

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

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# Franklin County Children and Youth Agency

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January 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania  
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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

The Commissioners of Franklin County  
Franklin County Commissioner's Complex  
340 North Second Street  
Chambersburg, PA 17201

Dear Commissioners:

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 Franklin County Children and Youth Agency (agency), legally known as Franklin 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, 2017 to June 30, 2018, and July 1, 2018 to June 30, 2019. 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, 2018, and June 30, 2019.

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 compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Franklin 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 2017-2018 and 2018-2019 fiscal years based on the accrual basis of accounting.<sup>1</sup>

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

- For the **2017-2018 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. While this adjustment in total impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$14,356, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share Payable, and no amount is due to the county or state because the agency's expenditures exceeded the total State Act 148 allocation by \$8,614. This adjustment is detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. While this adjustment in total impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$886, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share Payable, and no amount is due to the county or state because the agency's expenditures exceeded the total State Act 148 allocation by \$532. This adjustment is detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that the agency complied with the finding included in our prior engagement report, as detailed in Section 3 of this report.

Finally, we included the observation listed below related to DHS' monitoring of County Children and Youth (C&Y) Agencies' compliance with the Child Protective Services Law (CPSL), as detailed in Section 4 of this report:

Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on December 15, 2021.

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 any recommended adjustments

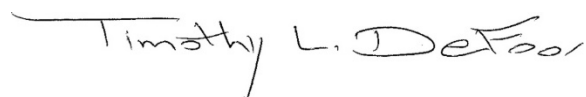
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<sup>1</sup> In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures made from other appropriations or grant funds.

included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of any recommended 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 Franklin County Children and Youth Agency. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor  
Auditor General  
December 20, 2021

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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 Franklin County Children and Youth Agency provided in-home and placement services to 3,965 children residing within the County during the 2018-2019 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), 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 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 DHS.

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4<sup>th</sup> Quarter fiscal reports submitted to 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 DHS for the respective fiscal years (FYs). Any 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 engagement period, reflect the County Children and Youth Agency’s actual related costs and revenues for those years. The reports also include the impact of those costs and revenues on the County Children and Youth Agency’s corresponding Net State Shares.

# SECTION 1

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2017 to JUNE 30, 2018**

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>	\$	6,231,181
Supplemental Act 148		<u>430,683</u>
Total State Allocation		6,661,864
State Share (CY348) <sup>2</sup>	\$	6,670,478
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	6,670,478
Less: Expenditures in Excess of the Approved State Allocation		<u>8,614</u>
Final Net State Share Payable <sup>3</sup>	\$	6,661,864
Actual Act 148 Revenues Received <sup>4</sup>		<u>6,661,864</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u><u>0</u></u>

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

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

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

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

<sup>5</sup> No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$8,614, as detailed on this page. While our adjustments resulted in a net increase of \$14,456 in expenditures for the agency for said fiscal year, as detailed on page 7 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.



FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
 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	51,914	6,854	0	0	0	0	0	45,060	45,060	0
02. 90% REIMBURSEMENT	376,548	83,006	130,272	0	0	0	0	161,725	145,552	16,173
03. 80% REIMBURSEMENT	8,999,830	1,775,561	153,568	87,910	28,459	0	0	6,803,454	5,442,763	1,360,691
04. 60% REIMBURSEMENT	1,736,289	141,617	0	0	0	0	5,418	1,572,449	943,469	628,980
05. 50% REIMBURSEMENT	188,074	807	0	0	0	0	0	187,267	93,634	93,633
06. TOTAL NET CHILD WELFARE EXPEND.	11,352,655	2,007,038	283,840	87,910	28,459	0	5,418	8,769,955	6,670,478	2,099,477

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	315,042	5,441						309,601	185,761	123,840

08. NON-REIMBURSABLE EXPENDITURES	34,535	0						34,535		34,535
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09. TOTAL EXPENDITURES	11,702,232	2,007,038	283,840	87,910	28,459	0	5,418	9,114,091	6,856,239	2,257,852
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10. TOTAL TITLE IV-D COLLECTIONS 95,453

