,813,910</u>	<u>\$ 0</u>	<u>\$ 8,813,910</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,276,276	\$ 0	\$ 1,276,276
Employee Benefits	522,614	0	522,614
Subsidies	263,950	0	263,950
Operating	584,290	0	584,290
Purchased Services	6,205,329	0	6,205,329
Fixed Assets	6,186	0	6,186
Combined Total Expense	<u>8,858,645</u>	<u>0</u>	<u>8,858,645</u>
Less Non-reimbursables	<u>44,735</u>	<u>0</u>	<u>44,735</u>
Total Net Expense	<u>\$ 8,813,910</u>	<u>\$ 0</u>	<u>\$ 8,813,910</u>

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
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	4	4	1	Administration-Operating To increase Administration-Operating expenditures by \$25,345 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	\$ 211,930	\$ 25,345	\$ 237,275
CY-370	1-A	4	2	Adoption Service-Operating	\$ 1,138	\$ (49)	\$ 1,089
	1-C	4		Counseling - Dependent-Operating	\$ 1,293	\$ (56)	\$ 1,237
	1-D	4		Counseling - Delinquent-Operating	\$ 75	\$ (3)	\$ 72
	1-I	4		Intake & Referral-Operating	\$ 2,216	\$ (96)	\$ 2,120
	1-J	4		Life Skills - Dependent-Operating	\$ 442	\$ (19)	\$ 423
	1-L	4		Protective Service - Child Abuse-Operating	\$ 15,435	\$ (670)	\$ 14,765
	1-M	4		Protective Service - General-Operating	\$ 169,149	\$ (7,337)	\$ 161,812
	1-N	4		Service Planning-Operating	\$ 1,698	\$ (74)	\$ 1,624
	1-O	4		Juvenile Act Proceedings - Dep. - Operating	\$ 98,324	\$ (4,265)	\$ 94,059
	1-P	4		Juvenile Act Proceedings - Del. - Operating	\$ 475	\$ (21)	\$ 454
	2-C	4		Community Residential - Dependent-Operating	\$ 9,462	\$ (410)	\$ 9,052
	2-D	4		Community Residential - Del.-Operating	\$ 1,213	\$ (53)	\$ 1,160
	2-E	4		Emergency Shelter - Dependent-Operating	\$ 6,174	\$ (268)	\$ 5,906
	2-G	4		Foster Family - Dependent-Operating	\$ 60,362	\$ (2,618)	\$ 57,744
	3-B	4		Residential Service - Dependent-Operating	\$ 2,922	\$ (127)	\$ 2,795
	3-C	4		Res. Service - Del. - Operating	\$ 1,982	\$ (86)	\$ 1,896
	4	4		Administration-Operating	\$ 237,275	\$ (9,193)	\$ 228,082
			Total Adjustment Amount		\$ (25,345)		
			To remove \$25,345 of Indirect Costs that were improperly direct charged and allocated across the various cost centers. Indirect Costs should be expensed in the Administration cost center only and subject to the 2 percent cost limitation. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12				

SECTION 4

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2011 to JUNE 30, 2012

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	4,046,782
Supplemental Act 148			<u>1,302,228</u>
Total State Allocation			5,349,010
State Share (CY348) ²	\$		5,346,522
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	5,346,522
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	5,346,522
Actual Act 148 Revenues Received ⁴			<u>5,349,010</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(2,488)</u></u>

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

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

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

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ 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.

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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	27,678	0	4,513	0	0	0	0	0	23,165	23,165	0
02. 90% REIMBURSEMENT	556,010	0	51,294	0	0	0	0	0	504,716	454,245	50,471
03. 80% REIMBURSEMENT	6,697,358	201,285	1,078,340	202,831	93,351	9,334	0	0	5,112,217	4,089,774	1,022,443
04. 60% REIMBURSEMENT	1,547,618	50,826	189,763	0	0	28,003	0	3,876	1,275,150	765,090	510,060
05. 50% REIMBURSEMENT	28,628	0	133	0	0	0	0	0	28,495	14,248	14,247
06. TOTAL NET CHILD WELFARE EXPEND.	8,857,292	252,111	1,324,043	202,831	93,351	37,337	0	3,876	6,943,743	5,346,522	1,597,221

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,413,174	30,561							1,382,613	829,568	553,045
08. NON-REIMBURSABLE EXPENDITURES	63,024	0	63,024	0	63,024						

09. TOTAL EXPENDITURES	10,333,490	282,672	1,324,043	202,831	93,351	37,337	0	3,876	8,389,380	6,176,090	2,213,290
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10. TOTAL TITLE IV-D COLLECTIONS 156,728

11. TITLE IV-D Collections for IV-E Children 12,123

12. STATE ACT 148 - line 6 5,346,522

13. STATE ACT 148 ALLOCATION 5,349,010

14. ADJUSTED STATE SHARE (lower of 14 or 15) 5,346,522

INVOICE	
AMENDED STATE SHARE (ACT 148)	5,346,522
ACT 148 AMOUNT RECEIVED	5,349,010
ADJUSTMENT TO STATE SHARE	(2,488)

