

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2013 to June 30, 2014

July 1, 2014 to June 30, 2015

July 1, 2015 to June 30, 2016

July 1, 2016 to June 30, 2017

Erie County

Children and Youth Agency

January 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Ms. Kathy Dahlkemper, County Executive
Erie County Council
Erie County Courthouse, Room 116
Erie, PA 16501

Dear Ms. Dahlkemper,

We have fulfilled the requirements pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)) for 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 Erie County Children and Youth Agency (agency), legally known as Erie County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2013 to June 30, 2014, July 1, 2014 to June 30, 2015, July 1, 2015 to June 30, 2016, and July 1, 2016 to June 30, 2017. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2014, June 30, 2015, June 30, 2016, and June 30, 2017.

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.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards. We believe that our

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 the Commonwealth DHS. Details regarding these deficiencies are further outlined in the Observation included in this report.

engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Erie County.

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2013-2014, 2014-2015, 2015-2016 and 2016-2017 fiscal years based on the accrual basis of accounting.²

Adjustments to the agency's submitted fiscal reports resulting from the procedures we performed during this engagement are as follows:

- For the **2013-2014 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by increasing nonreimbursable expenditures by \$8,544. 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 \$5,127. The adjustment is detailed in our amended fiscal reports for fiscal year 2013-2014, as included in Section 1 of this report.
- For the **2014-2015 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by increasing nonreimbursable expenditures by \$10,515. 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 \$6,673. The adjustment is detailed in our amended fiscal reports for fiscal year 2014-2015, as included in Section 2 of this report.
- For the **2015-2016 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. There is no impact on the Final Net State Share, as included in Section 3 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. There is no impact on the Final Net State Share, as included in Section 4 of this report.

In addition, we found that the agency complied with the four findings included in our prior released audit report, as detailed in Section 5 of this report.

Furthermore, we conducted additional procedures beyond those necessary to ascertain and certify the total Commonwealth expenditures paid on behalf of children residing within the county in order to determine whether there were any financial effects on the agency and the Commonwealth resulting from an alleged fraud and theft from a contracted service provider by one of its directors. The results of these procedures are described in the following observation, which is included in Section 6 of this report:

² The accrual basis of accounting is required by DHS.

Observation No. 1 – Alleged Fraud, Theft from Contracted Service Provider Appeared to Not Financially Impact Erie County Children and Youth Agency

Furthermore, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 6 of this report:

Observation No. 2 – Significant Control Deficiencies Exist in DHS' Oversight of Children and Youth (C&Y) Agencies' Adherence with the Requirements of the Child Protective Services Law

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 December 6, 2018.

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 recommended adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made regarding the approval and finalization of the adjustment amounts 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 Erie County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

December 21, 2018

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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 the Human Services 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.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Erie County Children and Youth Agency provided in-home and placement services to 6,233 children residing within the County during the 2016-2017 fiscal year. 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 Human Services 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, 2013 to JUNE 30, 2014

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	22,017,980
Supplemental Act 148			<u>0</u>
Total State Allocation			22,017,980
State Share (CY348) ²	\$		21,404,828
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	21,404,828
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	21,404,828
Actual Act 148 Revenues Received ⁴			<u>21,409,955</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(5,127)</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.

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE	
NET CHILD WELFARE EXPENDITURES												
01. 100% REIMBURSEMENT	713,622	0	112,756	0	0	0	0	0	600,866	600,866	0	0
02. 90% REIMBURSEMENT	1,833,488	10,360	424,634	247,037	0	0	0	0	1,151,457	1,036,312	115,145	115,145
03. 80% REIMBURSEMENT	29,554,776	444,971	7,189,150	1,145,499	260,799	135,418	0	41,868	20,337,071	16,269,657	4,067,414	4,067,414
04. 60% REIMBURSEMENT	4,824,572	107,142	437,034	0	0	0	0	18,229	4,262,167	2,557,299	1,704,868	1,704,868
05. 50% REIMBURSEMENT	1,890,216	8,829	0	0	0	0	0	0	1,881,387	940,694	940,693	940,693
06. TOTAL NET CHILD WELFARE EXPEND	38,816,674	571,302	8,163,574	1,392,536	260,799	135,418	0	60,097	28,232,948	21,404,828	6,828,120	6,828,120
YDC/YFC PLACEMENT COSTS												
07. 60% DHS PARTICIPATION	1,896,384	11,533							1,884,851	1,130,911	753,940	753,940
08. NON-REIMBURSABLE EXPENDITURES	83,446	0							83,446			83,446
09. TOTAL EXPENDITURES	40,796,504	582,835	8,163,574	1,392,536	260,799	135,418	0	60,097	30,201,245	22,535,739	7,665,506	7,665,506
10. TOTAL TITLE IV-D COLLECTIONS	253,226											
11. TITLE IV-D Collections for IV-E Children	40,267											
12. STATE ACT 148 - line 6	21,404,828											
13. STATE ACT 148 ALLOCATION	22,017,980											
14. ADJUSTED STATE SHARE (lower of 12 or 13)	21,404,828											
INVOICE												
AMENDED STATE SHARE (ACT 148)	21,404,828											
ACT 148 AMOUNT RECEIVED	21,409,955											
ADJUSTMENT TO STATE SHARE	(5,127)											

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	713,622	0	0	112,756	0	0	0	0	0	600,866	600,866	0
I-B ADOPTION ASSISTANCE	7,667,196	0	3,602,080	16,500	0	0	0	0	0	4,048,616	3,238,893	809,723
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	807,672	0	221,920	0	0	0	0	0	0	585,752	468,602	117,150
I-D COUNSELING - DEPENDENT	2,369,069	0	0	115,734	581,020	0	0	0	0	1,672,315	1,337,852	334,463
I-E COUNSELING - DELINQUENT	888,433	0	0	0	268,805	0	0	0	0	619,628	495,702	123,926
I-F DAY CARE	398,085	0	0	0	295,674	0	0	0	0	102,411	81,929	20,482
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	30,634	0	0	0	0	0	0	0	0	30,634	24,507	6,127
I-J INTAKE & REFERRAL	258,543	0	0	43,445	0	0	0	0	0	215,098	172,078	43,020
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	2,145,712	0	0	361,938	0	0	0	0	0	1,783,774	1,427,019	356,755
I-N PROTECTIVE SERVICE - GENERAL	2,177,816	0	0	367,493	0	0	0	0	0	1,810,323	1,448,258	362,065
I-O SERVICE PLANNING	2,082,481	0	0	351,157	0	0	135,418	0	0	1,595,906	1,276,725	319,181
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	108,000	0	0	0	0	0	0	0	0	108,000	54,000	54,000
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	19,647,263	0	3,824,000	1,369,023	1,145,499	0	135,418	0	0	13,173,323	10,626,431	2,546,892
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	35,006	0	0	0	0	0	0	0	0	35,006	28,005	7,001
2-B ALTERNATIVE TREATMENT - DELINQUENT	872,822	47,748	23,465	0	0	0	0	0	0	801,609	641,287	160,322
2-C COMMUNITY RESIDENTIAL - DEPENDENT	2,992,365	106,308	816,727	643	0	0	0	0	0	2,068,687	1,654,950	413,737
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,541,773	120,824	30,845	22,303	0	0	0	0	0	2,367,801	1,894,241	473,560
2-E EMERGENCY SHELTER - DEPENDENT	1,475,186	9,808	415,757	0	22,727	0	0	0	0	1,026,894	924,205	102,689
2-F EMERGENCY SHELTER - DELINQUENT	358,302	552	6,054	2,823	224,310	0	0	0	0	124,563	112,107	12,456
2-G FOSTER FAMILY - DEPENDENT	4,261,968	165,555	561,885	651,325	260,799	0	0	0	41,868	2,580,536	2,064,429	516,107
2-H FOSTER FAMILY - DELINQUENT	25,201	4,536	0	1,690	0	0	0	0	0	18,975	15,180	3,795
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
2-K SUBTOTAL CBP	12,562,623	455,331	1,854,733	678,784	247,037	260,799	0	0	41,868	9,024,071	7,334,404	1,689,667
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	1,782,216	8,829	0	0	0	0	0	0	0	1,773,387	886,694	886,693
3-B RESIDENTIAL SERVICE - DEPENDENT	134,810	15,611	45,435	0	0	0	0	0	0	73,764	44,258	29,506
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,845,772	81,254	35,896	40,555	0	0	0	0	0	1,688,067	1,012,840	675,227
3-D SECURE RES. SERVICE (EXCEPT YDC)	983,504	10,277	0	0	0	0	0	0	0	973,227	583,936	389,291
3-E YDC SECURE	1,896,384	11,533	0	0	0	0	0	0	0	1,884,851	1,130,911	753,940
3-F SUBTOTAL INSTITUTIONAL	6,642,686	127,504	81,331	40,555	0	0	0	0	0	6,393,296	3,658,639	2,734,657
4 ADMINISTRATION	1,860,486	0	0	315,148	0	0	0	0	18,229	1,527,109	916,265	610,844
5 TOTAL REVENUES	40,715,058	582,835	5,760,064	2,403,510	1,392,536	260,799	135,418	0	60,097	30,117,799	22,535,739	7,582,060

