

**COUNTY OF YORK  
PENNSYLVANIA**

**SINGLE AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2010**

COUNTY OF YORK, PENNSYLVANIA  
SINGLE AUDIT REPORT  
YEAR ENDED DECEMBER 31, 2010

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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, 2010, which collectively comprise the COUNTY OF YORK, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated June 23, 2011. 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 98.6%, 98.7%, and 87.5%, 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 23, 2011, insofar as it relates to the amounts included for those 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, the York County Planning Commission, 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 and the reports of other auditors provide 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's, financial statements as a whole. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

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# Zelenkofske Axelrod LLC

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
June 23, 2011

COUNTY OF YORK, PENNSYLVANIA  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2010

Grantor Program Title	Federal CFDA No.	Fund	Accrued/ (Deferred) Revenue at 12/31/2009	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/2010
<b>U.S. Department of Agriculture</b>						
Pass-through Commonwealth of Pennsylvania Department of Education						
Child Nutrition Cluster:						
School Breakfast Program	10.553	Youth Development Center	\$ (4,538)	\$ 14,688	\$ 11,540	\$ 1,378
National School Lunch Program	10.555	Youth Development Center	(6,929)	27,807	21,149	2,272
Total Child Nutrition Cluster			(13,465)	42,505	32,689	3,650
Pass-through PA Dept. of Agriculture:						
Emergency Food Assistance Cluster:						
Emergency Food Assistance Program (Administrative Costs)	10.568	Human Services	(30,978)	64,057	65,185	32,106
Emergency Food Assistance Program (Administrative Costs) - ARRA	10.568	Human Services	(2,509)	5,482	4,919	1,966
Emergency Food Assistance Program (Food Commodities)	10.569	Human Services	-	489,628	489,628	-
Emergency Food Assistance Program (Food Commodities) - ARRA	10.569	Human Services	-	86,177	86,177	-
Total Emergency Food Assistance Cluster			(33,487)	645,324	645,909	34,072
<b>TOTAL - U.S. Department of Agriculture</b>			<b>(46,952)</b>	<b>687,629</b>	<b>678,698</b>	<b>37,722</b>
<b>U.S. Department of Housing &amp; Urban Development (HUD)</b>						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grants/Entitlement Grants	14.218	Planning	-	15,528,616	15,528,616	-
Community Development Block Grant - ARRA	14.253	Planning	-	101,059	101,059	-
Neighborhood Stabilization Program	14.218	Planning	-	1,680,786	1,680,786	-
Total CDBG - Entitlement Grants Cluster			-	17,310,461	17,310,461	-
Emergency Shelter Grants Program	14.231	Planning	-	129,954	129,954	-
Supportive Housing Program - Homeless Management Information Systems	14.235	Human Services	(13,057)	41,275	32,564	4,346
HOME Investment Partnerships Program	14.239	Planning	-	15,232,588	15,232,588	-
ARRA Homelessness Prevention and Rapid Re-Housing Program	14.257	Planning	-	233,677	233,677	-
Pass-through PA Department of Community and Economic Development: Emergency Shelter Grants Program	14.231	Planning	-	135,622	135,622	-
ARRA Homelessness Prevention and Rapid Re-Housing Program	14.257	Planning	-	23,808	23,808	-
<b>TOTAL - U.S. Department of Housing &amp; Urban Development</b>			<b>(13,057)</b>	<b>33,107,395</b>	<b>33,098,664</b>	<b>4,346</b>
<b>U.S. Department of Interior</b>						
Pass-through Pennsylvania Conservation and Natural Resources Department						
Outdoor Recreation - Acquisition, Development and Planning	15.916	Parks	(250,000)	250,000	-	-
Pass-through Commonwealth of Pennsylvania Department of Environmental Protection Payments to States in Lieu of Real Estate Taxes	15.226	Planning	-	3,960	3,960	-
<b>TOTAL - U.S. Department of Interior</b>			<b>(250,000)</b>	<b>253,960</b>	<b>3,960</b>	<b>-</b>

See accompanying Notes to Schedules of Expenditures of Awards

COUNTY OF YORK, PENNSYLVANIA  
 Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended December 31, 2010