11. TITLE IV-D Collections for IV-E Children 25,549

12. STATE ACT 148 - line 6 6,670,478

13. STATE ACT 148 ALLOCATION 6,661,864

14. ADJUSTED STATE SHARE (lower of 12 or 13) 6,661,864

INVOICE										
AMENDED STATE SHARE (ACT 148)	6,670,478									
ACT 148 AMOUNT RECEIVED	6,661,864									
ADJUSTMENT TO STATE SHARE	8,614									

FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
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
1-A ADOPTION SERVICE	51,914	0		6,854	0		0	0	0	45,060	45,060	0
1-B ADOPTION ASSISTANCE	1,688,127	0	659,694	3,910				0	0	1,024,523	819,618	204,905
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	383,728	6,337	112,707					0	0	264,684	211,747	52,937
1-D COUNSELING - DEPENDENT	214,917	0		58,257	0		0	0	0	156,660	125,328	31,332
1-E COUNSELING - DELINQUENT	20,745	0		12,084	0		0	0	0	8,661	6,929	1,732
1-F DAY CARE	0	0		0	0		0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	52,125	0		14,709	0		0	0	0	37,416	29,933	7,483
1-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J INTAKE & REFERRAL	221,009	0		28,828	0		0	0	0	192,181	153,745	38,436
1-K LIFE SKILLS - DEPENDENT	290,136	0		0	66,856	0	0	0	0	223,280	178,624	44,656
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	382,525	171		40,313	1,350		0	0	0	340,691	272,553	68,138
1-N PROTECTIVE SERVICE - GENERAL	1,240,514	3,820		161,104	312		28,459	0	0	1,046,819	837,455	209,364
1-O SERVICE PLANNING	127,470	0		15,830	0		0	0	0	111,640	89,312	22,328
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	68,565	0		0	0		0	0	0	68,565	34,283	34,282
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	3,200	0		0	0		0	0	0	3,200	1,600	1,600
<b>1-R SUBTOTAL IN-HOME</b>	<b>4,744,975</b>	<b>10,328</b>	<b>772,401</b>	<b>256,839</b>	<b>153,568</b>	<b>0</b>	<b>28,459</b>	<b>0</b>	<b>0</b>	<b>3,523,380</b>	<b>2,806,187</b>	<b>717,193</b>
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	0	0		0			0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0			0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	947,441	14,359	128,508	10,130			0	0	0	794,444	635,555	158,889
2-D COMMUNITY RESIDENTIAL - DELINQUENT	587,843	12,025		0			0	0	0	575,818	460,654	115,164
2-E EMERGENCY SHELTER - DEPENDENT	216,511	821	77,734	5,272	44,278		0	0	0	88,406	79,565	8,841
2-F EMERGENCY SHELTER - DELINQUENT	160,037	724		0	85,994		0	0	0	73,319	65,987	7,332
2-G FOSTER FAMILY - DEPENDENT	2,742,024	110,310	312,271	302,266		87,910	0	0	0	1,929,267	1,543,414	385,853
2-H FOSTER FAMILY - DELINQUENT	60,785	3,856		0			0	0	0	56,929	45,543	11,386
2-I SUP. INDEPENDENT LIVING - DEPENDENT	15,585	0		0			0	0	0	15,585	12,468	3,117
2-J SUP. INDEPENDENT LIVING - DELINQUENT	24,856	0		0			0	0	0	24,856	19,885	4,971
<b>2-K SUBTOTAL CBP</b>	<b>4,755,082</b>	<b>142,095</b>	<b>518,513</b>	<b>317,668</b>	<b>130,272</b>	<b>87,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,558,624</b>	<b>2,863,071</b>	<b>695,553</b>
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	116,309	807								115,502	57,751	57,751
3-B RESIDENTIAL SERVICE - DEPENDENT	242,718	6,529		8,894			0	0	0	227,295	136,377	90,918
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	412,562	6,345		0			0	0	0	406,217	243,730	162,487
3-D SECURE RES. SERVICE (EXCEPT YDC)	62,564	2,912								59,652	35,791	23,861
3-E YDC SECURE	315,042	5,441								309,601	185,761	123,840
<b>3-F SUBTOTAL INSTITUTIONAL</b>	<b>1,149,195</b>	<b>22,034</b>	<b>0</b>	<b>8,894</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,118,267</b>	<b>659,410</b>	<b>458,857</b>
<b>4 ADMINISTRATION</b>	<b>1,018,445</b>	<b>1,019</b>		<b>132,723</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>5,418</b>	<b>879,285</b>	<b>527,571</b>	<b>351,714</b>
<b>5 TOTAL REVENUES</b>	<b>11,667,697</b>	<b>175,476</b>	<b>1,290,914</b>	<b>716,124</b>	<b>283,840</b>	<b>87,910</b>	<b>28,459</b>	<b>0</b>	<b>5,418</b>	<b>9,079,556</b>	<b>6,856,239</b>	<b>2,223,317</b>

FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
 AMENDED CY370  
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	10,250	3,653		38,011	0	0	51,914	18	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,688,127	0	0	0	1,688,127	0	155	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	383,728	0	0	0	383,728	0	33	0	0	0
1-D COUNSELING - DEPENDENT	0	0		3	214,914	0	214,917	0	105	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	20,745	0	20,745	0	22	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	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	52,125	0	52,125	0	7	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	155,885	46,606		15,138	0	3,380	221,009	3,666	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	290,136	0	290,136	0	63	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	200,102	64,772		39,453	73,550	4,648	382,525	230	134	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	870,899	265,005		82,765	2,409	19,437	1,240,514	1,724	24	0	0	0
1-O SERVICE PLANNING	86,950	27,840		10,990	0	1,690	127,470	490	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	68,565	0	68,565	0	221	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	3,200		3,200	0	3	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	1,324,086	407,876	2,071,855	186,360	725,644	29,155	4,744,975			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services 3,327											
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	52,626	16,894	0	16,184	860,469	1,268	947,441	4,940	46	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	323	587,520	0	587,843	2,776	25	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	25,404	8,149	0	19,054	163,481	423	216,511	823	42	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	1,622	158,415	0	160,037	660	38	0	0	0
2-G FOSTER FAMILY - DEPENDENT	331,044	106,622	0	105,321	2,192,699	6,338	2,742,024	32,314	155	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	225	60,560	0	60,785	616	5	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	15,585	0	15,585	234	2	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	100	24,756	0	24,856	119	2	0	0	0
2-K <b>SUBTOTAL CBP</b>	409,074	131,665	0	142,829	4,063,485	8,029	4,755,082	42,482	315	0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services 3,327											
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	116,309	0	116,309	401	17	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	46,857	15,345	0	10,492	169,601	423	242,718	940	9	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,168	411,394	0	412,562	1,959	18	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	62,614	0	62,614	190	2	50	0	0
3-E YDC SECURE	0	0	0	0	315,042	0	315,042	546	1	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	46,857	15,345	0	11,660	1,074,960	423	1,149,245	4,036	47	50	0	0
4 <b>ADMINISTRATION</b>	333,413	90,683	0	624,186	0	4,648	1,052,930			34,485	0	0
5 <b>TOTAL EXPENDITURES</b>	2,113,430	645,569	2,071,855	965,035	5,864,089	42,255	11,702,232			34,535	0	0
	County Indirect Costs = \$ 273,068											

