

**COUNTY OF YORK  
PENNSYLVANIA**

**SINGLE AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2008**

COUNTY OF YORK, PENNSYLVANIA  
SINGLE AUDIT REPORT  
YEAR ENDED DECEMBER 31, 2008

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# Zelenkofske Axelrod LLC

## INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY SCHEDULES OF EXPENDITURES OF FEDERAL AND PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE AWARDS

County Commissioners  
County of York  
York, Pennsylvania

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COUNTY OF YORK, PENNSYLVANIA, as of and for the year ended December 31, 2008, which collectively comprise the COUNTY OF YORK, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated June 25, 2009. These financial statements are the responsibility of COUNTY OF YORK, PENNSYLVANIA's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the aggregate discretely presented component units' financial statements for the York County Solid Waste and Refuse Authority, York County Industrial Development Authority and the York County Planning Commission which represent 99.3%, 98.7%, and 91.7%, respectively, of the assets, net assets, and revenues of the aggregate discretely component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions expressed in our report on the financial statements dated June 25, 2009, insofar as it relates to the amounts included for these aggregate discretely presented component units, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the York County Solid Waste and Refuse Authority, the York County Industrial Development Authority, and the York County Library System were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF YORK, PENNSYLVANIA, basic financial statements. The accompanying Schedules of Expenditures of Federal and Pennsylvania Department of Public Welfare Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the "Pennsylvania Department of Public Welfare Single Audit Supplement," and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
June 25, 2009

<b>Harrisburg</b>	<b>Lehigh Valley</b>	<b>Philadelphia</b>	<b>Pittsburgh</b>
830 Sir Thomas Court, Suite 100 Harrisburg, PA 17109 717.561.9200 Fax 717.561.9202	1101 West Hamilton Street Allentown, PA 18101-1043 610.871.5077 Fax 717.561.9202	2370 York Road, Suite A-5 Jamison, PA 18929 215.918.2277 Fax 215.918.2302	3800 McKnight E. Drive, Suite 3805 Pittsburgh, PA 15237 412.367.7102 Fax 412.367.7103

COUNTY OF YORK, PENNSYLVANIA  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2008

Grantor Program Title	Federal CFDA No.	Fund	(Accrued/ Deferred Revenue at 12/31/2007	Federal Grant Receipts 2008	Federal Grant Expenditures	(Accrued/ Deferred) Revenue at 12/31/2008
<b>U.S. Department of Agriculture</b>						
Food and Nutrition Service						
Pass-through Commonwealth of Pennsylvania Department of Education						
Child Nutrition Cluster:						
School Breakfast Program	10.553	Youth Development Center	\$ (908)	\$ 14,001	\$ 15,583	\$ 2,490
National School Lunch Program	10.555	Youth Development Center	(1,435)	21,514	23,925	3,846
Total Child Nutrition Cluster			(2,343)	35,515	39,508	6,336
Pass-through PA Dept. of Agriculture:						
Emergency Food Assistance Cluster:						
Emergency Food Assistance Program (Food Commodities)	10.569	Human Services	(5,646)	25,924	32,871	12,593
Total Emergency Food Assistance Cluster			(5,646)	25,924	32,871	12,593
<b>TOTAL - U.S. Department of Agriculture</b>			<b>(7,989)</b>	<b>61,439</b>	<b>72,379</b>	<b>18,929</b>
<b>U.S. Department of Housing &amp; Urban Development (HUD)</b>						
CDBG - Entitlement & (HUD Administered) Small Cities Cluster:						
Community Development Block Grants/Entitlement Grants	14.218	Planning	-	14,610,023	14,610,023	-
Total CDBG - Entitlement & (HUD Administered) Small Cities Cluster			-	14,610,023	14,610,023	-
Emergency Shelter Grants Program	14.231	Planning	-	78,335	78,335	-
Supportive Housing Program - Homeless Management Information Systems	14.235	Human Services	(15,807)	34,954	26,480	7,333
HOME Investment Partnerships Program	14.239	Planning	-	11,190,989	11,190,989	-
Pass-through PA Department of Community and Economic Development:						
Emergency Shelter Grants Program	14.231	Planning	-	105,500	105,500	-
<b>TOTAL - U.S. Department of Housing &amp; Urban Development</b>			<b>(15,807)</b>	<b>26,019,801</b>	<b>26,011,327</b>	<b>7,333</b>
<b>U.S. Department of Interior</b>						
National Park Service						
Pass-through Pennsylvania Conservation and Natural Resources Department						
Outdoor Recreation - Acquisition, Development and Planning	15.916	Parks	(230,815)	-	19,185	250,000
Pass-through Commonwealth of Pennsylvania Department of Environmental Protection						
Payments to States in Lieu of Real Estate Taxes	15.226	Planning	-	3,801	3,801	-
<b>TOTAL - U.S. Department of Interior</b>			<b>(230,815)</b>	<b>3,801</b>	<b>22,986</b>	<b>250,000</b>
<b>U.S. Department of Justice</b>						
Pass-through Pennsylvania Commission on Crime and Delinquency						
Juvenile Accountability Incentive Block Grants	16.523	Juvenile Probation	(6,853)	32,383	36,336	10,806
Edward Byrne Memorial Formula Grant Program	16.579	Various	(69,770)	88,135	18,365	-
Violence Against Women Formula Grants	16.588	District Attorney	(29,859)	87,907	78,277	20,229
Residential Substance Abuse Treatment for State Prisoners	16.593	Court Administration	6,246	280,938	298,431	31,247
Community Prosecution and Project Safe Neighborhoods	16.609	District Attorney	(440)	6,189	6,169	420
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Court Administration & District Attorney	(7,044)	166,221	119,353	(39,824)
<b>TOTAL - U.S. Department of Justice</b>			<b>(107,720)</b>	<b>641,773</b>	<b>556,931</b>	<b>22,878</b>

COUNTY OF YORK, PENNSYLVANIA  
 Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended December 31, 2008

