

# AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

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## McKean County Children and Youth Agency

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January 2022



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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

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

Dear Commissioners:

We have fulfilled the requirements pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)) for the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the McKean County Children and Youth Agency (agency), legally known as McKean County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2017 to June 30, 2018, and July 1, 2018 to June 30, 2019. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2018, and June 30, 2019.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within McKean County.

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2017-2018 and 2018-2019 fiscal years based on the accrual basis of accounting.<sup>1</sup>

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

- For the **2017-2018** fiscal year, our engagement resulted in four adjustments being made to the agency's submitted fiscal reports. While these adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$197,435, increasing non-reimbursable expenditures by \$103,601 and decreasing revenue by \$3,451, the agency cannot receive state reimbursement in excess of the Total State Act 148 allocation. Thus, there is no impact on the Final Net State Share Payable, and there is no amount due to the county or state because the agency's expenditures exceeded the total State Act 148 allocation by \$68,917. These four adjustments are detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in four adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$156,143, increasing non-reimbursable expenditures by \$97,858 and increasing revenue by \$29,462. Based on the application of the state participation rates, the four adjustments resulted in an amount due to the county totaling \$18,800. These 4 adjustments are detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 3 of this report:

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 13, 2022.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of any recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of any recommended adjustment amounts during the DHS

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

settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the McKean County Children and Youth Agency. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,

Timothy L. DeFoor  
Auditor General  
January 13, 2022

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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 McKean County Children and Youth Agency provided in-home and placement services to 750 children residing within the County during the 2018-2019 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

# SECTION 1

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

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

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

Approved State Allocation <sup>1</sup>	\$	4,240,332
Supplemental Act 148		<u>38,708</u>
Total State Allocation		4,279,040
State Share (CY348) <sup>2</sup>	\$	4,347,957
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	4,347,957
Less: Expenditures in Excess of the Approved State Allocation		<u>68,917</u>
Final Net State Share Payable <sup>3</sup>	\$	4,279,040
Actual Act 148 Revenues Received <sup>4</sup>		<u>4,279,040</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u>0</u>

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

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

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

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

<sup>5</sup> No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$68,917, as detailed on this page. While our adjustments resulted in a net increase of \$93,834 in expenditures for the agency for said fiscal year, as detailed on page 7 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.



MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
 AMENDED CY348  
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	48,298	8,150	4,841	0	0	0	0	0	35,307	35,307	0
02. 90% REIMBURSEMENT	70,542	0	9,740	0	0	0	0	0	60,802	54,722	6,080
03. 80% REIMBURSEMENT	6,001,705	122,378	869,907	35,762	44,351	28,406	0	0	4,900,901	3,920,720	980,181
04. 60% REIMBURSEMENT	607,508	1,503	69,367	0	0	0	0	4,385	532,253	319,352	212,901
05. 50% REIMBURSEMENT	35,711	0	0	0	0	0	0	0	35,711	17,856	17,855
06. TOTAL NET CHILD WELFARE EXPEND.	6,763,764	132,031	933,855	35,762	44,351	28,406	0	4,385	5,564,974	4,347,957	1,217,017
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	129,248	0							129,248	77,549	51,699
08. NON-REIMBURSABLE EXPENDITURES	191,885	0							191,885		191,885
09. TOTAL EXPENDITURES	7,084,897	132,031	933,855	35,762	44,351	28,406	0	4,385	5,886,107	4,425,506	1,460,601
10. TOTAL TITLE IV-D COLLECTIONS	10,394										
11. TITLE IV-D Collections for IV-E Children	0										
12. STATE ACT 148 - line 6	4,347,957										
13. STATE ACT 148 ALLOCATION	4,279,040										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	4,279,040										
INVOICE											
AMENDED STATE SHARE (ACT 148)	4,347,957										
ACT 148 AMOUNT RECEIVED	4,279,040										
ADJUSTMENT TO STATE SHARE	68,917										

