

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2010 to June 30, 2011

July 1, 2011 to June 30, 2012

July 1, 2012 to June 30, 2013

July 1, 2013 to June 30, 2014

Lebanon County Children and Youth Agency

May 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

The Commissioners of Lebanon County
Municipal Building, Room 207
400 South Eighth Street
Lebanon, PA. 17042

Dear Commissioners:

We have examined the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the Lebanon County Children and Youth Agency, legally known as Lebanon County Children and Youth Services (agency), for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2010 to June 30, 2011, July 1, 2011 to June 30, 2012, July 1, 2012 to June 30, 2013, and July 1, 2013 to June 30, 2014 pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)). The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2011, June 30, 2012, June 30, 2013, and June 30, 2014.

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 performed a review of the agency's internal controls over its invoice review and approval process for the 2010-2011 through the 2013-2014 fiscal years. We determined that agency staff responsible for reviewing and approving invoices submitted for payment did not perform procedures to obtain reasonable assurance that services corresponding to fees invoiced by In-Home Purchased Service providers were actually provided, and provided in adherence to executed key contract terms. Specifically, as detailed in Finding No. 4 in this report, for submitted In-Home Purchased Services invoices selected for detailed review and the corresponding expenditures reported on the agency's submitted fiscal reports, the agency failed to provide supporting documentation evidencing that the services corresponding to the fees charged on the submitted

invoices, and subsequently paid by the agency, were actually provided, and if provided, were provided in adherence to the requirements of the respective In-Home provider's executed key contract terms.

Because of the significance of the matter described in the preceding paragraph, we were not able to obtain reasonable assurance that total expenditures of \$2,408,554 paid to In-Home Purchased Service providers and included in total Purchased Services expenditures of \$15,214,059 reported on the agency's CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, submitted to the DHS for the fiscal years ended 2011, 2012, 2013, and 2014, and included in the agency's respective general ledgers, were valid because the agency did not provide sufficient evidence that the corresponding services were actually provided or, if provided, that the services adhered to respective key executed contract provisions and DHS regulations. Therefore, while we achieved our objective of ascertaining and certifying total Commonwealth expenditures paid on behalf of children residing within the county, for the fiscal years ended 2011, 2012, 2013, and 2014, we cannot attest that services corresponding to the \$2,408,054 expended by the agency (and which the Commonwealth participated in) for In-Home Purchased Services, were actually provided, or if provided, were provided in adherence to executed key contract provisions and DHS regulations because a high risk exists that overbillings and fraudulent billings could have occurred.

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

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

- **For the 2010-2011 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$2,758. Based on the application of the state participation rates, these adjustments resulted in an amount due to the state totaling \$1,468. These adjustments are detailed in our amended fiscal reports for fiscal year 2010-2011, as included in Section 1 of this report.
- **For the 2011-2012 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$2,742. Based on the application of the state participation rates, these adjustments resulted in an amount due to the state totaling \$1,457. These adjustments are detailed in our amended fiscal reports for fiscal year 2011-2012, as included in Section 2 of this report.
- **For the 2012-2013 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 decreasing agency expenditures by \$3,742. Based on the application of the state participation rates, this adjustment resulted in

an amount due to the state totaling \$2,245. This adjustment is detailed in our amended fiscal reports for fiscal year 2012-2013, as included in Section 3 of this report.

- **For the 2013-2014 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by reclassifying \$42,193 of expenditures from a 60% state reimbursed cost center to an 80% state reimbursed cost center and decreasing agency expenditures by \$1,873. However, no amount is due to the county or state because agency expenditures exceeded the total State Act 148 Allocation by \$7,316. These two adjustments are detailed in our amended fiscal reports for fiscal year 2013-2014, as included in Section 4 of this report.

In addition, we found that the agency did not implement appropriate corrective action for the three findings included in our prior released engagement report:

Finding No. 1 – Noncompliance - Lebanon County Children and Youth Agency Failed to Properly Execute and Implement Written Policies and Procedures Related to Contracting With Agency Staff or Their Immediate Family Members for Renovations/Purchase of Services

Finding No. 2 – Noncompliance – Lebanon County Children and Youth Agency Failed to Properly Execute and Implement Written Policies and Procedures Related to Reporting of Major Renovation Costs on its Expenditure Report Submitted to DHS

Finding No. 3 – Noncompliance - Lebanon County Children and Youth Agency Failed to Properly Maintain a Listing of Fixed Assets and Failed to Perform Annual Physical Inventories of Fixed Assets

Specific details are provided in Sections 5 and 6 of this report.

Furthermore, we identified the following internal control weakness, as detailed in Section 6 of this report.

Finding No. 4 – The Lebanon County Children and Youth Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided

Finally, we included the following current engagement observation, as detailed in Section 7 of this report:

Current Engagement Observation – Significant Control Deficiencies Exist in DHS' Oversight of Children and Youth (C&Y) Agencies' Adherence with the Requirements of the Child Protective Services Law (CPSL)

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on May 15, 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 Lebanon County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

May 17, 2018

Endnote

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

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under 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 Lebanon County Children and Youth Agency provided in-home and placement services to 1,722 children residing within the County during the 2015-2016 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, 2010 to JUNE 30, 2011

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

Approved State Allocation ¹	\$	3,781,671
Supplemental Act 148		<u>0</u>
Total State Allocation		3,781,671
State Share (CY348) ²	\$	3,441,326
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	3,441,326
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	3,441,326
Actual Act 148 Revenues Received ⁴		<u>3,442,794</u>
Net Amount Due County/(State) ⁵	\$	<u><u>(1,468)</u></u>

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

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

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

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

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

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	55,391	0	10,914	0	0	0	0	0	44,477	44,477	0
02. 90% REIMBURSEMENT	133,502	140	23,469	0	0	0	0	0	109,893	98,904	10,989
03. 80% REIMBURSEMENT	3,708,273	229,601	773,994	111,876	101,152	14,561	0	0	2,477,089	1,981,671	495,418
04. 60% REIMBURSEMENT	2,336,392	106,298	221,779	0	0	0	0	2,101	2,006,214	1,203,728	802,486
05. 50% REIMBURSEMENT	225,724	0	634	0	0	0	0	0	225,090	112,546	112,544
06. TOTAL NET CHILD WELFARE EXPEND.	6,459,282	336,039	1,030,790	111,876	101,152	14,561	0	2,101	4,862,763	3,441,326	1,421,437
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	397	0	0						397		397
09. TOTAL EXPENDITURES	6,459,679	336,039	1,030,790	111,876	101,152	14,561	0	2,101	4,863,160	3,441,326	1,421,834
10. IL Grant Funds Reported	0										
11. TOTAL HSDF used for Child Welfare	0										
12. TOTAL TITLE IV-D COLLECTIONS	223,352										
13. TITLE IV-D Collections for IV-E Children	43,880										
14. STATE ACT 148 - line 6	3,441,326										
15. STATE ACT 148 ALLOCATION	3,781,671										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	3,441,326										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,441,326										
ACT 148 AMOUNT RECEIVED	3,442,794										
ADJUSTMENT TO STATE SHARE	(1,468)										

Subsidized Permanent Legal Custodianship	Number of Days	Number of Children
SPLC	3,484	12
Total Subsidies	50,720	