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 51,914	\$ 0	\$ 51,914
Adoption Assistance	1,688,127	0	1,688,127
Subsidized Permanent Legal Custodianship	383,728	0	383,728
Counseling	235,662	0	235,662
Day Care	0	0	0
Day Treatment	52,125	0	52,125
Homemaker Service	0	0	0
Intake and Referral	221,009	0	221,009
Life Skills	290,136	0	290,136
Protective Service - Child Abuse	382,525	0	382,525
Protective Service - General	1,240,514	0	1,240,514
Service Planning	127,470	0	127,470
Juvenile Act Proceedings	71,765	0	71,765
Alternative Treatment	0	0	0
Community Residential	1,535,284	0	1,535,284
Emergency Shelter	376,548	0	376,548
Foster Family	2,802,809	0	2,802,809
Supervised Independent Living	40,441	0	40,441
Juvenile Detention Service	116,309	0	116,309
Residential Service	655,280	0	655,280
Secure Residential Service (Except YDC)	62,614	0	62,614
YDC Secure	315,042	0	315,042
Administration	1,052,930	0	1,052,930
Combined Total Expense	<u>11,702,232</u>	<u>0</u>	<u>11,702,232</u>
Less Non-reimbursables	<u>48,891</u>	<u>(14,356)</u>	<u>34,535</u>
Total Net Expense	<u>\$ 11,653,341</u>	<u>\$ 14,356</u>	<u>\$ 11,667,697</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,113,430	\$ 0	\$ 2,113,430
Employee Benefits	645,569	0	645,569
Subsidies	2,071,855	0	2,071,855
Operating	965,035	0	965,035
Purchased Services	5,864,089	0	5,864,089
Fixed Assets	42,255	0	42,255
Combined Total Expense	<u>11,702,232</u>	<u>0</u>	<u>11,702,232</u>
Less Non-reimbursables	<u>48,891</u>	<u>(14,356)</u>	<u>34,535</u>
Total Net Expense	<u>\$ 11,653,341</u>	<u>\$ 14,356</u>	<u>\$ 11,667,697</u>

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	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-Reimbursables Non PS/Sub.</p> <p>To decrease Non-Reimbursables Non PS/Sub. expenditures by \$14,356 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 48,841	\$ (14,356)	\$ 34,485

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2018 to JUNE 30, 2019**

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>	\$	7,172,641
Supplemental Act 148		<u>26,573</u>
Total State Allocation		7,199,214
State Share (CY348) <sup>2</sup>	\$	7,199,746
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	7,199,746
Less: Expenditures in Excess of the Approved State Allocation		<u>532</u>
Final Net State Share Payable <sup>3</sup>	\$	7,199,214
Actual Act 148 Revenues Received <sup>4</sup>		<u>7,199,214</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u>0</u>

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

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

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

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

<sup>5</sup> No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$532, as detailed above. While our adjustments resulted in a net increase of \$886 in expenditures for the agency for said fiscal year, as detailed on page 14 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY**  
**FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019**  
**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	81,010	9,085	0	0	0	0	0	71,925	71,925	0
02. 90% REIMBURSEMENT	405,455	36,467	86,320	0	0	0	0	281,961	253,765	28,196
03. 80% REIMBURSEMENT	9,608,171	131,570	197,520	87,910	28,459	0	0	7,457,493	5,965,994	1,491,499
04. 60% REIMBURSEMENT	1,475,216	27,328	135,836	0	0	0	2,409	1,309,643	785,787	523,856
05. 50% REIMBURSEMENT	244,956	339	69	0	0	0	0	244,548	122,275	122,273
06. TOTAL NET CHILD WELFARE EXPEND.	11,814,808	1,886,676	283,840	87,910	28,459	0	2,409	9,365,570	7,199,746	2,165,824

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	684,054	2,341						681,713	409,028	272,685

08. NON-REIMBURSABLE EXPENDITURES	189,139	0						189,139		189,139
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09. TOTAL EXPENDITURES	12,688,001	162,285	283,840	87,910	28,459	0	2,409	10,236,422	7,608,774	2,627,648
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10. TOTAL TITLE IV-D COLLECTIONS 106,767

11. TITLE IV-D Collections for IV-E Children 10,314

12. STATE ACT 148 - line 6 7,199,746

13. STATE ACT 148 ALLOCATION 7,199,214

14. ADJUSTED STATE SHARE (lower of 12 or 13) 7,199,214

INVOICE										
AMENDED STATE SHARE (ACT 148)	7,199,746									
ACT 148 AMOUNT RECEIVED	7,199,214									
ADJUSTMENT TO STATE SHARE										532



FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
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	81,010	0		9,085	0			0	0	71,925	71,925	0
I-B ADOPTION ASSISTANCE	1,709,457	2,324	695,802	3,002				0	0	1,008,329	806,663	201,666
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	433,360	5,195	131,429	0				0	0	296,736	237,389	59,347
I-D COUNSELING - DEPENDENT	246,700	0			48,835	0		0	0	197,865	158,292	39,573
I-E COUNSELING - DELINQUENT	118,761	0			38,835	0		0	0	79,926	63,941	15,985
I-F DAY CARE	0	0			0	0		0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0			0	0		0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	39,338	0			10,999	0		0	0	28,339	22,671	5,668
I-I HOMEMAKER SERVICE	0	0			0	0		0	0	0	0	0
I-J INTAKE & REFERRAL	188,343	0		20,957	0			0	0	167,386	133,909	33,477
I-K LIFE SKILLS - DEPENDENT	352,039	0			96,886	0		0	0	255,153	204,122	51,031
I-L LIFE SKILLS - DELINQUENT	0	0			0	0		0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	450,817	232		42,266	1,350	0		0	0	406,969	325,575	81,394
I-N PROTECTIVE SERVICE - GENERAL	1,310,972	5,046		139,332	615	0	21,345	0	0	1,144,634	915,707	228,927
I-O SERVICE PLANNING	134,019	0		14,198	0		7,114	0	0	112,707	90,166	22,541
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	68,414	0			0		0	0	0	68,414	34,207	34,207
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	7,942	0		69	0		0	0	0	7,873	3,937	3,936
I-R SUBTOTAL IN-HOME	5,141,172	12,797	827,231	228,909	197,520	0	28,459	0	0	3,846,256	3,068,504	777,752
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	0	0		0				0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	968,570	17,710	126,625	9,969				0	0	814,266	651,413	162,853
2-D COMMUNITY RESIDENTIAL - DELINQUENT	589,083	12,684		0				0	0	576,399	461,119	115,280
2-E EMERGENCY SHELTER - DEPENDENT	204,045	50	31,875	4,592	23,031	0		0	0	144,497	130,047	14,450
2-F EMERGENCY SHELTER - DELINQUENT	201,410	657	0	0	63,289	0		0	0	137,464	123,718	13,746
2-G FOSTER FAMILY - DEPENDENT	2,909,314	81,046	279,240	242,399		87,910		0	0	2,218,719	1,774,975	443,744
2-H FOSTER FAMILY - DELINQUENT	61,397	4,734	0	0				0	0	56,663	45,330	11,333
2-I SUP. INDEPENDENT LIVING - DEPENDENT	21,850	9	0	0				0	0	21,841	17,473	4,368
2-J SUP. INDEPENDENT LIVING - DELINQUENT	74,151	2,590	0	0				0	0	71,561	57,249	14,312
2-K SUBTOTAL CBP	5,029,820	119,480	437,740	256,960	86,320	87,910	0	0	0	4,041,410	3,261,324	780,086
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	168,600	339							0	168,261	84,131	84,130
3-B RESIDENTIAL SERVICE - DEPENDENT	265,378	7,980	29,700	5,312				0	0	222,386	133,432	88,954
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	259,015	13,432	0	2				0	0	245,581	147,349	98,232
3-D SECURE RES. SERVICE (EXCEPT YDC)	53,970	5,602							0	48,368	29,021	19,347
3-E YDC SECURE	684,054	2,341								681,713	409,028	272,685
3-F SUBTOTAL INSTITUTIONAL	1,431,017	29,694	29,700	5,314	0	0	0	0	0	1,366,309	802,961	563,348
4 ADMINISTRATION	896,853	314		100,822				0	0	793,308	475,985	317,323
5 TOTAL REVENUES	12,498,862	162,285	1,294,671	592,005	283,840	87,910	28,459	0	2,409	10,047,283	7,608,774	2,438,509

FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
AMENDED CY370  
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	25,894	6,864		48,252	0	0	81,010	36	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,709,457	0	0	0	1,709,457	0	153	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	433,360	0	0	0	433,360	0	43	0	0	0
I-D COUNSELING - DEPENDENT	0	0	0	0	246,700	0	246,700	0	97	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	0	118,761	0	118,761	0	32	0	0	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
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	39,338	0	39,338	0	4	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	128,345	41,443		18,555	0	0	188,343	3,849	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	352,039	0	352,039	0	81	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	257,460	88,517		44,990	59,850	0	450,817	198	127	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	905,889	290,026		88,112	26,945	0	1,310,972	1,575	23	0	0	0
I-O SERVICE PLANNING	94,483	30,463		9,073	0	0	134,019	528	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					68,414		68,414	0	189	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					7,942		7,942	0	6	0	0	0
I-R <b>SUBTOTAL IN-HOME</b>	1,412,071	457,313	2,142,817	209,671	919,300	0	5,141,172			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											8,430
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	64,728	20,589		11,049	872,204	0	968,570	4,894	31	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,110	587,973	0	589,083	2,509	17	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	28,809	9,737		14,289	151,210	0	204,045	672	32	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	2,070	199,340	0	201,410	799	28	0	0	0
2-G FOSTER FAMILY - DEPENDENT	288,763	92,658		131,228	2,396,665	0	2,909,314	35,064	159	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	194	61,203	0	61,397	391	2	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	21,850	0	21,850	3	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	635	73,516	0	74,151	340	2	0	0	0
2-K <b>SUBTOTAL CBP</b>	382,300	122,984	0	160,575	4,363,961	0	5,029,820	44,672	272	0	0	0

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	2,208	166,392	0	168,600	494	23	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	35,769	11,244		4,428	213,937	0	265,378	1,186	15	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/MFC)	0	0	0	1,147	257,868	0	259,015	1,185	15	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	53,970	0	53,970	161	2	0	0	0
3-E YDC SECURE	0	0	0	0	684,054	0	684,054	1,246	5	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	35,769	11,244	0	7,783	1,376,221	0	1,431,017	4,272	60	0	0	0
<b>ADMINISTRATION</b>	208,474	53,430	0	821,588	2,500	0	1,085,992			189,139	0	0
<b>TOTAL EXPENDITURES</b>	2,038,614	644,971	2,142,817	1,199,617	6,661,982	0	12,688,001			189,139	0	0

County Indirect Costs = \$ 448,839

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 81,010	\$ 0	\$ 81,010
Adoption Assistance	1,709,457	0	1,709,457
Subsidized Permanent Legal Custodianship	433,360	0	433,360
Counseling	365,461	0	365,461
Day Care	0	0	0
Day Treatment	39,338	0	39,338
Homemaker Service	0	0	0
Intake and Referral	188,343	0	188,343
Life Skills	352,039	0	352,039
Protective Service - Child Abuse	450,817	0	450,817
Protective Service - General	1,310,972	0	1,310,972
Service Planning	134,019	0	134,019
Juvenile Act Proceedings	76,356	0	76,356
Alternative Treatment	0	0	0
Community Residential	1,557,653	0	1,557,653
Emergency Shelter	405,455	0	405,455
Foster Family	2,970,711	0	2,970,711
Supervised Independent Living	96,001	0	96,001
Juvenile Detention Service	168,600	0	168,600
Residential Service	524,393	0	524,393
Secure Residential Service (Except YDC)	53,970	0	53,970
YDC Secure	684,054	0	684,054
Administration	1,085,992	0	1,085,992
Combined Total Expense	<u>12,688,001</u>	<u>0</u>	<u>12,688,001</u>
Less Non-reimbursables	<u>190,025</u>	<u>(886)</u>	<u>189,139</u>
Total Net Expense	<u>\$ 12,497,976</u>	<u>\$ 886</u>	<u>\$ 12,498,862</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,038,614	\$ 0	\$ 2,038,614
Employee Benefits	644,971	0	644,971
Subsidies	2,142,817	0	2,142,817
Operating	1,199,617	0	1,199,617
Purchased Services	6,661,982	0	6,661,982
Fixed Assets	0	0	0
Combined Total Expense	<u>12,688,001</u>	<u>0</u>	<u>12,688,001</u>
Less Non-reimbursables	<u>190,025</u>	<u>(886)</u>	<u>189,139</u>
Total Net Expense	<u>\$ 12,497,976</u>	<u>\$ 886</u>	<u>\$ 12,498,862</u>

**FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	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-Reimbursables Non PS/Sub.</p> <p>To decrease non-reimbursable indirect cost expenditures by \$886 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 190,025	\$ (886)	\$ 189,139