Grantor Program Title	Federal CFDA No.	Fund	(Accrued/Deferred) Revenue at 12/31/2009	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/2010
U.S. Department of Energy						
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	Commissioners	76,266	2,741,932	2,818,176	(22)
Pass-through PA Dept. of Community & Economic Development:						
Weatherization Assistance for Low-Income Persons	81.042	Planning Commission	-	214,698	-	(214,698)
Weatherization Assistance for Low-Income Persons - ARRA	81.042	Planning Commission	895,076	844,842	1,423,092	(516,827)
<b>TOTAL - U.S. Department of Energy</b>			<b>971,342</b>	<b>3,901,472</b>	<b>4,241,268</b>	<b>(531,547)</b>
U.S. Department of Education						
Pass-through PA Dept. of Public Welfare:						
Early Intervention Services (IDEA) Cluster:						
Special Education-Grants for Infants and Families	84.181	MH/MR	-	655,862	655,862	-
ARRA Special Education-Grants for Infants and Families, Recover Act	84.393	MH/MR	-	100,030	73,183	(26,847)
<b>Total Early Intervention Services (IDEA) Cluster</b>			<b>-</b>	<b>755,892</b>	<b>729,045</b>	<b>(26,847)</b>
Pass-through PA Dept. of Health:						
Safe and Drug-Free Schools and Communities-State Grants	84.186	Drug & Alcohol	-	23,061	24,006	945
<b>TOTAL - U.S. Department of Education</b>			<b>-</b>	<b>778,953</b>	<b>753,051</b>	<b>(25,902)</b>
U.S. Department of Health & Human Services						
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	-	11,250	11,250	-
Special Programs for the Aging-Title III, Part D- Disease Prevention and Health Promotion Services	93.043	Aging	-	19,078	19,078	-
<b>Total Aging Cluster</b>			<b>-</b>	<b>30,328</b>	<b>30,328</b>	<b>-</b>
Aging Cluster:						
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	Aging	-	523,471	523,471	-
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	Aging	-	374,943	374,943	-
Nutrition Services Incentive Program	93.053	Aging	-	144,246	144,246	-
Aging Home-Delivered Nutrition Services for States - ARRA	93.705	Aging	-	113,080	113,080	-
Aging Congregate Nutrition Services for States - ARRA	93.707	Aging	(34,342)	79,729	45,387	-
<b>Total Aging Cluster</b>			<b>(34,342)</b>	<b>1,235,469</b>	<b>1,201,127</b>	<b>-</b>
National Family Caregiver Support	93.052	Aging	-	152,963	152,963	-
Medicare Enrollment Assistance Program	93.071	Aging	-	7,483	7,483	-
<b>Total Medicaid Cluster</b>			<b>(85,572)</b>	<b>296,948</b>	<b>195,335</b>	<b>41,959</b>
Medical Assistance Program - Waiver	93.778	Aging	-	541,881	541,881	-
Medical Assistance Program - Pre Admission Assessment	93.778	Aging	(85,572)	778,829	737,216	41,959

See accompanying Notes to Schedules of Expenditures of Awards

COUNTY OF YORK, PENNSYLVANIA  
 Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended December 31, 2010