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 to JUNE 30, 2018  
AMENDED CV370A  
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	48,298	8,150		4,841	0			0	0	35,307	35,307	0
I-B ADOPTION ASSISTANCE	884,826	0	332,707	4,101		28,406		0	0	519,612	415,690	103,922
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	286,798	0	8,975					0	0	277,823	222,258	55,565
I-D COUNSELING - DEPENDENT	72,672	0			34,548	24,472		0	0	13,652	10,922	2,730
I-E COUNSELING - DELINQUENT	6,067	0			1,214			0	0	4,853	3,882	971
I-F DAY CARE	0	0						0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	35,122	0		304				0	0	34,818	27,854	6,964
I-H DAY TREATMENT - DELINQUENT	0	0						0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0						0	0	0	0	0
I-J INTAKE & REFERRAL	733,013	0		90,804				0	0	642,209	513,767	128,442
I-K LIFE SKILLS - DEPENDENT	0	0						0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	97,183	0		7,648		11,088		0	0	78,447	62,758	15,689
I-N PROTECTIVE SERVICE - GENERAL	948,534	0		103,235		8,791		0	0	836,508	669,206	167,302
I-O SERVICE PLANNING	347,337	0		42,279				0	0	305,058	244,046	61,012
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	34,211	0						0	0	34,211	17,106	17,105
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0						0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,494,061	8,150	341,682	253,212	35,762	44,351	28,406	0	0	2,782,498	2,222,796	559,702
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0						0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,154,704	36,483	104,327	217				0	0	1,013,677	810,942	202,735
2-D COMMUNITY RESIDENTIAL - DELINQUENT	282,125	10,355						0	0	271,770	217,416	54,354
2-E EMERGENCY SHELTER - DEPENDENT	70,542	0	9,740					0	0	60,802	54,722	6,080
2-F EMERGENCY SHELTER - DELINQUENT	0	0						0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,153,324	75,540	136,608	38,702				0	0	902,474	721,979	180,495
2-H FOSTER FAMILY - DELINQUENT	0	0						0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0						0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-K SUBTOTAL CBP	2,660,695	122,378	250,675	38,919	0	0	0	0	0	2,248,723	1,805,059	443,664
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	1,500	0						0	0	1,500	750	750
3-B RESIDENTIAL SERVICE - DEPENDENT	116	0						0	0	116	70	46
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0						0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0						0	0	0	0	0
3-E YDC SECURE	129,248	0						0	0	129,248	77,549	51,699
3-F SUBTOTAL INSTITUTIONAL	130,864	0	0	0	0	0	0	0	0	130,864	78,369	52,495
4 ADMINISTRATION	607,392	1,503		69,367				0	0	532,137	319,282	212,855
5 TOTAL REVENUES	6,893,012	132,031	592,357	361,498	35,762	44,351	28,406	0	0	5,694,222	4,425,506	1,268,716

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	24,854	11,864		11,566	0	14	48,298	37	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	896,141	0	0	0	896,141	0	102	0	11,315	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	286,798	0	0	0	286,798	0	40	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	72,672	0	72,672	0	114	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	6,067	0	6,067	0	18	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	255		34,867	0	0	35,122	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	372,964	188,751		162,006	0	9,292	733,013	44	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	52,161	23,555		11,635	0	9,832	97,183	1	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	445,595	231,057		124,837	97,741	49,304	948,534	43	62	0	0	0
1-O SERVICE PLANNING	193,562	109,597		15,879	0	28,299	347,337	290	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				4,211	30,000		34,211	0	226	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,089,136	565,079	1,182,939	365,001	206,480	96,741	3,505,376			0	11,315	0
Number of Children receiving only NON-PURCHASED IN-Home Services 36												
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	9,493	1,145,211	0	1,154,704	5,951	46	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	282,125	0	282,125	1,239	13	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,962	66,580	0	70,542	1,367	56	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	144,041	77,899	0	64,417	943,839	97	1,230,293	30,985	160	0	76,969	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	144,041	77,899	0	77,872	2,437,755	97	2,737,664	39,542	275	0	76,969	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,500	0	1,500	6	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	116	0	116	1	1	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	129,248	0	129,248	224	2	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	0	130,864	0	130,864	231	4	0	0	0
4 ADMINISTRATION	263,601	126,471	0	320,645	0	276	710,993			103,601	0	0
5 TOTAL EXPENDITURES	1,496,778	769,449	1,182,939	763,518	2,775,099	97,114	7,084,897			103,601	88,284	0
County Indirect Costs = \$ 276,478												

