

# 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

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## McKean County Children and Youth Agency

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January 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 McKean County  
McKean County Courthouse  
500 West Main Street  
Smethport, PA 16749

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 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, 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 compliance<sup>1</sup> 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, before these invoices were approved for payment. Specifically, as detailed in the Finding 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 provider 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 \$795,817 paid to In-Home Purchased Service providers and included in total Purchased Services expenditures of \$6,141,319 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 the 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 \$795,817 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 matter described in the third paragraph, and our assurance provided is limited by this 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 \$107,077. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$87,004. The two 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 \$151,736. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$121,411. The two 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 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 \$100,478.

Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$80,372. The two adjustments are 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 increasing agency expenditures by \$3,680. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$453. The adjustments are detailed in our amended fiscal reports for fiscal year 2013-2014, as included in Section 4 of this report.

We also identified the following area of non-compliance, as detailed in Section 5 of this report:

Finding No. 1 – The McKean 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

Finally, we included the following current engagement observation, as detailed in Section 6 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 County representatives and agency management at an exit conference held on January 19, 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 McKean County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale  
Auditor General

January 23, 2018

### Endnote

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<sup>1</sup> 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.

# CONTENTS

	Page
Background.....	1
Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2010 to June 30, 2011	
Amended Computation of Final Net State Share.....	3
Amended CY-348 - Fiscal Summary.....	4
Amended CY-370A - Revenue Report.....	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments.....	7
Adjustment Schedule.....	8
Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2011 to June 30, 2012	
Amended Computation of Final Net State Share.....	10
Amended CY-348 - Fiscal Summary.....	11
Amended CY-370A - Revenue Report.....	12
Amended CY-370 - Expenditure Report.....	13
Amended Summary of Expense and Expense Adjustments.....	14
Adjustment Schedule.....	15
Section 3 – Amended Fiscal Reports for the Fiscal Year July 1, 2012 to June 30, 2013	
Amended Computation of Final Net State Share.....	17
Amended CY-348 - Fiscal Summary.....	18
Amended CY-370A - Revenue Report.....	19
Amended CY-370 - Expenditure Report.....	20
Amended Summary of Expense and Expense Adjustments.....	21
Adjustment Schedule.....	22
Section 4 – Amended Fiscal Reports for the Fiscal Year July 1, 2013 to June 30, 2014	
Amended Computation of Final Net State Share.....	24
Amended CY-348 - Fiscal Summary.....	25
Amended CY-370A - Revenue Report.....	26
Amended CY-370 - Expenditure Report.....	27
Amended Summary of Expense and Expense Adjustments.....	28
Adjustment Schedule.....	29
Section 5 – Current Engagement Finding and Recommendations.....	31
Section 6 – Current Engagement Observation.....	36
Report Distribution List.....	38

## **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 832 children residing within the County during the 2014-2015 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 4<sup>th</sup> 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**



**MCKEAN 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 <sup>1</sup>	\$	3,316,838
Supplemental Act 148		<u>0</u>
Total State Allocation		3,316,838
State Share (CY348) <sup>2</sup>	\$	2,417,965
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	2,417,965
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable <sup>3</sup>	\$	2,417,965
Actual Act 148 Revenues Received <sup>4</sup>		<u>2,504,969</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u>(87,004)</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 audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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, 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	90,701	0	16,856	0	0	0	0	0	73,845	73,845	0
02. 90% REIMBURSEMENT	5,126	0	1,997	0	0	0	0	0	3,129	2,816	313
03. 80% REIMBURSEMENT	3,476,514	85,774	726,103	34,769	44,351	30,164	0	0	2,555,353	2,044,281	511,072
04. 60% REIMBURSEMENT	522,788	3,364	87,158	0	0	0	0	2,389	429,877	257,926	171,951
05. 50% REIMBURSEMENT	78,193	0	0	0	0	0	0	0	78,193	39,097	39,096
06. TOTAL NET CHILD WELFARE EXPEND.	4,173,322	89,138	832,114	34,769	44,351	30,164	0	2,389	3,140,397	2,417,965	722,432
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0	0	0	0	0	0	0	0	0	0
08. NON-REIMBURSABLE EXPENDITURES	29,155	0	0	0	0	0	0	0	29,155	0	29,155
09. TOTAL EXPENDITURES	4,202,477	89,138	832,114	34,769	44,351	30,164	0	2,389	3,169,552	2,417,965	751,587

- 10. IL Grant Funds Reported 0
- 11. TOTAL HSDF used for Child Welfare 494
- 12. TOTAL TITLE IV-D COLLECTIONS 17,843
- 13. TITLE IV-D Collections for IV-E Children 1,089
- 14. STATE ACT 148 - line 6 2,417,965
- 15. STATE ACT 148 ALLOCATION 3,316,838
- 16. ADJUSTED STATE SHARE (lower of 14 or 15) 2,417,965

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,417,965
ACT 148 AMOUNT RECEIVED	2,504,969
ADJUSTMENT TO STATE SHARE	(87,004)

Subsidized Permanent Legal Custodianship	Number of Days	Number of Children
SPLC	7,701	26
Total Subsidies	190,990	

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	90,701	0	16,856	0	0	0	0	0	0	73,845	73,845	0
1-B ADOPTION ASSISTANCE	341,374	0	104,702	0	0	30,164	0	0	0	206,508	165,206	41,302
1-C COUNSELING - DEPENDENT	84,769	0	0	0	34,769	11,087	0	0	0	38,913	31,130	7,783
1-D COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-E DAY CARE	5,316	0	0	0	0	3,478	0	0	0	1,838	1,470	368
1-F DAY TREATMENT - DEPENDENT	784	0	0	0	0	334	0	0	0	450	360	90
1-G DAY TREATMENT - DELINQUENT	16,219	0	2,028	0	0	2,254	0	0	0	11,937	9,550	2,387
1-H HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	268,576	0	51,583	0	0	0	0	0	0	216,993	173,594	43,399
1-J LIFE SKILLS - DEPENDENT	0	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	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	150,598	0	29,027	0	0	0	0	0	0	121,571	97,257	24,314
1-M PROTECTIVE SERVICE - GENERAL	637,546	0	106,395	0	0	27,198	0	0	0	503,953	403,162	100,791
1-N SERVICE PLANNING	242,609	0	45,973	0	0	0	0	0	0	196,636	157,309	39,327
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	20,000	0	0	0	0	0	0	0	0	20,000	10,000	10,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
<b>1-Q SUBTOTAL IN-HOME</b>	<b>1,858,492</b>	<b>0</b>	<b>104,702</b>	<b>251,862</b>	<b>34,769</b>	<b>44,351</b>	<b>30,164</b>	<b>0</b>	<b>0</b>	<b>1,392,644</b>	<b>1,122,883</b>	<b>269,761</b>