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
 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
IN-HOME												
1-A ADOPTION SERVICE	27,678	0		4,513	0			0	0	23,165	23,165	0
1-B ADOPTION ASSISTANCE	211,968	0	42,408						0	169,560	135,648	33,912
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	115,850	0	33,387						0	82,463	65,970	16,493
1-D COUNSELING - DEPENDENT	691,395	25,765		5,743	121,641	93,351		0	0	444,895	355,916	88,979
1-E COUNSELING - DELINQUENT	440,225	2,070			2,656			0	0	435,499	348,399	87,100
1-F DAY CARE	18,337	0						0	0	18,337	14,670	3,667
1-G DAY TREATMENT - DEPENDENT	0	0						0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0						0	0	0	0	0
1-I HOMEMAKER SERVICE	240,856	0			78,534			0	0	162,322	129,858	32,464
1-J INTAKE & REFERRAL	58,544	0		9,835				0	0	48,709	38,967	9,742
1-K LIFE SKILLS - DEPENDENT	13,078	0		1,959				0	0	11,119	8,895	2,224
1-L LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	132,234	0		22,297				0	0	109,937	87,950	21,987
1-N PROTECTIVE SERVICE - GENERAL	1,087,767	0		149,675				0	0	938,092	750,474	187,618
1-O SERVICE PLANNING	44,830	0		7,531				0	0	37,299	29,839	7,460
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	27,797	0		128				0	0	27,669	13,835	13,834
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	831	0		5				0	0	826	413	413
SUBTOTAL IN-HOME	3,111,390	27,835	75,795	201,686	202,831	93,351	0	0	0	2,509,892	2,003,999	505,893
COMMUNITY BASED PLACEMENT	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
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0							0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0							0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,156,488	31,960	297,653	3,392			9,334		0	814,149	651,319	162,830
2-D COMMUNITY RESIDENTIAL - DELINQUENT	982,392	42,935	69,667	143					0	869,647	695,718	173,929
2-E EMERGENCY SHELTER - DEPENDENT	227,906	0	23,830	18,031					0	186,045	167,441	18,604
2-F EMERGENCY SHELTER - DELINQUENT	328,104	0	9,433						0	318,671	286,804	31,867
2-G FOSTER FAMILY - DEPENDENT	1,503,394	98,555	207,848	226,802					0	970,189	776,151	194,038
2-H FOSTER FAMILY - DELINQUENT	0	0							0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0							0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	0
2-K SUBTOTAL CBP	4,198,284	173,450	608,431	248,368	0	0	9,334	0	0	3,158,701	2,577,433	581,268
INSTITUTIONAL PLACEMENT	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
3-A JUVENILE DETENTION SERVICE	0	0							0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	297,703	7,805	49,989	5,030			25,446		0	209,433	125,660	83,773
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	193,493	42,851	0				2,557		0	148,085	88,851	59,234
3-D SECURE RES. SERVICE (EXCEPT YDC)	238,772	0							0	238,772	143,263	95,509
3-E YDC SECURE	1,413,174	30,561								1,382,613	829,568	553,045
3-F SUBTOTAL INSTITUTIONAL	2,143,142	81,217	49,989	5,030	0	0	28,003	0	0	1,978,903	1,187,342	791,561
4 ADMINISTRATION	817,650	170		134,744					3,876	678,860	407,316	271,544
TOTAL REVENUES	10,270,466	282,672	734,215	589,828	202,831	93,351	37,337	0	3,876	8,326,356	6,176,090	2,150,266

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
 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
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	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
1-A ADOPTION SERVICE	17,940	7,662		2,051	0	25	27,678	0	27	0	0	0
1-B ADOPTION ASSISTANCE	0	0	211,968	0	0	0	211,968	0	143	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	115,850	0	0	0	115,850	0	71	0	0	0
1-D COUNSELING - DEPENDENT	23,046	9,842		1,266	657,209	32	691,395	0	505	0	0	0
1-E COUNSELING - DELINQUENT	0	0		270	439,955	0	440,225	0	552	0	0	0
1-F DAY CARE	0	0		18,337	0	0	18,337	0	15	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	256	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	240,856	0	240,856	1,645	0	0	0	0
1-J INTAKE & REFERRAL	39,469	16,855		2,164	0	56	58,544	0	4	0	0	0
1-K LIFE SKILLS - DEPENDENT	7,866	3,360		431	1,410	11	13,078	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	81,284	34,713		16,122	0	115	132,234	414	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	584,308	249,526		211,682	103,508	824	1,149,848	2,314	135	0	62,081	0
1-O SERVICE PLANNING	30,222	12,906		1,660	0	42	44,830	5,152	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				2,125	25,672		27,797	0	283	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				831	0		831	0	3	0	0	0
1-R SUBTOTAL IN-HOME	784,135	334,864	327,818	2,38,602	1,486,947	1,105	3,173,471				62,081	0
Number of Children receiving only NON-PURCHASED IN-Home Services 741												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	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	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	12,971	5,541		15,905	1,122,052	19	1,156,488	7,821	89	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		1,645	980,827	0	982,472	7,459	100	80	0	0
2-E EMERGENCY SHELTER - DEPENDENT	49,681	21,216		5,865	151,074	70	227,906	1,605	94	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		139	327,965	0	328,104	2,166	155	0	0	0
2-G FOSTER FAMILY - DEPENDENT	138,694	59,229		65,047	1,240,228	196	1,503,394	28,461	406	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	201,346	85,986	0	88,601	3,822,146	285	4,198,364	47,512	844	80	0	0
Number of Children at IMMINENT RISK 903												
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	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	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	21,528	9,194		15,091	251,859	31	297,703	1,497	33	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		1,157	192,336	0	193,493	1,235	39	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		176	238,596	0	238,772	778	9	0	0	0
3-E YDC SECURE	0	0		0	1,413,174	0	1,413,174	3,149	47	0	0	0
3-F SUBTOTAL INSTITUTIONAL	21,528	9,194	0	16,424	2,095,965	31	2,143,142	6,659	128	0	0	0
4 ADMINISTRATION	373,029	159,298	0	269,716	0	16,470	818,513			863	0	0
5 TOTAL EXPENDITURES	1,380,038	589,342	327,818	613,343	7,405,058	17,891	10,333,490			943	62,081	0
County Indirect Costs = \$ 162,678												

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 27,756	\$ (78)	\$ 27,678
Adoption Assistance	211,968	0	211,968
Subsidized Permanent Legal Custodianship	115,850	0	115,850
Counseling	1,131,678	(58)	1,131,620
Day Care	18,337	0	18,337
Day Treatment	0	0	0
Homemaker Service	240,856	0	240,856
Intake and Referral	58,626	(82)	58,544
Life Skills	13,094	(16)	13,078
Protective Service - Child Abuse	132,846	(612)	132,234
Protective Service - General	1,157,888	(8,040)	1,149,848
Service Planning	44,893	(63)	44,830
Juvenile Act Proceedings	28,741	(113)	28,628
Alternative Treatment	0	0	0
Community Residential	2,139,627	(667)	2,138,960
Emergency Shelter	556,238	(228)	556,010
Foster Family	1,505,865	(2,471)	1,503,394
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	491,813	(617)	491,196
Secure Residential Service (Except YDC)	238,779	(7)	238,772
YDC Secure	1,413,174	0	1,413,174
Administration	<u>805,461</u>	<u>13,052</u>	<u>818,513</u>
Combined Total Expense	10,333,490	0	10,333,490
Less Non-reimbursables	<u>63,024</u>	<u>0</u>	<u>63,024</u>
Total Net Expense	\$ <u>10,270,466</u>	\$ <u>0</u>	\$ <u>10,270,466</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,380,038	\$ 0	\$ 1,380,038
Employee Benefits	589,342	0	589,342
Subsidies	327,818	0	327,818
Operating	613,343	0	613,343
Purchased Services	7,405,058	0	7,405,058
Fixed Assets	<u>17,891</u>	<u>0</u>	<u>17,891</u>
Combined Total Expense	10,333,490	0	10,333,490
Less Non-reimbursables	<u>63,024</u>	<u>0</u>	<u>63,024</u>
Total Net Expense	\$ <u>10,270,466</u>	\$ <u>0</u>	\$ <u>10,270,466</u>