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	55,391	0	0	10,914	0	0	0	0	0	44,477	0	0
I-B ADOPTION ASSISTANCE	444,755	0	228,686	0	0	0	0	0	0	216,069	172,855	43,214
I-C COUNSELING - DELINQUENT	296,770	0	0	2,237	68,852	0	0	0	0	225,681	180,545	45,136
I-D COUNSELING - DELINQUENT	392,121	0	0	0	43,024	0	0	0	0	349,092	279,274	69,818
I-E DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-F DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DELINQUENT	4,110	0	0	814	0	0	0	0	0	3,296	2,637	659
I-H HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-I INTAKE & REFERRAL	271,959	0	0	53,637	0	0	0	0	0	218,322	174,658	43,664
I-J LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-K LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-L PROTECTIVE SERVICE - CHILD ABUSE	159,452	0	0	31,534	0	0	0	0	0	127,918	102,334	25,584
I-M PROTECTIVE SERVICE - GENERAL	258,598	150	0	50,634	0	0	0	0	0	207,814	166,251	41,563
I-N SERVICE PLANNING	94,319	0	0	18,633	0	0	0	0	0	75,686	60,549	15,137
I-O JUVENILE ACT PROCEEDINGS - DELINQUENT	3,207	0	0	634	0	0	0	0	0	2,573	1,287	1,286
I-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-Q SUBTOTAL IN-HOME	1,980,682	150	228,686	169,042	111,876	0	0	0	0	1,470,928	1,184,867	286,061

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DELINQUENT	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 - DELINQUENT	556,313	42,582	88,069	10,179	0	0	0	0	0	415,483	332,386	83,097
2-D COMMUNITY RESIDENTIAL - DELINQUENT	51,138	0	0	0	0	0	0	0	0	51,138	40,910	10,228
2-E EMERGENCY SHELTER - DELINQUENT	133,502	140	21,559	1,910	0	0	0	0	0	109,893	98,904	10,989
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DELINQUENT	1,173,597	184,611	143,142	146,424	0	101,152	14,561	0	0	583,707	466,966	116,741
2-H FOSTER FAMILY - DELINQUENT	5,141	2,258	0	0	0	0	0	0	0	2,883	2,306	577
2-I SUP. INDEPENDENT LIVING - DELINQUENT	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	1,919,691	229,591	252,770	158,513	0	101,152	14,561	0	0	1,163,104	941,472	221,632

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	222,517	0	0	0	0	0	0	0	0	222,517	111,259	111,258
3-B RESIDENTIAL SERVICE - DELINQUENT	374,894	32,517	66,512	12,571	0	0	0	0	0	263,294	157,976	105,318
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,294,659	73,287	9,786	434	0	0	0	0	0	1,211,152	726,691	484,461
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC/YFC (NON-SECURE) - Institutional	0	0	0	0	0	0	0	0	0	0	0	0
3-F YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-G SUBTOTAL INSTITUTIONAL	1,892,070	105,804	76,298	13,005	0	0	0	0	0	1,696,963	995,926	701,037
4 ADMINISTRATION	666,839	494	0	132,476	0	0	0	0	2,101	531,768	319,061	212,707
5 TOTAL REVENUES	6,459,282	336,039	557,754	473,036	111,876	101,152	14,561	0	2,101	4,862,763	3,441,326	1,421,437

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/ Sub	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	34,388	9,765		11,238	0	0	55,391	12	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	444,755	0	0	0	444,755	0	117	0	0	0
1-C COUNSELING - DEPENDENT	9,080	2,178		285,512	0	0	296,770	0	97	0	0	0
1-D COUNSELING - DELINQUENT	0	0		392,097	0	0	392,121	0	122	0	0	0
1-E DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DELINQUENT	0	0		4,110	0	0	4,110	0	0	0	0	0
1-H HOMEMAKER SERVICE	183,428	71,887		16,742	0	0	272,057	602	0	98	0	0
1-I INTAKE & REFERRAL	0	0		0	0	0	0	0	0	0	0	0
1-J LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	105,285	39,705		14,462	0	0	159,452	254	0	0	0	0
1-M PROTECTIVE SERVICE - GENERAL	172,713	58,458		25,874	1,553	0	258,598	1,052	5	0	0	0
1-N SERVICE PLANNING	66,071	28,248		0	0	0	94,319	0	0	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT				3,207	0	0	3,207	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	570,965	210,241	444,755	75,657	679,162	0	1,980,780			98		1,925
	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	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	263,992	101,136		73,360	117,825	0	556,313	664	3	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	51,138	0	51,138	230	3	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	7,262	2,406		3,408	120,426	0	133,502	1,518	60	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	156,115	63,498	50,720	108,298	795,239	0	1,173,870	24,389	114	151	122	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	5,141	0	5,141	179	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	427,369	167,040	50,720	185,066	1,089,769	0	1,919,964	26,980	181	151	122	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	222,517	0	222,517	809	69	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	46,521	17,131		1,738	309,530	0	374,920	2,389	24	0	26	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		4,056	1,290,603	0	1,294,659	8,385	63	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0	0	0	0	0	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	0	0	0	0	0	0	0	0
3-F YDC SECURE	0	0		0	0	0	0	0	0	0	0	0
3-G SUBTOTAL INSTITUTIONAL	46,521	17,131	0	5,794	1,822,650	0	1,892,096	11,583	156	0	26	0
ADMINISTRATION	355,172	114,780	0	188,667	0	8,220	666,839			0	0	0
TOTAL EXPENDITURES	1,400,027	509,192	495,475	455,184	3,591,581	8,220	6,459,679			249	148	0
	County Indirect Costs = \$ 90,748											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 55,391	\$ 0	\$ 55,391
Adoption Assistance	444,755	0	444,755
Counseling	688,891	0	688,891
Day Care	0	0	0
Day Treatment	4,110	0	4,110
Homemaker Service	0	0	0
Intake and Referral	272,057	0	272,057
Life Skills	0	0	0
Protective Service - Child Abuse	159,452	0	159,452
Protective Service - General	258,598	0	258,598
Service Planning	94,319	0	94,319
Juvenile Act Proceedings	3,207	0	3,207
Alternative Treatment	0	0	0
Community Residential	606,518	933	607,451
Emergency Shelter	133,502	0	133,502
Foster Family	1,179,011	0	1,179,011
Supervised Independent Living	0	0	0
Juvenile Detention Service	222,517	0	222,517
Residential Service	1,669,579	0	1,669,579
Secure Residential Service (Except YDC)	0	0	0
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	0	0	0
Administration	670,530	(3,691)	666,839
Combined Total Expense	<u>6,462,437</u>	<u>(2,758)</u>	<u>6,459,679</u>
Less Non-reimbursables	<u>397</u>	<u>0</u>	<u>397</u>
Total Net Expense	<u>\$ 6,462,040</u>	<u>\$ (2,758)</u>	<u>\$ 6,459,282</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,400,027	\$ 0	\$ 1,400,027
Employee Benefits	509,192	0	509,192
Subsidies	495,475	0	495,475
Operating	457,942	(2,758)	455,184
Purchased Services	3,591,581	0	3,591,581
Fixed Assets	8,220	0	8,220
Combined Total Expense	<u>6,462,437</u>	<u>(2,758)</u>	<u>6,459,679</u>
Less Non-reimbursables	<u>397</u>	<u>0</u>	<u>397</u>
Total Net Expense	<u>\$ 6,462,040</u>	<u>\$ (2,758)</u>	<u>\$ 6,459,282</u>

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-C	4	1	<p style="text-align: center;">CY-370 Adjustments</p> <p>Community Residential (Dependent) - Operating</p> <p>To increase Operating costs by \$933 to amortize one-third of the cost of a \$2,800 major renovation that the agency erroneously expensed in its entirety, in the fiscal year ended 6/30/2010.</p> <p>Title 55 PA Code, Chapter 3170.73(a)(c)</p>	\$ 72,427	\$ 933	\$ 73,360
CY-370	4	4	2	<p>Administration - Operating</p> <p>To decrease indirect costs by \$3,691 because the agency included health insurance benefits for retired County employees which are not eligible for state reimbursement.</p> <p>Title 55 PA Code, Chapters 3170.2, 3170.11(d), 3170.41(a), 3170.47(a), 3170.47(f), 3170.47(g) OCYF Bulletin 00-95-12</p>	\$ 192,358	\$ (3,691)	\$ 188,667