Grantor Program Title	Federal CFDA No.	Fund	(Accrued/ Deferred Revenue at 12/31/2007	Federal Grant Receipts 2008	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/2008
<b>U.S. Department of Transportation</b>						
Pass-through PA Dept. of Transportation Highway Planning and Construction Cluster: Highway Planning and Construction Total Highway Planning and Construction Cluster	20.205	Liquid Fuels & Planning Commission	(534,785)	527,641	542,997	550,141
			(534,785)	527,641	542,997	550,141
Recreational Trails Program	20.219	Parks	(43,099)	-	4,901	48,000
Federal Transit-Metropolitan Planning Grants	20.505	Planning Commission	(10,735)	32,033	44,353	23,055
Highway Safety Cluster: State and Community Highway Safety Total Highway Safety Cluster	20.600	Traffic Safety	(100,666)	357,691	355,777	98,752
			(100,666)	357,691	355,777	98,752
U.S. Research and Special Programs Administration Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	Emergency Management Agency	-	-	9,158	9,158
<b>TOTAL - U.S. Department of Transportation</b>			<b>(689,285)</b>	<b>917,365</b>	<b>957,186</b>	<b>729,106</b>
<b>U.S. General Services Administration</b>						
Pass-through PA Dept. of General Services Donation of Federal Surplus Personal Property	39.003	General	-	505	505	-
Help America Vote Act	90.401	Voter Registration	(125,064)	-	-	125,064
Help America Vote Act	93.617	Voter Registration	-	10,179	10,179	-
<b>TOTAL - U.S. General Services Administration</b>			<b>(125,064)</b>	<b>10,684</b>	<b>10,684</b>	<b>125,064</b>
<b>Institute of Museum and Library Services</b>						
Pass-through PA Dept of Education Grants to States - State Library Program	45.310	Library System	(1,036)	109,605	68,399	(40,170)
<b>TOTAL - Institute of Museum and Library Services</b>			<b>(1,036)</b>	<b>109,605</b>	<b>68,399</b>	<b>(40,170)</b>
<b>U.S. Department of Environmental Protection</b>						
Pass-through PA Dept. of Environmental Protection: Chesapeake Bay Program	66.466	Conservation	(182)	729	721	174
<b>TOTAL - U.S. Department of Environmental Protection</b>			<b>(182)</b>	<b>729</b>	<b>721</b>	<b>174</b>
<b>U.S. Department of Energy</b>						
Pass-through PA Dept. of Community & Economic Development: Weatherization Assistance for Low-Income Persons	81.042	Planning Commission	-	180,731	180,731	-
<b>TOTAL - U.S. Department of Energy</b>			<b>-</b>	<b>180,731</b>	<b>180,731</b>	<b>-</b>
<b>U.S. Department of Education</b>						
Pass-through PA Dept. of Public Welfare: Special Education-Grants for Infants and Families	84.181	MH/MR	-	655,862	655,862	-
Pass-through PA Dept. of Health: Safe and Drug-Free Schools and Communities-State Grants	84.186	Drug & Alcohol	(3,420)	37,621	41,041	6,840
<b>TOTAL - U.S. Department of Education</b>			<b>(3,420)</b>	<b>693,483</b>	<b>696,903</b>	<b>6,840</b>
<b>U.S. Department of Health &amp; Human Services</b>						
Pass-through PA Dept. of Aging: Special Programs for the Aging-Title VII, Ch 2-Long Term Care Ombudsman Services for Older Individuals	93.042	Aging	-	6,750	6,750	-
Special Programs for the Aging-Title III, Part D- Disease Prevention and Health Promotion Services	93.043	Aging	-	19,994	19,994	-
			<b>-</b>	<b>26,744</b>	<b>26,744</b>	<b>-</b>

COUNTY OF YORK, PENNSYLVANIA  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2008

Grantor Program Title	Federal CFDA No.	Fund	(Accrued/ Deferred Revenue at 12/31/2007	Federal Grant Receipts 2008	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/2008
<b>Aging Cluster:</b>						
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	Aging	-	523,741	523,741	-
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	Aging	-	374,945	374,945	-
Nutrition Services Incentive Program	93.053	Aging	-	120,772	120,772	-
Total Aging Cluster			-	1,019,458	1,019,458	-
National Family Caregiver Support	93.052	Aging	-	154,650	154,650	-
			-	154,650	154,650	-
<b>Medicaid Cluster:</b>						
Medical Assistance Program - Waiver	93.778	Aging	(96,641)	181,029	168,609	84,221 *
Medical Assistance Program - Pre Admission Assessment	93.778	Aging	-	383,122	383,122	-
Total Medicaid Cluster			(96,641)	564,151	551,731	84,221
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Aging	-	168,048	168,048	-
<b>Pass-through PA Dept. of Community &amp; Economic Development:</b>						
Low-Income Home Energy Assistance Program	93.568	Planning Commission	-	402,324	402,324	-
Total PA DCED			-	402,324	402,324	-
<b>Pass-through PA Dept. of Health:</b>						
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Drug & Alcohol	(73,562)	809,175	882,737	147,124
<b>Pass-through PA Dept. of Public Welfare:</b>						
Projects for Assistance in Transition from Homelessness (PATH)	93.150	MH/MR	-	71,767	71,767	-
Substance Abuse and Mental Health Services/Projects	93.243	MH/MR	-	385,071	46,698	(338,373)
Temporary Assistance for Needy Families	93.558	Children & Youth, MH/MR	(441,584)	1,496,558	1,471,198	416,224 *
Child Support Enforcement	93.563	Domestic Relations	(897,511)	3,357,447	3,306,823	846,887
Child Welfare Services-State Grants	93.645	Children & Youth	-	160,466	160,466	-
Foster Care-Title IV-E	93.658	Children & Youth, Juvenile Probation	(1,389,490)	4,005,480	3,145,979	529,989 *
Adoption Assistance	93.659	Children & Youth	(333,596)	1,006,434	1,373,258	700,420 *
Social Services Block Grant	93.667	Children & Youth, MH/MR	-	410,637	410,637	-
Chafee Foster Care Independence Program	93.674	Children & Youth	(38,209)	162,495	124,286	-
Medical Assistance Program (Medicaid Cluster)	93.778	Various	(11,807)	22,499,467	22,492,786	5,126 *
National Bioterrorism Hospital Preparedness Program	93.889	MH/MR	9,054	-	-	(9,054)
Block Grants for Community Mental Health Services	93.958	MH/MR	-	312,543	312,543	-
<b>TOTAL - U.S. Department of Health &amp; Human Services</b>			<b>(3,273,346)</b>	<b>37,012,915</b>	<b>36,122,133</b>	<b>2,382,564</b>
<b>U.S. Department of Homeland Security</b>						
<b>Pass-through PA Emergency Management Agency</b>						
<b>Homeland Security Cluster:</b>						
State Domestic Preparedness Equipment Support Program	97.004	Emergency Management Agency	(16,000)	16,000	2,641	2,641
Total Homeland Security Cluster			(16,000)	16,000	2,641	2,641
Emergency Management Performance Grants	97.042	Emergency Management Agency	(24,508)	65,097	55,531	14,942
<b>TOTAL - U.S. Department of Homeland Security</b>			<b>(40,508)</b>	<b>81,097</b>	<b>58,172</b>	<b>17,583</b>
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ (4,495,172)</b>	<b>\$ 65,733,423</b>	<b>\$ 64,758,552</b>	<b>\$ 3,520,301</b>

\* Denotes Program Tested as Major

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF DEPARTMENT OF PUBLIC WELFARE EXPENDITURES  
 YEAR ENDED DECEMBER 31, 2008

		<b>Combined Federal and State Expenditures</b>	
Children and Youth Program	\$	34,266,015	*
Child Support Enforcement Program		3,306,823	
Homeless Assistance Programs (HAP)		1,345,487	*
Human Services Development Fund (HSDF)		747,401	
Medical Assistance Transportation (MATP)		1,755,000	*
Mental Health/Mental Retardation Programs		64,256,154	*
Total Department of Public Welfare Expenditures	\$	105,676,880	

\* Denotes a major program for Pennsylvania Department of Public Welfare purposes. The amount expended under major DPW programs for the year ended December 31, 2008 totaled \$ 101,622,656 or 96.16% of total Pennsylvania Department of Public Welfare Financial Assistance.