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
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	369,744	186,448		156,933	0	981	714,106	71	0	484	0	0
I-B ADOPTION ASSISTANCE	0	0	7,667,196	0	0	0	7,667,196	0	1,033	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	808,342	0	0	0	808,342	0	105	670	0	0
I-D COUNSELING - DEPENDENT	335,869	208,008		142,648	1,681,661	883	2,369,069	133	690	0	0	0
I-E COUNSELING - DELINQUENT	0	0		0	888,433	0	888,433	0	332	0	0	0
I-F DAY CARE	0	0		0	398,085	0	398,085	0	83	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	30,634	0	30,634	0	42	0	0	0
I-J INTAKE & REFERRAL	169,980	60,394		27,785	0	392	258,551	1,204	0	8	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,165,190	621,088		360,368	0	2,943	2,149,589	320	0	3,877	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,103,459	652,076		420,904	0	3,237	2,179,676	2,210	0	1,860	0	0
I-O SERVICE PLANNING	1,136,422	681,384		262,540	0	3,139	2,083,485	2,040	0	1,004	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	108,000		108,000	0	596	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	4,280,664	2,409,398	8,475,538	1,371,178	3,106,813	11,575	19,655,166			7,903	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 5,356												
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	35,006	0	35,006	213	1	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	872,822	0	872,822	5,168	53	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	3,672	2,988,693	0	2,992,365	24,090	74	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	132,992	2,408,781	0	2,541,773	10,860	83	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	584,629	243,005	0	227,677	443,875	1,266	1,500,452	6,008	84	0	25,266	0
2-F EMERGENCY SHELTER - DELINQUENT	669,973	387,912	0	16,822	341,480	0	358,302	1,700	114	0	0	0
2-G FOSTER FAMILY - DEPENDENT	0	0	0	427,651	2,776,560	1,765	4,263,861	70,379	438	1,893	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	10,046	15,155	0	25,201	113	1	0	0	0
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
2-K SUBTOTAL CBP	1,254,602	630,917	0	818,860	9,882,372	3,031	12,589,782	118,531	848	1,893	25,266	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	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	1,033,501	501,714	0	244,930	41,587	0	1,821,732	2,902	205	140	39,376	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	134,810	922	0	134,810	922	47	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	240,766	1,605,006	0	1,845,772	9,390	105	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	983,504	0	983,504	3,368	19	0	0	0
3-E YDC SECURE	0	0	0	0	1,896,384	0	1,896,384	3,808	20	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,033,501	501,714	0	485,696	4,661,291	0	6,682,202	20,390	396	140	39,376	0
4 ADMINISTRATION	617,254	340,088	0	910,247	0	1,765	1,869,354			8,868	0	0
5 TOTAL EXPENDITURES	7,186,021	3,882,117	8,475,538	3,585,981	17,650,476	16,371	40,796,504			18,804	64,642	0
County Indirect Costs = \$ 120,872												

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 714,106	\$ 0	\$ 714,106
Adoption Assistance	7,667,196	0	7,667,196
Subsidized Permanent Legal Custodianship	808,342	0	808,342
Counseling	3,257,502	0	3,257,502
Day Care	398,085	0	398,085
Day Treatment	0	0	0
Homemaker Service	30,634	0	30,634
Intake and Referral	258,551	0	258,551
Life Skills	0	0	0
Protective Service - Child Abuse	2,149,589	0	2,149,589
Protective Service - General	2,179,676	0	2,179,676
Service Planning	2,083,485	0	2,083,485
Juvenile Act Proceedings	108,000	0	108,000
Alternative Treatment	907,828	0	907,828
Community Residential	5,534,138	0	5,534,138
Emergency Shelter	1,858,754	0	1,858,754
Foster Family	4,289,062	0	4,289,062
Supervised Independent Living	0	0	0
Juvenile Detention Service	1,821,732	0	1,821,732
Residential Service	1,980,582	0	1,980,582
Secure Residential Service (Except YDC)	983,504	0	983,504
YDC Secure	1,896,384	0	1,896,384
Administration	<u>1,869,354</u>	<u>0</u>	<u>1,869,354</u>
Combined Total Expense	40,796,504	0	40,796,504
Less Non-reimbursables	<u>74,902</u>	<u>8,544</u>	<u>83,446</u>
Total Net Expense	<u>\$ 40,721,602</u>	<u>\$ (8,544)</u>	<u>\$ 40,713,058</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,186,021	\$ 0	\$ 7,186,021
Employee Benefits	3,882,117	0	3,882,117
Subsidies	8,475,538	0	8,475,538
Operating	3,585,981	0	3,585,981
Purchased Services	17,650,476	0	17,650,476
Fixed Assets	<u>16,371</u>	<u>0</u>	<u>16,371</u>
Combined Total Expense	40,796,504	0	40,796,504
Less Non-reimbursables	<u>74,902</u>	<u>8,544</u>	<u>83,446</u>
Total Net Expense	<u>\$ 40,721,602</u>	<u>\$ (8,544)</u>	<u>\$ 40,713,058</u>

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
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 PS/Sub</p> <p>To increase nonreimbursable expenditures by \$8,544 to accurately report the salaries and benefits which exceeded the state maximum compensation limits.</p> <p>Title 55 PA Code, Chapter 3170.42(a) OCYF Bulletin 3140-06-06</p>	\$ 324	\$ 8,544	\$ 8,868

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2014 to JUNE 30, 2015

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	21,754,146
Supplemental Act 148			<u>455,751</u>
Total State Allocation			22,209,897
State Share (CY348) ²	\$		22,203,224
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	22,203,224
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	22,203,224
Actual Act 148 Revenues Received ⁴			<u>22,209,897</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(6,673)</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.