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 47,392	\$ 906	\$ 48,298
Adoption Assistance	896,141	0	896,141
Subsidized Permanent Legal Custodianship	286,798	0	286,798
Counseling	78,739	0	78,739
Day Care	0	0	0
Day Treatment	34,867	255	35,122
Homemaker Service	0	0	0
Intake and Referral	723,701	9,312	733,013
Life Skills	0	0	0
Protective Service - Child Abuse	94,707	2,476	97,183
Protective Service - General	929,910	18,624	948,534
Service Planning	337,984	9,353	347,337
Juvenile Act Proceedings	34,211	0	34,211
Alternative Treatment	0	0	0
Community Residential	1,436,829	0	1,436,829
Emergency Shelter	70,542	0	70,542
Foster Family	1,222,839	7,454	1,230,293
Supervised Independent Living	0	0	0
Juvenile Detention Service	1,500	0	1,500
Residential Service	116	0	116
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	129,248	0	129,248
Administration	561,938	149,055	710,993
Combined Total Expense	<u>6,887,462</u>	<u>197,435</u>	<u>7,084,897</u>
Less Non-reimbursables	<u>88,284</u>	<u>103,601</u>	<u>191,885</u>
Total Net Expense	<u>\$ 6,799,178</u>	<u>\$ 93,834</u>	<u>\$ 6,893,012</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,496,778	\$ 0	\$ 1,496,778
Employee Benefits	713,806	55,643	769,449
Subsidies	1,182,939	0	1,182,939
Operating	621,726	141,792	763,518
Purchased Services	2,775,099	0	2,775,099
Fixed Assets	97,114	0	97,114
Combined Total Expense	<u>6,887,462</u>	<u>197,435</u>	<u>7,084,897</u>
Less Non-reimbursables	<u>88,284</u>	<u>103,601</u>	<u>191,885</u>
Total Net Expense	<u>\$ 6,799,178</u>	<u>\$ 93,834</u>	<u>\$ 6,893,012</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustments			
CY-370	1-A	2	1	Adoption Services - Employee Benefits	\$ 10,958	\$ 906	\$ 11,864
	1-G	2		Day Treatment (Dependent) - Employee Benefits	\$ -	\$ 255	\$ 255
	1-J	2		Intake and Referral - Employee Benefits	\$ 179,448	\$ 9,303	\$ 188,751
	1-M	2		Protective Services Child Abuse - Employee Benefits	\$ 21,079	\$ 2,476	\$ 23,555
	1-N	2		Protective Service General - Employee Benefits	\$ 212,442	\$ 18,615	\$ 231,057
	1-O	2		Service Planning - Employee Benefits	\$ 100,244	\$ 9,353	\$ 109,597
	2-G	2		Foster Family (Dependent) - Employee Benefits	\$ 70,445	\$ 7,454	\$ 77,899
	4	2		Administration - Employee Benefits	\$ 119,190	\$ 7,281	\$ 126,471
	1-J	4		Intake and Referral - Operating	\$ 161,997	\$ 9	\$ 162,006
	1-N	4		Protective Service General - Operating	\$ 124,828	\$ 9	\$ 124,837
	4	4		Administration - Operating	\$ 178,871	\$ 441	\$ 179,312
				Total Adjustment Amount		\$ 56,102	
				To increase expenditures by \$56,102 to include expenditures not reported on the agency's Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	4	2	Administration - Operating	\$ 179,312	\$ 141,333	\$ 320,645
				To increase expenditures by \$141,333 to properly report indirect costs and reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
CY-370	4	10	3	Administration - Non-Reimbursables NON PS/SUB	\$ -	\$ 103,601	\$ 103,601
				To increase non-reimbursable expenditures by \$103,601 to properly report indirect costs which exceed the 2% cost limitation amount.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
				CY-370A Adjustment			
CY-370A	2-G	2	4	Foster Family (Dependent) - Program Income	\$ 78,991	\$ (3,451)	\$ 75,540
				To decrease Program Income by \$3,451 to properly report the total amount received and reconcile to the agency's final Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