COUNTY OF YORK, PENNSYLVANIA  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
YEAR ENDED DECEMBER 31, 2008

NOTE 1: REPORTING ENTITY

The County of York, Pennsylvania (the "County") as the reporting entity for financial reporting purposes is defined in Note 1 to the County's financial statements. For purposes of preparing the schedules of awards, the County's reporting entity differs from that used for financial purposes, in that awards received and expended, if any, by the following entities are excluded:

- York County Solid Waste and Refuse Authority
- York County Library System
- York County Planning Commission
- York County Industrial Development Authority

Direct awards pertaining to these entities have been excluded from the accompanying schedules principally because the County is not directly involved in maintaining the accounting records or systems of internal accounting and administrative controls for these entities. Where applicable, these entities have arranged for the issuance of separate Single Audit Reports containing their audited financial statements and schedule of expenditures of federal awards and all required audit reports.

Except as indicated above, the accompanying schedules of expenditures present the activity of all federal award programs and the Pennsylvania Department of Public Welfare award programs of the County.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of awards are presented using the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2008 threshold for determining Type A and Type B Programs is \$1,262,257. The following high-risk Type B Programs were audited as major:

<u>CFDA</u>	<u>Program</u>
14.231	Emergency Shelter Grant
20.205	Highway Planning and Construction Program

The following low-risk Type A Programs were not audited as major:

<u>CFDA</u>	<u>Program</u>
14.218	Community Development Block Grant
93.563	Child Support Enforcement Program
DPW	Child Support Enforcement Program

The amount expended under programs audited as major federal programs for the year ended December 31, 2008, totaled \$40,952,773 or 63.24% of total federal awards.

COUNTY OF YORK, PENNSYLVANIA  
 NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2008

NOTE 4: LOANS OUTSTANDING

The County had the following loan balances outstanding at December 31, 2008. These loan balances outstanding are also included as expenditures presented in the Schedule of Expenditures of federal awards.

Program Title	Federal CFDA Number	Amount Outstanding
Community Development Block Grants/Entitlement Grants	14.218	\$11,605,175
Home Investment Partnership Programs	14.239	\$11,078,128

NOTE 5: PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT:  
 FEDERAL FUNDS RECEIVED

The following is a listing of federal funds received by the County from the Pennsylvania Department of Community and Economic Development for the year ended December 31, 2008:

Program	CFDA Number	Grant Period	State Contract Number	Amount
Emergency Shelter Grant	14.231	5/23/06-5/22/08	26-215-0018	\$ 46,236
Emergency Shelter Grant	14.231	7/20/07-7/19/09	27-215-0027	\$ 59,264
DOE Weatherization	81.042	7/1/07-6/30/08	27-222-0016	\$ 95,036
DOE Weatherization	81.042	7/1/08-6/30/09	27-222-0048	\$ 85,695
LIHEAP	93.568	10/1/07-9/30/08	27-222-0016	\$ 287,720
LIHEAP	93.568	10/1/08-9/30/09	26-222-0048	\$ 114,604

# Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTER BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

County Commissioners  
County of York  
York, Pennsylvania

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COUNTY OF YORK, PENNSYLVANIA, as of and for the year ended December 31, 2008, which collectively comprise the COUNTY OF YORK, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated June 25, 2009. We did not audit the aggregate discretely presented component units' financial statements for the York County Solid Waste and Refuse Authority, the York County Industrial Development Authority and the York County Planning Commission which represent 99.3%, 98.7% and 91.7%, respectively, of the assets, net assets, and revenues of the aggregate discretely component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions expressed in our report on the financial statements dated June 25, 2009, insofar as it relates to the amounts included for these aggregate discretely presented component units, is based solely upon the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the York County Solid Waste and Refuse Authority, the York County Industrial Development Authority, and the York County Library System were not audited in accordance with *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered COUNTY OF YORK, PENNSYLVANIA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COUNTY OF YORK, PENNSYLVANIA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the COUNTY OF YORK, PENNSYLVANIA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

<b>Harrisburg</b>	<b>Lehigh Valley</b>	<b>Philadelphia</b>	<b>Pittsburgh</b>
830 Sir Thomas Court, Suite 100 Harrisburg, PA 17109 717.561.9200 Fax 717.561.9202	1101 West Hamilton Street Allentown, PA 18101-1043 610.871.5077 Fax 717.561.9202	2370 York Road, Suite A-5 Jamison, PA 18929 215.918.2277 Fax 215.918.2302	3800 McKnight E. Drive, Suite 3805 Pittsburgh, PA 15237 412.367.7102 Fax 412.367.7103

# Zelenkofske Axelrod LLC

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County Commissioners  
County of York

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the COUNTY OF YORK, PENNSYLVANIA's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of COUNTY OF YORK, PENNSYLVANIA's financial statements that is more than inconsequential will not be prevented or detected by the COUNTY OF YORK, PENNSYLVANIA's internal control. We consider the deficiency described in the accompanying schedule of findings, responses, and questioned costs as Finding 08-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the COUNTY OF YORK, PENNSYLVANIA's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not disclose all significant deficiencies that are also considered to be a material weakness. However, we believe the significant deficiency described above to be a material weakness.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the COUNTY OF YORK, PENNSYLVANIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings, responses, and questioned costs as finding 08-2.

We noted certain matters that we reported to management of COUNTY OF YORK, PENNSYLVANIA, in a separate letter dated June 25, 2009.

The COUNTY OF YORK, PENNSYLVANIA's responses to the findings identified in our audit are described in the accompanying schedule of findings, responses, and questioned costs. We did not audit the COUNTY OF YORK, PENNSYLVANIA's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commissioners, others within the entity, federal awarding agencies and pass-through entities, and the Pennsylvania Department of Public Welfare and is not intended to be and should not be used by anyone other than these specified parties.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
June 25, 2009

# Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE SINGLE AUDIT SUPPLEMENT

County Commissioners  
County of York  
York, Pennsylvania

## Compliance

We have audited the compliance of COUNTY OF YORK, PENNSYLVANIA with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the Pennsylvania Department of Public Welfare (DPW) *Single Audit Supplement* that are applicable to each of its major federal and DPW programs for the year ended December 31, 2008. COUNTY OF YORK, PENNSYLVANIA's major federal and Pennsylvania Department of Public Welfare programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and Pennsylvania Department of Public Welfare programs is the responsibility of COUNTY OF YORK, PENNSYLVANIA's management. Our responsibility is to express an opinion on COUNTY OF YORK, PENNSYLVANIA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the "Pennsylvania Department of Public Welfare Single Audit Supplement." Those standards, OMB Circular A-133, and the Pennsylvania Department of Public Welfare Single Audit Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or Pennsylvania Department of Public Welfare program occurred. An audit includes examining, on a test basis, evidence about COUNTY OF YORK, PENNSYLVANIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of COUNTY OF YORK, PENNSYLVANIA's compliance with those requirements.