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	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	432,087	19,403	96,542	147	0	0	0	0	0	315,995	252,796	63,199
2-D COMMUNITY RESIDENTIAL - DELINQUENT	57,460	841	0	0	0	0	0	0	0	56,619	45,295	11,324
2-E EMERGENCY SHELTER - DEPENDENT	5,126	0	1,978	19	0	0	0	0	0	3,129	2,816	313
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,220,766	65,530	229,517	60,189	0	0	0	0	0	865,530	692,424	173,106
2-H FOSTER FAMILY - DELINQUENT	18,410	0	0	0	0	0	0	0	0	18,410	14,728	3,682
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
<b>2-K SUBTOTAL CBP</b>	<b>1,733,849</b>	<b>85,774</b>	<b>328,037</b>	<b>60,355</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,259,683</b>	<b>1,008,059</b>	<b>251,624</b>

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	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	58,193	0	0	0	0	0	0	0	0	58,193	29,097	29,096
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	33,605	0	0	0	0	0	0	0	0	33,605	20,163	13,442
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
<b>3-G SUBTOTAL INSTITUTIONAL</b>	<b>91,798</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>91,798</b>	<b>49,260</b>	<b>42,538</b>

<b>4 ADMINISTRATION</b>	<b>489,633</b>	<b>3,364</b>	0	<b>87,158</b>	0	0	0	0	<b>2,389</b>	<b>396,722</b>	<b>238,033</b>	<b>158,689</b>
<b>5 TOTAL REVENUES</b>	<b>4,173,772</b>	<b>89,138</b>	<b>432,739</b>	<b>399,375</b>	<b>34,769</b>	<b>44,351</b>	<b>30,164</b>	<b>0</b>	<b>2,389</b>	<b>3,140,847</b>	<b>2,418,235</b>	<b>722,612</b>

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011  
 AMENDED CY 370  
 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	47,875	23,639		19,187	0	0	90,701	14	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	341,374	0	0	0	341,374	0	58	0	0	0
1-C COUNSELING - DEPENDENT	0	0		11,380	84,769	0	96,149	679	101	11,380	0	0
1-D COUNSELING - DELINQUENT	0	0		2,050	0	0	2,050	0	5	2,050	0	0
1-E DAY CARE	0	0			5,316	0	5,316	0	45	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		0	784	0	784	0	2	0	0	0
1-G DAY TREATMENT - DELINQUENT	0	0		12,060	4,159	0	16,219	0	14	0	0	0
1-H HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	163,760	61,739		32,774	0	10,303	268,576	1,937	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	102,913	34,485		13,200	0	0	150,598	469	0	0	0	0
1-M PROTECTIVE SERVICE - GENERAL	324,392	109,785		86,622	81,441	35,306	637,546	1,157	34	0	0	0
1-N SERVICE PLANNING	178,556	43,548		20,505	0	0	242,609	0	0	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT					20,000		20,000	0	87	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	817,496	273,196	341,374	197,778	196,469	45,609	1,871,922			13,430		
	Number of Children receiving only NON-PURCHASED IN-HOME Services											1,937
<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	4,468	429,011	0	433,479	2,595	26	1,392	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	486	56,974	0	57,460	288	8	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	1,142	3,984	0	5,126	196	13	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	134,564	66,010	190,990	85,074	707,537	36,775	1,220,950	17,491	88	184	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	18,410	0	18,410	220	4	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	134,564	66,010	190,990	91,170	1,215,916	36,775	1,735,425	20,790	139	1,576	0	0
	Number of Children receiving only NON-PURCHASED IN-HOME Services											1,937
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	58,193	0	58,193	261	4	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	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	33,605	0	33,605	143	1	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	0	0	0	0	91,798	0	91,798	404	5	0	0	0
4 ADMINISTRATION	252,777	66,880	0	183,675	0	0	503,332			14,149		
5 TOTAL EXPENDITURES	1,204,837	406,086	532,364	472,623	1,504,183	82,384	4,202,477			29,155		
	County Indirect Costs = \$											131,518