## SECTION 3

# STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

FRANKLIN COUNTY CHILDREN AND YOUTH AGENCY  
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

**Prior Engagement Finding – Lack of Internal Control Policies and Procedures to Reduce the Agency’s Risk of Paying Overbillings or Fraudulent Billings Submitted by Contracted In-Home Purchased Service Providers (Resolved)**

In our prior engagement report, covering the July 1, 2014 to June 30, 2017 fiscal years, we cited the Franklin County Children and Youth Agency (agency) for a lack of internal control policies and procedures designed to sufficiently reduce the agency’s risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers and for failing to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms.

During the conduct of our current engagement, we determined agency management implemented fiscal-related monitoring policy and procedures for In-Home Purchased Service providers as of July 1, 2020. The policy requires In-Home Purchased Service providers to use sign-in sheets to document contacts with clients and include the sign-in sheets with submitted invoices and requires agency staff to compare the invoices and sign-in sheets and contact the provider if discrepancies are found.

We concluded that sufficient fiscal-related monitoring policy and procedures were in place to substantiate the validity of the number of units invoiced by contracted In-Home Fee-for-Service providers, which reduced the agency’s risk of paying overbillings and/or fraudulent billings submitted by these providers. Therefore, we concluded that the issuance of a repeat finding is not warranted.

## SECTION 4

# CURRENT ENGAGEMENT OBSERVATION

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**Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements**

The vast majority of Pennsylvania’s County Children and Youth (C&Y) Agencies contract with non-government In-Home Preventative Service Providers (Contracted Providers) to deliver services to children outside of an institutional or community-based setting, and those services are referred to as In-Home Purchased Services.<sup>2</sup> The Child Protective Services Law (CPSL) requires the conduct of Criminal Background Checks and Child Abuse History Clearances (Certifications) for all Contracted Providers’ (and their respective subcontractors’) employees and direct volunteers.<sup>3</sup>

Since 2016, we have communicated concerns to the Pennsylvania Department of Human Services (DHS) that these Contracted Providers were not being monitored for compliance with the CPSL certification mandates. Specifically, this needed monitoring relates to obtaining assurance as to the sufficiency of each C&Y Agency’s procedures for reviewing the Certifications of Contracted Providers’ employees and volunteers and their respective subcontractors, whose duties require them to come into direct contact with children and taking appropriate corrective actions when disqualifying incidents are identified. Furthermore, these Contracted Providers are not subject to licensure nor annual inspections under the Human Services Code (Code).<sup>4</sup> Our concerns have been, and continue to be, communicated through the inclusion of a standardized observation in our C&Y Program engagement reports and through correspondence with DHS.

In February 2018, DHS senior management staff affirmed that DHS is responsible for communicating contract monitoring expectations to the C&Y Agencies and for implementing a method to ensure that the certification monitoring is being performed adequately. DHS staff

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<sup>2</sup> Institutional and community-based settings are those in which the child is outside of the home for the entire time (e.g., Juvenile Detention, Residential Services, Secure Residential, Youth Development Camps, Youth Forestry Camps, Foster Care, Emergency Shelter, Group Homes, etc.). In-Home supportive services are provided while the child is in their own home or supportive services provided to the child or child’s family while the child is in substitute care.

<sup>3</sup> 23 Pa.C.S. §§ 6344 and 6344.2. Please note that CPSL 23 Pa.C.S. § 6344.4 now requires recertification of the required state and federal background checks and the child abuse clearance every 60 months.

<sup>4</sup> Based on a recent communication with DHS in early September 2020, the state agency candidly indicated that it lacks sufficient budgetary resources, leading to inadequate staffing to provide for the licensure and inspection of these Contracted Providers, which includes a large population of not only these providers, but also their subcontractors. Further, the implication of these budgetary constraints is that it would not be reasonable to pursue or support related legislation to make these Contracted Providers and their subcontractors subject to licensure and inspection. Please see the Special Note in Endnote 1.



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also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

**Our 2018 Position Statement Letter**

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. The major purpose of our letter was to express our concerns, as detailed above.