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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	4	4	1	Administration-Operating To increase Administration-Operating expenditures by \$22,444 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	\$ 256,664	\$ 22,444	\$ 279,108
CY-370	1-A	4	2	Adoption Service - Operating	\$ 2,129	\$ (78)	\$ 2,051
	1-D	4		Counseling - Dependent - Operating	\$ 1,314	\$ (48)	\$ 1,266
	1-E	4		Counseling - Delinquent - Operating	\$ 280	\$ (10)	\$ 270
	1-J	4		Intake & Referral - Operating	\$ 2,246	\$ (82)	\$ 2,164
	1-K	4		Life Skills - Dependent - Operating	\$ 447	\$ (16)	\$ 431
	1-M	4		Protective Service - Child Abuse - Operating	\$ 16,734	\$ (612)	\$ 16,122
	1-N	4		Protective Service - General - Operating	\$ 219,722	\$ (8,040)	\$ 211,682
	1-O	4		Service Planning - Operating	\$ 1,723	\$ (63)	\$ 1,660
	1-P	4		Juvenile Act Proceedings - Dependent - Operating	\$ 2,206	\$ (81)	\$ 2,125
	1-Q	4		Juvenile Act Proceedings - Delinquent - Operating	\$ 863	\$ (32)	\$ 831
	2-C	4		Community Residential - Dependent - Operating	\$ 16,509	\$ (604)	\$ 15,905
	2-D	4		Community Residential - Delinquent - Operating	\$ 1,708	\$ (63)	\$ 1,645
	2-E	4		Emergency Shelter - Dependent - Operating	\$ 6,088	\$ (223)	\$ 5,865
	2-F	4		Emergency Shelter - Delinquent - Operating	\$ 144	\$ (5)	\$ 139
	2-G	4		Foster Family - Dependent - Operating	\$ 67,518	\$ (2,471)	\$ 65,047
	3-B	4		Residential Service - Dependent - Operating	\$ 15,664	\$ (573)	\$ 15,091
	3-C	4		Res. Service - Delinquent (Except YDC/YFC) - Operating	\$ 1,201	\$ (44)	\$ 1,157
	3-D	4		Secure Res. Service (Except YDC) - Operating	\$ 183	\$ (7)	\$ 176
	4	4		Administration - Operating	\$ 279,108	\$ (9,392)	\$ 269,716
				Total Adjustment Amount		\$ (22,444)	
			To remove \$22,444 of Indirect Costs that were improperly direct charged and allocated across the various cost centers. Indirect Costs should be expensed in the Administration cost center only and subject to the 2 percent cost limitation. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12				

SECTION 5

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2012 to JUNE 30, 2013

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹	\$	4,449,443
Supplemental Act 148		<u>413,759</u>
Total State Allocation		4,863,202
State Share (CY348) ²	\$	4,860,021
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	4,860,021
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	4,860,021
Actual Act 148 Revenues Received ⁴		<u>4,863,202</u>
Net Amount Due County/(State) ⁵	\$	<u><u>(3,181)</u></u>

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

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

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

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ 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.

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
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	IV-B	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE								
NET CHILD WELFARE EXPENDITURES																						
01. 100% REIMBURSEMENT	30,633		0	4,879	0	0	0	0	0	0	0	25,754	25,754	0								
02. 90% REIMBURSEMENT	509,654		0	86,330	0	0	0	0	0	0	0	423,324	380,992	42,332								
03. 80% REIMBURSEMENT	6,250,732		127,184	1,088,708	202,831	93,351	0	0	0	0	4,738,658	3,790,927	947,731									
04. 60% REIMBURSEMENT	1,326,398		45,192	154,122	0	0	37,337	0	0	0	1,084,874	650,924	433,950									
05. 50% REIMBURSEMENT	22,848		0	0	0	0	0	0	0	0	22,848	11,424	11,424									
06. TOTAL NET CHILD WELFARE EXPEND.	8,140,265		172,376	1,334,039	202,831	93,351	37,337	0	0	0	4,873	6,295,458	4,860,021	1,435,437								
YDC/YFC PLACEMENT COSTS																						
07. 60% DHS PARTICIPATION	455,910		12,157									443,753	266,252	177,501								
08. NON-REIMBURSABLE EXPENDITURES	49,277		0	0	0	0	0	0	0	0	0	49,277										
09. TOTAL EXPENDITURES	8,645,452		184,533	1,334,039	202,831	93,351	37,337	0	0	0	4,873	6,788,488	5,126,273	1,662,215								
10. TOTAL TITLE IV-D COLLECTIONS	76,856																					
11. TITLE IV-D Collections for IV-E Children	9,775																					
12. STATE ACT 148 - line 6	4,860,021																					
13. STATE ACT 148 ALLOCATION	4,863,202																					
14. ADJUSTED STATE SHARE (lower of 14 or 15)	4,860,021																					
INVOICE																						
AMENDED STATE SHARE (ACT 148)	4,860,021																					
ACT 148 AMOUNT RECEIVED	4,863,202																					
ADJUSTMENT TO STATE SHARE	(3,181)																					