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	774,560	0	139,569	0	0	0	0	0	634,991	634,991	0
02. 90% REIMBURSEMENT	1,813,039	17,696	469,164	233,223	0	0	0	0	1,092,936	983,661	109,295
03. 80% REIMBURSEMENT	31,227,096	409,273	7,528,118	1,159,313	260,799	135,418	0	74,476	21,659,699	17,327,757	4,331,942
04. 60% REIMBURSEMENT	4,500,586	171,766	434,455	0	0	0	0	16,492	3,877,873	2,326,724	1,551,149
05. 50% REIMBURSEMENT	1,886,293	26,112	0	0	0	0	0	0	1,860,181	930,091	930,090
06. TOTAL NET CHILD WELFARE EXPEND.	40,201,574	624,847	8,571,306	1,392,536	260,799	135,418	0	90,968	29,125,700	22,203,224	6,922,476

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,848,078	9,964							1,838,114	1,102,868	735,246

08. NON-REIMBURSABLE EXPENDITURES	83,390	0							83,390		83,390
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09. TOTAL EXPENDITURES	42,133,042	634,811	8,571,306	1,392,536	260,799	135,418	0	90,968	31,047,204	23,306,092	7,741,112
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10. TOTAL TITLE IV-D COLLECTIONS 279,571

11. TITLE IV-D Collections for IV-E Children 19,942

12. STATE ACT 148 - line 6 22,203,224

13. STATE ACT 148 ALLOCATION 22,209,897

14. ADJUSTED STATE SHARE (lower of 12 or 13) 22,203,224

INVOICE											
AMENDED STATE SHARE (ACT 148)	22,203,224										
ACT 148 AMOUNT RECEIVED	22,209,897										
ADJUSTMENT TO STATE SHARE											(6,673)

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	774,560	0	3,493,338	139,569	0		0	0	634,991	0	634,991	824,760
1-B ADOPTION ASSISTANCE	7,628,887	0	255,737	11,750	0		0	0	4,123,799	0	3,299,039	508,614
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	891,504	0							635,767	0	1,222,980	305,745
1-D COUNSELING - DEPENDENT	2,362,971	0		124,569	574,259	0	135,418	0	732,538	0	161,530	129,224
1-E COUNSELING - DELINQUENT	1,036,623	0		1,724	302,361	0	0	0	1,528,725	0	586,030	146,508
1-F DAY CARE	444,223	0			282,693	0	0	0	161,530	0	0	32,306
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	21,496	0		0	0	0	0	0	21,496	0	17,197	4,299
1-J INTAKE & REFERRAL	311,972	0		56,222	0	0	0	0	255,750	0	204,600	51,150
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	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	2,152,765	0		388,132	0	0		0	1,764,633	0	1,411,706	352,927
1-N PROTECTIVE SERVICE - GENERAL	2,213,800	0		398,507	0	0		0	1,815,293	0	1,452,234	363,059
1-O SERVICE PLANNING	2,253,502	0		405,811	0	0	0	0	1,847,691	0	1,478,153	369,538
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	120,000	0		0	0	0	0	0	120,000	0	60,000	60,000
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
SUBTOTAL IN-HOME	20,212,303	0	3,749,075	1,526,284	1,159,313	0	135,418	0	13,642,213	0	11,004,768	2,637,445
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	327,130	32,007	21,780	0					273,343	0	218,674	54,669
2-C COMMUNITY RESIDENTIAL - DEPENDENT	3,930,709	177,941	865,797	0					2,886,971	0	2,309,577	577,394
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,547,419	101,765	61,689	24,158					2,589,994	0	2,071,995	517,999
2-E EMERGENCY SHELTER - DEPENDENT	2,477,419	17,689	463,552	0	73,166	0	0	0	993,012	0	893,711	99,301
2-F EMERGENCY SHELTER - DELINQUENT	265,620	7	4,043	1,569	160,057	0	0	0	99,944	0	89,950	9,994
2-G FOSTER FAMILY - DEPENDENT	4,775,352	95,775	730,746	688,158		260,799	0	0	74,476	2,925,398	2,340,318	585,080
2-H FOSTER FAMILY - DELINQUENT	10,368	1,785	0	0					8,583	0	6,866	1,717
2-I SUP. INDEPENDENT LIVING - DEPENDENT	88,188	0	0	0					88,188	0	70,550	17,638
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0					0	0	0	0
SUBTOTAL CBP	13,722,392	426,969	2,147,607	713,885	233,223	260,799	0	0	9,865,433	0	8,001,641	1,863,792
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,766,293	26,112										
3-B RESIDENTIAL SERVICE - DEPENDENT	94,801	37,048	24,499	0					33,254	0	19,952	13,302
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,996,681	125,092	18,525	49,876					1,803,188	0	1,081,913	721,275
3-D SECURE RES. SERVICE (EXCEPT YDC)	534,974	9,626							525,348	0	315,209	210,139
3-E YDC SECURE	1,848,078	9,964							1,838,114	0	1,102,868	735,246
SUBTOTAL INSTITUTIONAL	6,240,827	207,842	43,024	49,876	0	0	0	0	5,940,085	0	3,390,033	2,550,052
4 ADMINISTRATION	1,874,130	0		341,555		0	0	0	16,492	1,516,083	909,650	606,433
TOTAL REVENUES	42,049,652	634,811	5,939,706	2,631,600	1,392,536	260,799	135,418	0	90,968	30,963,814	23,306,092	7,657,722

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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	EMPLOYEE BENEFITS SUBSIDIES	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non P/SSub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	404,899	200,692		169,397	0	909	775,897	99	0	1,337	0	0
1-B ADOPTION ASSISTANCE	0	0	7,628,887	0	0	0	7,628,887	0	1,001	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	891,504	0	0	0	891,504	0	112	0	0	0
1-D COUNSELING - DEPENDENT	376,332	222,205		93,038	1,671,023	909	2,363,527	161	608	556	0	0
1-E COUNSELING - DELINQUENT	0	0		9,621	1,027,002	0	1,036,623	0	295	0	0	0
1-F DAY CARE	0	0		0	444,223	0	444,223	0	109	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	21,496	0	21,496	0	47	0	0	0
1-J INTAKE & REFERRAL	190,049	86,242		35,530	0	363	312,184	2,104	0	212	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	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	1,142,703	643,610		366,796	953	2,728	2,156,790	1,344	2	4,025	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,136,709	664,792		411,248	191	3,092	2,216,032	8,500	1	2,232	0	0
1-O SERVICE PLANNING	1,319,386	676,230		255,703	0	2,911	2,254,230	7,421	0	728	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	120,000		120,000	0	669	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,570,098	2,493,771	8,520,391	1,341,333	3,284,888	10,912	20,221,393			9,090	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	327,130	0	327,130	2,124	31	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0		0	3,930,709	0	3,930,709	25,081	105	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		134,176	2,643,430	0	2,777,606	12,992	115	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	591,872	233,309		237,436	500,234	5,949	1,568,800	6,361	278	0	21,381	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		8,548	257,072	0	265,620	1,300	95	0	0	0
2-G FOSTER FAMILY - DEPENDENT	704,761	412,539		567,667	3,090,961	1,637	4,777,565	76,641	475	2,213	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	10,368	0	10,368	145	2	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	88,188	0	88,188	2,397	43	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,296,633	645,848	0	947,827	10,848,092	7,586	13,745,986	127,041	1,144	2,213	21,381	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,009,451	487,819		267,144	42,485	0	1,806,899	2,946	151	220	40,386	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		0	94,801	0	94,801	596	55	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		276,141	1,720,540	0	1,996,681	9,937	115	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	534,974	0	534,974	1,736	16	0	0	0
3-E YDC SECURE	0	0		0	1,848,078	0	1,848,078	3,711	25	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,009,451	487,819	0	543,285	4,240,878	0	6,281,433	18,926	362	220	40,386	0
ADMINISTRATION	592,116	326,355	0	964,396	0	1,363	1,884,230			10,100	0	0
TOTAL EXPENDITURES	7,468,298	3,953,793	8,520,391	3,796,841	18,373,858	19,861	42,133,042			21,623	61,767	0
				County Indirect Costs = \$	167,395							