Grantor Program Title	Federal CFDA No.	Fund	(Accrued) Deferred Revenue at 12/31/2009	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/2010
U.S. Department of Health & Human Services (Continued)						
Pass-through PA Dept. of Aging (Continued)						
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Aging	-	243,125	243,125	-
Pass-through PA Dept. of Community & Economic Development: Low-Income Home Energy Assistance Program	93.568	Planning Commission	-	110,055	110,055	-
Total PA DCED			-	110,055	110,055	-
Pass-through PA Dept. of Health:						
Block Grants for Prevention and Treatment of Substance Abuse	93.999	Drug & Alcohol	(73,562)	978,152	902,843	253
Pass-through PA Dept. of Public Welfare:						
Projects for Assistance in Transition from Homelessness (PATH)	93.150	MH/MR	-	58,645	58,645	-
Substance Abuse and Mental Health Services/Projects	93.243	MH/MR	113,997	489,980	476,145	(127,632)
Temporary Assistance for Needy Families Cluster	93.559	Children & Youth, MH/MR	(866,153)	1,800,931	1,176,775	244,998
Child Support Enforcement	93.563	Domestic Relations	(1,000,935)	3,600,647	3,297,418	697,704
Child Welfare Services-State Grants	93.645	Children & Youth	-	160,466	160,466	-
Foster Care-Title IV-E	93.658	Children & Youth, Juvenile Probation	(2,046,685)	4,240,355	2,784,515 *	590,844
Foster Care-Title IV-E - ARRA	93.658	Children & Youth, Juvenile Probation	(122,739)	215,094	126,757 *	34,402
Adoption Assistance	93.659	Children & Youth	(776,837)	1,981,185	1,583,758 *	399,411
Adoption Assistance - ARRA	93.659	Children & Youth	(80,125)	200,646	181,098 *	40,577
Social Services Block Grant	93.687	Children & Youth, MH/MR	-	402,618	402,618	-
Chafee Foster Care Independence Program	93.674	Children & Youth	(20,095)	100,485	180,778	80,388
Medical Assistance Program (Medicaid Cluster)	93.778	Various	(387,940)	2,036,510	1,749,840 *	101,270
Medical Assistance Program - ARRA (Medicaid Cluster)	93.778	MH/MR	-	133,648	128,200 *	(5,448)
National Biodefense Hospital Preparedness Program	93.889	MH/MR	-	100,000	5,500	(94,500)
Block Grants for Community Mental Health Services	93.958	MH/MR	-	283,633	283,633	-
TOTAL - U.S. Department of Health & Human Services			(5,378,988)	19,329,247	15,954,284	2,004,024
U.S. Department of Homeland Security						
Pass-through PA Emergency Management Agency						
Homeland Security Cluster:						
Homeland Security Grant Program	97.067	Emergency Management Agency	(17,195)	9,985	1,108	8,316
Total Homeland Security Cluster			(17,195)	9,985	1,108	8,316
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.038	Emergency Management Agency	-	18,715	18,715	-
Emergency Management Performance Grants	97.042	Emergency Management Agency	(15,672)	63,839	48,187	-
TOTAL - U.S. Department of Homeland Security			(32,867)	92,539	87,988	8,316
TOTAL FEDERAL AWARDS			\$ (5,340,006)	\$ 61,406,512	\$ 56,514,062	\$ 2,448,154

\* Denotes Program Tested as Major

See accompanying Notes to Schedules of Expenditures of Awards

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE EXPENDITURES  
 YEAR ENDED DECEMBER 31, 2010

	<b>Combined Federal and State Expenditures</b>	
Children and Youth Program	\$ 28,649,146	*
Child Support Enforcement Program	3,297,416	
Homeless Assistance Programs (HAP)	1,270,275	
Human Services Development Fund (HSDF)	600,724	
Medical Assistance Transportation (MATP)	1,972,207	*
Mental Health/Mental Retardation Programs	27,565,621	*
 Total Department of Public Welfare Expenditures	 \$ 63,355,389	

\* Denotes a major program for Pennsylvania Department of Public Welfare purposes. The amount expended under major DPW programs for the year ended December 31, 2010 totaled \$ 58,186,974 or 91.84% of total Pennsylvania Department of Public Welfare Financial Assistance.

COUNTY OF YORK, PENNSYLVANIA  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
YEAR ENDED DECEMBER 31, 2010

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 2010 threshold for determining Type A and Type B Programs is \$940,495. The following high-risk Type B Programs were audited as major:

<u>CFDA</u>	<u>Program</u>
10.568 & 10.569	Emergency Food Assistance Cluster
14.257	Homelessness Prevention and Rapid Re-Housing Program
16.588	Violence Against Women Formula Grants
16.804	Edward Byrne Memorial Justice Assistance Grant (JAG)

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

<u>CFDA</u>	<u>Program</u>
14.239	HOME Investment Partnership Program
20.205	Highway Planning and Construction Cluster
93.558	Temporary Assistance for Needy Families Cluster
93.563	Child Support Enforcement Program

The amount expended under programs audited as major federal programs for the year ended December 31, 2010, totaled \$31,677,104 or 54.14% of total federal awards.