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 98,114	\$ (7,413)	\$ 90,701
Adoption Assistance	341,374	0	341,374
Counseling	98,199	0	98,199
Day Care	5,316	0	5,316
Day Treatment	17,003	0	17,003
Homemaker Service	0	0	0
Intake and Referral	287,937	(19,361)	268,576
Life Skills	0	0	0
Protective Service - Child Abuse	161,412	(10,814)	150,598
Protective Service - General	671,974	(34,428)	637,546
Service Planning	256,265	(13,656)	242,609
Juvenile Act Proceedings	20,000	0	20,000
Alternative Treatment	0	0	0
Community Residential	490,939	0	490,939
Emergency Shelter	5,126	0	5,126
Foster Family	1,260,060	(20,700)	1,239,360
Supervised Independent Living	0	0	0
Juvenile Detention Service	58,193	0	58,193
Residential Service	0	0	0
Secure Residential Service (Except YDC)	33,605	0	33,605
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	0	0	0
Administration	504,037	(705)	503,332
Combined Total Expense	<u>4,309,554</u>	<u>(107,077)</u>	<u>4,202,477</u>
Less Non-reimbursables	<u>29,155</u>	<u>0</u>	<u>29,155</u>
Total Net Expense	<u>\$ 4,280,399</u>	<u>\$ (107,077)</u>	<u>\$ 4,173,322</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,204,837	\$ 0	\$ 1,204,837
Employee Benefits	533,434	(127,348)	406,086
Subsidies	532,364	0	532,364
Operating	452,352	20,271	472,623
Purchased Services	1,504,183	0	1,504,183
Fixed Assets	82,384	0	82,384
Combined Total Expense	<u>4,309,554</u>	<u>(107,077)</u>	<u>4,202,477</u>
Less Non-reimbursables	<u>29,155</u>	<u>0</u>	<u>29,155</u>
Total Net Expense	<u>\$ 4,280,399</u>	<u>\$ (107,077)</u>	<u>\$ 4,173,322</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 ADJUSTMENTS							
CY-370	1-A	2	1	Adoption Service-Employee Benefits	\$ 31,052	\$ (7,413)	\$ 23,639
	1-J	2		Intake Referral -Employee Benefits	\$ 81,100	\$ (19,361)	\$ 61,739
	1-M	2		Protective Service Childcare -Employee Benefits	\$ 45,299	\$ (10,814)	\$ 34,485
	1-N	2		Protective Service-General-Employee Benefits	\$ 144,213	\$ (34,428)	\$ 109,785
	1-O	2		Service Planning-Employee Benefits	\$ 57,204	\$ (13,656)	\$ 43,548
	2-G	2		Foster Family-Dependent-Employee Benefits	\$ 86,710	\$ (20,700)	\$ 66,010
	4	2		Administration-Employee Benefits	\$ 87,856	\$ (20,976)	\$ 66,880
					Total Adjustment		\$ (127,348)
			To decrease expenditure by \$127,348 to include health insurance refunds not reported by the agency.				
			Title 55 PA Code, Chapter 3170.49(a)(b)				
CY-370	4	4	2	Administration-Operating	\$ 163,404	\$ 20,271	\$ 183,675
				To increase Operating Expenditures by \$20,271 to reconcile to the County Cost Allocation Plan and properly report indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

# **SECTION 2**

## **AMENDED FISCAL REPORTS**

**FOR THE FISCAL YEAR:**

**JULY 1, 2011 to JUNE 30, 2012**

**MCKEAN 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 <sup>1</sup>		\$	2,806,357
Supplemental Act 148			<u>0</u>
Total State Allocation			2,806,357
State Share (CY348) <sup>2</sup>	\$		2,684,946
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,684,946
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	2,684,946
Actual Act 148 Revenues Received <sup>4</sup>			<u>2,806,357</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u>(121,411)</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 audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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, 2011 TO JUNE 30, 2012  
 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	72,990	0	10,831	0	0	0	0	0	62,159	62,159	0
02. 90% REIMBURSEMENT	14,268	0	4,271	0	0	0	0	0	9,997	8,997	1,000
03. 80% REIMBURSEMENT	3,679,281	67,214	612,257	35,762	44,351	30,164	0	0	2,889,533	2,311,625	577,908
04. 60% REIMBURSEMENT	537,309	3,508	64,842	0	0	0	0	3,812	465,147	279,089	186,058
05. 50% REIMBURSEMENT	46,151	0	0	0	0	0	0	0	46,151	23,076	23,075
06. TOTAL NET CHILD WELFARE EXPEND.	4,349,999	70,722	692,201	35,762	44,351	30,164	0	3,812	3,472,987	2,684,946	788,041

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

08. NON-REIMBURSABLE EXPENDITURES	55,919	0							55,919		55,919
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09. TOTAL EXPENDITURES	4,405,918	70,722	692,201	35,762	44,351	30,164	0	3,812	3,528,906	2,684,946	843,960
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10. TOTAL TITLE IV-D COLLECTIONS 38,642

11. TITLE IV-D Collections for IV-E Children 3,265

12. STATE ACT 148 - line 6 2,684,946

13. STATE ACT 148 ALLOCATION 2,741,816

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,684,946

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,684,946										
ACT 148 AMOUNT RECEIVED	2,806,357										
ADJUSTMENT TO STATE SHARE	(121,411)										

MCKEAN 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
1-A ADOPTION SERVICE	72,990	0	0	10,831	0	0	0	0	0	62,159	62,159	0
1-B ADOPTION ASSISTANCE	396,096	0	115,148	2,319	0	0	30,164	0	0	248,465	198,772	49,693
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	172,167	0	0	0	0	0	0	0	0	172,167	137,734	34,433
1-D COUNSELING - DEPENDENT	107,136	0	0	8	35,762	31,632	0	0	0	39,734	31,787	7,947
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	11,031	0	0	0	0	6,459	0	0	0	4,572	3,658	914
1-G DAY TREATMENT - DEPENDENT	130	0	0	0	0	60	0	0	0	70	56	14
1-H DAY TREATMENT - DELINQUENT	39,989	0	0	0	0	458	0	0	0	39,531	31,625	7,906
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	116,645	0	0	16,955	0	0	0	0	0	99,690	79,752	19,938
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	175,079	0	0	26,840	0	0	0	0	0	148,239	118,591	29,648
1-N PROTECTIVE SERVICE - GENERAL	654,739	0	0	88,829	0	5,742	0	0	0	560,168	448,134	112,034
1-O SERVICE PLANNING	333,271	0	0	50,623	0	0	0	0	0	282,648	226,118	56,530
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	20,000	0	0	0	0	0	0	0	0	20,000	10,000	10,000
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	2,099,273	0	115,148	196,405	35,762	44,351	30,164	0	0	1,677,443	1,348,386	329,057
<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	273	0	0	0	0	0	0	0	0	273	218	55
2-C COMMUNITY RESIDENTIAL - DEPENDENT	562,492	35,235	94,012	6	0	0	0	0	0	433,239	346,591	86,648
2-D COMMUNITY RESIDENTIAL - DELINQUENT	132,263	1,927	0	42	0	0	0	0	0	130,294	104,235	26,059
2-E EMERGENCY SHELTER - DEPENDENT	14,268	0	4,257	14	0	0	0	0	0	9,997	8,997	1,000
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	974,455	30,052	161,963	55,512	0	0	0	0	0	726,928	581,542	145,386
2-H FOSTER FAMILY - DELINQUENT	3,515	0	0	0	0	0	0	0	0	3,515	2,812	703
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	1,687,266	67,214	260,232	55,574	0	0	0	0	0	1,304,246	1,044,395	259,851
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	26,151	0	0	0	0	0	0	0	0	26,151	13,076	13,075
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	70,496	0	0	0	0	0	0	0	0	70,496	42,298	28,198
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	96,647	0	0	0	0	0	0	0	0	96,647	55,374	41,273
4 ADMINISTRATION	466,813	3,508	0	64,842	0	0	0	0	3,812	394,651	236,791	157,860
5 TOTAL REVENUES	4,349,999	70,722	375,380	316,821	35,762	44,351	30,164	0	3,812	3,472,987	2,684,946	788,041