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 775,897	\$ 0	\$ 775,897
Adoption Assistance	7,628,887	0	7,628,887
Subsidized Permanent Legal Custodianship	891,504	0	891,504
Counseling	3,400,150	0	3,400,150
Day Care	444,223	0	444,223
Day Treatment	0	0	0
Homemaker Service	21,496	0	21,496
Intake and Referral	312,184	0	312,184
Life Skills	0	0	0
Protective Service - Child Abuse	2,156,790	0	2,156,790
Protective Service - General	2,216,032	0	2,216,032
Service Planning	2,254,230	0	2,254,230
Juvenile Act Proceedings	120,000	0	120,000
Alternative Treatment	327,130	0	327,130
Community Residential	6,708,315	0	6,708,315
Emergency Shelter	1,834,420	0	1,834,420
Foster Family	4,787,933	0	4,787,933
Supervised Independent Living	88,188	0	88,188
Juvenile Detention Service	1,806,899	0	1,806,899
Residential Service	2,091,482	0	2,091,482
Secure Residential Service (Except YDC)	534,974	0	534,974
YDC Secure	1,848,078	0	1,848,078
Administration	1,884,230	0	1,884,230
Combined Total Expense	<u>42,133,042</u>	<u>0</u>	<u>42,133,042</u>
Less Non-reimbursables	<u>72,875</u>	<u>10,515</u>	<u>83,390</u>
Total Net Expense	<u>\$ 42,060,167</u>	<u>\$ (10,515)</u>	<u>\$ 42,049,652</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,468,298	\$ 0	\$ 7,468,298
Employee Benefits	3,953,793	0	3,953,793
Subsidies	8,520,391	0	8,520,391
Operating	3,796,841	0	3,796,841
Purchased Services	18,373,858	0	18,373,858
Fixed Assets	19,861	0	19,861
Combined Total Expense	<u>42,133,042</u>	<u>0</u>	<u>42,133,042</u>
Less Non-reimbursables	<u>72,875</u>	<u>10,515</u>	<u>83,390</u>
Total Net Expense	<u>\$ 42,060,167</u>	<u>\$ (10,515)</u>	<u>\$ 42,049,652</u>

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	1-A	10	1	CY-370 Adjustment			
	2-G	10		Adoption Services - Non-Reimbursable Non PS/Sub	\$ 436	\$ 901	\$ 1,337
	4	10		Foster Family - Dependent - Non-Reimbursable Non PS/Sub	\$ 2,195	\$ 18	\$ 2,213
				Administration - Non-Reimbursable Non PS/Sub	\$ 504	\$ 9,596	\$ 10,100
			Total Adjustment Amount		\$ 10,515		
			To increase nonreimbursable expenditures by \$10,515 to accurately report the salaries and benefits which exceeded the state maximum compensation limits.				
			Title 55 PA Code, Chapter 3170.42(a) OCYF Bulletin 3140-06-06				

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	22,628,093
Supplemental Act 148			<u>372,424</u>
Total State Allocation			23,000,517
State Share (CY348) ²	\$		23,000,517
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	23,000,517
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	23,000,517
Actual Act 148 Revenues Received ⁴			<u>23,000,517</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</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.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
 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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	800,353	0	137,361	0	0	0	0	0	662,992	662,992	0
02. 90% REIMBURSEMENT	1,715,550	12,344	350,083	174,602	0	0	0	0	1,178,521	1,060,669	117,852
03. 80% REIMBURSEMENT	31,687,111	551,048	7,637,120	1,217,934	260,799	135,418	0	22,713	21,862,079	17,489,663	4,372,416
04. 60% REIMBURSEMENT	5,198,611	138,349	370,538	0	0	0	0	15,931	4,673,793	2,804,275	1,869,518
05. 50% REIMBURSEMENT	2,005,644	39,808	0	0	0	0	0	0	1,965,836	982,918	982,918
06. TOTAL NET CHILD WELFARE EXPEND.	41,407,269	741,549	8,495,102	1,392,536	260,799	135,418	0	38,644	30,343,221	23,000,517	7,342,704

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,355,866	4,971							1,350,895	810,537	540,358

08. NON-REIMBURSABLE EXPENDITURES	122,154	0							122,154		122,154
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09. TOTAL EXPENDITURES	42,885,289	746,520	8,495,102	1,392,536	260,799	135,418	0	38,644	31,816,270	23,811,054	8,005,216
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10. TOTAL TITLE IV-D COLLECTIONS 282,815

11. TITLE IV-D Collections for IV-E Children 20,877

12. STATE ACT 148 - line 6 23,000,517

13. STATE ACT 148 ALLOCATION 23,000,517

14. ADJUSTED STATE SHARE (lower of 12 or 13) 23,000,517

INVOICE											
AMENDED STATE SHARE (ACT 148)	23,000,517										
ACT 148 AMOUNT RECEIVED	23,000,517										
ADJUSTMENT TO STATE SHARE	0										

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED CY 370A
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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	800,353	0		137,361	0		0	0	0	662,992	662,992	0
I-B ADOPTION ASSISTANCE	7,649,444	0	3,455,580	22,125			0	0	0	4,171,739	3,337,391	834,348
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	917,765	0	253,431	0			0	0	0	664,334	531,467	132,867
I-D COUNSELING - DEPENDENT	2,348,391	0		122,280	753,895	0	135,418	0	0	1,336,798	1,069,438	267,360
I-E COUNSELING - DELINQUENT	796,262	0		3,071	210,710	0	0	0	0	382,481	465,985	116,496
I-F DAY CARE	442,420	0		0	253,329	0	0	0	0	189,091	151,273	37,818
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	32,421	0		0	0	0	0	0	0	32,421	25,937	6,484
I-J INTAKE & REFERRAL	303,658	0		52,185	0	0	0	0	0	251,473	201,178	50,295
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	2,277,874	0		390,739	0	0	0	0	0	1,887,135	1,509,708	377,427
I-N PROTECTIVE SERVICE - GENERAL	2,195,327	0		377,173	0	0	0	0	0	1,818,154	1,454,523	363,631
I-O SERVICE PLANNING	2,365,725	0		406,413	0	0	0	0	0	1,959,312	1,567,450	391,862
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	168,000	0		0	0	0	0	0	0	168,000	84,000	84,000
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
SUBTOTAL IN-HOME	20,297,640	0	3,709,011	1,511,347	1,217,934	0	135,418	0	0	13,723,930	11,061,342	2,662,588
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	18,772	340	6,051	0		0	0	0	0	12,381	9,905	2,476
2-B ALTERNATIVE TREATMENT - DELINQUENT	636,911	49,999	0	0		0	0	0	0	586,912	469,530	117,382
2-C COMMUNITY RESIDENTIAL - DEPENDENT	4,167,984	227,610	719,945	0		0	0	0	0	3,220,429	2,576,343	644,086
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,019,263	102,722	68,927	19,486		0	0	0	0	1,828,128	1,462,502	365,626
2-E EMERGENCY SHELTER - DEPENDENT	1,461,974	11,821	343,664	0	0	0	0	0	0	1,106,489	995,840	110,649
2-F EMERGENCY SHELTER - DELINQUENT	253,576	523	4,479	1,940	174,602	0	0	0	0	72,032	64,829	7,203
2-G FOSTER FAMILY - DEPENDENT	5,437,214	167,617	921,713	817,852	260,799	0	0	0	22,713	3,246,520	2,597,216	649,304
2-H FOSTER FAMILY - DELINQUENT	22,704	2,760	0	149		0	0	0	0	19,795	15,836	3,959
2-I SUP. INDEPENDENT LIVING - DEPENDENT	54,976	0	0	0		0	0	0	0	54,976	43,981	10,995
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
SUBTOTAL CBP	14,073,374	563,392	2,064,779	839,427	174,602	260,799	0	0	22,713	10,147,662	8,235,982	1,911,680
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,837,644	39,808								1,797,836	898,918	898,918
3-B RESIDENTIAL SERVICE - DEPENDENT	211,769	20,094	5,868	0		0	0	0	0	185,807	111,484	74,323
3-C RES. SERVICE - DELINQUENT (NON YDC/VFC)	2,394,471	98,721	33,298	34,398		0	0	0	0	2,228,054	1,336,832	891,222
3-D SECURE RES. SERVICE (EXCEPT YDC)	870,161	19,534								850,627	510,376	340,251
3-E YDC SECURE	1,355,866	4,971								1,350,895	810,537	540,358
SUBTOTAL INSTITUTIONAL	6,669,911	183,128	39,166	34,398	0	0	0	0	0	6,413,219	3,668,147	2,745,072
ADMINISTRATION	1,722,210	0		296,974		0	0	0	15,931	1,409,305	845,583	563,722
TOTAL REVENUES	42,763,135	746,520	5,812,956	2,682,146	1,392,536	260,799	135,418	0	38,644	31,694,116	23,811,054	7,883,062