As described in Findings 08-3, 08-4, and 08-5 in the accompanying Schedule of Findings, Responses, and Questioned Costs, the COUNTY OF YORK, PENNSYLVANIA did not comply with the requirements regarding Procurement, Suspension, and Debarment, the Drug-Free Workplace Act, and Subrecipient Monitoring that are applicable to its major Federal and Pennsylvania Department of Public Welfare programs listed in the respective finding. Compliance with such requirements is necessary, in our opinion, for COUNTY OF YORK, PENNSYLVANIA to comply with the requirements applicable to that program.

<b>Harrisburg</b>	<b>Lehigh Valley</b>	<b>Philadelphia</b>	<b>Pittsburgh</b>
830 Sir Thomas Court, Suite 100 Harrisburg, PA 17109 717.561.9200 Fax 717.561.9202	1101 West Hamilton Street Allentown, PA 18101-1043 610.871.5077 Fax 717.561.9202	2370 York Road, Suite A-5 Jamison, PA 18929 215.918.2277 Fax 215.918.2302	3800 McKnight E. Drive, Suite 3805 Pittsburgh, PA 15237 412.367.7102 Fax 412.367.7103

# Zelenkofske Axelrod LLC

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County Commissioners  
County of York

In our opinion, except for the noncompliance described in the preceding paragraph, the COUNTY OF YORK, PENNSYLVANIA, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and Pennsylvania Department of Public Welfare programs for the year ended December 31, 2008.

## Internal Control Over Compliance

The management of COUNTY OF YORK, PENNSYLVANIA, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and Pennsylvania Department of Public Welfare programs. In planning and performing our audit, we considered COUNTY OF YORK, PENNSYLVANIA's internal control over compliance with the requirements that could have a direct and material effect on a major federal or Pennsylvania Department of Public Welfare program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of COUNTY OF YORK, PENNSYLVANIA's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in COUNTY OF YORK, PENNSYLVANIA's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or Pennsylvania Department of Public Welfare program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or Pennsylvania Department of Public Welfare program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or Pennsylvania Department of Public Welfare program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings, responses, and questioned costs as Findings 08-3, 08-4, and 08-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or Pennsylvania Department of Public Welfare program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, responses, and questioned costs, we consider Findings 08-3, 08-4, and 08-5 to be material weaknesses.

# Zelenkofske Axelrod LLC

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County Commissioners  
County of York

The COUNTY OF YORK, PENNSYLVANIA's responses to the findings identified in our audit are described in the accompanying schedule of findings, responses, and questioned costs. We did not audit the COUNTY OF YORK, PENNSYLVANIA's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, County Commissioners, others within the entity, federal awarding agencies and pass-through entities and the Pennsylvania Department of Public Welfare, and is not intended to be and should not be used by anyone other than these specified parties.

*Zelenkofske Axelrod LLC*

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania  
June 25, 2009

# Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES  
TO THE FINANCIAL SCHEDULES AND EXHIBITS REQUIRED BY THE  
PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE

County Commissioners  
County of York  
York, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Public Welfare (DPW) and the COUNTY OF YORK, PENNSYLVANIA, solely to assist you with respect to the financial schedules and exhibits required by the DPW Single Audit Supplement for the fiscal year ended June 30, 2008 and calendar year ended December 31, 2008. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of DPW. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for fiscal year ended June 30, 2008, and calendar year ended December 31, 2008, for Exhibit A-1, have been accurately compiled and reflect the audited books and records of the COUNTY OF YORK, PENNSYLVANIA. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Schedule/Exhibit</u>
Title IV-D Child Support Enforcement	A-1	Summary of Expenditures
County Children and Youth	I	Schedule of Revenues and Expenditures
Medical Assistance Transportation	III	Schedule of Revenues and Expenditures

# Zelenkofske Axelrod LLC

County Commissioners  
County of York

<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Schedule/Exhibit</u>
Mental Health/Mental Retardation (MH/MR)	IV(a)MH	Schedule of Revenues, Expenditures, and Carryover Funds – MH
	IV(b)MH	Report of Income and Expenditures - MH
	IV(c)MR	Schedule of Revenues, Expenditures, and Carryover Funds – MR
	IV(d)MR	Report of Income and Expenditures - MR
Early Intervention Services	V(a)EI	Schedule of Revenues, Expenditures, and Carryover Funds – EI
	V(b)EI	Report of Income and Expenditures - EI
Mental Retardation Targeted Services Management	V(e)	Cost Settlement Report
Combined Homeless Assistance Program	XIX	Schedule of Revenues and Expenditures

- b) We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to DPW for the period in question.
- c) The process detailed in paragraphs (a) and (b) above disclosed the following finding:
- In Exhibit I we reclassified \$355 of disallowed compensation expenditures out of State Act 148 into Local Share Non Allowable Expenditures.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Department of Public Welfare should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania  
June 25, 2009