MCKEAN 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
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	48,232	11,763		12,949	0	46	72,990	17	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	396,096	0	0	0	396,096	0	58	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	172,167	0	0	0	172,167	0	21	0	0	0
1-D COUNSELING - DEPENDENT	0	0		15,645	107,076	0	122,721	353	109	15,585	0	0
1-E COUNSELING - DELINQUENT	0	0		275	0	0	275	0	1	275	0	0
1-F DAY CARE	0	0		5,120	11,031	0	16,151	0	41	5,120	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	130	0	130	0	1	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		39,531	458	0	39,989	0	5	0	0	0
1-I HOME/MAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	50,377	15,985		22,848	0	27,435	116,645	615	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	114,754	41,991		18,177	0	157	175,079	122	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	360,268	113,896		63,686	70,289	46,600	654,739	452	19	0	0	0
1-O SERVICE PLANNING	234,410	62,820		35,999	0	42	333,271	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	20,000		20,000	0	78	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	808,041	246,455	568,263	214,230	208,984	74,280	2,120,253			20,980		0
Number of Children receiving only NON-PURCHASED IN-Home Services 570												
<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	273	0	273	1	1	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	4,256	560,188	0	564,444	2,795	40	1,952	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	292	131,971	0	132,263	554	7	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	1,995	12,273	0	14,268	173	20	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	179,947	67,812	0	126,273	613,884	19,526	1,007,442	13,336	89	32,987	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	3,515	0	3,515	42	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	179,947	67,812	0	132,816	1,322,104	19,526	1,722,205	16,901	158	34,939	0	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	131	26,020	0	26,151	104	4	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	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	70,496	0	70,496	217	2	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	131	96,516	0	96,647	321	6	0	0	0
4 ADMINISTRATION	249,268	55,341	0	161,529	0	675	466,813			0	0	0
5 TOTAL EXPENDITURES	1,237,256	369,608	568,263	508,706	1,627,604	94,481	4,405,918			55,919	0	0
County Indirect Costs = \$ 111,795												

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

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 78,469	\$ (5,479)	\$ 72,990
Adoption Assistance	396,096	0	396,096
Subsidized Permanent Legal Custodianship	172,167	0	172,167
Counseling	122,996	0	122,996
Day Care	16,151	0	16,151
Day Treatment	40,119	0	40,119
Homemaker Service	0	0	0
Intake and Referral	124,090	(7,445)	116,645
Life Skills	0	0	0
Protective Service - Child Abuse	194,635	(19,556)	175,079
Protective Service - General	707,784	(53,045)	654,739
Service Planning	362,528	(29,257)	333,271
Juvenile Act Proceedings	20,000	0	20,000
Alternative Treatment	273	0	273
Community Residential	696,707	0	696,707
Emergency Shelter	14,268	0	14,268
Foster Family	1,042,539	(31,582)	1,010,957
Supervised Independent Living	0	0	0
Juvenile Detention Service	26,151	0	26,151
Residential Service	0	0	0
Secure Residential Service (Except YDC)	70,496	0	70,496
YDC Secure	0	0	0
Administration	472,185	(5,372)	466,813
Combined Total Expense	<u>4,557,654</u>	<u>(151,736)</u>	<u>4,405,918</u>
Less Non-reimbursables	<u>55,919</u>	<u>0</u>	<u>55,919</u>
Total Net Expense	<u>\$ 4,501,735</u>	<u>\$ (151,736)</u>	<u>\$ 4,349,999</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,237,256	\$ 0	\$ 1,237,256
Employee Benefits	541,745	(172,137)	369,608
Subsidies	568,263	0	568,263
Operating	488,305	20,401	508,706
Purchased Services	1,627,604	0	1,627,604
Fixed Assets	94,481	0	94,481
Combined Total Expense	<u>4,557,654</u>	<u>(151,736)</u>	<u>4,405,918</u>
Less Non-reimbursables	<u>55,919</u>	<u>0</u>	<u>55,919</u>
Total Net Expense	<u>\$ 4,501,735</u>	<u>\$ (151,736)</u>	<u>\$ 4,349,999</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 ADJUSTMENTS							
CY-370	1-A	2	1	Adoption Service-Employee Benefits	\$ 17,242	\$ (5,479)	\$ 11,763
	1-J	2		Intake Referral -Employee Benefits	\$ 23,430	\$ (7,445)	\$ 15,985
	1-M	2		Protective Service Childcare -Employee Benefits	\$ 61,547	\$ (19,556)	\$ 41,991
	1-N	2		Protective Service-General-Employee Benefits	\$ 166,941	\$ (53,045)	\$ 113,896
	1-O	2		Service Planning-Employee Benefits	\$ 92,077	\$ (29,257)	\$ 62,820
	2-G	2		Foster Family-Dependent-Employee Benefits	\$ 99,394	\$ (31,582)	\$ 67,812
	4	2		Administration-Employee Benefits	\$ 81,114	\$ (25,773)	\$ 55,341
					Total Adjustment		\$ (172,137)
			To decrease expenditures by \$172,137 to include health insurance refund not reported by the agency.				
			Title 55 PA Code, Chapter 3170.49(a)(b)				
CY-370	4	4	2	Administration-Operating	\$ 141,128	\$ 20,401	\$ 161,529
				To increase Operating Expenditures by \$20,401 to reconcile to the County Cost Allocation Plan and properly report indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