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
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 (Purchase)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
I-A ADOPTION SERVICE	406,816	222,636		171,424	0	322	801,198	275	0	845	0	0
I-B ADOPTION ASSISTANCE	0	0	7,672,854	0	0	0	7,672,854	0	1,041	0	23,410	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SHI	0	0	917,765	0	0	0	917,765	0	119	0	0	0
I-D COUNSELING - DEPENDENT	412,011	226,074		73,199	1,636,957	322	2,348,563	431	611	172	0	0
I-E COUNSELING - DELINQUENT	0	0		17,873	778,389	0	796,262	0	384	0	0	0
I-F DAY CARE	0	0		0	442,420	0	442,420	0	94	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	32,421	0	32,421	0	56	0	0	0
I-J INTAKE & REFERRAL	174,981	86,592		41,948	0	161	303,682	3,198	0	24	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,227,071	646,617		406,841	0	1,029	2,281,558	946	0	3,684	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,168,859	628,966		398,756	1,024	1,061	2,198,666	5,864	2	3,339	0	0
I-O SERVICE PLANNING	1,372,169	699,653		293,213	0	1,254	2,366,289	5,085	0	564	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	168,000		168,000	0	178	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	4,761,907	2,510,538	8,590,619	1,403,254	3,059,211	4,149	20,329,678			8,628	23,410	0
Number of Children receiving only NON-PURCHASED IN-Home Services 4,862												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	18,772	0	18,772	117	4	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	636,911	0	636,911	3,464	42	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	4,167,984	0	4,167,984	32,651	124	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	113,143	1,906,120	0	2,019,263	9,240	88	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	517,883	193,722	0	250,608	532,221	1,169	1,495,603	5,063	216	292	33,337	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	11,362	242,214	0	253,576	1,224	82	0	0	0
2-G FOSTER FAMILY - DEPENDENT	655,548	393,251	0	376,722	4,014,210	643	5,440,374	92,708	509	3,160	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	825	21,879	0	22,704	306	2	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	54,976	0	54,976	2,215	14	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	1,173,431	586,973	0	752,660	11,595,287	1,812	14,110,163	146,988	1,081	3,452	33,337	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,018,094	478,917	0	333,323	56,136	3,820	1,890,290	2,725	157	248	52,398	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	211,769	0	211,769	1,012	58	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/HFC)	0	0	0	200,058	2,194,413	0	2,394,471	11,381	105	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	870,161	0	870,161	2,906	18	0	0	0
3-E YDC SECURE	0	0	0	0	1,355,866	0	1,355,866	2,813	20	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,018,094	478,917	0	533,381	4,688,345	3,820	6,722,557	20,837	358	248	52,398	0
4 ADMINISTRATION	519,671	269,765	0	932,940	0	515	1,722,891			681	0	0
5 TOTAL EXPENDITURES	7,473,103	3,846,193	8,590,619	3,622,235	19,342,843	10,296	42,885,289			13,009	109,145	0
County Indirect Costs = \$ 190,151												

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 801,198	\$ 0	\$ 801,198
Adoption Assistance	7,672,854	0	7,672,854
Subsidized Permanent Legal Custodianship	917,765	0	917,765
Counseling	3,144,825	0	3,144,825
Day Care	442,420	0	442,420
Day Treatment	0	0	0
Homemaker Service	32,421	0	32,421
Intake and Referral	303,682	0	303,682
Life Skills	0	0	0
Protective Service - Child Abuse	2,281,558	0	2,281,558
Protective Service - General	2,198,666	0	2,198,666
Service Planning	2,366,289	0	2,366,289
Juvenile Act Proceedings	168,000	0	168,000
Alternative Treatment	655,683	0	655,683
Community Residential	6,187,247	0	6,187,247
Emergency Shelter	1,749,179	0	1,749,179
Foster Family	5,463,078	0	5,463,078
Supervised Independent Living	54,976	0	54,976
Juvenile Detention Service	1,890,290	0	1,890,290
Residential Service	2,606,240	0	2,606,240
Secure Residential Service (Except YDC)	870,161	0	870,161
YDC Secure	1,355,866	0	1,355,866
Administration	1,722,891	0	1,722,891
Combined Total Expense	<u>42,885,289</u>	<u>0</u>	<u>42,885,289</u>
Less Non-reimbursables	<u>122,154</u>	<u>0</u>	<u>122,154</u>
Total Net Expense	<u>\$ 42,763,135</u>	<u>\$ 0</u>	<u>\$ 42,763,135</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,473,103	\$ 0	\$ 7,473,103
Employee Benefits	3,846,193	0	3,846,193
Subsidies	8,590,619	0	8,590,619
Operating	3,622,235	0	3,622,235
Purchased Services	19,342,843	0	19,342,843
Fixed Assets	10,296	0	10,296
Combined Total Expense	<u>42,885,289</u>	<u>0</u>	<u>42,885,289</u>
Less Non-reimbursables	<u>122,154</u>	<u>0</u>	<u>122,154</u>
Total Net Expense	<u>\$ 42,763,135</u>	<u>\$ 0</u>	<u>\$ 42,763,135</u>

SECTION 4

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	23,541,654
Supplemental Act 148			<u>0</u>
Total State Allocation			23,541,654
State Share (CY348) ²	\$		22,718,076
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	22,718,076
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	22,718,076
Actual Act 148 Revenues Received ⁴			<u>22,718,076</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 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.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	783,199	129,447	0	0	0	0	0	653,752	653,752	0
02. 90% REIMBURSEMENT	1,821,308	414,756	180,944	0	0	0	0	1,176,189	1,058,570	117,619
03. 80% REIMBURSEMENT	31,147,818	7,520,905	1,211,592	260,799	135,418	0	0	21,550,978	17,240,783	4,310,195
04. 60% REIMBURSEMENT	5,255,210	165,151	436,825	0	0	0	14,282	4,638,952	2,783,372	1,855,580
05. 50% REIMBURSEMENT	1,998,228	35,031	0	0	0	0	0	1,963,197	981,599	981,598
06. TOTAL NET CHILD WELFARE EXPEND.	41,005,763	8,501,933	1,392,536	260,799	135,418	0	14,282	29,983,068	22,718,076	7,264,992

YDCYFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	1,346,400							1,338,614	803,168	535,446

08. NON-REIMBURSABLE EXPENDITURES	138,923	0						138,923		
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09. TOTAL EXPENDITURES	42,491,086	725,513	1,392,536	260,799	135,418	0	14,282	31,460,605	23,521,244	7,939,361
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10. TOTAL TITLE IV-D COLLECTIONS 246,827