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 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
IN-HOME												
I-A ADOPTION SERVICE	30,633	0	0	4,879	0		0	0	0	25,754	25,754	0
I-B ADOPTION ASSISTANCE	257,816	0	23,763	0			0		0	234,053	187,242	46,811
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/H	231,136	0	76,789	0			0		0	154,347	123,478	30,869
I-D COUNSELING - DEPENDENT	469,218	35,794	6,369	201,563	93,351		0	0	0	132,141	105,713	26,428
I-E COUNSELING - DELINQUENT	324,312	1,147		1,268			0	0	0	321,897	257,518	64,379
I-F DAY CARE	16,495	0		0			0	0	0	16,495	13,196	3,299
I-G DAY TREATMENT - DEPENDENT	0	0		0			0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0			0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0			0	0	0	0	0	0
I-J HOMEMAKER SERVICE	0	0		0			0	0	0	0	0	0
I-K INTAKE & REFERRAL	66,941	0	10,721	0			0	0	0	56,220	44,976	11,244
I-L LIFE SKILLS - DEPENDENT	103,721	0	2,138	0			0	0	0	101,583	81,266	20,317
I-L LIFE SKILLS - DELINQUENT	128,593	0		0			0	0	0	128,593	102,874	25,719
I-M PROTECTIVE SERVICE - CHILD ABUSE	148,737	0	24,044	0			0	0	0	124,693	99,754	24,939
I-N PROTECTIVE SERVICE - GENERAL	1,054,586	0	161,380	0			0	0	0	893,206	714,565	178,641
I-O SERVICE PLANNING	51,110	0	8,209	0			0	0	0	42,901	34,321	8,580
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	22,392	0		0			0	0	0	22,392	11,196	11,196
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	456	0		0			0	0	0	456	228	228
I-R SUBTOTAL IN-HOME	2,906,146	36,941	100,552	217,740	202,831	93,351	0	0	0	2,254,731	1,802,081	452,650
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,089,830	9,576	298,915	3,523			0	0	0	777,816	622,253	155,563
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,070,109	28,682	110,455	0			0	0	0	930,972	744,778	186,194
2-E EMERGENCY SHELTER - DEPENDENT	262,695	0	41,523	18,763	0		0	0	0	202,409	182,168	20,241
2-F EMERGENCY SHELTER - DELINQUENT	246,959	0	26,044	0			0	0	0	220,915	198,824	22,091
2-G FOSTER FAMILY - DEPENDENT	1,231,678	51,985	158,896	203,506			0	0	0	817,291	653,833	163,458
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	6,450	0	0	0			0	0	0	6,450	5,160	1,290
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUBTOTAL CBP	3,907,721	90,243	635,833	223,792	202,831	93,351	0	0	0	2,955,853	2,407,016	548,837
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0			0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	104,915	8,860	5,450	5,849			37,337	0	0	47,419	28,451	18,968
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	141,925	32,149	3,009	0			0	0	0	106,767	64,060	42,707
3-D SECURE RES. SERVICE (EXCEPT YDC)	189,190	3,164						0	0	186,026	111,616	74,410
3-E YDC SECURE	455,910	12,157								443,753	266,252	177,501
3-F SUBTOTAL INSTITUTIONAL	891,940	56,330	8,459	5,849	0		37,337	0	0	783,965	470,379	313,586
4 ADMINISTRATION	890,368	1,019		139,814			0	0	4,873	744,662	446,797	297,865
5 TOTAL REVENUES	8,596,175	184,533	744,844	589,195	202,831	93,351	37,337	0	4,873	6,739,211	5,126,273	1,612,938

MERCER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	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
IN-HOME												
1-A ADOPTION SERVICE	19,411	9,965		1,257	0	0	30,633	26	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	257,816	0	0	0	257,816	0	152	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	231,136	0	0	0	231,136	0	139	0	0	0
1-D COUNSELING - DEPENDENT	24,936	12,802		1,809	429,671	0	469,218	0	197	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	324,505	0	324,505	0	192	0	0	0
1-F DAY CARE	0	0		0	16,495	0	16,495	0	19	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	42,706	21,923		2,119	0	0	66,748	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	8,512	4,369		422	90,418	0	103,721	0	254	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		69	128,524	0	128,593	0	299	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	87,950	45,149		15,638	0	0	148,737	0	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	632,225	324,551		96,317	50,401	0	1,103,494	0	63	75	48,833	0
1-O SERVICE PLANNING	32,702	16,787		1,621	0	0	51,110	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				827	21,565		22,392	0	227	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				456	0		456	0	0	0	0	0
1-R SUBTOTAL IN-HOME	848,442	435,546	488,952	120,535	1,061,579	0	2,955,054			75	48,833	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											789
COMMUNITY BASED PLACEMENT												
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	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	14,036	7,206		11,328	1,057,260	0	1,089,830	6,402	98	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		1,390	1,068,719	0	1,070,109	6,061	107	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	53,756	27,595		4,611	176,733	0	262,695	1,883	94	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		249	246,710	0	246,959	1,634	99	0	0	0
2-G FOSTER FAMILY - DEPENDENT	150,067	77,037		34,283	970,291	0	1,231,678	17,953	266	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	6,450	0	0	0	6,450	80	2	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	217,859	111,838	6,450	51,861	3,519,713	0	3,907,721	34,013	666	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	23,294	11,957		2,455	67,209	0	104,915	427	7	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		411	141,514	0	141,925	976	21	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		600	188,590	0	189,190	569	8	0	0	0
3-E YDC SECURE	0	0		0	455,910	0	455,910	2,883	50	0	0	0
3-F SUBTOTAL INSTITUTIONAL	23,294	11,957	0	3,466	853,223	0	891,940	4,855	86	0	0	0
4 ADMINISTRATION	403,615	207,194	0	279,154	0	774	890,737			369	0	0
5 TOTAL EXPENDITURES	1,493,210	766,535	495,402	455,016	5,434,515	774	8,645,452			444	48,833	0
	County Indirect Costs = \$											183,887

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 30,749	\$ (116)	\$ 30,633
Adoption Assistance	257,816	0	257,816
Subsidized Permanent Legal Custodianship	231,136	0	231,136
Counseling	793,888	(358)	793,530
Day Care	16,495	0	16,495
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	66,941	0	66,941
Life Skills	232,358	(44)	232,314
Protective Service - Child Abuse	150,165	(1,428)	148,737
Protective Service - General	1,112,288	(8,794)	1,103,494
Service Planning	51,258	(148)	51,110
Juvenile Act Proceedings	22,965	(117)	22,848
Alternative Treatment	0	0	0
Community Residential	2,161,100	(1,161)	2,159,939
Emergency Shelter	510,098	(444)	509,654
Foster Family	1,234,808	(3,130)	1,231,678
Supervised Independent Living	6,450	0	6,450
Juvenile Detention Service	0	0	0
Residential Service	247,102	(262)	246,840
Secure Residential Service (Except YDC)	189,245	(55)	189,190
YDC Secure	455,910	0	455,910
Administration	874,680	16,057	890,737
Combined Total Expense	<u>8,645,452</u>	<u>0</u>	<u>8,645,452</u>
Less Non-reimbursables	<u>49,277</u>	<u>0</u>	<u>49,277</u>
Total Net Expense	<u>\$ 8,596,175</u>	<u>\$ 0</u>	<u>\$ 8,596,175</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,493,210	\$ 0	\$ 1,493,210
Employee Benefits	766,535	0	766,535
Subsidies	495,402	0	495,402
Operating	455,016	0	455,016
Purchased Services	5,434,515	0	5,434,515
Fixed Assets	774	0	774
Combined Total Expense	<u>8,645,452</u>	<u>0</u>	<u>8,645,452</u>
Less Non-reimbursables	<u>49,277</u>	<u>0</u>	<u>49,277</u>
Total Net Expense	<u>\$ 8,596,175</u>	<u>\$ 0</u>	<u>\$ 8,596,175</u>