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2011 to JUNE 30, 2012

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

Approved State Allocation ¹		\$	3,565,553
Supplemental Act 148			<u>0</u>
Total State Allocation			3,565,553
State Share (CY348) ²	\$		3,465,707
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,465,707
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,465,707
Actual Act 148 Revenues Received ⁴			<u>3,467,164</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(1,457)</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.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	49,539	0		9,367	0		0	0	0	40,172	40,172	0
I-B ADOPTION ASSISTANCE	493,695	0	238,380						0	255,315	204,252	51,063
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	48,963	0	0	0	0				0	48,963	39,170	9,793
I-D COUNSELING - DEPENDENT	312,870	0		1,677	85,587	0	0	0	0	225,606	180,485	45,121
I-E COUNSELING - DELINQUENT	310,501	0		0	29,485	0	0	0	0	281,016	224,813	56,203
I-F DAY CARE	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
I-H DAY TREATMENT - DELINQUENT	3,355	0		644	0	0	0	0	0	2,711	2,169	542
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	286,545	0		53,749	0	0	0	0	0	232,796	186,237	46,559
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	178,389	0		33,507	0	0	0	0	0	144,882	115,906	28,976
I-N PROTECTIVE SERVICE - GENERAL	245,036	0		45,800	0	0	0	0	0	199,236	159,389	39,847
I-O SERVICE PLANNING	60,301	0		11,324	0	0	0	0	0	48,977	39,182	9,795
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	1,745	0		328	0	0	0	0	0	1,417	709	708
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,990,939	0	238,380	156,396	115,072	0	0	0	0	1,481,091	1,192,484	288,607
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	550,102	34,749	66,216	43,700	0	0	0	0	0	405,437	324,350	81,087
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	84,707	1,246	15,714	166	0	0	0	0	0	67,581	60,823	6,758
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,197,475	148,898	127,649	146,482	0	101,152	14,561	0	0	658,733	526,986	131,747
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,832,284	184,893	209,579	190,348	0	101,152	14,561	0	0	1,131,751	912,159	219,592
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	158,941	0							0	158,941	79,471	79,470
3-B RESIDENTIAL SERVICE - DEPENDENT	298,799	17,882	10,665	4,555	0	0	0	0	0	265,697	159,418	106,279
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,490,714	73,367	64,352	542	0	0	0	0	0	1,352,453	811,472	540,981
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0							0	0	0	0
3-E YDC SECURE	0	0							0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,948,454	91,249	75,017	5,097	0	0	0	0	0	1,777,091	1,080,361	726,730
4 ADMINISTRATION	643,362	249		121,560					3,715	517,838	310,703	207,135
5 TOTAL REVENUES	6,415,039	276,391	522,976	473,401	115,072	101,152	14,561	0	3,715	4,907,771	3,465,707	1,442,064

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE (NON-PS/SUB)	NON-REIM. PURCHASED SERV/SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
IN-HOME												
I-A ADOPTION SERVICE	27,230	10,269		12,040	0	0	49,539	0	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	493,695	0	0	0	493,695	0	113	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	48,963	0	0	0	48,963	0	11	0	0	0
I-D COUNSELING - DEPENDENT	6,927	1,995		0	303,948	0	312,870	0	80	0	0	0
I-E COUNSELING - DELINQUENT	0	0		0	310,501	0	310,501	0	108	0	0	0
I-F DAY CARE	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
I-H DAY TREATMENT - DELINQUENT	0	0		3,582	0	0	3,582	0	0	227	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	199,831	69,918		16,990	0	0	286,739	716	1,730	194	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	118,434	47,104		12,947	0	0	178,485	278	0	96	0	0
I-N PROTECTIVE SERVICE - GENERAL	167,716	52,371		23,795	1,268	0	245,150	80	4	114	0	0
I-O SERVICE PLANNING	40,819	19,482		0	0	0	60,301	0	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				1,745	0	0	1,745	0	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	560,957	201,139	542,658	71,099	615,717	0	1,991,570			631	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	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	274,995	105,908	0	65,021	100,684	3,558	550,166	568	5	64	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	608	218	0	2,993	80,888	0	84,707	940	41	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	251,547	104,096	0	107,988	734,255	0	1,197,886	20,564	94	411	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	527,150	210,222	0	176,002	915,827	3,558	1,832,759	22,072	140	475	0	0
ADMINISTRATION	337,371	114,794	0	190,059	0	1,169	643,393			31	0	0
TOTAL EXPENDITURES	1,443,963	531,412	542,658	445,551	3,447,865	4,727	6,416,176			1,137	0	0
	County Indirect Costs = \$ 83,836											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 49,539	\$ 0	\$ 49,539
Adoption Assistance	493,695	0	493,695
Subsidized Permanent Legal Custodianship	48,963	0	48,963
Counseling	623,371	0	623,371
Day Care	0	0	0
Day Treatment	3,582	0	3,582
Homemaker Service	0	0	0
Intake and Referral	286,739	0	286,739
Life Skills	0	0	0
Protective Service - Child Abuse	178,485	0	178,485
Protective Service - General	245,150	0	245,150
Service Planning	60,301	0	60,301
Juvenile Act Proceedings	1,745	0	1,745
Alternative Treatment	0	0	0
Community Residential	549,232	934	550,166
Emergency Shelter	84,707	0	84,707
Foster Family	1,197,886	0	1,197,886
Supervised Independent Living	0	0	0
Juvenile Detention Service	158,941	0	158,941
Residential Service	1,789,513	0	1,789,513
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	647,069	(3,676)	643,393
Combined Total Expense	<u>6,418,918</u>	<u>(2,742)</u>	<u>6,416,176</u>
Less Non-reimbursables	<u>1,137</u>	<u>0</u>	<u>1,137</u>
Total Net Expense	<u>\$ 6,417,781</u>	<u>\$ (2,742)</u>	<u>\$ 6,415,039</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,443,963	\$ 0	\$ 1,443,963
Employee Benefits	531,412	0	531,412
Subsidies	542,658	0	542,658
Operating	448,293	(2,742)	445,551
Purchased Services	3,447,865	0	3,447,865
Fixed Assets	4,727	0	4,727
Combined Total Expense	<u>6,418,918</u>	<u>(2,742)</u>	<u>6,416,176</u>
Less Non-reimbursables	<u>1,137</u>	<u>0</u>	<u>1,137</u>
Total Net Expense	<u>\$ 6,417,781</u>	<u>\$ (2,742)</u>	<u>\$ 6,415,039</u>

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-C	4	1	CY-370 Adjustments			
				Community Residential (Dep.) - Operating	\$ 64,087	\$ 934	\$ 65,021
				To increase Operating costs by \$934 to amortize one-third of the cost of a \$2,800 major renovation that the agency erroneously expensed in its entirety, in the fiscal year ended 6/30/2010.			
				Title 55 PA Code, Chapter 3170.73(a)(c)			
CY-370	4	4	2	Administration - Operating	\$ 193,735	\$ (3,676)	\$ 190,059
				To decrease indirect costs by \$3,676 because the agency included health insurance benefits for retired County employees which are not eligible for state reimbursement.			
				Title 55 PA Code, Chapters 3170.2, 3170.11(d), 3170.41(a), 3170.47(a), 3170.47(f), 3170.47(g) OCYF Bulletin 00-95-12			

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2012 to JUNE 30, 2013

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

Approved State Allocation ¹		\$	3,600,548
Supplemental Act 148			<u>0</u>
Total State Allocation			3,600,548
State Share (CY348) ²	\$		3,535,356
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,535,356
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,535,356
Actual Act 148 Revenues Received ⁴			<u>3,537,601</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(2,245)</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.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND	PROGRAM	TITLE	TANF	TITLE	TITLE	OTHER	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	FUNDING	ASSISTANCE	TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	38,461	0	7,523	0	0	0	0	0	30,938	30,938	0
02. 90% REIMBURSEMENT	57,357	0	7,696	0	0	0	0	0	49,661	44,695	4,966
03. 80% REIMBURSEMENT	3,317,756	121,834	608,174	115,073	101,152	14,561	0	0	2,356,962	1,885,569	471,393
04. 60% REIMBURSEMENT	2,792,259	100,731	249,732	0	0	0	0	4,205	2,437,591	1,462,554	975,037
05. 50% REIMBURSEMENT	223,998	154	645	0	0	0	0	0	223,199	111,600	111,599
06. TOTAL NET CHILD WELFARE EXPEND.	6,429,831	222,719	873,770	115,073	101,152	14,561	0	4,205	5,098,351	3,535,356	1,562,995