11. TITLE IV-D Collections for IV-E Children 0

12. STATE ACT 148 - line 6 22,718,076

13. STATE ACT 148 ALLOCATION 23,541,654

14. ADJUSTED STATE SHARE (lower of 12 or 13) 22,718,076

INVOICE	
AMENDED STATE SHARE (ACT 148)	22,718,076
ACT 148 AMOUNT RECEIVED	22,718,076
ADJUSTMENT TO STATE SHARE	0

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES											
		1	2	3	4	5	6	7	8	9	10	11	12
		TOTAL	PROGRAM	TITLE IV-E	TITLE IV-E	TITLE IV-E	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL	NET	STATE	LOCAL	
		REIMBURSABLE	INCOME	MAINTENANCE	ADMIN.	TANF	TITLE XX		ASSISTANCE	REIMBURSABLE	ACT 148	SHARE	
		EXPENDITURES								EXPENDITURES			
IN-HOME													
1-A	ADOPTION SERVICE	783,199	0		129,447	0			0	653,752	653,752	0	
1-B	ADOPTION ASSISTANCE	7,678,245	0	3,494,268	20,250				0	4,163,727	3,330,982	832,745	
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	911,683	0	244,174					0	667,509	534,007	133,502	
1-D	COUNSELING - DEPENDENT	2,246,622	0		111,759	649,329	0	135,418	0	1,350,116	1,080,093	270,023	
1-E	COUNSELING - DELINQUENT	848,465	0		2,098	246,731	0		0	599,636	479,709	119,927	
1-F	DAY CARE	464,399	0		0	315,532	0		0	148,867	119,094	29,773	
1-G	DAY TREATMENT - DEPENDENT	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	
1-I	HOMEMAKER SERVICE	21,707	0		0	0	0	0	0	21,707	17,366	4,341	
1-J	INTAKE & REFERRAL	286,120	0		47,297	0	0	0	0	238,823	191,058	47,765	
1-K	LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	
1-L	LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-M	PROTECTIVE SERVICE - CHILD ABUSE	2,351,656	0		388,610	0	0		0	1,963,046	1,570,437	392,609	
1-N	PROTECTIVE SERVICE - GENERAL	2,250,407	0		368,053	0	0		0	1,862,354	1,489,883	372,471	
1-O	SERVICE PLANNING	2,502,198	0		413,514	0	0	0	0	2,088,684	1,670,947	417,737	
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	204,000	0		0	0	0	0	0	204,000	102,000	102,000	
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-R	SUBTOTAL IN-HOME	20,528,701	0	3,738,442	1,481,028	1,211,592	0	135,418	0	13,962,221	11,239,328	2,722,893	
COMMUNITY BASED PLACEMENT													
2-A	ALTERNATIVE TREATMENT - DEPENDENT	101,142	10,939	25,133	0		0		0	65,070	52,056	13,014	
2-B	ALTERNATIVE TREATMENT - DELINQUENT	470,619	21,596	0	0		0		0	449,023	359,218	89,805	
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	3,587,477	110,828	705,483	0		0		0	2,771,166	2,216,933	554,233	
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	1,331,162	35,838	6,147	14,052		0		0	1,275,125	1,020,100	255,025	
2-E	EMERGENCY SHELTER - DEPENDENT	1,608,564	48,684	413,524	0		0		0	1,146,556	1,031,900	114,656	
2-F	EMERGENCY SHELTER - DELINQUENT	212,744	735	0	1,432	180,944	0		0	29,633	26,670	2,963	
2-G	FOSTER FAMILY - DEPENDENT	6,031,563	288,007	777,968	883,781		260,799		0	3,821,008	3,056,806	764,202	
2-H	FOSTER FAMILY - DELINQUENT	36	0	0	6		0		0	30	24	6	
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	84,317	918	18,312	0		0		0	65,087	52,070	13,017	
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0		0	0	0	0	
2-K	SUBTOTAL CBP	13,427,624	517,545	1,946,367	899,271	180,944	260,799	0	0	9,622,698	7,815,777	1,806,921	
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	1,794,228	35,031							1,759,197	879,599	879,598	
3-B	RESIDENTIAL SERVICE - DEPENDENT	463,779	17,128	79,081	0		0		0	367,570	220,542	147,028	
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	2,440,899	139,592	16,839	35,907		0		0	2,248,561	1,349,137	899,424	
3-D	SECURE RES. SERVICE (EXCEPT YDC)	508,572	8,431						0	500,141	300,085	200,056	
3-E	YDC SECURE	1,346,400	7,786							1,338,614	803,168	535,446	
3-F	SUBTOTAL INSTITUTIONAL	6,553,878	207,968	95,920	35,907	0	0	0	0	6,214,083	3,552,531	2,661,552	
4	ADMINISTRATION	1,841,960	0		304,998		0		0	1,522,680	913,608	609,072	
5	TOTAL REVENUES	42,352,163	725,513	5,780,729	2,721,204	1,392,536	260,799	135,418	0	31,321,682	23,521,244	7,800,438	

ERIE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
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	419,464	217,266		146,457	0	192	783,379	333	0	180	0	0
1-B ADOPTION ASSISTANCE	0	0	7,716,979	0	0	0	7,716,979	0	1,096	0	38,734	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	917,689	0	0	0	917,689	0	135	0	6,006	0
1-D COUNSELING - DEPENDENT	392,298	214,502		69,439	1,570,371	192	2,246,802	587	597	180	0	0
1-E COUNSELING - DELINQUENT	0	0		12,753	835,712	0	848,465	0	305	0	0	0
1-F DAY CARE	0	0		464,399	0	0	464,399	0	95	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		21,707	0	0	21,707	0	42	0	0	0
1-J INTAKE & REFERRAL	169,591	73,818		42,934	0	97	286,440	4,724	0	320	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	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	1,301,507	664,683		390,774	0	616	2,357,580	951	0	5,924	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,249,063	613,989		367,408	1,900	635	2,232,995	5,858	1	2,588	0	0
1-O SERVICE PLANNING	1,491,877	731,254		279,213	0	750	2,503,094	4,737	0	896	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					204,000		204,000	0	208	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	5,023,800	2,515,512	8,634,668	1,308,978	3,098,089	2,482	20,583,529			10,088	44,740	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	101,142	0	101,142	618	5	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	470,619	0	470,619	2,538	26	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	3,587,477	0	3,587,477	18,706	119	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	84,124	1,247,038	0	1,331,162	6,137	60	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	568,701	212,863	0	334,925	528,363	0	1,644,852	2,603	106	248	36,040	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	8,662	204,082	0	212,744	1,058	75	0	0	0
2-G FOSTER FAMILY - DEPENDENT	753,795	418,659	0	248,640	4,613,452	385	6,034,931	97,799	519	3,368	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	36	0	0	36	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	84,317	0	84,317	5,202	19	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	1,322,496	631,522	0	676,387	10,836,490	385	13,467,280	134,661	929	3,616	36,040	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	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	1,072,062	492,469	0	228,826	44,614	0	1,837,971	2,256	115	152	43,591	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	463,779	0	463,779	2,201	49	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	217,388	2,223,511	0	2,440,899	11,898	90	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	508,572	0	508,572	1,684	10	0	0	0
3-E YDC SECURE	0	0	0	0	1,346,400	0	1,346,400	2,640	17	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,072,062	492,469	0	446,214	4,586,876	0	6,597,621	20,679	281	152	43,591	0
4 ADMINISTRATION	608,460	318,906	0	914,982	0	308	1,842,656			696	0	0
5 TOTAL EXPENDITURES	8,026,818	3,958,409	8,634,668	3,346,561	18,521,455	3,175	42,491,086			14,552	124,371	0
County Indirect Costs = \$ 156,631												

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 783,379	\$ 0	\$ 783,379
Adoption Assistance	7,716,979	0	7,716,979
Subsidized Permanent Legal Custodianship	917,689	0	917,689
Counseling	3,095,267	0	3,095,267
Day Care	464,399	0	464,399
Day Treatment	0	0	0
Homemaker Service	21,707	0	21,707
Intake and Referral	286,440	0	286,440
Life Skills	0	0	0
Protective Service - Child Abuse	2,357,580	0	2,357,580
Protective Service - General	2,232,995	0	2,232,995
Service Planning	2,503,094	0	2,503,094
Juvenile Act Proceedings	204,000	0	204,000
Alternative Treatment	571,761	0	571,761
Community Residential	4,918,639	0	4,918,639
Emergency Shelter	1,857,596	0	1,857,596
Foster Family	6,034,967	0	6,034,967
Supervised Independent Living	84,317	0	84,317
Juvenile Detention Service	1,837,971	0	1,837,971
Residential Service	2,904,678	0	2,904,678
Secure Residential Service (Except YDC)	508,572	0	508,572
YDC Secure	1,346,400	0	1,346,400
Administration	<u>1,842,656</u>	<u>0</u>	<u>1,842,656</u>
Combined Total Expense	42,491,086	0	42,491,086
Less Non-reimbursables	<u>138,923</u>	<u>0</u>	<u>138,923</u>
Total Net Expense	<u>\$ 42,352,163</u>	<u>\$ 0</u>	<u>\$ 42,352,163</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 8,026,818	\$ 0	\$ 8,026,818
Employee Benefits	3,958,409	0	3,958,409
Subsidies	8,634,668	0	8,634,668
Operating	3,346,561	0	3,346,561
Purchased Services	18,521,455	0	18,521,455
Fixed Assets	<u>3,175</u>	<u>0</u>	<u>3,175</u>
Combined Total Expense	42,491,086	0	42,491,086
Less Non-reimbursables	<u>138,923</u>	<u>0</u>	<u>138,923</u>
Total Net Expense	<u>\$ 42,352,163</u>	<u>\$ 0</u>	<u>\$ 42,352,163</u>

SECTION 5

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

ERIE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 - Erie County Children and Youth Agency Failed to Provide Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers (Resolved)

In our prior engagement report, covering the July 1, 2008, through the June 30, 2013, fiscal years, we cited the Erie County Children and Youth Agency (agency) for failing to provide adequate supporting documentation evidencing that In-Home Purchased Services paid for were actually provided by the contracted In-Home Purchased Service providers and, if services were provided, that they were provided in adherence to key executed contract terms.