**MERCER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
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	4	4	1	Administration-Operating To increase Administration-Operating expenditures by \$38,070 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	\$ 263,097	\$ 38,070	\$ 301,167
CY-370	1-A	4	2	Adoption Service - Operating	\$ 1,373	\$ (116)	\$ 1,257
	1-D	4		Counseling - Dependent - Operating	\$ 1,974	\$ (165)	\$ 1,809
	1-J	4		Intake & Referral - Operating	\$ 2,312	\$ (193)	\$ 2,119
	1-K	4		Life Skills - Dependent - Operating	\$ 460	\$ (38)	\$ 422
	1-L	4		Life Skills - Delinquent - Operating	\$ 75	\$ (6)	\$ 69
	1-M	4		Protective Service - Child Abuse - Operating	\$ 17,066	\$ (1,428)	\$ 15,638
	1-N	4		Protective Service - General - Operating	\$ 105,111	\$ (8,794)	\$ 96,317
	1-O	4		Service Planning - Operating	\$ 1,769	\$ (148)	\$ 1,621
	1-P	4		Juvenile Act Proceedings - Dependent - Operating	\$ 902	\$ (75)	\$ 827
	1-Q	4		Juvenile Act Proceedings - Delinquent - Operating	\$ 498	\$ (42)	\$ 456
	2-C	4		Community Residential - Dependent - Operating	\$ 12,362	\$ (1,034)	\$ 11,328
	2-D	4		Community Residential - Delinquent - Operating	\$ 1,517	\$ (127)	\$ 1,390
	2-E	4		Emergency Shelter - Dependent - Operating	\$ 5,032	\$ (421)	\$ 4,611
	2-F	4		Emergency Shelter - Delinquent - Operating	\$ 272	\$ (23)	\$ 249
	2-G	4		Foster Family - Dependent - Operating	\$ 37,413	\$ (3,130)	\$ 34,283
	3-B	4		Residential Service - Dependent - Operating	\$ 2,679	\$ (224)	\$ 2,455
	3-C	4		Res. Service - Delinquent (Except YDC/YFC) - Operating	\$ 449	\$ (38)	\$ 411
	3-D	4		Secure Res. Service (Except YDC) - Operating	\$ 655	\$ (55)	\$ 600
	4	4		Administration - Operating	\$ 301,167	\$ (22,013)	\$ 279,154
					Total Adjustment Amount		\$ (38,070)
			To remove \$38,070 of Indirect Costs that were improperly direct charged and allocated across the various cost centers. Indirect Costs should be expensed in the Administration cost center only and subject to the 2 percent cost limitation. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12				

SECTION 6

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

MERCER COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

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

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

Even though the Mercer County Children and Youth Agency did not file all its Act 148 fiscal reports with the State 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.

SECTION 7

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

MERCER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Mercer County Children and Youth Agency Failed to Implement Effective Control Procedures over the Review of Invoices Prior to Payment

Condition: During our entrance conference, the Mercer County Children and Youth Agency (agency) management staff provided our auditors with a Forensic Services Report, prepared by the auditing firm of HBK Valuation and covering the time period January 2009 through January 2012. After noticing that the monthly invoices submitted by a particular In-Home Purchased Service provider kept increasing, the agency fiscal officer brought her concerns to the attention of the agency’s associate director who then expressed her concerns to her former superior; however, resolution of the matter was not executed at that time. Upon the associate director’s promotion to agency administrator, she further pursued the matter by gathering and reviewing the invoices and supporting documentation related to the charges invoiced by this In-Home Purchased Service provider, at which point, she determined it was necessary to express her concerns to the Board of County Commissioners which resulted in the services to this provider being suspended and a County internal audit being initiated. As a result of the findings of the County’s internal audit, it was determined the county would need the assistance of forensic auditors. Therefore, the County Commissioners hired HBK Valuation to address their suspicions of fraudulent billing by this In-Home Purchased Service provider. As detailed in their Forensic Services Report, while no recommendations for corrective actions were made, HBK Valuation concluded that, from January 2009 through January 2012, this provider falsified records and overbilled for contracted services rendered when invoicing the agency for payment.¹

After reviewing HBK Valuation’s Forensic Services Report, our auditors’ performed a review of the agency’s internal controls over its invoice review and approval process for the 2008-2009 through 2012-2013 fiscal years. We found that while no formal written policies and procedures had been implemented, agency fiscal staff responsible for reviewing and approving submitted invoices for payment performed procedures to substantiate that monthly

¹ Important Qualification regarding HBK Valuation’s Forensic Service Report: We note that the review done by HBK Valuation was somewhat hampered by a lack of documentation provided by the [In-Home Services provider] and HBK Valuation’s acknowledged absence of expertise in contract law which led to them not being able to provide an opinion on what was an allowable cost. The conclusion of the HBK Valuation Forensic Services Report stated, in part, “We concur with the Mercer County’s internal auditors that [the agency] was overcharged for the [In-Home Services provider’s] services. **Our forensic review was limited because of the lack of documentation provided by the [In-Home Services provider];** therefore additional misrepresentation of services could have been determined if we had access to the records for all years. In addition, we quantified the direct and indirect hours that were charged to [the agency], which included indirect hours for the EFTs, as well as time associated with the administrative staff and the owner of [In-Home Services provider]. The amount of indirect service costs compared to the actual direct services rendered is substantial. As we discussed at the beginning of this report, **we are not experts in contract law therefore; we cannot provide an opinion on what was an allowable cost....**” [Emphases added.]

MERCER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

services invoiced by Placement providers were actually provided, and adhered to executed key contract terms. However, we found that corresponding procedures were not being performed for monthly services invoiced by In-Home Purchased Service providers.