COUNTY OF YORK, PENNSYLVANIA  
 SUMMARY OF EXPENDITURES - TITLE IV-D CHILD SUPPORT ENFORCEMENT PROGRAM  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Single Audit Expenditures					Reported Expenditures					Single Audit Over(Under) Reported				
	(A) Total	(B) Unallowable	(C) Net(A-B)	(D) FFP	(E) Amount Paid (C x D)	(A) Total	(B) Unallowable	(C) Net(A-B)	(D) FFP	(E) Amount Paid (C x D)	(A) Total	(B) Unallowable	(C) Net(A-B)	(D) FFP	(E) Amount Paid (C x D)
<b>Calendar Quarter Ended 3/31/08</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,134,472	\$ 30,885	\$ 1,103,587	66%	\$ 728,367	\$ 1,134,472	\$ 30,885	\$ 1,103,587	66%	\$ 728,367	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	8	-	8	66%	5	8	-	8	66%	5	-	-	-	66%	-
Interest/Program Income	57,542	2,228	55,314	66%	36,507	57,542	2,228	55,314	66%	36,507	-	-	-	66%	-
Blood Testing Fees	6,099	6,099	-	66%	4,025	6,099	-	6,099	66%	4,025	-	-	-	66%	-
Subtotal (1-2-3-4)	1,070,823	28,657	1,042,166	66%	687,830	1,070,823	28,657	1,042,166	66%	687,830	-	-	-	66%	-
Blood Testing	6,120	-	6,120	66%	4,039	6,120	-	6,120	66%	4,039	-	-	-	66%	-
ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (5+6+7)	\$ 1,076,943	\$ 28,657	\$ 1,048,286	-	\$ 691,869	\$ 1,076,943	\$ 28,657	\$ 1,048,286	-	\$ 691,869	\$ -	\$ -	\$ -	-	\$ -
<b>Calendar Quarter Ended 6/30/08</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,237,755	\$ 33,670	\$ 1,204,085	66%	\$ 794,696	\$ 1,237,755	\$ 33,670	\$ 1,204,085	66%	\$ 794,696	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	7	-	7	66%	5	7	-	7	66%	5	-	-	-	66%	-
Interest/Program Income	57,039	1,583	55,456	66%	37,039	57,039	1,583	55,456	66%	37,039	-	-	-	66%	-
Blood Testing Fees	5,639	5,639	-	66%	3,722	5,639	-	5,639	66%	3,722	-	-	-	66%	-
Subtotal (1-2-3-4)	1,174,406	32,087	1,142,319	66%	753,930	1,174,406	32,087	1,142,319	66%	753,930	-	-	-	66%	-
Blood Testing	9,540	-	9,540	66%	6,296	9,540	-	9,540	66%	6,296	-	-	-	66%	-
ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (5+6+7)	\$ 1,183,946	\$ 32,087	\$ 1,151,859	-	\$ 760,226	\$ 1,183,946	\$ 32,087	\$ 1,151,859	-	\$ 760,226	\$ -	\$ -	\$ -	-	\$ -
<b>Calendar Quarter Ended 9/30/08</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,093,785	\$ 30,495	\$ 1,063,290	66%	\$ 701,771	\$ 1,093,785	\$ 30,495	\$ 1,063,290	66%	\$ 701,771	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	8	-	8	66%	5	8	-	8	66%	5	-	-	-	66%	-
Interest/Program Income	52,925	1,475	51,450	66%	33,957	52,925	1,475	51,450	66%	33,957	-	-	-	66%	-
Blood Testing Fees	6,895	6,895	-	66%	4,551	6,895	-	6,895	66%	4,551	-	-	-	66%	-
Subtotal (1-2-3-4)	1,033,957	29,020	1,004,937	66%	663,258	1,033,957	29,020	1,004,937	66%	663,258	-	-	-	66%	-
Blood Testing	12,570	-	12,570	66%	8,296	12,570	-	12,570	66%	8,296	-	-	-	66%	-
ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (5+6+7)	\$ 1,046,527	\$ 29,020	\$ 1,017,507	-	\$ 671,554	\$ 1,046,527	\$ 29,020	\$ 1,017,507	-	\$ 671,554	\$ -	\$ -	\$ -	-	\$ -
<b>Calendar Quarter Ended 12/31/08</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,322,425	\$ 37,379	\$ 1,285,046	66%	\$ 848,130	\$ 1,322,425	\$ 37,379	\$ 1,285,046	66%	\$ 848,130	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	8	-	8	66%	5	8	-	8	66%	5	-	-	-	66%	-
Interest/Program Income	57,321	1,620	55,701	66%	36,763	57,321	1,620	55,701	66%	36,763	-	-	-	66%	-
Blood Testing Fees	5,985	5,985	-	66%	3,950	5,985	-	5,985	66%	3,950	-	-	-	66%	-
Subtotal (1-2-3-4)	1,259,111	35,759	1,223,352	66%	807,412	1,259,111	35,759	1,223,352	66%	807,412	-	-	-	66%	-
Blood Testing	12,870	-	12,870	66%	8,494	12,870	-	12,870	66%	8,494	-	-	-	66%	-
ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (5+6+7)	\$ 1,271,981	\$ 35,759	\$ 1,236,222	-	\$ 815,906	\$ 1,271,981	\$ 35,759	\$ 1,236,222	-	\$ 815,906	\$ -	\$ -	\$ -	-	\$ -



## EXHIBIT III

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Reported</u>	<u>Actual</u>
<u>Service Data:</u>		
Expenditures		
Group I Clients	\$ 1,360,570	\$ 1,360,570
Group II Clients	<u>76,267</u>	<u>76,267</u>
Total Expenditures	<u>\$ 1,436,837</u>	<u>\$ 1,436,837</u>
 <u>Allocation Data:</u>		
Revenues		
Department of Public Welfare	\$ 1,418,550	\$ 1,418,550
Interest Income	<u>18,287</u>	<u>18,287</u>
Total Revenues	<u>1,436,837</u>	<u>1,436,837</u>
Funds Expended		
Operating Costs	1,291,889	1,291,889
Administrative Costs	<u>144,948</u>	<u>144,948</u>
Total Funds Expended	<u>1,436,837</u>	<u>1,436,837</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - MENTAL HEALTH SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	DPW Funds Available						Balance of Funds (5)	Grant Fund Adjustments (6A)	CSR State Grant Fund Adjustments (6B)	CSR-Promise Adjustments (6C)	Total Fund Balance (7)
	Carryover Funds (1)	Allotment (2)	Total Allocation (3)	Cost Eligible for DPW Participation (4)	Grant Fund Adjustments (6A)	CSR State Grant Fund Adjustments (6B)					
A. MH Services	\$ 773,019	\$ 14,955,664	\$ 15,728,683	\$ 15,710,568	\$ 4,933	\$ 18,115	\$ -	\$ -	\$ -	\$ 23,048	
B. OTHER STATE FUNDS											
2. BH Services Initiative	-	265,792	265,792	265,792	-	-	-	-	-	-	
3. BH Services Initiative IGT	-	47,759	47,759	47,759	-	-	-	-	-	-	
4. New Directions	-	155,000	155,000	155,000	-	-	-	-	-	-	
5. Total Other State	-	468,551	468,551	468,551	-	-	-	-	-	-	
C. SSBG	-	68,432	68,432	68,432	-	-	-	-	-	-	
D. CMHSBG	-	312,543	312,543	312,543	-	-	-	-	-	-	
E. OTHER FEDERAL FUNDS											
1. Max. Part. Project	-	52,619	52,619	52,619	-	-	-	-	-	-	
2. PATH Homeless	-	72,502	72,502	72,502	-	-	-	-	-	-	
7. Terrorism Related Disaster Relief	15,837	-	15,837	-	15,837	-	-	-	-	15,837	
8. Bioterrorism Hosp. Prep.	9,054	-	9,054	-	9,054	-	-	-	-	9,054	
6 Total Other Federal	24,891	125,121	150,012	125,121	24,891	-	-	-	-	24,891	
F. TOTAL	\$ 797,910	\$ 15,930,311	\$ 16,728,221	\$ 16,685,215	\$ 4,933	\$ 43,006	\$ -	\$ -	\$ -	\$ 47,939	



COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - MENTAL RETARDATION SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Sources of DPW Funds	DPW Funds Available				Balance of Funds (5)	Grant Fund Adjustments (6A)	CSR State Grant Fund Adjustments (6B)	CSR-Promise Adjustments (6C)	Total Fund Balance (7)
	Carryover (1)	Allotment (2)	Total Allocation (3)	Cost Eligible for DPW Participation (4)					
<b>A. MR Services</b>									
1. Community (NR/Res)	\$ 484,131	\$ 5,277,234	\$ 5,761,365	\$ 5,351,299	\$ 410,066	\$ -	\$ -	\$ -	\$ 410,066
2. SSBG	-	120,295	120,295	120,295	-	-	-	-	-
3. Subtotal MR Services	484,131	5,397,529	5,881,660	5,471,594	410,066	-	-	-	410,066
<b>B. Waiver</b>									
1. Consolidated Waiver Services	1,312,748	33,714,086	35,026,834	33,265,997	1,760,837	27,412	-	-	1,788,249
2. Waiver Administration	-	266,810	266,810	266,810	-	-	-	-	-
3. P/FDS Waiver Services	396,508	2,011,464	2,407,972	1,637,223	770,749	-	-	-	770,749
5. Subtotal Waiver	1,709,256	35,992,360	37,701,616	35,170,030	2,531,586	27,412	-	-	2,558,998
<b>C. Other</b>									
1. Elwyn	-	-	-	-	-	-	-	-	-
2. Pennhurst Dispersal	-	47,901	47,901	47,901	-	-	-	-	-
3. Pennhurst Waiver Services	-	-	-	-	-	-	-	-	-
5. Subtotal Other	-	47,901	47,901	47,901	-	-	-	-	-
<b>E. Total</b>	\$ 2,193,387	\$ 41,437,790	\$ 43,631,177	\$ 40,689,525	\$ 2,941,652	\$ 27,412	\$ -	\$ -	\$ 2,969,064

COUNTY OF YORK, PENNSYLVANIA  
 REPORT OF INCOME AND EXPENDITURES - MENTAL RETARDATION PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

I.	TOTAL ALLOCATION	<u>\$ 43,631,177</u>
II.	TOTAL EXPENDITURES	<u>\$ 42,156,966</u>
III.	COSTS OVER ALLOCATION	
	A. County Funded Eligible	\$ -
	B. County Funded Ineligible	569
	C. Other Eligible	-
	D. Other Ineligible	-
	E. Total Costs Over Allocation	<u>569</u>
IV.	REVENUES	
	A. Program Service Fees	-
	B. Private Insurance Fees	-
	C. Medical Assistance	856,454
	D. Medical Assistance - General	-
	E. Medical Assistance - Administration	-
	F. Room and Board	-
	G. Earned Interest	303,157
	H. Other	<u>70,590</u>
	I. Total Revenues	<u>1,230,201</u>
V.	DPW Reimbursement	
	A. Base Allocation 90%	1,855,597
	B. Base Allocation 100%	2,355,802
	C. DPW Cat. Funding 90%	243,941
	D. DPW Cat. Funding 100%	36,113,890
	E. SSBG	
	90% Adult	30,464
	90% Child	-
	100% Adult	89,831
	100% Child	-
VI.	10 % COUNTY MATCH	<u>236,671</u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	<u>40,926,196</u>
VIII.	TOTAL CARRYOVER	<u>\$ 2,941,652</u>

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - EARLY INTERVENTION SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Sources of DPW Funds	DPW Funds Available					Grant Fund Adjustments (6)	Total Fund Balance (7)
	Carryover (1)	Allotment (2)	Total Allocation (3)	Cost Eligible for DPW Participation (4)	Balance of Funds (5)		
A. Early Intervention							
1. State Early Intervention	\$ 808,346	\$ 2,704,261	\$ 3,512,607	\$ 2,941,253	\$ 571,354	\$ -	\$ 571,354
2. State Early Intervention- Training	-	9,589	9,589	9,589	-	-	-
3. EI Administration	-	96,495	96,495	96,495	-	-	-
4. Infants & Toddlers w/Disabilities Part C	-	655,862	655,862	655,862	-	-	-
5. ITF Waiver Services	86,956	591,479	678,435	531,325	147,110	-	147,110
6. ITF Waiver Administration	-	28,034	28,034	28,034	-	-	-
7. Reserved	-	-	-	-	-	-	-
8. Total Early Intervention	\$ 895,302	\$ 4,085,720	\$ 4,981,022	\$ 4,262,558	\$ 718,464	\$ -	\$ 718,464

EXHIBIT V(b)EI

COUNTY OF YORK, PENNSYLVANIA  
 REPORT OF INCOME AND EXPENDITURES - EARLY INTERVENTION PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

I.	TOTAL ALLOCATION	\$ 4,981,022
		<u>                    </u>
II.	TOTAL EXPENDITURES	\$ 5,709,797
		<u>                    </u>
III.	COSTS OVER ALLOCATION	
	A. County Funded Eligible	\$ -
	B. County Funded Ineligible	408
	C. Other Eligible	-
	D. Other Ineligible	-
		<u>                    </u>
	E. Total Costs Over Allocation	408
		<u>                    </u>
IV.	REVENUES	
	A. Program Service Fees	-
	B. Private Insurance Fees	-
	C. Medical Assistance - MA EI	991,732
	D. Medical Assistance - Admin.	-
	E. Earned Interest	43,308
	F. Other	324
		<u>                    </u>
	G. Total Revenues	1,035,364
		<u>                    </u>
V.	DPW Reimbursement	
	A. Base Allocation 90%	-
	B. Base Allocation 100%	-
	C. DPW Cat. Funding 90%	3,703,199
	D. DPW Cat. Funding 100%	559,359
	E. SSBG	
	90% Child	-
		<u>                    </u>
VI.	10 % COUNTY MATCH	411,467
		<u>                    </u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	4,674,025
		<u>                    </u>
VIII.	TOTAL CARRYOVER	\$ 718,464
		<u>                    </u>

COUNTY OF YORK, PENNSYLVANIA  
 COST SETTLEMENT REPORT (CSR)  
 MENTAL RETARDATION - TARGETED SERVICES MANAGEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