COUNTY OF YORK, PENNSYLVANIA  
 NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS (CONTINUED)  
 YEAR ENDED DECEMBER 31, 2010

NOTE 4: LOANS OUTSTANDING

The County had the following loan balances outstanding at December 31, 2010. 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	\$ 13,361,092
Home Investment Partnership Programs	14.239	\$ 13,803,128

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, 2010:

Program	CFDA Number	Grant Period	State Contract Number	Amount
Emergency Shelter Grant	14.231	7/18/08-7/17/10	C000036132	\$ 108,841
Emergency Shelter Grant	14.231	8/5/10-8/4/12	C000049501	\$ 26,781
DOE Weatherization	81.042	7/1/09-6/30/10	C000045644	\$ 214,698
DOE Weatherization (ARRA)	81.042	7/1/09-3/31/12	C000046225	\$ 844,842
Homeless Prevention and Rapid Re-Housing Program (ARRA)	14.257	9/1/09-9/30/12	C000046168	\$ 23,808
LIHEAP	93.568	10/1/09-9/30/10	C000045644	\$ 110,055

NOTE 6: PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE FEDERAL FUNDS RECEIVED  
 FOR THE CHILD SUPPORT ENFORCEMENT PROGRAM

The following is a listing of federal funds received by the County from the Pennsylvania Department of Public Welfare for the Child Support Enforcement Program for the year ended December 31, 2010:

Program	CFDA Number	Grant Period	State Contract Number	Amount
Child Support Enforcement	93.563	10/1/05-9/30/10	4100030130	\$ 3,375,322
Child Support Enforcement	93.563	10/1/10-9/30/15	4100053445	\$ 225,325

# 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, 2010, which collectively comprise the COUNTY OF YORK, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated June 23, 2011. 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 98.6%, 98.7% and 87.5%, 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 23, 2011, 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, the York County Planning Commission, 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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# Zelenkofske Axelrod LLC

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County Commissioners  
County of York

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 10-1 and 10-3 to be material weaknesses.

## 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 and questioned costs as finding 10-2.

The COUNTY OF YORK, PENNSYLVANIA's responses to the findings identified in our audit are described in the accompanying schedule of findings 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 23, 2011

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 could have a direct and material effect on each of its major federal and DPW programs for the year ended December 31, 2010. 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 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 10-4, 10-5, 10-7, and 10-8 in the accompanying Schedule of Findings and Questioned Costs, the COUNTY OF YORK, PENNSYLVANIA did not comply with the requirements regarding Allowable Costs/Cost Principles, Subrecipient Monitoring, Eligibility, Special Tests and Provisions R1 Separate Accountability for ARRA Funding, that are applicable to its major Federal and Pennsylvania Department of Public Welfare programs listed in the respective findings. Compliance with such requirements is necessary, in our opinion, for COUNTY OF YORK, PENNSYLVANIA to comply with the requirements applicable to those programs.

<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

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 could have a direct and material effect on each of its major federal and Pennsylvania Department of Public Welfare programs for the year ended December 31, 2010.

## Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal or Pennsylvania Department of Public Welfare program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that is a reasonable possibility 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 and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 10-4, 10-5, 10-6, 10-7, 10-8, and 10-09 to be material weaknesses.

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

# Zelenkofske Axelrod LLC

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County Commissioners  
County of York

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 23, 2011

# Zelenkofske Axelrod LLC

INDEPENDENT ACCOUNTANTS' 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, 2010 and calendar year ended December 31, 2010. 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 the responsibility of DPW and the management of the COUNTY OF YORK. 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, 2010, and calendar year ended December 31, 2010, for Exhibit A-1(a), 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(a)	Summary of Expenditures
Medical Assistance Transportation	III	Schedule of Revenues and Expenditures
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

<u>Harrisburg</u>	<u>Lehigh Valley</u>	<u>Philadelphia</u>	<u>Pittsburgh</u>
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

<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Schedule/Exhibit</u>
Early Intervention Services	V(a)EI	Schedule of Revenues, Expenditures, and Carryover Funds – EI
	V(b)EI	Report of Income and Expenditures - EI
Combined Homeless Assistance Program	XIX(a)	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 no adjustments and/or findings.