# **SECTION 3**

## **AMENDED FISCAL REPORTS**

**FOR THE FISCAL YEAR:**

**JULY 1, 2012 to JUNE 30, 2013**

**MCKEAN 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 <sup>1</sup>		\$	2,706,336
Supplemental Act 148			<u>0</u>
Total State Allocation			2,706,336
State Share (CY348) <sup>2</sup>	\$		2,587,436
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,587,436
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	2,587,436
Actual Act 148 Revenues Received <sup>4</sup>			<u>2,667,808</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u>(80,372)</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 audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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, 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	TITLE IV-B FUNDING	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	66,797	0	8,755	0	0	0	0	0	0	58,042	58,042	0
1-B ADOPTION ASSISTANCE	472,213	0	136,195	4,105	0	30,164	0	0	0	301,749	241,399	60,350
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	212,678	0	0	0	0	0	0	0	0	212,678	170,142	42,536
1-D COUNSELING - DEPENDENT	94,369	0	0	0	26,301	22,176	0	0	0	45,892	36,714	9,178
1-E COUNSELING - DELINQUENT	275	0	0	0	0	0	0	0	0	275	220	55
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	59,335	0	0	2,913	9,461	0	0	0	0	46,961	37,569	9,392
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	194,019	10,510	0	27,297	0	0	0	0	0	156,212	124,970	31,242
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	109,343	5,607	0	15,843	0	0	0	0	0	87,893	70,314	17,579
1-N PROTECTIVE SERVICE - GENERAL	712,532	16,959	0	92,326	0	22,175	0	0	0	581,072	464,858	116,214
1-O SERVICE PLANNING	123,546	620	0	18,845	0	0	0	0	0	104,081	83,265	20,816
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	20,000	0	0	0	0	0	0	0	0	20,000	10,000	10,000
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
<b>1-R SUBTOTAL IN-HOME</b>	<b>2,065,107</b>	<b>33,696</b>	<b>136,195</b>	<b>170,084</b>	<b>35,762</b>	<b>44,351</b>	<b>30,164</b>	<b>0</b>	<b>0</b>	<b>1,614,855</b>	<b>1,297,493</b>	<b>317,362</b>
<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	4,200	0	0	0	0	0	0	0	0	4,200	3,360	840
2-C COMMUNITY RESIDENTIAL - DEPENDENT	431,816	31,069	71,229	0	0	0	0	0	0	329,518	263,614	65,904
2-D COMMUNITY RESIDENTIAL - DELINQUENT	122,203	2,804	16,680	0	0	0	0	0	0	102,719	82,175	20,544
2-E EMERGENCY SHELTER - DEPENDENT	3,992	0	0	0	0	0	0	0	0	3,992	3,593	399
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	992,229	76,069	147,770	62,219	0	0	0	0	0	706,171	564,937	141,234
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
<b>2-K SUBTOTAL CBP</b>	<b>1,554,440</b>	<b>109,942</b>	<b>235,679</b>	<b>62,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,146,600</b>	<b>917,679</b>	<b>228,921</b>
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	20,667	0	0	0	0	0	0	0	0	20,667	10,334	10,333
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	84,587	0	0	0	0	0	0	0	0	84,587	50,752	33,835
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
<b>3-F SUBTOTAL INSTITUTIONAL</b>	<b>105,254</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>105,254</b>	<b>61,086</b>	<b>44,168</b>
<b>4 ADMINISTRATION</b>	<b>612,752</b>	<b>1,646</b>	<b>88,552</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,924</b>	<b>0</b>	<b>518,630</b>	<b>311,178</b>	<b>207,452</b>
<b>TOTAL REVENUES</b>	<b>4,337,553</b>	<b>145,284</b>	<b>371,874</b>	<b>320,855</b>	<b>35,762</b>	<b>44,351</b>	<b>30,164</b>	<b>0</b>	<b>3,924</b>	<b>3,385,339</b>	<b>2,587,436</b>	<b>797,903</b>

MCKEAN 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	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	38,179	11,416		16,913	0	289	66,797	16	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	472,213	0	0	0	472,213	0	68	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	212,678	0	0	0	212,678	0	30	0	0	0
1-D COUNSELING - DEPENDENT	0	0		13,640	94,369	0	108,009	393	83	13,640	0	0
1-E COUNSELING - DELINQUENT	0	0		954	0	0	954	0	0	679	0	0
1-F DAY CARE	0	0		8,347	0	0	8,347	0	53	8,347	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		49,607	9,728	0	59,335	0	14	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	105,468	36,037		40,033	0	12,481	194,019	1,451	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	75,276	23,302		10,206	0	559	109,343	264	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	420,181	123,756		75,491	89,235	3,869	712,532	854	32	0	0	0
1-O SERVICE PLANNING	84,440	21,444		16,974	0	688	123,546	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	20,000		20,000	0	83	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	723,544	215,955	684,891	232,165	213,332	17,886	2,087,773			22,666	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
<b>COMMUNITY BASED PLACEMENT</b>												130
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	4,200	0	4,200	28	1	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	2,179	430,182	0	432,361	2,334	30	545	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	122,203	0	122,203	519	11	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	113	3,879	0	3,992	36	8	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	196,274	76,355	0	131,336	638,823	1,728	1,044,516	11,098	109	52,287	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 <b>SUBTOTAL CBP</b>	196,274	76,355	0	133,628	1,199,287	1,728	1,607,272	14,015	159	52,832	0	0
	Number of Children at IMMEDIATE RISK											
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	20,667	0	20,667	70	4	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	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	84,587	0	84,587	274	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	0	105,254	0	105,254	344	5	0	0	0
<b>ADMINISTRATION</b>	352,150	87,382	0	170,183	0	3,037	612,752			0	0	0
<b>TOTAL EXPENDITURES</b>	1,271,968	379,692	684,891	555,976	1,517,873	22,651	4,413,051			75,498	0	0
	County Indirect Costs = \$ 115,272											