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

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

Approved State Allocation <sup>1</sup>		\$	4,562,777
Supplemental Act 148			<u>0</u>
Total State Allocation			4,562,777
State Share (CY348) <sup>2</sup>	\$		4,444,107
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,444,107
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	4,444,107
Actual Act 148 Revenues Received <sup>4</sup>			<u>4,425,307</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>18,800</u></u>

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

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

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

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

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

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
 AMENDED CY348  
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	45,267	20	3,549	0	0	0	0	0	41,698	41,698	0
02. 90% REIMBURSEMENT	46,754	0	4,856	0	0	0	0	0	41,898	37,708	4,190
03. 80% REIMBURSEMENT	6,288,578	145,350	990,274	35,762	44,351	28,406	0	0	5,044,435	4,035,548	1,008,887
04. 60% REIMBURSEMENT	572,317	2,902	61,634	0	0	0	0	1,758	506,023	303,614	202,409
05. 50% REIMBURSEMENT	52,344	0	1,267	0	0	0	0	0	51,077	25,539	25,538
06. TOTAL NET CHILD WELFARE EXPEND.	7,005,260	148,272	1,061,580	35,762	44,351	28,406	0	1,758	5,685,131	4,444,107	1,241,024
YDCYFC PLACEMENT COSTS											
07. 60% DHSP PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	146,821	0							146,821		146,821
09. TOTAL EXPENDITURES	7,152,081	148,272	1,061,580	35,762	44,351	28,406	0	1,758	5,831,952	4,444,107	1,387,845
10. TOTAL TITLE IV-D COLLECTIONS	30,683										
11. TITLE IV-D Collections for IV-E Children	5,230										
12. STATE ACT 148 - line 6	4,444,107										
13. STATE ACT 148 ALLOCATION	4,562,777										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	4,444,107										
INVOICE											
AMENDED STATE SHARE (ACT 148)	4,444,107										
ACT 148 AMOUNT RECEIVED	4,425,307										
ADJUSTMENT TO STATE SHARE	18,800										



MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2018 to JUNE 30, 2019  
 AMENDED CY370A  
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	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
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	45,267	20		3,549	0			0	0	41,698	41,698	0
1-B ADOPTION ASSISTANCE	953,819	0	375,461	8,856			28,406	0	0	541,096	432,877	108,219
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	289,650	0	143,311	0			0	0	0	275,339	220,271	55,068
1-D COUNSELING - DEPENDENT	87,972	0		0	33,747	22,176	0	0	0	32,049	25,639	6,410
1-E COUNSELING - DELINQUENT	4,639	0		0	2,015	0	0	0	0	2,624	2,099	525
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	31,896	0		0	0	0	0	0	0	31,896	25,517	6,379
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOME/MAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	537,705	0		51,100	0	0	0	0	0	486,605	389,284	97,321
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	165,387	0		20,228	0	0	0	0	0	145,159	116,127	29,032
1-N PROTECTIVE SERVICE - GENERAL	1,100,264	0		114,153	0	22,175	0	0	0	963,936	771,149	192,787
1-O SERVICE PLANNING	261,046	0		30,500	0	0	0	0	0	230,546	184,437	46,109
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	36,344	0		1,267	0		0	0	0	35,077	17,539	17,538
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,513,989	20	389,772	229,653	35,762	44,351	28,406	0	0	2,786,025	2,226,637	559,388
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,344,471	56,116	165,221	0			0	0	0	1,123,134	898,507	224,627
2-D COMMUNITY RESIDENTIAL - DELINQUENT	305,359	16,711	1,941	32			0	0	0	286,675	229,340	57,335
2-E EMERGENCY SHELTER - DEPENDENT	46,754	0	4,856	0	0	0	0	0	0	41,898	37,708	4,190
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,206,370	72,523	148,348	60,123			0	0	0	925,376	740,301	185,075
2-H FOSTER FAMILY - DELINQUENT	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	2,902,954	145,350	320,366	60,155	0	0	0	0	0	2,377,083	1,905,856	471,227
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	16,000	0								16,000	8,000	8,000
3-B RESIDENTIAL SERVICE - DEPENDENT	40,288	0		0			0	0	0	40,288	24,173	16,115
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0		0			0	0	0	0	0	0
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	56,288	0		0	0	0	0	0	0	56,288	32,173	24,115
<b>4 ADMINISTRATION</b>	532,029	2,902		61,634		0	0	0	1,758	465,735	279,441	186,294
<b>5 TOTAL REVENUES</b>	7,005,260	148,272	710,138	351,442	35,762	44,351	28,406	0	1,758	5,685,131	4,444,107	1,241,024

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	19,261	7,642		18,177	0	187	45,267	56	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	962,313	0	0	0	962,313	114	0	0	8,494	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	289,650	0	0	0	289,650	0	50	0	0	0
I-D COUNSELING - DEPENDENT	0	0	0	4,295	87,932	0	92,227	0	75	4,255	0	0
I-E COUNSELING - DELINQUENT	0	0	0	0	4,639	0	4,639	0	17	0	0	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	124	0	31,772	0	0	31,896	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	229,186	118,130		173,963	0	16,426	537,705	38	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	93,696	52,006		14,199	0	5,486	165,387	76	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	563,767	262,538		120,957	119,749	33,253	1,100,264	30	45	0	0	0
I-O SERVICE PLANNING	168,425	68,480		16,438	0	7,703	261,046	645	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				21,344	15,000		36,344	0	264	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT								0	0	0	0	0
I-R <b>SUBTOTAL IN-HOME</b>	1,074,335	508,920	1,251,963	401,145	227,320	63,055	3,526,738			4,255	8,494	0
Number of Children receiving only NON-PURCHASED IN-Home Services 39												
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	9,276	1,335,195	0	1,344,471	6,860	52	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	247	305,112	0	305,359	1,399	11	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	2,455	44,299	0	46,754	1,103	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	209,062	108,229		71,669	851,645	1,979	1,242,584	31,049	172	0	36,214	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 <b>SUBTOTAL CBP</b>	209,062	108,229	0	83,647	2,536,251	1,979	2,939,168	40,411	276	0	36,214	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	16,000	0	16,000	64	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	197	40,091	0	40,288	132	2	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	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 <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	197	56,091	0	56,288	196	3	0	0	0
<b>4 ADMINISTRATION</b>	231,087	86,456	0	306,460	0	5,884	629,887			97,858	0	0
<b>5 TOTAL EXPENDITURES</b>	1,514,484	703,605	1,251,963	791,449	2,819,662	70,918	7,152,081			102,113	44,708	0
County Indirect Costs = \$ 265,743												