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 Pennsylvania Department of Public Welfare should not be used by anyone other than that specified party.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
June 23, 2011

COUNTY OF YORK, PENNSYLVANIA  
 SUMMARY OF EXPENDITURES - TITLE IV-D CHILD SUPPORT ENFORCEMENT PROGRAM  
 FOR THE YEAR ENDED DECEMBER 31, 2010

	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 3/31/10</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,077,280	\$ 33,816	\$ 1,043,464	66%	\$ 688,686	\$ 1,077,280	\$ 33,816	\$ 1,043,464	66%	\$ 688,686	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	6	-	6	66%	4	6	-	6	66%	4	-	-	-	66%	-
Interest/Program Income	47,309	1,481	45,828	66%	30,246	47,309	1,481	45,828	66%	30,246	-	-	-	66%	-
Blood Testing Fees	3,461	-	3,461	66%	2,284	3,461	-	3,461	66%	2,284	-	-	-	66%	-
Subtotal (1-2-3-4)	1,026,504	32,335	994,169	-	656,152	1,026,504	32,335	994,169	-	656,152	-	-	-	-	-
Blood Testing	2,716	-	2,716	66%	1,793	2,716	-	2,716	66%	1,793	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 1,029,220	\$ 32,335	\$ 996,885	-	\$ 657,945	\$ 1,029,220	\$ 32,335	\$ 996,885	-	\$ 657,945	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calendar Quarter Ended 6/30/10</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,124,927	\$ 35,934	\$ 1,088,993	66%	\$ 718,735	\$ 1,124,927	\$ 35,934	\$ 1,088,993	66%	\$ 718,735	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	7	-	7	66%	5	7	-	7	66%	5	-	-	-	66%	-
Interest/Program Income	55,758	1,785	53,973	66%	35,622	55,758	1,785	53,973	66%	35,622	-	-	-	66%	-
Blood Testing Fees	3,939	-	3,939	66%	2,600	3,939	-	3,939	66%	2,600	-	-	-	66%	-
Subtotal (1-2-3-4)	1,065,223	34,149	1,031,074	-	680,508	1,065,223	34,149	1,031,074	-	680,508	-	-	-	-	-
Blood Testing	6,528	-	6,528	66%	4,308	6,528	-	6,528	66%	4,308	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 1,071,751	\$ 34,149	\$ 1,037,602	-	\$ 684,816	\$ 1,071,751	\$ 34,149	\$ 1,037,602	-	\$ 684,816	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calendar Quarter Ended 9/30/10</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,116,058	\$ 35,774	\$ 1,080,284	66%	\$ 712,987	\$ 1,116,058	\$ 35,774	\$ 1,080,284	66%	\$ 712,987	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	7	-	7	66%	5	7	-	7	66%	5	-	-	-	66%	-
Interest/Program Income	61,873	1,986	59,887	66%	39,525	61,873	1,986	59,887	66%	39,525	-	-	-	66%	-
Blood Testing Fees	3,053	-	3,053	66%	2,015	3,053	-	3,053	66%	2,015	-	-	-	66%	-
Subtotal (1-2-3-4)	1,051,125	33,788	1,017,337	-	671,442	1,051,125	33,788	1,017,337	-	671,442	-	-	-	-	-
Blood Testing	3,904	-	3,904	66%	2,577	3,904	-	3,904	66%	2,577	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 1,055,029	\$ 33,788	\$ 1,021,241	-	\$ 674,019	\$ 1,055,029	\$ 33,788	\$ 1,021,241	-	\$ 674,019	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Calendar Quarter Ended 12/31/10</b>															
Salary/Overhead (Exclude Blood Tests)	\$ 1,075,878	\$ 34,585	\$ 1,041,293	66%	\$ 687,253	\$ 1,075,878	\$ 34,585	\$ 1,041,293	66%	\$ 687,253	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	6	-	6	66%	4	6	-	6	66%	4	-	-	-	66%	-
Interest/Program Income	48,571	1,566	47,005	66%	31,023	48,571	1,566	47,005	66%	31,023	-	-	-	66%	-
Blood Testing Fees	2,310	-	2,310	66%	1,525	2,310	-	2,310	66%	1,525	-	-	-	66%	-
Subtotal (1-2-3-4)	1,024,991	33,019	991,972	-	654,701	1,024,991	33,019	991,972	-	654,701	-	-	-	-	-
Blood Testing	4,416	-	4,416	66%	2,915	4,416	-	4,416	66%	2,915	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 1,029,407	\$ 33,019	\$ 996,388	-	\$ 657,616	\$ 1,029,407	\$ 33,019	\$ 996,388	-	\$ 657,616	\$ -	\$ -	\$ -	\$ -	\$ -