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

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 70,572	\$ (3,775)	\$ 66,797
Adoption Assistance	472,213	0	472,213
Subsidized Permanent Legal Custodianship	212,678	0	212,678
Counseling	108,963	0	108,963
Day Care	8,347	0	8,347
Day Treatment	59,335	0	59,335
Homemaker Service	0	0	0
Intake and Referral	205,934	(11,915)	194,019
Life Skills	0	0	0
Protective Service - Child Abuse	117,047	(7,704)	109,343
Protective Service - General	753,450	(40,918)	712,532
Service Planning	130,636	(7,090)	123,546
Juvenile Act Proceedings	20,000	0	20,000
Alternative Treatment	4,200	0	4,200
Community Residential	554,564	0	554,564
Emergency Shelter	3,992	0	3,992
Foster Family	1,069,762	(25,246)	1,044,516
Supervised Independent Living	0	0	0
Juvenile Detention Service	20,667	0	20,667
Residential Service	0	0	0
Secure Residential Service (Except YDC)	84,587	0	84,587
YDC Secure	0	0	0
Administration	616,582	(3,830)	612,752
Combined Total Expense	<u>4,513,529</u>	<u>(100,478)</u>	<u>4,413,051</u>
Less Non-reimbursables	<u>75,498</u>	<u>0</u>	<u>75,498</u>
Total Net Expense	<u>\$ 4,438,031</u>	<u>\$ (100,478)</u>	<u>\$ 4,337,553</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,271,968	\$ 0	\$ 1,271,968
Employee Benefits	505,230	(125,538)	379,692
Subsidies	684,891	0	684,891
Operating	510,916	25,060	535,976
Purchased Services	1,517,873	0	1,517,873
Fixed Assets	22,651	0	22,651
Combined Total Expense	<u>4,513,529</u>	<u>(100,478)</u>	<u>4,413,051</u>
Less Non-reimbursables	<u>75,498</u>	<u>0</u>	<u>75,498</u>
Total Net Expense	<u>\$ 4,438,031</u>	<u>\$ (100,478)</u>	<u>\$ 4,337,553</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 ADJUSTMENTS							
CY-370	1-A	2	1	Adoption Service-Employee Benefits	\$ 15,191	\$ (3,775)	\$ 11,416
	1-J	2		Intake Referral -Employee Benefits	\$ 47,952	\$ (11,915)	\$ 36,037
	1-M	2		Protective Service Childcare -Employee Benefits	\$ 31,006	\$ (7,704)	\$ 23,302
	1-N	2		Protective Service-General-Employee Benefits	\$ 164,674	\$ (40,918)	\$ 123,756
	1-O	2		Service Planning-Employee Benefits	\$ 28,534	\$ (7,090)	\$ 21,444
	2-G	2		Foster Family-Dependent-Employee Benefits	\$ 101,601	\$ (25,246)	\$ 76,355
	4	2		Administration-Employee Benefits	\$ 116,272	\$ (28,890)	\$ 87,382
					Total Adjustment		\$ (125,538)
			To decrease expenditures by \$125,538 to include health insurance refund agency received.				
			Title 55 PA Code, Chapter 3170.49(a)(b)				
CY-370	4	4	2	Administration-Operating	\$ 145,123	\$ 25,060	\$ 170,183
				To increase Operating Expenditures by \$25,060 to reconcile to the County Cost Allocation Plan and properly report indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

# SECTION 4

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2013 to JUNE 30, 2014**

**MCKEAN 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 <sup>1</sup>		\$	3,099,292
Supplemental Act 148			<u>0</u>
Total State Allocation			3,099,292
State Share (CY348) <sup>2</sup>	\$		2,847,285
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,847,285
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	2,847,285
Actual Act 148 Revenues Received <sup>4</sup>			<u>2,846,832</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>453</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 audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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, 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	73,105	0	9,631	0	0	28,406	0	0	35,068	35,068	0
02. 90% REIMBURSEMENT	40,411	0	12,613	0	0	0	0	0	27,798	25,018	2,780
03. 80% REIMBURSEMENT	4,029,958	97,939	658,282	35,762	44,351	0	0	0	3,193,624	2,554,900	638,724
04. 60% REIMBURSEMENT	432,480	23,153	55,942	0	0	0	0	3,397	349,988	209,993	139,995
05. 50% REIMBURSEMENT	44,781	0	170	0	0	0	0	0	44,611	22,306	22,305
06. TOTAL NET CHILD WELFARE EXPEND.	4,620,735	121,092	736,638	35,762	44,351	28,406	0	3,397	3,651,089	2,847,285	803,804

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	40,534	0							40,534		40,534

09. TOTAL EXPENDITURES	4,661,269	121,092	736,638	35,762	44,351	28,406	0	3,397	3,691,623	2,847,285	844,338
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10. TOTAL TITLE IV-D COLLECTIONS 13,076

11. TITLE IV-D Collections for IV-E Children 1,452

12. STATE ACT 148 - line 6 2,847,285

13. STATE ACT 148 ALLOCATION 3,099,292

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,847,285

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,847,285
ACT 148 AMOUNT RECEIVED	2,846,832
ADJUSTMENT TO STATE SHARE	453

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014  
AMENDED CY370A  
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
I-A ADOPTION SERVICE	73,105	0	9,631	0	28,406	0	0	0	35,068	35,068	0	
I-B ADOPTION ASSISTANCE	560,615	0	178,247	2,071	0	0	0	0	380,297	304,238	76,059	
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	250,865	0	15,921	0	0	0	0	0	234,944	187,955	46,989	
I-D COUNSELING - DEPENDENT	81,215	0	35,762	3,178	0	0	0	0	42,275	33,820	8,455	
I-E COUNSELING - DELINQUENT	465	0	71	0	0	0	0	0	394	315	79	
I-F DAY CARE	741	0	0	0	0	0	0	0	0	0	0	
I-G DAY TREATMENT - DEPENDENT	40,546	0	679	0	0	0	0	0	741	593	148	
I-H DAY TREATMENT - DELINQUENT	175,525	15,165	23,394	0	0	0	0	0	136,966	109,573	27,393	
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	
I-J INTAKE & REFERRAL	0	0	0	0	0	0	0	0	0	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	229,797	7,490	31,028	0	0	0	0	0	191,279	153,023	38,256	
I-N PROTECTIVE SERVICE - GENERAL	752,220	14,094	92,459	0	41,173	0	0	0	604,494	483,595	120,899	
I-O SERVICE PLANNING	226,134	3,066	32,416	0	0	0	0	0	190,652	152,522	38,130	
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	23,215	0	68	0	0	0	0	0	23,147	11,574	11,573	
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	650	0	102	0	0	0	0	0	548	274	274	
<b>I-R SUBTOTAL IN-HOME</b>	<b>2,415,093</b>	<b>39,815</b>	<b>194,168</b>	<b>191,919</b>	<b>35,762</b>	<b>44,351</b>	<b>28,406</b>	<b>0</b>	<b>1,880,672</b>	<b>1,504,444</b>	<b>376,228</b>	