		<u>Actual Units</u>		
1.	Service Delivery Analysis			
a.	MA (FFP) Eligible Units	<u>82,141</u>		
b.	Non-MA (Non-FFP) Units	<u>-</u>		
c.	Combined Units	<u>82,141</u>		
2.	Expenditures			
a.	Total Program Expenditures		<u>\$ 1,583,678</u>	
b.	Less: Retained Revenue Allowance		<u>-</u>	
c.	Less: Other Expenses		<u>-</u>	
d.	Expenditures Eligible for DPW State/Fed. Participation			<u>1,583,678</u>
3.	Revenues			
	(1) Promise Federal Revenue	<u>856,454</u>		
	(2) Match Funds for 3(1)	<u>727,224</u>		
	(3) Revenue Supporting Non-FFP Units	<u>-</u>		
a.	Net Program Revenues (1+2+3)			<u>1,583,678</u>
b.	Revenues Supporting Expenditures from 2b & 2c		<u>-</u>	
c.	From (2b & 2c)		<u>1,583,678</u>	
4.	Expenditures Minus Revenues (2d - 3a)		Underpayment/(Overpayment)	<u>\$ -</u>
5.	Service Delivery	Actual Units	Actual Rate	Reconciled Revenues
a.	MA (FFP) Eligible Units	<u>82,141</u>	x \$19.2800	= <u>\$ 1,583,678</u>
b.	Non-MA (Non-FFP) Units	<u>-</u>	x (2d/5c Units)	= <u>\$ -</u>
c.	Combined Units	<u>82,141</u>	x (round to 4 dec.)	= <u>\$ 1,583,678</u>
6.	Reconciliation			
a.	FFP	<u>\$ 1,583,678</u>	-	<u>\$ 1,583,678</u>
		(5a)	3(1) + 3(2)	= <u>\$ -</u>
b.	Non-FFP	<u>\$ -</u>	-	<u>\$ -</u>
		(5b)	3(3)	
7.	State/Federal Split Difference:			
a.	FFP	<u>\$ -</u>	x .5408	= <u>\$ -</u>
		6(a)		Federal Underpayment (Overpayment)
b.	FFP	<u>\$ -</u>	x .4592	= <u>\$ -</u>
		6(a)		State Underpayment (Overpayment)
c.	Non-FFP	<u>\$ -</u>	x 1.00	= <u>\$ -</u>
		6(b)		State Underpayment (Overpayment)

## EXHIBIT XIX

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 COMBINED HOMELESS ASSISTANCE PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Sources of Funding

DPW Allocation (Must Equal Total County HAP Allocation)	A	\$ 1,220,493
Client Contributions	B	34,012
Other	C	24,567
Interest Earned	D	<u>16,292</u>
		Total HAP Funding (A + B + C + D = E)
	E	<u>\$ 1,295,364</u>

	<u>Bridge Housing</u>	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Emergency Shelter</u>	<u>Total Available Funds</u>
<u>Expenses</u>					
On Behalf of Clients	\$ 47,967	\$ -	\$ 440,218	\$ 25,604	F \$ 513,789
Personnel	208,476	142,995	146,777	-	G 498,248
Operating	77,977	27,039	20,196	-	H 125,212
Fixed Assets/Equipment	<u>36,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	I <u>36,527</u>
Subtotal	<u>\$ 370,947</u>	<u>\$ 170,034</u>	<u>\$ 607,191</u>	<u>\$ 25,604</u>	J 1,173,776
			County Administration (Max 10% Total HAP Funding)		K <u>121,588</u>
			Total HAP Expenses (J + K = L)		L <u>1,295,364</u>
			Total Unexpended Funds (E - L)		<u>\$ -</u>

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Section I - Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weaknesses?  
 yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified that are not considered to be material weaknesses?  
 yes  none reported

Type of auditors' report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133  yes  no

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.231	Emergency Shelter Grant
14.239	HOME Investment Partnership Program
20.205	Highway Planning and Construction Program
93.558	Temporary Assistance For Needy Families
93.658	Foster Care Title IV-E
93.659	Adoption Assistance IV-E
93.778	Medical Assistance Program

Name of DPW Programs

Homeless Assistance Program  
Medical Assistance Transportation Program  
Children & Youth Program  
Mental Health/Mental Retardation Program

Dollar threshold used to distinguish between Type A and Type B programs: \$1,262,257

Auditee qualified as low-risk auditee?  yes  no

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2008

Section II - Financial Statement Findings

Finding 08-1

Accounting Records

Criteria: The accounts of the County should include all significant transactions in the period of benefit.

Condition: During the audit, certain audit adjustments were required to record additional payables/expenditures, receivables/revenues, restate fund balance of the General Fund, the Capital Projects Bond Account Fund, and the Governmental Activities, and restate the construction in progress and general obligation long-term debt of the 911 Fund and the Business-Type Activities after the County's year-end close of the accounting records.

Cause: Transactions were not recorded in the period of benefit.

Effect: The financial records did not reflect the correct financial activity of a period which would result in a material misstatement of the financial statements.

Questioned Costs: None noted.

Recommendation: The County should ensure that internal control procedures over financial reporting are sufficient to identify and record all material adjustments.

Management's Response: The County is in the process of reviewing the internal control procedures over financial reporting in the areas where adjustments were noted and will revise them as necessary to ensure that the internal control procedures over financial reporting are sufficient to identify and record all material adjustments.

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2008

Section II - Financial Statement Findings (Continued)

<u>Finding 08-2</u>	<u>Procurement</u> PA County Code
Criteria:	Article XVIII Contracts, Section 1802(b) of the PA County Code states that contracts or purchases in excess of ten thousand dollars (\$10,000) shall be made with and from the lowest responsible bidder, after due notice in one newspaper of general circulation.
Condition:	As a result of our testing of county code requirements, we noted one instance out of 10 items tested where the County did not advertise for a bid for a purchase in excess of ten thousand dollars.
Cause:	The County did not advertise for a bid on a purchase in excess of ten thousand dollars.
Effect:	The County is not in compliance with the Article XVIII Contracts, Section 1802(b) of the PA County Code.
Questioned Costs:	\$54,498.
Recommendation:	The County should develop procedures to ensure that all purchases in excess of ten thousand dollars are made after due notice in one newspaper of general circulation.
Management's Response:	The County feels that this was an isolated case, but they have refined their procedures to ensure that all purchases in excess of ten thousand dollars are made after due notice in one newspaper of general circulation.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2008

Section III - Federal and Pennsylvania Department of Public Welfare Awards' Findings and Questioned Costs

<u>Finding 08-3</u>	<u>Procurement, Suspension, &amp; Disbarment</u> CFDA #14.239 HOME Investment Partnership Program
Criteria:	OMB Circular A-133 requires that the County not contract with providers of service that are not suspended or debarred.
Condition:	As a result of our testing, we noted that the two provider's contracts selected for testing did not contain a suspension/debarment clause nor was the County able to provide documentation to confirm that the provider was not suspended or debarred. However, we ensured the providers were not suspended or debarred by viewing the government's website that lists suspended/debarred contractors.
Cause:	The County did not have proper controls in place to ensure that the providers of service were not suspended or debarred prior to contracting with the providers.
Effect:	The County is not in compliance with OMB A-133 Procurement, Suspension and Debarment requirements.
Questioned Costs:	None.
Recommendation:	The County should include a clause in their contracts with providers to ensure that all providers receiving over \$25,000 in federal funds certify that they are not suspended or debarred.
Management's Response:	The County has added contract language relating to suspension/debarment in all of the contracts/grant agreements for the HOME program. The provisions cover the grantee or any subgrantee the grantee may enter into a contractual relationship with.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2008