## EXHIBIT III

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Reported</u>	<u>Actual</u>
<u>Service Data:</u>		
Expenditures		
Group I Clients	\$ 1,755,819	\$ 1,755,819
Group II Clients	59,580	59,580
	<u>                    </u>	<u>                    </u>
Total Expenditures	<u>\$ 1,815,399</u>	<u>\$ 1,815,399</u>
 <u>Allocation Data:</u>		
Revenues		
Department of Public Welfare	\$ 1,811,673	\$ 1,811,673
Interest Income	3,726	3,726
	<u>                    </u>	<u>                    </u>
Total Revenues	<u>1,815,399</u>	<u>1,815,399</u>
Funds Expended		
Operating Costs	1,650,082	1,650,082
Administrative Costs	165,317	165,317
	<u>                    </u>	<u>                    </u>
Total Funds Expended	<u>1,815,399</u>	<u>1,815,399</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, 2010

Sources of DPW Funds	DPW Funds Available						Total Fund Balance (7)
	Carryover Funds (1)	Allotment (2)	Total Allocation (3)	Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6A)	
A. MH Services	\$ 6,179	\$ 15,777,645	\$ 15,783,824	\$ 15,547,046	\$ 236,778	\$ 30,915	\$ 267,693
B. OTHER STATE FUNDS							
2. BH Services Initiative	-	292,148	292,148	292,148	-	-	-
3. New Directions	14,789	(14,789)	-	-	-	-	-
9. Total Other State	14,789	277,359	292,148	292,148	-	-	-
C. SSBG	-	68,432	68,432	68,432	-	-	-
D. CMHSBG	-	299,582	299,582	299,582	-	-	-
E. OTHER FEDERAL FUNDS							
1. Max. Part. Project	-	55,626	55,626	55,626	-	-	-
3. PATH Homeless	-	70,835	70,835	70,835	-	-	-
6. Youth Suicide Prevention	160,695	331,504	492,199	364,367	127,832	-	127,832
7. Jail Diversion & Trauma Recovery	-	100,000	100,000	5,500	94,500	-	94,500
9. Terrorism Related Disaster Relief	15,837	-	15,837	-	15,837	-	15,837
10. Hospital Prep Prog-Crisis Counsel	-	5,290	5,290	-	5,290	-	5,290
11. Total Other Federal	176,532	563,255	739,787	496,328	243,459	-	243,459
F. TOTAL	\$ 197,500	\$ 16,986,273	\$ 17,183,773	\$ 16,703,536	\$ 480,237	\$ 30,915	\$ 511,152

COUNTY OF YORK, PENNSYLVANIA  
 REPORT OF INCOME AND EXPENDITURES - MENTAL HEALTH PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

I.	TOTAL ALLOCATION	<u>\$ 17,183,773</u>
II.	TOTAL EXPENDITURES	<u>\$ 20,516,887</u>
III.	COSTS OVER ALLOCATION	
	A. County Funded - Eligible	\$ -
	B. County Funded - Ineligible	-
	C. Other Eligible	-
	D. Other Ineligible	-
	E. Total Costs Over Allocation	<u>-</u>
IV.	REVENUES	
	A. Program Service Fees	18,414
	B. Private Insurance Fees	2,817
	C. Medical Assistance	3,166,563
	D. Medical Assistance - Administration Claims	7,881
	E. Room and Board	80,291
	F. Earned Interest	11,591
	G. Other	95,108
	H. Total Revenue	<u>3,382,665</u>
V.	DPW REIMBURSEMENT	
	A. Base Allocation 90%	3,876,152
	B. Base Allocation 100%	353,653
	C. DPW Categorical Funding 90%	-
	D. DPW Categorical Funding 100%	12,105,717
	E. SSBG	
	90% Adult	-
	90% Child	-
	100% Adult	68,432
	100% Child	-
	F. CMHSBG	
	90%	-
	100%	299,582
VI.	10% COUNTY MATCH	<u>430,686</u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	<u>17,134,222</u>
VIII.	TOTAL CARRYOVER	<u>\$ 480,237</u>