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

08. NON-REIMBURSABLE EXPENDITURES	509	0							509		509
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09. TOTAL EXPENDITURES	6,430,340	222,719	873,770	115,073	101,152	14,561	0	4,205	5,098,860	3,535,356	1,563,504
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10. TOTAL TITLE IV-D COLLECTIONS 138,920

11. TITLE IV-D Collections for IV-E Children 21,308

12. STATE ACT 148 - line 6 3,535,356

13. STATE ACT 148 ALLOCATION 3,600,548

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,535,356

INVOICE											
AMENDED STATE SHARE (ACT 148)	3,535,356										
ACT 148 AMOUNT RECEIVED	3,537,601										
ADJUSTMENT TO STATE SHARE	(2,245)										

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	38,461	0		7,523	0			0	0	30,938	30,938	0
1-B ADOPTION ASSISTANCE	507,375	0	236,356						0	271,019	216,815	54,204
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	57,482	0	0	0	0			0	0	57,482	45,986	11,496
1-D COUNSELING - DEPENDENT	260,911	0		10,420	68,308	0		0	0	182,183	145,746	36,437
1-E COUNSELING - DELINQUENT	298,270	0		0	46,765	0		0	0	251,505	201,204	50,301
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	5,663	0		1,112	0	0		0	0	4,551	3,641	910
1-I HOMEMAKER SERVICE	0	0		0	0	0		0	0	0	0	0
1-J INTAKE & REFERRAL	271,496	0		53,537	0	0		0	0	217,959	174,367	43,592
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	227,890	0		44,787	0	0		0	0	183,103	146,482	36,621
1-N PROTECTIVE SERVICE - GENERAL	211,747	0		41,422	0	0		0	0	170,325	136,260	34,065
1-O SERVICE PLANNING	73,501	0		14,427	0	0		0	0	59,074	47,259	11,815
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	3,386	0		645	0	0		0	0	2,741	1,371	1,370
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0		0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,956,182	0	236,356	173,873	115,073	0	0	0	0	1,430,880	1,150,069	280,811
COMMUNITY BASED PLACEMENT												
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	506,266	13,912	1,390	50,883		0		0	0	440,081	352,065	88,016
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0		0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	57,357	0	7,427	269	0	0		0	0	49,661	44,695	4,966
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0		0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	897,155	107,922	72,574	81,266	0	101,152	14,561	0	0	519,680	415,744	103,936
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0		0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0		0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0		0	0	0	0	0
2-K SUBTOTAL CBP	1,460,778	121,834	81,391	132,418	0	101,152	14,561	0	0	1,009,422	812,504	196,918
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	220,612	154						0	0	220,458	110,229	110,229
3-B RESIDENTIAL SERVICE - DEPENDENT	299,302	29,992	55,442	11,559		0		0	0	202,309	121,585	80,924
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,808,157	70,522	47,072	514		0		0	0	1,690,049	1,014,029	676,020
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0								0	0	0
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	2,328,071	100,668	102,514	12,073	0	0	0	0	0	2,112,816	1,245,643	867,173
ADMINISTRATION	684,800	217		135,145		0	0	0	4,205	545,233	327,140	218,093
TOTAL REVENUES	6,429,831	222,719	420,261	453,509	115,073	101,152	14,561	0	4,205	5,098,351	3,535,356	1,562,995

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	22,166	9,173		7,122	0	0	38,461	0	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	507,835	0	0	0	507,835	0	115	0	460	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	57,482	0	0	0	57,482	0	12	0	0	0
1-D COUNSELING - DEPENDENT	36,786	16,293	0	0	207,832	0	260,911	0	80	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	298,270	0	298,270	0	96	0	0	0
1-F DAY CARE	0	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	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	5,663	0	0	5,663	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	178,081	53,968	0	17,235	0	22,212	271,496	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	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	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	153,626	57,656	0	16,608	0	0	227,890	261	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	129,199	46,272	0	35,569	707	0	211,747	1,356	2	0	0	0
1-O SERVICE PLANNING	52,247	21,254	0	0	0	0	73,501	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				3,386	0		3,386	0	17	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	572,105	204,616	565,317	85,583	506,809	22,212	1,956,642			0	460	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
						1,678			Number of Children at IMMEDIATE RISK			322
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	276,030	102,474	0	72,543	23,609	31,610	506,266	130	2	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,641	53,716	0	57,357	882	46	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	165,801	75,081	0	110,093	546,229	0	897,204	16,080	78	0	49	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	441,831	177,555	0	186,277	623,554	31,610	1,460,827	17,092	126	0	49	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	220,612	0	220,612	787	49	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	42,076	16,217	0	1,450	239,359	0	299,302	1,575	13	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	6,143	1,802,014	0	1,808,157	10,582	68	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	42,076	16,217	0	7,593	2,262,185	0	2,328,071	12,944	130	0	0	0
ADMINISTRATION	360,544	128,038	0	196,218	0	0	684,800			0	0	0
TOTAL EXPENDITURES	1,416,556	526,426	565,317	475,671	3,392,348	53,822	6,430,340			0	509	0
	County Indirect Costs = \$ 77,384											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 38,461	\$ 0	\$ 38,461
Adoption Assistance	507,835	0	507,835
Subsidized Permanent Legal Custodianship	57,482	0	57,482
Counseling	559,181	0	559,181
Day Care	0	0	0
Day Treatment	5,663	0	5,663
Homemaker Service	0	0	0
Intake and Referral	271,496	0	271,496
Life Skills	0	0	0
Protective Service - Child Abuse	227,890	0	227,890
Protective Service - General	211,747	0	211,747
Service Planning	73,501	0	73,501
Juvenile Act Proceedings	3,386	0	3,386
Alternative Treatment	0	0	0
Community Residential	506,266	0	506,266
Emergency Shelter	57,357	0	57,357
Foster Family	897,204	0	897,204
Supervised Independent Living	0	0	0
Juvenile Detention Service	220,612	0	220,612
Residential Service	2,107,459	0	2,107,459
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	688,542	(3,742)	684,800
Combined Total Expense	<u>6,434,082</u>	<u>(3,742)</u>	<u>6,430,340</u>
Less Non-reimbursables	<u>509</u>	<u>0</u>	<u>509</u>
Total Net Expense	<u>\$ 6,433,573</u>	<u>\$ (3,742)</u>	<u>\$ 6,429,831</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,416,556	\$ 0	\$ 1,416,556
Employee Benefits	526,426	0	526,426
Subsidies	565,317	0	565,317
Operating	479,413	(3,742)	475,671
Purchased Services	3,392,548	0	3,392,548
Fixed Assets	53,822	0	53,822
Combined Total Expense	<u>6,434,082</u>	<u>(3,742)</u>	<u>6,430,340</u>
Less Non-reimbursables	<u>509</u>	<u>0</u>	<u>509</u>
Total Net Expense	<u>\$ 6,433,573</u>	<u>\$ (3,742)</u>	<u>\$ 6,429,831</u>

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Operating</p> <p>To decrease indirect costs by \$3,742 because the agency included health insurance benefits for retired County employees which are not eligible for state reimbursement.</p> <p>Title 55 PA Code, Chapters 3170.2, 3170.11(d), 3170.41(a), 3170.47(a), 3170.47(f), 3170.47(g) OCYF Bulletin 00-95-12</p>	\$ 199,960.00	\$ (3,742.00)	\$ 196,218.00

SECTION 4

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2013 to JUNE 30, 2014

**LEBANON 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	\$	3,717,431
Supplemental Act 148		<u>951,684</u>
Total State Allocation		4,669,115
State Share (CY348) ²	\$	4,676,431
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	4,676,431
Less: Expenditures in Excess of the Approved State Allocation		<u>7,316</u>
Final Net State Share Payable ³	\$	4,669,115
Actual Act 148 Revenues Received ⁴		<u>4,669,115</u>
Net Amount Due County/(State) ⁵	\$	<u>0</u>

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

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

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

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

⁵ No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$7,316, as detailed above. While our adjustments resulted in a net increase of \$7,316 in expenditures for the agency for said fiscal year, as detailed on page 25 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.