Specifically, when reviewing and approving for payment monthly invoices submitted by In-Home Purchased Service providers, agency fiscal staff failed to perform effective control procedures to substantiate that monthly services invoiced by these providers were actually provided and adhered to executed contract terms. Furthermore, agency management informed our auditors that, for the 2008-2009, 2009-2010, 2010-2011, and 2011-2012 fiscal years, In-Home Purchased Service Providers were not required to submit any documentation to the agency, other than their submitted invoices, to substantiate the fees invoiced by these providers. Agency management further informed us that during the 2012-2013 fiscal year, they rewrote the Program Specialist job description, thus, making this position responsible for monitoring each In-Home Purchased Service provider on a monthly basis, which the agency referred to as a quality assurance position. The Program Specialist would be responsible for the oversight of the program side of all of the agency's contracted services. This position gives the final authorization for purchased service requests, which includes the specific service, family, and number of days or hours. During our next audit of the agency, we will follow-up on the effectiveness of this monitoring process.

Criteria:

55 Pa. Code Chapter 3140. Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs.

- *Section 3140.21. Reimbursement for Services. General.* “(a) **Under** section 704.1 of the Public Welfare Code (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the Public Welfare Code (62 P.S. § 709.3).”
- *Children, Youth and Families Bulletin 3140-06-06: Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report.* This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).

55 Pa. Code Chapter 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”
- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of

MERCER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”

- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed....”
 - *Section 3170.93(e) Service contracts or agreements, states, in part:* “(1) Services purchased by contract or agreement Purchased Service contracts or agreements shall also include the following:***
 - (xii) Unit of service to be provided and their definitions.”

Cause: During the course of our engagement, agency management informed our auditors that the internal controls in place for the review and approval of submitted In-Home Purchased Service invoices were lacking. Agency management further stated they did the best they could for what they had at that time. The fiscal officer received the referral from the caseworker, looked over the invoice when it came in, and then entered the information into a spreadsheet that she had created; no further documentation was required.

Effect: An increased risk of overbillings and/or fraudulent billings exists with all In-Home Purchased Service providers as a result of agency management failing to require these providers to substantiate the dates, types, and amounts of In-Home Purchased services provided to children and their families because the agency has no assurances that the In-Home Purchased Service costs invoiced, and paid for, during the engagement scope period, totaling \$6,159,428, were actually provided, and if actually provided, adhered to executed key contract terms. Furthermore, the agency’s lack of formal written policy detailing the required procedures that fiscal staff responsible for reviewing and approving these invoices must perform to substantiate that monthly services invoiced by these providers were actually provided, and provided in adherence to executed key contract terms, increases the risk that the review and approval procedures will not be performed uniformly and, thus, also increases the risk of overbillings and/or fraudulent billings by these providers, as evidenced by the conclusion of the forensic auditors which indicated the agency was potentially overcharged a total of \$625,374, consisting of \$588,647 for disputed In-Home services and \$36,727 for disputed transportation services submitted by the provider referenced above.

MERCER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Recommendation:

We recommend that agency management establish and implement effective monitoring procedures to ensure that services invoiced by In-Home Purchased Service Providers were actually rendered according to executed contracted terms prior to submitted invoices being approved for payment and prior to the inclusion of these expenditures on the agency's submitted CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, upon which ACT 148 reimbursement is based by the Commonwealth DHS. Specifically, the agency should develop and implement formal, written monitoring procedures to ensure contracted services were actually provided. These monitoring procedures should include, but not be limited to, the following:

- Randomly request from each contracted In-Home Purchased Service Provider in the respective fiscal year supporting documentation evidencing that invoiced services were actually provided.
- Performance of on-site monitoring visits of all contracted In-Home Purchased Service Providers to determine whether appropriate supporting documentation evidencing that invoiced services were actually provided.
- Development and implementation of formal policies and procedures detailing how the identified provider deficiencies will impact the agency's payment process for submitted invoices.
- Development and implementation of formal follow up procedures to determine whether cited providers took appropriate corrective action and, if providers failed to take appropriate corrective action, what the resulting repercussions would be.
- Development and implementation of formal documentation and communication processes that ensure all responsible agency staff are made aware of the results of monitoring reviews of providers and the impact on the agency's review and approval process of those providers submitted invoices for which significant documentation deficiencies were identified.

Agency Response: The Agency Administrator disagreed with this Finding and stated the following:

From January 2009-January 2012, Mercer County Children and Youth Services (MCCYS) had the following control procedures in place to review invoices prior to payment:

In-home service providers submitted weekly and/or monthly reports to the agency, outlining their progress with the client. Invoices from service providers contained the clients name and the total number of hours/days of service provided.

MERCER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Invoices from in-home service providers contained the names of the children being served and the total number of hours/days of service each month. Casework supervisors received copies of all in-home service providers invoices each month to verify accuracy. MCCYS required caseworkers to submit a 'request for purchased services' form prior to an in-home service being referred. The casework supervisor and associate director signed off on the request for in-home services form prior to the in-home service beginning. The form went to the fiscal department for control/tracking purposes and to verify services were referred and authorized prior to payment. The fiscal assistant verified through the request for purchased services referral form and/or through the caseworker/supervisor that the service had been authorized prior to payment. The fiscal department also kept a spreadsheet reflecting total hours by child and monthly costs for each in-home service provider. That spreadsheet was provided to administration on a monthly basis.

Beginning in 2009/2010, MCCYS fiscal officer, associate director and supervisory staff began having some concerns regarding invoices received from [a particular In-Home Purchased Service Provider]. It was through MCCYS staff following the procedures/controls outlined in the paragraph above that led MCCYS staff to develop concerns regarding invoices [from this particular In-Home Purchased Service Provider]. I was the Associate Director at the time and I took the concerns over discrepancies in the billing to our [administrator] at the time. To my knowledge and from what I found after becoming the acting director of MCCYS on September 1, 2011, [the prior administrator] never took any action on the discrepancies in the invoicing from this In-Home Purchased Service Provider. Shortly after becoming the acting director of MCCYS and in having access to our financial information, I was able to more thoroughly compare discrepancies that we had found on the programs side of our practice related to [this In-Home Purchased Service Provider] invoicing to our financials.

On January 24, 2012, I requested a meeting with the Mercer County Board of Commissioners to discuss my concerns regarding possible fraudulent invoices from [this particular In-Home Purchased Service Provider].