Section III - Federal and Pennsylvania Department of Public Welfare Awards' Findings and Questioned Costs (Continued)

<u>Finding 08-4</u>	<u>Drug-Free Work Place Act</u> Pennsylvania Department of Public Welfare Mental Health/Mental Retardation Program
Criteria:	The Pennsylvania Department of Public Welfare Common Requirements requires that the program ensure that all providers with contracts over \$25,000 of federal funds certify that their workplace is drug-free.
Condition:	As a result of our testing, we noted 3 instances in our sample of 40 items tested where the program did not have documentation that the provider certified a drug-free workplace.
Cause:	The County did not obtain documentation for out of county service providers for certification of a drug-free work place.
Effect:	The County is not in compliance with the Pennsylvania Department of Public Welfare Drug-Free Work Place Act Common Requirements.
Questioned Costs:	The amount of questioned costs, if any, is undeterminable.
Recommendation:	The County should obtain documentation for all county service providers for certification of a drug free workplace.
Management's Response:	It is our view that MH/MR is in full compliance with drug-free certifications for service providers for which we have home County lead responsibility for sub-recipient monitoring. Documentation that three (3) out-of-county service providers have certified a drug-free workplace is on file; however, it was obtained subsequent to the testing performed by the auditor. Our sub-recipient monitoring procedures have been modified to include out-of-county service providers requiring this certification.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2008

Section III - Federal and Pennsylvania Department of Public Welfare Awards' Findings and Questioned Costs (Continued)

<u>Finding 08-5</u>	<u>Subrecipient Monitoring</u> CFDA # 93.658 and CFDA #93.558 Pennsylvania Department of Public Welfare Children & Youth Program
Criteria:	Pursuant to Office of Management and Budget Circular A-133, the County is required to adequately monitor its subrecipients for compliance with federal regulations.
Condition:	The Children and Youth Program could not locate 2 subrecipient audit reports in our sample of 40 when requested to do so.
Cause:	The County has not instituted adequate subrecipient monitoring procedures to ensure all audit reports are received and reviewed in a timely fashion.
Effect:	The County has not adequately monitored its subrecipients that are receiving federal and state funds.
Questioned Costs:	The amount of questioned costs, if any, is undeterminable.
Recommendation:	The County should implement procedures to ensure that all subrecipients are adequately monitored to ensure that the County is in compliance with federal regulations.
Management's Response:	<p>The County could not locate 2 sub recipient audit reports, Specialized Treatment Services and Crispus Attucks. Of the 2, one of those providers (Specialized Treatment Services) closed their doors on 12/2007 and did not send their audit report. The other audit report, (Crispus Attucks) has since been located.</p> <p>The County has a procedure in place were FY and CY sub recipients are monitored for compliance with this requirement and notified by mail for non-compliance.</p>

YORK COUNTY, PENNSYLVANIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008

The summary which follows indicates the current year status of findings identified in the prior year Single Audit Report.

<u>County Program</u>	<u>Prior Year Finding</u>	<u>Brief Description of Finding</u>	<u>Current Year Status</u>
Various	07-1	Accounting Records	See Current Year Finding 08-1
Emergency Shelter Grants Program	07-2	Procurement, Suspension, & Debarment	Resolved

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2008

**CORRECTIVE ACTION PLAN**

Finding 08-1

ACCOUNTING RECORDS

Inadequate Recording of Transactions in Period of Benefit

*We concur with this finding.* The County feels that this was an isolated case, but as a precaution, we are in the process of reviewing the internal control procedures over financial reporting in the areas where adjustments were noted. We will revise them as necessary to ensure that the internal control procedures over financial reporting are sufficient to identify and record all material adjustments.

Contact Person: Deb Myers, Deputy Controller

Telephone: (717) 771-9308; Fax: (717) 771-4330; Email: DKMyers@york-county.org

Finding 08-2

PROCUREMENT: PA COUNTY CODE

Non-Compliance with Article XVIII Contracts, Section 1802(b)

*We concur with this finding.* The County feels that this was an isolated case, but they have refined their procedures to ensure that all purchases in excess of ten thousand dollars are made after due notice in one newspaper of general circulation.

Contact Person: Cherie Minnich, Purchasing Coordinator

Telephone: (717) 771-9269; Fax: (717) 771-9226; Email: CLMinnich@york-county.org

Finding 08-3

PROCUREMENT, SUSPENSION, & DISBARMENT

CFDA #14.239 HOME Investment Partnership Program

Non-Compliance with OMB A-133 Requirements

*We concur with this finding.* The County has added contract language relating to suspension/debarment in all of the contracts/grant agreements for the HOME program. The provisions cover the grantee or any subgrantee the grantee may enter into a contractual relationship with.

Contact Person: Chris Rafferty, Housing and Community Development Department Chief

Telephone: (717) 771-4705; Fax: (717) 771-9511; Email: CRafferty@ycpc.org

Finding 08-4

**DRUG-FREE WORK PLACE ACT**

Pennsylvania Department of Public Welfare (DPW) Mental Health/Mental Retardation (MH/MR) Program

Non-Compliance with PA DPW Drug-Free Work Place Act Common Requirements

*We concur with this finding.* It is our view that MH/MR is in full compliance with drug-free certifications for service providers for which we have some County-lead responsibility for sub-recipient monitoring. Documentation that three (3) out-of-county service providers have certified their workplace as drug-free is on file; however, this documentation was obtained subsequent to the testing performed by the auditor. Our sub-recipient monitoring procedures have been modified to include out-of-county service providers requiring this certification.

Contact Person: Steve Warren, MH/MR Director

Telephone: (717) 771-9618; Fax: (717) 771-9826; Email: SAWarren@york-county.org

Finding 08-5

**SUB-RECIPIENT MONITORING**

CFDA #93.658 and CFDA #93.558

Pennsylvania Department of Public Welfare Children & Youth Program

Inadequate Monitoring of Sub-Recipients for Compliance with Federal Regulations

*We concur with this finding.* The County could not locate two (2) sub-recipient audit reports, Specialized Treatment Services and Crispus Attucks. Of the two (2), one of those providers (Specialized Treatment Services) closed their doors on 12/2007 and did not send their audit report. The other audit report, (Crispus Attucks) has since been located.

The County has a procedure in place where FY and CY sub-recipients are monitored for compliance with this requirement and notified by mail for non-compliance.

Contact Person: Paula Barr, Caseworker Manager

Telephone: (717) 771-9868; Fax: (717) 717-9884; Email: PGBarr@york-county.org