LEBANON 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	28,558	0	5,122	0	0	0	0	0	23,436	23,436	0
02. 90% REIMBURSEMENT	60,469	0	4,943	0	0	0	0	0	55,526	49,973	5,553
03. 80% REIMBURSEMENT	4,379,863	136,607	607,339	115,072	101,152	13,712	0	0	3,405,981	2,724,784	681,197
04. 60% REIMBURSEMENT	3,108,899	104,985	158,661	0	0	0	0	3,433	2,841,820	1,705,092	1,136,728
05. 50% REIMBURSEMENT	349,337	2,389	658	0	0	0	0	0	346,290	173,146	173,144
06. TOTAL NET CHILD WELFARE EXPEND.	7,927,126	243,981	776,723	115,072	101,152	13,712	0	3,433	6,673,053	4,676,431	1,996,622

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	5	0							5		5

09. TOTAL EXPENDITURES	7,927,131	243,981	776,723	115,072	101,152	13,712	0	3,433	6,673,058	4,676,431	1,996,627
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10. TOTAL TITLE IV-D COLLECTIONS 182,483

11. TITLE IV-D Collections for IV-E Children 9,127

12. STATE ACT 148 - line 6 4,676,431

13. STATE ACT 148 ALLOCATION 4,669,115

14. ADJUSTED STATE SHARE (lower of 12 or 13) 4,669,115

INVOICE											
AMENDED STATE SHARE (ACT 148)	4,676,431										
ACT 148 AMOUNT RECEIVED	4,669,115										
ADJUSTMENT TO STATE SHARE	7,316										

LEBANON 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
	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	28,558	0		5,122	0		0	0	0	23,436	23,436	0
1-B ADOPTION ASSISTANCE	481,190	0	221,984	1,018			0	0	0	258,188	206,550	51,638
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	66,469	0	0	0	82,007		0	0	0	66,469	53,175	13,294
1-D COUNSELING - DEPENDENT	258,373	624		916	33,065		0	0	0	175,810	140,648	35,162
1-E COUNSELING - DELINQUENT	353,233	0		0	0		0	0	0	319,544	255,635	63,909
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	3,669	0		645	0		0	0	0	3,024	2,419	605
1-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J INTAKE & REFERRAL	251,762	0		44,929	0		0	0	0	206,833	165,466	41,367
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	254,374	0		45,028	0		0	0	0	209,346	167,477	41,869
1-N PROTECTIVE SERVICE - GENERAL	274,375	150		49,030	0		0	0	0	225,195	180,156	45,039
1-O SERVICE PLANNING	37,850	0		6,766	0		0	0	0	31,084	24,867	6,217
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	3,783	0		643	0		0	0	0	3,140	1,570	1,570
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	90	0		15	0		0	0	0	75	38	37
SUBTOTAL IN-HOME	2,014,086	774	221,984	154,112	115,072	0	0	0	0	1,522,144	1,221,437	300,707
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	740,986	12,284	13,839	36,167			0	0	0	678,696	542,957	135,739
2-D COMMUNITY RESIDENTIAL - DELINQUENT	559,559	22,257	0	0			0	0	0	537,302	429,842	107,460
2-E EMERGENCY SHELTER - DEPENDENT	60,469	0	4,885	58	0		0	0	0	55,526	49,973	5,553
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,097,663	101,292	82,878	104,139			101,152	13,712	0	694,490	555,592	138,898
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
SUBTOTAL CBF	2,458,677	135,833	101,602	140,364	0	101,152	13,712	0	0	1,966,014	1,578,364	387,650
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	345,464	2,389								343,075	171,538	171,537
3-B RESIDENTIAL SERVICE - DEPENDENT	143,426	8,846	18,081	9,430			0	0	0	107,069	64,241	42,828
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,463,193	80,724	9,689	416			0	0	0	1,372,364	823,418	548,946
3-D SECURE RES. SERVICE (EXCEPT YDC)	826,537	15,221								811,316	486,790	324,526
3-E YDC SECURE	0	0								0	0	0
3-F	2,778,620	107,180	27,770	9,846	0	0	0	0	0	2,633,824	1,545,987	1,087,837
SUBTOTAL INSTITUTIONAL	675,743	194	121,045	0	0	0	0	0	0	551,071	330,643	220,428
ADMINISTRATION	7,927,126	243,981	351,356	425,367	115,072	101,152	13,712	0	3,433	6,673,053	4,676,431	1,996,622

LEBANON 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										Program Income related to all Non-Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	13,301	8,476		6,781	0	0	28,558	0	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	481,190	0	0	0	481,190	102	0	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	66,469	0	0	0	66,469	0	12	0	0	0
1-D COUNSELING - DEPENDENT	3,157	1,948			253,628	0	258,733	0	98	0	0	0
1-E COUNSELING - DELINQUENT	0	0			353,238	0	353,238	0	119	0	5	0
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	0	0		3,669	0	0	3,669	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0			0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	168,989	67,104		15,669	0	0	251,762	748	0	0	0	0
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	159,261	53,523		21,822	0	19,768	254,374	446	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	154,751	75,826		43,798	0	0	274,375	373	0	0	0	0
1-O SERVICE PLANNING	26,339	11,511			0	0	37,850	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					3,783	0	3,783	0	11	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					90	0	90	0	1	0	0	0
1-R SUBTOTAL IN-HOME	525,798	218,388	547,659	95,612	606,866	19,768	2,014,091				5	0
Number of Children receiving only NON-PURCHASED IN-Home Services 102												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0			0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	295,333	117,313		65,550	262,790	0	740,986	1,208	12	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		698	558,861	0	559,559	2,681	19	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		3,462	57,007	0	60,469	1,078	42	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	268,722	133,727		118,418	576,796	0	1,097,663	16,217	80	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0			0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	564,055	251,040	0	188,128	1,455,454	0	2,458,677	21,184	153	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0			345,464	0	345,464	1,234	62	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	32,066	19,782		2,635	88,943	0	143,426	849	9	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		4,198	1,458,995	0	1,463,193	8,438	63	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		194	826,343	0	826,537	3,030	14	0	0	0
3-E YDC SECURE	0	0			0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	32,066	19,782	0	7,027	2,719,745	0	2,778,620	13,551	148	0	0	0
ADMINISTRATION	349,317	150,342	0	176,084	0	0	675,743			0	0	0
TOTAL EXPENDITURES	1,471,236	639,552	547,659	466,851	4,782,065	19,768	7,927,131			0	5	0
County Indirect Costs = \$ 87,114												