Also on January 24, 2012, I expressed my concerns [about this In-Home Purchased Service Provider] to a CPA within the Black Bashor and Porsch, [accounting firm] who was conducting the County audit.

On January 30, 2012, I met with the Mercer County Board of Commissioners. Those present for the meeting included myself, the three County Commissioners at the time,

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the Mercer County Fiscal Director, and the Mercer County Children and Youth Services Solicitor. I advised those present that I had serious concerns regarding [this In-Home Purchased Service Provider] possibly submitting fraudulent invoices to the County. I recommended all in-home services be suspended with [this provider] pending a forensic audit and program review. The Board of Commissioners requested that the County Controllers office complete an audit of the [In-Home Purchased Service Provider in question].

Mercer County suspended all in-home services with the [In-Home Purchased Service Provider] on February 18, 2012.

In February of 2012, the Mercer County Controllers Office conducted an internal audit of our files regarding [this particular In-Home Purchased Service Provider] and issued a report on their findings on February 24, 2012.

In August of 2012, DHS, BFO conducted an audit of our records regarding the [provider in question].

In 2014, Mercer County contracted with Hill, Barth and King for a forensic audit of this In-Home Purchased Service Provider, in response to a lawsuit that [the owner of this organization] filed against the county.

Finding No. 1 states that while MCCYS performed procedures to substantiate that monthly services provided by Placement service providers occurred prior to invoices being approved for payment, MCCYS did not have corresponding procedures for the In-home service providers. This is not accurate. As outlined above, MCCYS had control procedures in place to verify the authorization and provision of both placement and In-home services prior to authorization for payment.

Auditor's Conclusion: We appreciate the provision of the additional information provided through this response; however, these procedures were not documented in a formal, written policy to ensure a full understanding of the agency staff members' roles and responsibilities related to the review and approval process of In-Home Purchased Services. Furthermore, without the procedures being properly documented, the procedures may not be effectively implemented and consistency applied among all agency staff members. In addition, while we acknowledge that agency management did have some internal controls in place which enabled them to identify concerns with the amounts of the charges invoiced by the above referenced In-Home Purchased Service provider, given that the forensic report revealed that the improper billings submitted by this provider occurred over the course of a 3 year period, the control procedures in place to which agency management refers were insufficient as these controls

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failed to include procedures to determine whether invoiced services were actually provided, and provided in adherence to key contract terms, before invoices were paid.

Due to the above factors, this finding will remain as presented. During our next audit of the agency, we will follow up on the agency's development and implementation of formal written monitoring policies and procedures related to the substantiation of costs included on submitted In-Home Purchased Service provider invoices during the agency's review and approval process for these types of invoices.

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Finding No. 2 – Mercer County Children and Youth Agency Failed to Execute Purchase of Service Agreements with Multiple Attorney Providers and To Adhere to the Contract Provisions with Other Providers

Condition: For the scope period under review, we identified four attorney providers for whom the Mercer County Children and Youth Agency (agency) failed to produce executed purchase of service agreements (one used in the 2008-2009 and 2010-2011 fiscal years; one used in the 2009-2010 and 2012-2013 fiscal years; one used in the 2011-2012 fiscal year; and one used in the 2012-2013 fiscal year), even though the Commonwealth's DHS' regulations require that annual written agreements be executed with providers with whom clients are regularly referred or with whom the agency and the juvenile court and juvenile probation office have continuing relationships. During the above noted fiscal years, the agency utilized these four attorneys to provide legal services for Juvenile Act Proceedings, even though written agreements had not been executed with any of these attorney providers.

In addition, we identified another attorney provider utilized in the 2009-2010 and 2012-2013 fiscal years to fill in for the agency solicitor, for whom the total annual fees paid to this provider exceeded the maximum amounts stated in both respective executed contracts. Furthermore, because the noted provider was an attorney filling in for the agency solicitor, the agency did not monitor the total fees charged by this attorney, nor execute addendums to the respective contracts, thus, violating the conditions of each contract by paying this attorney provider in excess of the maximum contract amounts for each respective fiscal year.

Criteria: 55 Pa. Code § 3170.23(b) and § 3170.93(b) related to purchase of service and contract requirements, state, in part:

- *Section 3170.23(b).Purchase of Service.* This section states that a written agreement complying with Section 3170.93 shall be signed by the county and those providers to which clients are regularly referred or with which the public agency, the juvenile court, and juvenile probation office have a continuing relationship.
- *Section 3170.93(b).Contracts.* In addition to restating the language of Section 3170.23, this section states the contract shall represent a legally binding agreement between the county and the provider, and shall be renewed annually.
- Furthermore, the Mercer County Children and Youth Agency is responsible for monitoring the services provided by contracted attorneys to ensure that the terms of the executed purchase of service (contract) provisions are being adhered to and for securing addendums to executed purchase of service agreements if it is determined that the contract terms are in need of revision.

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Cause: The agency stated they could not locate the purchase of service agreements for the five regularly used attorneys. As for the agency not adhering to contract provisions, agency management failed to monitor the total fees charged by the attorneys who filled in for their agency solicitor.

Effect: Without properly executed purchase of service agreements, services could be rendered that are not in conformity with DHS regulations. In addition, there could be a misunderstanding between the two contracting parties. Furthermore, agency management's failure to properly monitor the fees charged by these five attorneys resulted in the agency violating the provisions of the respective purchase of service agreements by paying these attorneys in excess of the maximum agreed upon amounts as detailed in the legally binding purchase of service agreements. Finally, given the limited resources of the agency, it is extremely concerning that the agency could not locate the purchase of service agreements for the five regularly used attorney providers and that the agency did not monitor the total fees charged by these attorneys to provide Juvenile Act legal services to some of our most vulnerable youths.

Recommendation: The Mercer County Children and Youth Agency should review the applicable DHS regulations and establish procedures to ensure that contracts and purchase of service agreements are executed in accordance with DHS' requirements. In addition, the agency should implement monitoring procedures that will ensure they are adhering to all contract and purchase of service provisions agreed upon with respective providers. Furthermore, when warranted, the agency should execute a contract and the purchase of service addendums when it is determined that the terms and conditions of these agreements should be changed. Finally, the agency should closely review the invoices of the attorney providers.

Agency Response: The Mercer County Children and Youth Agency submitted a response whereby they agreed with the finding.