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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE		
2-A ALTERNATIVE TREATMENT - DEPENDENT	36,900	0	0	0	0	0	0	36,900	29,520	7,380		
2-B ALTERNATIVE TREATMENT - DELINQUENT	14,952	0	0	0	0	0	0	14,952	11,962	2,990		
2-C COMMUNITY RESIDENTIAL - DEPENDENT	289,004	21,079	84,051	41	0	0	0	183,833	147,066	36,767		
2-D COMMUNITY RESIDENTIAL - DELINQUENT	324,983	1,495	65	0	0	0	0	323,423	258,738	64,685		
2-E EMERGENCY SHELTER - DEPENDENT	40,411	0	12,608	5	0	0	0	27,798	25,018	2,780		
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0		
2-G FOSTER FAMILY - DEPENDENT	1,034,438	34,962	130,295	67,544	0	0	0	801,637	641,310	160,327		
2-H FOSTER FAMILY - DELINQUENT	11,558	588	0	0	0	0	0	10,970	8,776	2,194		
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		
<b>2-K SUBTOTAL CBP</b>	<b>1,752,246</b>	<b>38,124</b>	<b>226,954</b>	<b>67,655</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,399,513</b>	<b>1,122,390</b>	<b>277,123</b>		

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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE		
3-A JUVENILE DETENTION SERVICE	20,916	0	0	0	0	0	0	20,916	10,458	10,458		
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0		
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	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		
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0		
<b>3-F SUBTOTAL INSTITUTIONAL</b>	<b>20,916</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,916</b>	<b>10,458</b>	<b>10,458</b>		

<b>4 ADMINISTRATION</b>	<b>432,480</b>	<b>23,153</b>	<b>55,942</b>	<b>315,516</b>	<b>35,762</b>	<b>44,351</b>	<b>28,406</b>	<b>0</b>	<b>3,397</b>	<b>209,993</b>	<b>139,995</b>
<b>5 TOTAL REVENUES</b>	<b>4,620,735</b>	<b>121,092</b>	<b>421,122</b>	<b>315,516</b>	<b>35,762</b>	<b>44,351</b>	<b>28,406</b>	<b>0</b>	<b>3,397</b>	<b>2,847,285</b>	<b>803,804</b>



MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014  
AMENDED CY570  
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	45,500	16,393		11,144	0	68	73,105	14	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	570,170	0	0	0	570,170	0	70	0	9,555	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	250,865	0	0	0	250,865	0	35	0	0	0
1-D COUNSELING - DEPENDENT	0	0		3,765	92,118	0	95,883	390	100	3,765	10,903	0
1-E COUNSELING - DELINQUENT	0	0		465	0	0	465	0	0	0	0	0
1-F DAY CARE	0	0		0	127	0	127	0	19	0	127	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	741	0	741	0	1	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		31,769	8,777	0	40,546	0	19	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	114,793	37,776		22,678	0	278	175,525	432	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	165,823	49,860		13,569	0	545	229,797	179	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	421,246	126,816		92,570	82,827	28,761	752,220	345	30	0	0	0
1-O SERVICE PLANNING	153,039	55,010		17,747	0	338	226,134	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				3,215	20,000		23,215	0	102	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				650	0		650	0	0	0	0	0
1-R SUBTOTAL IN-HOME	900,401	285,855	821,035	197,572	204,590	29,990	2,439,443			3,765	20,585	0
Number of Children receiving only NON-PURCHASED IN-Home Services 375												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	36,900	0	36,900	246	2	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	14,952	0	14,952	122	1	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	5,045	284,589	0	289,634	1,820	24	630	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	412	324,571	0	324,983	1,846	12	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	2,487	37,924	0	40,411	922	39	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	209,595	82,479	0	95,919	613,613	48,386	1,049,992	17,395	98	5,084	10,470	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	11,558	0	11,558	169	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	209,595	82,479	0	103,863	1,324,107	48,386	1,768,430	22,520	177	5,714	10,470	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	0	20,916	0	20,916	91	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	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 SUBTOTAL INSTITUTIONAL	0	0	0	0	20,916	0	20,916	91	1	0	0	0
4 ADMINISTRATION	199,173	63,016	0	164,651	0	5,640	432,480			0	0	0
5 TOTAL EXPENDITURES	1,309,169	431,350	821,035	466,086	1,549,613	84,016	4,661,269			9,479	31,055	0
County Indirect Costs = \$ 125,246												

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 75,672	\$ (2,567)	\$ 73,105
Adoption Assistance	570,170	0	570,170
Subsidized Permanent Legal Custodianship	250,865	0	250,865
Counseling	80,803	15,545	96,348
Day Care	127	0	127
Day Treatment	41,287	0	41,287
Homemaker Service	0	0	0
Intake and Referral	183,024	(7,499)	175,525
Life Skills	0	0	0
Protective Service - Child Abuse	236,904	(7,107)	229,797
Protective Service - General	763,857	(11,637)	752,220
Service Planning	233,122	(6,988)	226,134
Juvenile Act Proceedings	23,865	0	23,865
Alternative Treatment	51,852	0	51,852
Community Residential	605,595	9,022	614,617
Emergency Shelter	40,411	0	40,411
Foster Family	1,056,526	5,024	1,061,550
Supervised Independent Living	0	0	0
Juvenile Detention Service	20,916	0	20,916
Residential Service	0	0	0
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	422,593	9,887	432,480
Combined Total Expense	<u>4,657,589</u>	<u>3,680</u>	<u>4,661,269</u>
Less Non-reimbursables	<u>40,534</u>	<u>0</u>	<u>40,534</u>
Total Net Expense	<u>\$ 4,617,055</u>	<u>\$ 3,680</u>	<u>\$ 4,620,735</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,309,169	\$ 0	\$ 1,309,169
Employee Benefits	507,562	(76,212)	431,350
Subsidies	821,035	0	821,035
Operating	444,148	21,938	466,086
Purchased Services	1,491,659	57,954	1,549,613
Fixed Assets	84,016	0	84,016
Combined Total Expense	<u>4,657,589</u>	<u>3,680</u>	<u>4,661,269</u>
Less Non-reimbursables	<u>40,534</u>	<u>0</u>	<u>40,534</u>
Total Net Expense	<u>\$ 4,617,055</u>	<u>\$ 3,680</u>	<u>\$ 4,620,735</u>