**DHS Corrective Actions Taken**

In an effort to further address our concerns, DHS expanded its CPSL adherence requirements for C&Y Agencies through the issuance of its 2019 revision of its Single Audit Supplement (Supplement) for counties, effective for the fiscal year ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and their auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor Contracted Provider adherence to the CPSL background check requirements to assure the safety of children receiving prevention, reunification, and aftercare services (services coded as in-home).
- Document these efforts and report them to DHS on a supplemental schedule included in each counties' Single Audit package.
- Create a listing of Contracted Providers that deliver in-home coded services.
- Monitor a sample of Contracted Providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to Contracted Providers and obtain a corrective action plan.
- Follow-up on implementation of the corrective action plan within six months.
- Document the results of the monitoring.

As part of the Single Audit, the auditors are required to perform Agreed-Upon Procedures with regard to the supplemental schedule noted above, including the following:

- Obtain a listing of Contracted Providers that deliver in-home coded services for the C&Y Agency.
- Test the listing of Contracted Providers for completeness.

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- Analyze the C&Y Agency’s documentation of monitoring activities for adequacy of monitoring, the C&Y Agency’s obtaining of any necessary corrective action plans, the C&Y Agency’s timely follow-up on corrective action plans, and the adequacy and accuracy of the monitoring documentation as represented on the supplemental schedule.
- Disclose any exceptions or findings within the Single Audit package for items not reflected on the supplemental schedule.

**Our Current Position**

We believe that the requirements that DHS included in its Supplement are great first steps in obtaining assurance of the C&Y Agencies’ compliance with the CPSL certification requirements. Specifically, having independent auditors reviewing the adequacy of the C&Y Agencies’ monitoring of the CPSL background check requirements for Contracted Providers annually, and reporting the C&Y Agencies’ monitoring efforts in a supplemental schedule of the Single Audit package that is provided to DHS appears to be effective. As part of the CPSL certification monitoring process, it is incumbent upon DHS to review the supplemental schedule and any exceptions or findings within the Single Audit packages to ascertain whether the C&Y Agencies are properly monitoring for CPSL certification requirements of its Contracted Providers. However, as of March 2021, DHS officials acknowledged that staff has not started reviewing the Single Audit packages for this purpose.<sup>5</sup>

This lack of review by DHS, as the oversight agency, is especially concerning considering DHS could remain unaware, despite receiving an audit report with the information, of a C&Y Agency failing to identify disqualifying incidents and/or take appropriate corrective actions when disqualifying convictions that would prohibit employees, volunteers, and subcontractors from having direct contact with children receiving services were identified. Therefore, we believe that it is imperative that DHS review the Single Audit packages for CPSL compliance by the C&Y Agencies in a timely manner.

Alternatively, DHS could implement its own monitoring process whereby it reviews the adequacy of the procedures each C&Y Agency has implemented related to ensuring its Contracted Providers and their subcontractors are complying with CPSL certification requirements and evaluate the results the C&Y Agencies found, including reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.<sup>1</sup>

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<sup>5</sup> DHS informed us that they merely verbally inquire about the status of C&Y agencies’ respective corrective action plans during their monitoring process.

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**Conclusion**

As the oversight agency, it is our opinion that DHS should ensure that every C&Y Agency and their respective Contracted Providers are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the adequacy of each C&Y Agency's procedures for reviewing the Certifications of their Contracted Providers' employees and volunteers and their subcontractors (whose duties require them to come into direct contact with children) and taking appropriate corrective action when disqualifying incidents are identified. We continue to believe that these children remain particularly vulnerable because contracted in-home services are oftentimes provided outside the presence and view of others.

<sup>i</sup> **Special Note:** In marked contrast to contracted foster care parents/providers and day treatment centers/child residential facilities, as well as 12 other types of facilities and programs, these C&Y Contracted Providers are not subject to annual licensure and an inspection process in accordance with the Human Services Code (Code). As noted in an earlier footnote, DHS recently made the candid statement that it lacks sufficient budgetary resources, leading to inadequate staffing, to provide for the licensure and inspection of these Contracted Providers.

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y Agencies' Contracted Providers and their subcontractors.

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