**LEBANON 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	\$ 28,558	\$ 0	\$ 28,558
Adoption Assistance	481,190	0	481,190
Subsidized Permanent Legal Custodianship	66,469	0	66,469
Counseling	611,971	0	611,971
Day Care	0	0	0
Day Treatment	3,669	0	3,669
Homemaker Service	0	0	0
Intake and Referral	251,762	0	251,762
Life Skills	0	0	0
Protective Service - Child Abuse	254,374	0	254,374
Protective Service - General	274,375	0	274,375
Service Planning	37,850	0	37,850
Juvenile Act Proceedings	3,873	0	3,873
Alternative Treatment	0	0	0
Community Residential	1,258,352	42,193	1,300,545
Emergency Shelter	60,469	0	60,469
Foster Family	1,097,663	0	1,097,663
Supervised Independent Living	0	0	0
Juvenile Detention Service	345,464	0	345,464
Residential Service	1,648,812	(42,193)	1,606,619
Secure Residential Service (Except YDC)	826,537	0	826,537
YDC Secure	0	0	0
Administration	677,616	(1,873)	675,743
Combined Total Expense	<u>7,929,004</u>	<u>(1,873)</u>	<u>7,927,131</u>
Less Non-reimbursables	<u>5</u>	<u>0</u>	<u>5</u>
Total Net Expense	<u>\$ 7,928,999</u>	<u>\$ (1,873)</u>	<u>\$ 7,927,126</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,471,236	\$ 0	\$ 1,471,236
Employee Benefits	639,552	0	639,552
Subsidies	547,659	0	547,659
Operating	468,724	(1,873)	466,851
Purchased Services	4,782,065	0	4,782,065
Fixed Assets	19,768	0	19,768
Combined Total Expense	<u>7,929,004</u>	<u>(1,873)</u>	<u>7,927,131</u>
Less Non-reimbursables	<u>5</u>	<u>0</u>	<u>5</u>
Total Net Expense	<u>\$ 7,928,999</u>	<u>\$ (1,873)</u>	<u>\$ 7,927,126</u>

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-C	5	1	<p style="text-align: center;">CY-370 Adjustments</p> Community Residential Dependent - Purchased Services Residential Service Dependent - Purchased Services Total Adjustment Amount To reclassify \$42,193 of expenditures to the proper cost center on the CY-370 Expenditure Report. Title 55 PA Code, Chapter 3170.95(a)(b)	\$ 220,597	\$ 42,193	\$ 262,790
	3-B	5			\$ 131,136	\$ (42,193)	\$ 88,943
						\$ -	
CY-370	4	4	2	Administration - Operating To decrease indirect costs by \$1,873 because the agency included health insurance benefits for retired County employees which are not eligible for state reimbursement. Title 55 PA Code, Chapters 3170.2, 3170.11(d), 3170.41(a), 3170.47(a), 3170.47(f), 3170.47(g) OCYF Bulletin 00-95-12	\$ 178,531	\$ (1,873)	\$ 176,658

SECTION 5

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

Prior Engagement Finding No. 1 – Noncompliance: Failure to Properly Execute and Implement Written Policies and Procedures Related to Contracting with Agency Staff or Their Immediate Family Members for Renovations/Purchase of Services

In our prior audit report, for the fiscal years July 1, 2008, to June 30, 2009, and July 1, 2009, to June 30, 2010, we cited the Lebanon County Children and Youth Agency (agency) for failure to properly execute and implement written policies and procedures related to contracting with agency staff or their immediate family members for renovations/purchase of services. During our current engagement, we did not identify any transactions wherein the agency contracted with an immediate family member of agency staff. In addition, while agency management did provide a written policy stating that the agency will not contract with members of its own staff or their immediate family without first making an official written request to the DHS-OCYF Central Region office and subsequently receiving their written authorization, the agency provided us no evidence the policy was approved by county executives and effectively communicated with appropriate agency staff. Therefore, we concluded that the agency failed to fully resolve this prior engagement finding. As such, a repeat finding will be issued in the current engagement report related to the improper execution and implementation of this written policy, as detailed in the Current Engagement Findings and Recommendations section (Section 6) of this report.

Prior Engagement Finding No. 2 – Noncompliance: Lebanon County Children and Youth Agency Improperly Reported the Entire Amount of Major Renovation Costs on its Expenditure Report Submitted to DHS

In our prior audit report, for the fiscal years July 1, 2008, to June 30, 2009, and July 1, 2009, to June 30, 2010, we cited the agency for inappropriately expensing the entire cost of a major building renovation to the Lebanon County Girls Group Home. The agency engaged the services of a contractor for \$2,800. Because the cost of the renovation project exceeded \$2,000, according to DHS regulations, the costs are considered major renovations and should have been amortized over a minimum of a three-year period. As a result, we made adjustments to decrease the agency's 2009-2010 operating expenditures by \$1,867 during our prior engagement and during our current engagement we made adjustments to increase expenditures by \$933 for the 2010-2011 fiscal year and by \$934 for the 2011-2012 fiscal year. These adjustments are detailed in our amended fiscal reports in Section 1 and Section 2 of this report.

During our prior engagement, agency management provided a written policy dated August 15, 2013, which stated that, "although a written policy was not developed after the May 27, 2010 finding [date of our prior engagement exit conference], the requirements and regulations [of

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

Title 55 Pa. Code, Chapter 3170.73(a), (c)] were understood and implemented. Written policy effective immediately (August 15, 2013).”

However, the agency provided us no evidence during our prior or current engagement that the policy was approved by county executives and effectively communicated with appropriate agency staff. Therefore, we concluded that the agency failed to fully resolve this prior engagement finding. As such, a repeat finding will be issued in the current engagement report related to the improper execution and implementation of this written policy, as detailed in the Current Engagement Findings and Recommendations section (Section 6) of this report.

Prior Engagement Finding No. 3 – Noncompliance: Lebanon County Children and Youth Agency Failed to Properly Maintain a Listing of Fixed Assets and Failed to Perform Annual Physical Inventories of Fixed Assets

In our prior audit report, for the fiscal years July 1, 2008, to June 30, 2009, and July 1, 2009, to June 30, 2010, we cited the agency for failing to maintain documentation evidencing the agency’s conduct of annual physical inventories of the Boys and Girls Group Homes’ fixed assets. Even though the agency was made aware of DHS’ requirements to perform an annual physical inventory and to maintain appropriate fixed assets listings for each fixed asset beginning with our engagement for the fiscal year ended June 30, 2007, the agency again failed to take appropriate action to ensure these procedures were properly completed and documented. Therefore, we concluded in our prior audit report that the agency failed to appropriately address this finding.

During our current engagement, agency management provided us with physical inventories for the Girls Group Home dated 8/10/2011, 4/03/2012, and 2/12/2014 and for the Boys Group Home dated 8/31/10, 3/12/12, and 2/13/14. The physical inventories were not performed on an annual basis, identification numbers were not assigned to each individual fixed asset, and the results of the physical inventories were not explained. As such, a repeat finding will be issued in the current engagement report related to the agency’s failure to conduct annual physical inventories and failure to properly maintain a listing of fixed assets, as detailed in the Current Engagement Findings and Recommendations section (Section 6) of this report. Agency management also informed us the Boys and Girls Group Homes ceased operations on August 28, 2015.

SECTION 6

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance: Lebanon County Children and Youth Agency Failed to Properly Execute and Implement Written Policies and Procedures Related to Contracting with Agency Staff or Their Immediate Family Members for Renovations/Purchase of Services

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 5 of this report), we determined during our current engagement that, while agency management did provide a written policy stating, in part, the agency will not contract with members of its own staff or their immediate family without first making an official written request to the DHS-OCYF Central Region office and subsequently receiving their written authorization, there was no evidence the policy was properly executed through approval by county executives and effectively implemented through communication with all agency staff. Agency management presented the policy to us during our prior audit engagement on August 15, 2013, and the policy stated “although a written policy was not developed after the May 27, 2010 finding, it was understood this policy would be effective that date.” However, without appropriate controls to obtain authorization by county executives and to ensure the new policy was disseminated to all appropriate agency staff, we conclude the policy was not properly executed or implemented by agency management.

Criteria: Title 55, Pa. Code § 3170.91, § 3170.92, and § 3170.93 related to fiscal management of the County Agency state, in part:

- *Section 3170.91. County Responsibility.* County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed.
- *Section 3170.92. Accountability for Expenditures for Clients*
 - (a) *Generally.* The appropriate county executive officers are responsible for the accounting of funds expended for children and youth services.
 - (b) *Records of Maintenance.* County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department.
- *Section 3170.93. Contracts.*
 - (g) *Conflict of Interest.* The appropriate county authority shall not make any contract or agreement with a person, company, or organization in which a member of the county children and youth staff has a financial interest; nor, shall the county

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

authority contract with members of its own staff or their immediate families,
except with the clear prior written approval of the regional office.