Due to the timing of the conduct of our prior engagement, we did not notify the agency of these control weaknesses and the related risks until October 2016, well after the close of three (2013-2014, 2014-2015 and 2015-2016) of the four fiscal years included in our current engagement scope period, and three months into the fourth fiscal year (2016-2017). During the conduct of our current engagement, we obtained evidence substantiating that, as of March 2017, the agency developed and formally implemented various internal controls designed to reduce the agency's risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home providers and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided. However, the control weaknesses described above and related risks remained in existence until the agency took corrective action in March 2017.

Per the agency's implemented internal control policy over In-Home providers, all contracted In-Home providers are required to include with their submitted invoices documentation substantiating invoiced costs; agency fiscal staff responsible for approving these submitted invoices for payment review this documentation for sufficiency before approving these invoices for payment.

To assess the sufficiency of these procedures, we selected 100% of the In-Home invoices paid to one provider between March 2017 and June 2017 and examined them for evidence of the agency using documentation submitted with the invoices to verify the number of units of service actually provided. Our review included tracing invoiced units of service to attached attendance logs initialed by the children listed on the submitted invoices.

Finally, the agency's written internal control policy and procedures specify the consequences of providers failing to comply, and address our prior recommendation to develop a formal communication process that ensures agency staff responsible for reviewing and approving submitted invoices for payment are made aware of the results of monitoring reviews of providers. We obtained evidence of the agency's fiscal staff reducing payments for submitted invoices when discrepancies in the number of units or rates were found.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Based on our procedures performed during the current engagement, we concluded the issuance of a repeat finding is not warranted.

Finding No. 2 – Questionable Billing Practices by a Provider of In-Home Preventative Services Related to the Erie County Children and Youth Agency’s Failure to Provide Evidence to Substantiate the Provision of Services and the Corresponding Fees Charged (Resolved)

In our prior engagement, for the fiscal years 2008-2009 to 2012-2013, we noted the Erie County Children and Youth Agency (agency) paid invoices submitted by an In-Home Purchased Services provider under questionable circumstances and failed to provide evidence substantiating the purchased services were actually provided and allowable under the terms of its executed contract with the provider.

In the 2012-2013 fiscal year, the agency executed a contract addendum with an In-Home Purchased Service provider to increase the maximum contract amount, which the agency then paid using excess Act 148 funds that were available at the end of the fiscal year. We determined the agency’s decision to execute the contract addendum was inappropriately driven by agency management’s realization that the agency’s total annual expenditures fell below its Act 148 allocation for the 2012-2013 fiscal year, as opposed to evidence substantiating the need for increased program services.

As part of its corrective action plans implemented in March 2017 in response to the findings in our prior report, agency management developed and implemented a policy that specifies that if a provider has reached their maximum contract amount, an addendum may be executed to increase the contract maximum only to pay for actual fee-for-service units delivered. At no time can a contract maximum be increased other than to pay for actual units of service performed, according to the policy.

During our current engagement we examined 100 percent of the invoices submitted by the cited service provider, which was used by the agency in each of the fiscal years included in our current engagement scope. We found that in the only year in which the provider reached its contract maximum (2016-17), the agency limited payment on the submitted invoice so that it did not exceed the maximum. The agency then executed an addendum with the provider in the amount of unpaid balance for services previously provided, in accordance with its newly implemented policy.

Even though a high risk continued to exist until March 2017 that the agency could have executed contract addendums that were inappropriately driven by the availability of excess Act

ERIE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

148 funds, and that there was an increased likelihood that overbillings and fraudulent billings could have occurred and not been detected, resulting in the possibility of inappropriate reimbursement payments being made by the agency to this provider and the agency's inaccurate invoicing of these payments to the Commonwealth DHS for reimbursement of Act 148 funds to which it was not entitled, since we found during the conduct of our current engagement that the agency did not improperly increase the cited provider's contract maximum and took appropriate corrective actions in March 2017, we concluded that the issuance of a repeat finding is not warranted.

Finding No. 3 - Erie County Children and Youth Agency Reimbursed an In-Home Preventative Service Provider Participating in the Family Group Decision Making Program for Actual Personnel and Other Operating Costs in Violation of the Agency's Executed Contracts with the Provider (Resolved)

In our prior engagement report, we noted that in the 2011-2012 and 2012-2013 fiscal years, the Erie County Children and Youth Agency (agency) paid invoices submitted by an In-Home Purchased Service provider of Family Group Decision Making (FGDM) services for program operating costs in violation of the terms of the agency's executed contract with this provider. The terms of the contracts established fee-for-service rates, and there was no contract provision that granted the provider authorization to bill the agency, or for the agency to reimburse the provider, for operating costs over the agreed upon fee-for-service rates. Agency management stated the reason these FGDM program-funded invoices were submitted and paid was to allow the provider to draw down the entire contract amounts for fiscal years 2011-2012 and 2012-2013 because the provider did not have enough clients to reach the contract maximums using the established fee-for-service rates.

During our current engagement we examined 100 percent of the invoices submitted by the cited service provider, which was used by the agency in each of the fiscal years included in our current engagement scope. Additionally, we examined all of the invoices submitted by the only other provider used by the agency for FGDM services in all the fiscal years during our current engagement. We found the invoices that were submitted by the providers and paid by the agency were based on the fee-for-service rates described in their executed contracts. We found that during our current engagement period the agency did not compensate the FGDM providers on a program-funded basis and that neither of the providers reached their contract maximums during any of the fiscal years in the engagement period.

Furthermore, as part of its corrective action plans implemented in March 2017 in response to the findings in our prior report, agency management developed and implemented policy that specifically provides that no program-funded invoices may be paid in order to draw down a

ERIE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

contract to its maximum. Additionally, we obtained written testimonial evidence from agency management that administration and fiscal staff were made aware of prior instances of noncompliance and agency management stated it has not occurred during our current engagement period.

Even though a high risk continued to exist until March 2017 that the agency paid invoiced costs not authorized in the terms of agency's executed contract, and therefore in violation of the executed contract with the cited provider, since we found during the conduct of our current engagement that the agency did not compensate the FGDM providers on a program-funded basis, neither of the FGDM providers reached their contract maximums, and the agency took appropriate corrective actions in March 2017, we concluded that the issuance of a repeat finding is not warranted.

Finding No. 4 – Erie County Children and Youth Agency Made an Unallowable Payment to a Residential Provider as Reimbursement for their Financial Loss on the Provision of Kinship Care Services (Resolved)

In our prior engagement report, we cited the Erie County Children and Youth Agency (agency) for making an unallowable payment in the 2012-2013 fiscal year to a Residential Provider as reimbursement for the provider's financial loss incurred on the provision of Kinship Care Services. The request for payment was made after the close of the 2012-13 fiscal year during which services were provided, and agency management paid the requested amount using excess Act 148 state funds available at the end of the fiscal year. We determined the reimbursement of additional costs was unallowable, as it was in violation of the provider's executed contract. In addition, per DHS regulations, the agency is not permitted to retroactively increase the rate of reimbursement to a provider. We concluded that inappropriate state reimbursement occurred, and the agency received and had use of excess Act 148 state funds to which it was not entitled.