**MCKEAN 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 ADJUSTMENTS									
CY-370	1-A	2	1	Adoption Service-Employee Benefits	\$ 18,960	\$ (2,567)	\$ 16,393		
	1-J	2		Intake Referral -Employee Benefits	\$ 45,275	\$ (7,499)	\$ 37,776		
	1-M	2		Protective Service Childcare -Employee Benefits	\$ 56,967	\$ (7,107)	\$ 49,860		
	1-N	2		Protective Service-General-Employee Benefits	\$ 151,775	\$ (24,959)	\$ 126,816		
	1-O	2		Service Planning-Employee Benefits	\$ 61,998	\$ (6,988)	\$ 55,010		
	2-G	2		Foster Family-Dependent-Employee Benefits	\$ 97,520	\$ (15,041)	\$ 82,479		
	4	2		Administration-Employee Benefits	\$ 75,067	\$ (12,051)	\$ 63,016		
	1-D	5		Counseling -Dependent- Purchased Services	\$ 76,573	\$ 15,545	\$ 92,118		
	1-N	5		Protective Services-General -Purchased Services	\$ 69,505	\$ 13,322	\$ 82,827		
	2-C	5		Community Residential-Dependent-Purchased Services	\$ 275,567	\$ 9,022	\$ 284,589		
	2-G	5		Foster Family-Dependent-Purchased Services	\$ 593,548	\$ 20,065	\$ 613,613		
					Total Adjustment		\$ (18,258)		
					To decrease expenditures by \$18,258 to include health insurance refund not reported by the agency and fiscal year end adjustments which were not included on the agency submitted fiscal reports used by the State Department of Human Services to determine the agency's Act 148 payments. Employee Benefits costs decreased by \$76,212 and Purchased Services increased by \$57,954.				
				Title 55 PA Code, Chapter 3170.49(a)(b)					
CY-370	4	4	2	Administration-Operating	\$ 142,713	\$ 21,938	\$ 164,651		
				To increase Operating Expenditures by \$21,938 to reconcile to the County Cost Allocation Plan and properly report indirect costs.					
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12					

## SECTION 5

# CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

**Finding No. 1 – The McKean 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 McKean County Children and Youth Services Agency (agency) paid In-Home Purchased Service providers<sup>1</sup> (providers) a total of \$795,817. However, we found that the agency failed to obtain reasonable assurance that these providers actually performed the services 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.

- *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.

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<sup>1</sup> Agency management did not provide the number of providers that 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 to perform the calculation without double-counting providers that performed services in more than one fiscal year. However, we did perform procedures to obtain reasonable assurance that the agency paid In-Home Purchased Service Providers a total of \$795,817 during the noted engagement scope period.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- *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, 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, during the fiscal years included in our engagement scope period, they verified children's names, type of service and date of service but did not have a step in their procedures to substantiate that the services were actually provided.

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.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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 to ensure that contracted services related to invoiced In-Home Purchased Services fees 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 providers to determine whether appropriate supporting documentation exists substantiating invoiced costs and that related services were actually provided according to executed contract terms and/or randomly requiring these providers to submit substantiation evidencing that invoiced contracted services were actually provided.
- Ensuring that agency staff responsible for reviewing and approving these submitted invoices for payment are made aware of the results of monitoring reviews of these respective 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 documenting the results of all fiscal-related monitoring procedures performed to determine whether 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.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Agency Response:

We appreciate the efforts and feedback of representatives from the Auditor General's office during the recent audit of fiscal years 2010-11, 2011-12, 2012-13 and 2013-14.

Before this audit and during fiscal year 2016-17, we recognized limitations with prior fiscal monitoring procedures and implemented enhancements to those procedures which we believe currently allow us to secure reasonable assurance that invoiced, purchased services were provided consistent with legal and contractual requirements. Copies of our procedure, fiscal monitoring tool and contract monitoring review tool are included as attachments to the email containing this response. We will take steps to ensure those monitoring activities are adequately documented and maintained for future review.

We welcome any additional feedback or recommendations relative to our enhancements and our shared goal of ensuring good faith use of our citizens' money for the ultimate goal of ensuring our Commonwealth's children are safe.

Auditor's Conclusion: We commend McKean County Children and Youth Agency on implementing new monitoring procedures during the 2016-2017 fiscal year. During our next audit of the agency, we will review the agency's enhancements to its fiscal monitoring procedures, along with any implemented corresponding formal policy, and the results of fiscal monitoring procedures conducted during that audit's engagement scope period to determine whether appropriate evidence exists to provide reasonable assurance that services related invoiced, and paid for, In-Home service fees were actually provided, and if provided, were provided in adherence to DHS regulations and executed key contract terms.



## SECTION 6

# CURRENT ENGAGEMENT OBSERVATION

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

**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 Law<sup>2</sup> (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).<sup>3</sup> 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 CPSL,<sup>4</sup> 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 McKean County Children and Youth Agency provided in-home and placement services to 832 children residing within the County during the 2014-2015 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,

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<sup>2</sup> 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>

<sup>3</sup> 23 Pa.C.S. §§ 6344 and 6344.2.

<sup>4</sup> This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2016, via Finding 2016-017).

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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**.

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.<sup>5</sup> Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about their employees' providers' and sub-recipients' arrest and conviction records, as well as child abuse adjudications to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

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<sup>5</sup> 23 Pa.C.S. § 6344.4.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY  
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