Cause: While the agency did take action to develop a policy related to contracting with agency staff or their immediate family members for renovations/purchased services during our engagement period, they failed to properly execute the policy through authorization by County executives and to effectively implement the policy through communication with all agency staff. *Note: The agency policy was signed by County Executives on May 3, 2018 and the policy was communicated to appropriate agency staff on May 9, 2018.*

Effect: As a result of policies not being effectively documented, executed, and implemented, county and agency staff may not have been aware of DHS regulations and/or the procedures required to properly report agency transactions on the fiscal reports submitted to the DHS. Consequently, inappropriate state reimbursement and/or loss of state/federal funding could have occurred. In addition, without the proper development and implementation of formal, written policies and procedures, the likelihood increases that errors and/or misappropriation of agency assets may occur and not be detected.

Recommendation: We again recommend that agency management properly execute and effectively implement the written policy related to contracting with agency staff or their immediate family members for renovations/purchased services, by obtaining approval from county executives and communicating the policy to all agency staff. Documentation to evidence the proper execution and implementation of this policy must be maintained for review during our next engagement.

While we acknowledge the agency closed its group homes in August 2015, the benefits of a properly executed and implemented policy governing related-party transactions extend to all activities of the agency.

Agency Representative Response: We have prepared a written policy that has been given to the County Commissioners for their signatures. The policy is effective May 3, 2018 and was communicated to agency staff via e-mail on May 9, 2018. It has also been placed in our policy manual.

Auditor's Conclusion: While written policy and procedures were signed by county executives and communicated to all appropriate agency staff as of May 2018, the agency failed to comply with our prior audit finding recommendations during the current engagement period. Thus, this finding will stand as presented.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Noncompliance – Lebanon County Children and Youth Agency Failed to Properly Execute and Implement Written Policies and Procedures Related to Reporting of Major Renovation Costs on its Expenditure Report Submitted to DHS

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 5 of this report), during our prior engagement, we found that, for the 2009-2010 fiscal year, the agency improperly reported the entire amount of major building renovation costs, in the amount of \$2,800, on its CY-370 Expenditure Report submitted to DHS instead of amortizing the cost over a minimum of a three-year period according to DHS regulations. As a result, we made adjustments to decrease the agency's 2009-2010 operating expenditures by \$1,867 during our prior engagement and during our current engagement we made adjustments to increase expenditures by \$933 for the 2010-2011 fiscal year and by \$934 for the 2011-2012 fiscal year. These adjustments are detailed in our amended fiscal reports in Section 1 and Section 2 of this report.

During our prior engagement, the agency provided a written policy dated August 15, 2013, which stated, in part, the agency understood that any renovation over \$2,000 would be considered a major renovation and that the agency would ensure the requirements in the DHS regulations were met. However, the agency provided no evidence the policy was properly executed through approval by County executives and effectively implemented through communication with all agency staff prior to a copy of the policy being given to us. During our current engagement, we again asked the agency to provide evidence the policy was properly executed through approval by County executives and effectively implemented through communication with all agency staff; however, we received no such evidence.

Subsequent to our current engagement scope period, the agency closed its group homes in August 2015.

Criteria: Title 55 Pa Code, § 3170.73(a) and (c) related to Renovations, states, in part:

(a) *Generally.* Renovations are considered to be an adaptation of available space within a completed structure. Minor renovations may be expensed; however, major renovations shall either be borne by the owner or charged as a rental expense.

(c) *Major Renovations.* Major renovations are defined as those costs for renovations which are \$2,000 or greater. The Department will participate financially in the cost of major renovations as a rental expense as described in § 3170.52 (c) (relating to rent) provided the following conditions are met:

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

1. The renovation shall be let for bids in accordance with §3170.94 (relating to bidding and procurement) and the County Code (16 P.S. §§ 101-2902).
2. The cost of the renovation shall be amortized for a minimum of 3 years.
3. The rental charge shall not exceed the fair rental value of the space being utilized.

Cause: During our engagement period, the agency failed to comply with our prior audit finding and recommendation that the written policy for properly reporting the costs of major renovations on the Expenditures Report submitted to DHS must be properly approved by county executives and effectively implemented through communication with all agency staff. *Note: The agency policy was signed by County Executives on May 3, 2018 and the policy was communicated to appropriate agency staff on May 9, 2018.*

Effect: As a result of policies not being effectively documented, executed, and implemented, county and agency staff may not have been aware of DHS regulations and/or the procedures required to properly report agency transactions on the fiscal reports submitted to the DHS. Consequently, inappropriate state reimbursement and/or loss of state/federal funding could have occurred. In addition, without the proper development and implementation of formal, written policies and procedures, the likelihood increases that errors and/or misappropriation of agency assets may occur and not be detected.

Recommendation: We again recommend that agency management properly execute and effectively implement the written policy related to major renovations, by obtaining approval from county executives and effectively implemented by communicating the policy to all agency staff. Documentation to evidence the proper execution and implementation of this policy must be maintained for review during our next engagement.

Agency Representative Response: We have prepared a written policy that has been given to the County Commissioners for their signatures. The policy is effective May 3, 2018 and was communicated to agency staff via e-mail on May 9, 2018. It has also been placed in our policy manual.

Auditor's Conclusion: While written policy and procedures were signed by county executives and communicated to all appropriate agency staff as of May 2018, the agency failed to comply with our prior audit finding recommendations during the current engagement period. Thus, this finding will stand as presented.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 3 – Noncompliance: Lebanon County Children and Youth Agency Failed to Properly Maintain a Listing of Fixed Assets and Failed to Perform Annual Physical Inventories of Fixed Assets

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 5) of this report, during our current engagement, we found that while the agency did provide us physical inventories for the Girls Group Home dated 8/10/2011, 4/03/2012, and 2/12/2014 and for the Boys Group Home dated 8/31/10, 3/12/12, and 2/13/14, the agency again failed to perform the physical inventories on an annual basis, identification numbers were not assigned to each individual fixed asset, and the results of the physical inventories were not explained.

Agency management informed us the Boys and Girls Group Homes ceased operations on August 28, 2015.

Criteria: Title 55 Pa. Code, § 3170.71 which defines Fixed Assets and § 3170.77 (f), related to ownership of fixed assets, states:

Defined. Fixed assets are major items which can be expected to have a useful life of more than 1 year, or which can be used repeatedly without materially changing or impairing their physical condition by normal repair, maintenance, or replacement of components, and which have a purchase price of \$300 or more.

Ownership Responsibilities. In accordance with sound business practice, the holder of fixed assets shall:

- (1) Maintain an inventory listing of fixed assets.
- (2) Maintain and administer a program for the maintenance, repair, protection, preservation, and insurance of fixed assets to assure their full availability and usefulness.
- (3) Utilize reimbursement for a loss, destruction or damage of fixed assets by using the proceeds to repair, renovate, or replace the fixed assets involved; crediting the proceeds as an income source to be applied against the cost of services rendered; forwarding the proceeds to the funding source.
- (4) Perform an annual physical inventory at the end of the funding period/fiscal year by sighting and verifying the inventory listings. Discrepancies shall be documented and kept on file with invoices, inventory reports, and other papers which are subject to audit.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Cause: Even though the agency was made aware of DHS' requirements to perform an annual physical inventory of fixed assets and to maintain appropriate fixed asset listings and include identification numbers for each fixed asset during our two prior engagements, the agency again failed to take appropriate corrective action to ensure these procedures were completed and documented during our current engagement fiscal years. That the Group Homes ceased operations (August 28, 2015) after our engagement period does not excuse the agency's noncompliance during the fiscal years under review.

Effect: Agency fixed assets might not have been acquired, secured, or disposed of in accordance with regulations, which could lead to loss/misuse of assets and inappropriate reimbursement of state/federal funds.

Recommendation: We recommend that if the county ever opens another group home or if the agency acquires fixed assets for use in any of its operations, the agency implements controls over its fixed assets as required by DHS regulations, including the conduct of annual physical inventories and the assignment of identification numbers to each fixed asset.