During the conduct of our current engagement, we examined the CY-383 Fee-for-Service schedules the agency submitted to DHS, which summarize all payments the agency made to purchased service providers, for each fiscal year in our engagement scope period. We did not find any further descriptions similar to the "Kinship Care adjustment" identified in the prior engagement. Additionally, our auditors examined the agency's ledgers thoroughly for evidence of large payments and/or adjustments being made to any providers near the end of each fiscal year included in our engagement. We did not find evidence of any unusually large payments to providers during the fiscal years under review. Additionally, agency management provided testimonial evidence that it did not make any retroactive payments not authorized by its contracts during our current engagement period.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Furthermore, as part of its corrective action plans implemented in March 2017 in response to the findings in our prior report, agency management developed and implemented policy that specifically provides that at no time can a rate change be retroactive to the start of a fiscal year. Rate changes can only take effect for the next invoice cycle following a contract addendum, according the policy. We concluded that the issuance of a repeat finding is not warranted.

SECTION 6

CURRENT ENGAGEMENT OBSERVATIONS

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATIONS

Observation No. 1 – Alleged Fraud, Theft from Contracted Service Provider Appeared to Not Financially Impact Erie County Children and Youth Agency

Following delivery of our engagement letter dated May 31, 2018, we became aware of fraud and other criminal allegations involving a director of an organization that was paid by the Erie County Children and Youth Agency to provide In-Home Purchased Services. On April 12, 2018, the United States Department of Justice announced a 33-count indictment of the director, who was also a co-founder of the Mothers Against Teen Violence program. The charges, which were still pending as of the date of this report, included wire fraud, theft of government property and “false writing or document to the government” related to the Mothers Against Teen Violence program, which was based at the Booker T. Washington Center (the Center) in Erie.

The Center received funds from the Erie County Children and Youth Agency (the agency) to run the Leadership Empowerment Accountability Diversity (LEAD) program, of which the accused individual was a director. The federal allegations do not specifically include activities related to the Center or LEAD. However, court affidavits detail the accused individual depositing directly into her personal account checks written by the agency to the Booker T. Washington Center for services provided by the LEAD program.

To determine whether the alleged crimes involved any Commonwealth funds provided to the agency, we reviewed all 45 of the invoices submitted by the Booker T. Washington Center, and paid by the agency, for the LEAD program during our current engagement period. Each invoice included evidence the agency’s fiscal staff had reviewed and approved the invoice. Four of the invoices, dated from Jan. 1, 2017, to May 1, 2017, included documentation submitted with the invoices that substantiated the services listed on the invoices were actually performed. Furthermore, we obtained evidence that the agency used an external, contracted consultant to monitor the LEAD program’s service delivery and quality of services provided, as part of the agency’s regular contract compliance monitoring procedures. This monitoring led to corrective actions including provisional contracts and eventually to termination of the contract for inadequate performance, including issues with management of the program and record keeping. Agency management informed us the termination was not related to the alleged fraud, and that at the time of the termination agency management had no knowledge or suspicions of the alleged fraud or misuse of funds.

The evidence we obtained indicates that the allegedly diverted checks were payments for services already rendered and therefore did not financially harm the Commonwealth or the agency. However, it is possible that the evidence we obtained included falsified documentation.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATIONS

Observation No. 2 – Significant Control Deficiencies Exist in the Commonwealth DHS’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)

The Child Protective Services Law³ (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).⁴ To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ 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,⁵ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Erie County Children and Youth Agency provided in-home and placement services to 6,233 children residing within the County during the 2016-2017 fiscal year.

³ Please note that the CPSL was extensively amended during the period of 2013-2015 with 24 pieces of child protection legislation, as well as one additional piece of legislation enacted in 2016. The Commonwealth’s Keep Kids Safe website states that the amendments enacted are “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 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>, accessed August 21, 2018.

⁴ 23 Pa.C.S. §§ 6344 and 6344.2.

⁵ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

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Day Treatment Centers and Child Residential Facilities

Beginning July 1, 2012, the DHS Bureau of Human Services' Licensing (bureau) took over 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 the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁶

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁷ 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. DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted audit engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring"⁸ in their provider executed contracts. Instead, all C&Y

⁶ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

⁷ Please note that based on recent correspondence with DHS, these providers are referred to as "private providers delivering prevention and reunification services." We refer to them as *contracted In-Home Preventative Service providers* throughout our observation for ease of understanding.

⁸ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (no less frequently than quarterly) to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

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agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

Therefore, we concluded that DHS had not taken every action to obtain reasonable assurance that C&Y agencies were taking enough action to ensure the safety and welfare of the vulnerable, at risk children receiving in-home preventative services. Further, because DHS has not implemented a process to ensure that C&Y agencies are consistently monitoring the CPSL adherence of the contracted In-Home Preventative Service providers' employees and volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁹

DHS Senior Management Follow-Up Response

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers¹⁰ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

DHS senior management staff further stated that DHS recognizes that they are responsible for communicating contract monitoring expectations to the C&Y agencies and for implementing a method to ensure that contract monitoring is being performed adequately. DHS' OCYF has communicated DHS' expectation that C&Y agencies must monitor these private providers' compliance with the requirements of the CPSL. DHS has also reiterated this expectation during quarterly Pennsylvania Children and Youth Administrators (PCYA) meetings held between June 2016 and October 2017, as well as in general guidance regarding contract monitoring efforts included in OCYF Bulletins issued for the 2017-18 and 2018-19 fiscal years. Further, DHS stated that OCYF will issue additional guidance in its Needs-Based Plan and Budget instructions for this year to emphasize adherence to the CPSL requirements for these providers as part of the C&Y agencies' monitoring expectations.

⁹ The *2017 Annual Child Protective Services Report* notes that the DHS' Office of Children, Youth and Families (OCYF) and its regional offices (in Philadelphia, Scranton, Harrisburg, and Pittsburgh) have responsibilities that include, among others: "Monitoring, licensing, and providing technical assistance to CCYA and private children and youth agencies and facilities." [Emphasis added.], p. 7; http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf, accessed August 3, 2018.

¹⁰ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

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Finally, DHS informed us that they will address the adequacy of C&Y agencies' monitoring through the July 2019 version of the DHS Single Audit Supplement (SAS) and will develop and require through the SAS a schedule that captures the details of each C&Y agency's monitoring efforts. This will include a listing of these private providers, whether they were monitored and if any CPSL violations were identified. The schedule will be submitted with the respective county's annual single audit report and will be subject to an Agreed Upon Procedures (AUP) engagement. DHS will also provide technical assistance to any C&Y agency that needs improvement.

We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken to address the issues we raised in our March 18, 2018 Position Statement letter to DHS would be a significant improvement. However, until DHS implements a process to ensure that all 67 C&Y agencies are routinely directly monitoring the CPSL adherence to the *certifications* of their contracted in-home preventative service providers' employees and volunteers, this Department, as indicated in our March 18, 2018 Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Greater Scrutiny of Arrest and Conviction Records

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.¹¹ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is 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.

Auditor General Senior Management's Follow-up Conclusion Statement

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we also recognize that risks to these vulnerable children continue to exist. One such risk results

¹¹ 23 Pa.C.S. § 6344.4.

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from the potential delay of 9 to 21 months (or possibly longer) between the date of possible noncompliance by a *contracted In-Home Preventative Service provider* and/or inadequate monitoring by a county C&Y agency and DHS becoming aware of those issues.¹²

Furthermore, as previously stated, we have communicated to DHS that we believe that DHS should do more to assure that employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.

Directly monitoring whether employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through a background check process is a crucial step towards protecting these at risk children. Therefore, we will continue to monitor the adequacy of measures taken by DHS to monitor and address C&Y agencies' compliance with the requirements of the CPSL as it relates to their contracted in-home preventative service providers and their sub-recipients. Again, our Department re-emphasizes that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.

¹² The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible noncompliance occurring at the beginning of the fiscal year. The period of delay would be higher when the Single Audit is not received within nine months from the end of the fiscal year.

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