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 44,637	\$ 630	\$ 45,267
Adoption Assistance	962,313	0	962,313
Subsidized Permanent Legal Custodianship	289,650	0	289,650
Counseling	96,866	0	96,866
Day Care	0	0	0
Day Treatment	31,772	124	31,896
Homemaker Service	0	0	0
Intake and Referral	528,579	9,126	537,705
Life Skills	0	0	0
Protective Service - Child Abuse	163,022	2,365	165,387
Protective Service - General	1,086,312	13,952	1,100,264
Service Planning	256,109	4,937	261,046
Juvenile Act Proceedings	36,344	0	36,344
Alternative Treatment	0	0	0
Community Residential	1,649,830	0	1,649,830
Emergency Shelter	46,754	0	46,754
Foster Family	1,237,357	5,227	1,242,584
Supervised Independent Living	0	0	0
Juvenile Detention Service	16,000	0	16,000
Residential Service	40,288	0	40,288
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	510,105	119,782	629,887
Combined Total Expense	<u>6,995,938</u>	<u>156,143</u>	<u>7,152,081</u>
Less Non-reimbursables	<u>48,963</u>	<u>97,858</u>	<u>146,821</u>
Total Net Expense	<u>\$ 6,946,975</u>	<u>\$ 58,285</u>	<u>\$ 7,005,260</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,514,484	\$ 0	\$ 1,514,484
Employee Benefits	660,767	42,838	703,605
Subsidies	1,251,963	0	1,251,963
Operating	678,144	113,305	791,449
Purchased Services	2,819,662	0	2,819,662
Fixed Assets	70,918	0	70,918
Combined Total Expense	<u>6,995,938</u>	<u>156,143</u>	<u>7,152,081</u>
Less Non-reimbursables	<u>48,963</u>	<u>97,858</u>	<u>146,821</u>
Total Net Expense	<u>\$ 6,946,975</u>	<u>\$ 58,285</u>	<u>\$ 7,005,260</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments							
CY-370	1-A	2	1	Adoption Services - Employee Benefits	\$ 7,012	\$ 630	\$ 7,642
	1-G	2		Day Treatment (Dependent) - Employee Benefits	\$ -	\$ 124	\$ 124
	1-J	2		Intake and Referral - Employee Benefits	\$ 109,004	\$ 9,126	\$ 118,130
	1-M	2		Protective Services Child Abuse - Employee Benefits	\$ 49,641	\$ 2,365	\$ 52,006
	1-N	2		Protective Services General - Employee Benefits	\$ 248,586	\$ 13,952	\$ 262,538
	1-O	2		Service Planning - Employee Benefits	\$ 63,543	\$ 4,937	\$ 68,480
	2-G	2		Foster Family (Dependent) - Employee Benefits	\$ 102,657	\$ 5,572	\$ 108,229
	4	2		Administration - Employee Benefits	\$ 80,324	\$ 6,132	\$ 86,456
	2-G	4		Foster Family (Dependent) - Operating	\$ 72,014	\$ (345)	\$ 71,669
	Total Adjustment Amount						\$ 42,493
				To increase expenditures by \$42,493 to include additional expenditures not reported on the Act 148 Invoice submitted to Commonwealth DHS.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	4	2	Administration - Operating	\$ 192,810	\$ 113,650	\$ 306,460
				To increase expenditures by \$113,650 to properly report indirect costs and reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
CY-370	4	10	3	Administration - Non-Reimbursables NON PS/SUB	\$ -	\$ 97,858	\$ 97,858
				To increase non-reimbursable expenditures by \$97,858 to properly report indirect costs which exceed the 2% cost limitation amount.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
CY-370A Adjustment							
CY-370A	2-G	2	4	Foster Family (Dependent) - Program Income	\$ 43,061	\$ 29,462	\$ 72,523
				To increase Program Income by \$29,462 to properly report the total amount received and reconcile to the agency's final Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

## SECTION 3

# CURRENT ENGAGEMENT OBSERVATION

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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

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

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

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

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

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

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

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

**Our 2018 Position Statement Letter**

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

**DHS Corrective Actions Taken**

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

C&Y Agencies are required to:

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

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

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

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

**Our Current Position**

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

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

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

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



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**Conclusion**

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

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

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

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