Auditor's Conclusion: During our next audit of the agency, we will follow up on the agency's establishment of procedures to ensure that contracts and purchase of service agreements are executed in accordance with DHS' requirements. In addition, we will also follow up on the agency's implementation of monitoring procedures to ensure adherence to all agreed upon contract and purchase of service provisions with providers and that addendums are executed should the terms and conditions of the contract/agreement with the provider change. Finally, we will perform procedures to determine whether the agency implemented a process to ensure that invoices submitted by attorney providers are closely reviewed for accuracy before approved for payment.

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Finding No. 3 – Failure to Conduct Time Studies Annually

Condition: During our current engagement, we found that the Mercer County Children and Youth Agency (agency) failed to conduct time studies for the 2009-2010, 2011-2012, and 2012-2013 fiscal years; time studies are to be used to allocate general operating expenditures among the agency’s various cost centers to ensure that administrative costs are properly allocated. While the agency did allocate its general operating expenditures among the various cost centers on the CY-370 Expenditure Reports submitted to the DHS for each fiscal year included in our scope period, the time studies that were used to allocate these expenditures were time studies conducted to allocate expenditures made during prior fiscal years. The agency incorrectly used the time study conducted for the allocation of the agency’s 2008-2009 fiscal year’s general operating expenditures to allocate the 2009-2010 fiscal year’s general operating expenditures and incorrectly used the time study conducted for the allocation of the agency’s 2010-2011 fiscal year’s general operating expenditures to allocate 2011-2012 and 2012-2013 fiscal years’ general operating expenditures.

Criteria: *55 Pa. Code § 3170.91 related to fiscal management – financial reporting requirements of the County Agency, state:*

“The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to fiscal operations of the program.”

Federal Office of Management and Budget (OMB) A-122, attachment B, #8 Compensation for personal services, (m) support of salaries and wages; guidance on Personnel Activity Reports

(1) Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the organization. The distribution of salaries and wages to awards must be supported by personnel activity reports, as prescribed in subparagraph (2), except when a substitute system has been approved in writing by the cognizant agency.

Cause: While the agency provided evidence substantiating that time studies were conducted for the 2008-2009 and 2010-2011 fiscal years, the agency failed to conduct time studies for the 2009-2010, 2011-2012, and 2012-2013 fiscal years because the fiscal officer was unaware that time studies were required to be conducted annually. The fiscal officer stated that she would conduct a time study every couple of years. Furthermore, the agency does not have written policies and procedures establishing how time studies should be conducted.

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Effect: The use of time studies that were not based on cost information from the fiscal years of the costs being allocated may have resulted in the inappropriate allocation of the agency's general operating expenditures among the various cost centers on the CY-370 Expenditure Reports submitted to the DHS for the 2009-2010, 2011-2012, and 2012-2013 fiscal years and, thus, inappropriate amounts of Act 148 state reimbursements may have been received. Furthermore, the agency's failure to implement written policies and procedures establishing how time studies should be conducted could lead to inconsistencies in the conduct of its time studies and the improper allocation of the agency's general operating expenditures.

Recommendation: The Mercer County Children and Youth Agency should discontinue its practice of conducting a time study every couple of years and begin conducting time studies annually. Furthermore, the agency should establish written policies and procedures to ensure that annual time studies are properly and consistently conducted and that the time studies used to allocate the agency's general operating expenditures included on the agency's submitted CY-370 Expenditure Reports are based on the cost information of the fiscal year for which the costs are being allocated.

Agency Response: The Mercer County Children and Youth Agency submitted a response whereby they agreed with the finding.

Auditor's Conclusion: During our next audit of the agency, we will follow up on the agency's establishment of procedures to perform time studies annually.

SECTION 8

**CURRENT ENGAGEMENT
OBSERVATION**

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CURRENT ENGAGEMENT OBSERVATION

Observation – Significant Control Deficiencies Exist in DHS’ Oversight of Children and Youth (C&Y) Agencies’ Adherence to Child Protective Services Law (CPSL) Requirements

The Child Protective Services Law² (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).³ To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHSs’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL, as detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2015, via Finding 2015-020), the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**.

Furthermore, beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over the responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, the DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of DHS’ website, we found letters, posted by DHS, to the management staff of Child Day Treatment

² Please note that the CPSL was extensively amended in 2013, 2014, and 2015 with 24 pieces of legislation “[being] enacted, changing how Pennsylvania responds to child abuse. These changes will significantly impact the reporting, investigation, assessment, prosecution and judicial handling of child abuse and neglect cases. The new laws will expand and further define mandatory reporters and the reporting process, increase penalties for those mandated to report suspected child abuse who fail to do so, and provide protections from employment discrimination for filing a good faith report of child abuse.” See <http://keepkidssafe.pa.gov/laws/index.htm> last accessed on September 2, 2016. Please note that although this particular DHS’ keepkidssafe.pa.gov link only refers to 23, instead of 24, pieces of legislation, we were able to confirm that the link should actually refer to 24 pieces of legislation, just as in the following DHS’ link: <http://keepkidssafe.pa.gov/index.htm>

³ 23 Pa.C.S. §§ 6344 and 6344.2.

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Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau; identified regulatory violations, including CPSL adherence violations, were specified in the accompanying License Inspection Summaries. However, we are unable to attest to the timeliness of the completion of these annual inspections. Furthermore, we are also unable to attest to whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.

Finally, for contracted in-home preventative service providers, we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. However, it is DHS' position that while not all in-home service providers would meet the criteria requiring the conduct of criminal background checks and child abuse history clearances (certifications) for employees/volunteers, when they do, C&Y agencies are responsible for including provisions in their executed contracts with these providers and monitoring their providers' adherence to CPSL requirements. Furthermore, in correspondence with agency management during the course of audit engagements conducted to date during this operating year, we have found that the agency management staffs of these C&Y agencies are under the assumption that DHS OCYF was licensing all providers and, as a result, there is no need for C&Y agencies to monitor CPSL adherence of the employees/volunteers of these providers, as DHS would be reviewing the certifications during their licensing process. As a consequence of this assumption, neither the DHS nor the C&Y agencies are monitoring the CPSL adherence of employees and volunteers of contracted in-home preventative service providers, thus, putting the safety of the children receiving in-home preventative type services at **great risk**.

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained. However, recent amendments to the CPSL extend this time frame from one year to five years.⁴ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a **greatly heightened** awareness about their employees' providers' and sub-recipients' arrest and conviction records, as well as child abuse adjudications to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

⁴ 23 Pa.C.S. § 6344.4.

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