Agency Representative Response: An inventory of group homes was performed; however, we did not maintain a numbering system of that inventory. No changes will be made since the group homes were closed on August 28, 2015.

Auditor's Conclusion: We found, during the current engagement fiscal years, that a fixed assets physical inventory was not performed on an annual basis, an identification number was not assigned to each fixed asset, and completed fixed asset physical inventories did not include an explanation of the results. Thus, this finding will stand as presented.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 4 – The Lebanon County Children and Youth Services Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided

Condition: During the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 fiscal years, the Lebanon County Children and Youth Services Agency (agency) paid In-Home Purchased Service providers¹ (providers) a total of \$2,408,554. However, we found that the agency failed to obtain reasonable assurance that these providers actually performed the services related to the fees for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to executed contract terms between the agency and the respective In-Home provider.

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

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the [Human Services] (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the [Human Services] Code (62 P.S. § 709.3).”

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 6/30/2012; Bulletin 3140-13-01, applicable for fiscal year ended 6/30/2013; Bulletin 3140-13-05, applicable for fiscal year ended 6/30/2014 : Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report. This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).*

In addition, 55 Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

¹ Agency management stated that 23 providers were utilized during the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 fiscal years. Due to the amount of time it would have taken, based on how agency records are maintained, we did not verify the accuracy of this number, which is included for contextual purposes only. However, we did perform procedures to obtain reasonable assurance that the agency paid In-Home Purchased Service Providers a total of \$2,408,554 during the noted engagement scope period.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”
- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”

Cause: The agency failed to implement fiscal-related monitoring procedures that would provide reasonable assurance that invoiced, and paid for, contracted In-Home services were actually provided, and if provided, provided in adherence to the respective provider’s executed contract terms. Agency management informed us that agency caseworkers completed forms authorizing the start and termination of In-Home Services for children, and these service authorization forms were approved by the Director of Social Services. Subsequently, the agency’s fiscal department compared these forms to invoices submitted by In-Home Service providers with the objective of verifying the services performed for each child. While service authorization forms may provide evidence of erroneous or fraudulent billings for services charged for outside of the authorized service periods, service authorization forms alone cannot be used to substantiate the number of units of services, or the dates of service within authorized periods, that are listed on invoices submitted by In-Home providers. As such, this internal control procedure does not provide reasonable assurance that services related to the invoiced, and paid for, In-Home costs were actually provided, or provided for the number of the units listed on the invoices because a high risk of over-billings and fraudulent billings exists. Agency management informed us

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that fiscal-related monitoring procedures for In-Home Providers were implemented on October 2, 2017.

Effect: The agency's failure to obtain reasonable assurance that contracted In-Home Purchased Services were actually provided and provided in adherence to the requirements of the respective provider's executed contract terms (and therefore in adherence to DHS regulations) increases agency management's risk of:

- Failure to detect fraudulent or erroneous In-Home provider billings (invoices).
- Failure to prevent or detect improper payments for such invoices.
- Inappropriately billing the Commonwealth DHS for such improper payments.
- Receipt of Act 148 funds to which the agency may not be entitled.

As a result of these risks, for the aforementioned fiscal years, we cannot attest that the contracted services related to the invoiced In-Home Purchased Services fees were actually provided, and if provided, were provided in adherence to executed contracted terms and DHS regulations.

Recommendation: We recommend that agency management develop and implement routine, fiscal-related monitoring policy and procedures that provide reasonable assurance that contracted services related to fees invoiced by In-Home Purchased Services providers were actually provided, and provided in adherence to executed contracted terms and DHS regulations. Specifically, this written fiscal-related monitoring policy, and corresponding procedures, should include, but not be limited to, the following:

- Development and implementation of formal policies and procedures detailing the specific fiscal-related In-Home monitoring procedures that must be performed, and documentation that must be maintained, to evidence monitoring results and how identified In-Home Purchased Services provider deficiencies will impact the agency's payment process for submitted invoices.
- Performance of on-site monitoring visits of these In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs and that related services were actually provided according to executed contract terms.
- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Services costs were actually provided.

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- Ensuring that agency staff responsible for reviewing and approving submitted In-Home Purchased Services providers' invoices for payment are made aware of the results of monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's invoice review and approval process for these providers.

We further recommend that the agency maintain sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to obtain reasonable assurance that determine the services for which In-Home Purchased Services providers were paid were actually provided, and provided in adherence to DHS regulations and executed contract terms.

Agency Representative Response: The agency had a check and balance system in place to ensure accurate payments; however, not to the degree the AG's office is now expecting. We currently have more in depth procedures in place for In-home service monitoring. The procedures went into effect October 2, 2017. We will be monitoring Youth Advocate Programs, George Junior Preventative Aftercare and Pressley Ridge. We will do on-site monitoring annually. We have concluded the site review for Youth Advocate in March and there were no findings. The George Junior review is scheduled for June 2018. We have also set up a spreadsheet to compare the logs (documentation of provider child visits which includes parent signature) received from providers to what the provided invoiced us. The spreadsheet includes the following: provider, child's name, dates of service per provider log, and dates of service per invoice. We perform a random sampling of 20% each month. If we find any billing discrepancies, we will notify the provider directly and request a revised invoice.

Auditor's Conclusion: We commend Lebanon County Children and Youth Services management on acknowledging the deficiencies that existed in the agency's current invoice payment process for In-Home Purchased Services providers and their efforts to develop and implement formal, written fiscal-related monitoring policy and procedures for their contracted In-Home Purchased Services providers. During our next audit of the agency, we will review the corresponding implemented formal policy, and the results of related conducted monitoring procedures, to determine whether appropriate evidence exists to provide reasonable assurance that related invoiced, and paid for, In-Home services were actually provided, and if provided, were provided in adherence to DHS regulations and executed key contract terms.

SECTION 7

CURRENT ENGAGEMENT OBSERVATION

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

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth 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 CPSL⁴, 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 Lebanon County Children and Youth Agency provided in-home and placement services to 1,722 children residing within the County during the 2015-2016 fiscal year.

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

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

³ 23 Pa.C.S. §§ 6344 and 6344.2.

⁴ 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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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; identified regulatory violations, including CPSL adherence violations, were specified in the accompanying License Inspection Summaries. However, we are unable to attest to the timeliness of the completion of these annual inspections. Furthermore, we are also unable to attest to whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.

Finally, for contracted in-home preventative service providers, we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. However, it is DHS' position that while not all in-home service providers would meet the criteria requiring the conduct of criminal background checks and child abuse history clearances (certifications) for employees/volunteers, when they do, C&Y agencies are responsible for including provisions in their executed contracts with these providers and monitoring their providers' adherence to CPSL requirements.

However, in correspondence with agency management during the course of recently conducted audit engagements, we have found that the agency management staffs of these C&Y agencies are of the opinion that there is no need for C&Y agencies to monitor CPSL adherence of the employees/volunteers of these providers because they are now including the requirements for this monitoring in their executed contracts with these providers. Our interpretation of the CPSL is that the C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely "monitoring" their executed provider contracts rather than actually monitoring their providers' adherence to the CPSL background check requirements. While it is evident that neither the DHS nor the C&Y agencies are monitoring the CPSL adherence of their employees and volunteers of contracted in-home preventative service providers, this Department will continue to raise concerns about their interpretation of the CPSL and that this faulty interpretation may be putting the safety of these children at **great risk**.⁵

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.⁶ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a **greatly heightened** awareness about their employees' providers' and sub-recipients' arrest and conviction records, as well as child abuse

⁵ It should be noted that agency management of the Lebanon County Children and Youth Services Agency chose to include a response to this observation, as follows: We implemented a policy, on May 16, 2018, to perform annual site visits to In-Home providers. During the visits, we will review the clearances of workers who come into direct contact with children and ensure all clearances are up to date.

⁶ 23 Pa.C.S. § 6344.4.

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adjudications to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

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This report was originally distributed to the following:

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Department of Human Services

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