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - MENTAL RETARDATION SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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)	\$ 154,584	\$ 3,653,342	\$ 3,807,926	\$ 3,662,573	\$ 145,353	\$ 19,382	\$ -	\$ -	\$ -	\$ 164,735
2. SSBG	-	104,256	104,256	104,256	-	-	-	-	-	-
4. Subtotal MR Services	154,584	3,757,598	3,912,182	3,766,829	145,353	19,382	-	-	-	164,735
<b>B. Waiver</b>										
1. Waiver Administration	-	427,550	427,550	427,550	-	-	-	-	-	-
2. Reserved	3,335,358	(3,335,358)	-	-	-	-	-	-	-	-
5. Subtotal Waiver	3,335,358	(2,907,808)	427,550	427,550	-	-	-	-	-	-
<b>C. Other</b>										
1. Elwyn Institute	-	-	-	-	-	-	-	-	-	-
2. Money Follows the Person	-	-	-	-	-	-	-	-	-	-
3. Services for Individuals with Autism	-	-	-	-	-	-	-	-	-	-
Subtotal Other	-	-	-	-	-	-	-	-	-	-
<b>E. Total</b>	<b>\$ 3,489,942</b>	<b>\$ 849,790</b>	<b>\$ 4,339,732</b>	<b>\$ 4,194,379</b>	<b>\$ 145,353</b>	<b>\$ 19,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 164,735</b>

COUNTY OF YORK, PENNSYLVANIA  
 REPORT OF INCOME AND EXPENDITURES - MENTAL RETARDATION PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

I.	TOTAL ALLOCATION	<u>\$ 4,339,732</u>
II.	TOTAL EXPENDITURES	<u>\$ 4,623,454</u>
III.	COSTS OVER ALLOCATION	
	A. County Funded Eligible	\$ -
	B. County Funded Ineligible	-
	C. Other Eligible	-
	D. Other Ineligible	-
	E. Total Costs Over Allocation	<u>-</u>
IV.	REVENUES	
	A. Program Service Fees	-
	B. Private Insurance Fees	-
	C. Medical Assistance	-
	D. Medical Assistance - Administration	-
	E. Room and Board	47,856
	F. Earned Interest	10,142
	G. Other	86,212
	H. Total Revenue	<u>144,210</u>
V.	DPW Reimbursement	
	A. Base Allocation 90%	1,921,240
	B. Base Allocation 100%	881,081
	C. DPW Cat. Funding 90%	616,142
	D. DPW Cat. Funding 100%	671,660
	E. SSBG	
	90% Adult	26,402
	90% Child	-
	100% Adult	77,854
	100% Child	-
VI.	10 % COUNTY MATCH	<u>284,865</u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	<u>4,479,244</u>
VIII.	TOTAL CARRYOVER	<u>\$ 145,353</u>

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - EARLY INTERVENTION SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Sources of DPW Funds	DPW Funds Available					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. Early Intervention	\$ 157,519	\$ 3,078,933	\$ 3,236,452	\$ 2,950,435	\$ 286,017	\$ 286,017
2. Early Intervention - Training	-	9,862	9,862	9,862	-	-
3. EI Administration	-	137,059	137,059	137,059	-	-
4. Infants & Toddlers w/Disabilities Part C	-	655,862	655,862	655,862	-	-
5. ITF Waiver Services	478,697	756,062	1,234,759	1,185,452	49,307	49,307
6. ITF Waiver Administration	-	37,904	37,904	37,904	-	-
7. Reserved	-	-	-	-	-	-
8. Total Early Intervention	\$ 636,216	\$ 4,675,682	\$ 5,311,898	\$ 4,976,574	\$ 335,324	\$ 335,324

COUNTY OF YORK, PENNSYLVANIA  
 REPORT OF INCOME AND EXPENDITURES - EARLY INTERVENTION PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

I.	TOTAL ALLOCATION	\$ 5,311,898
		<u>                    </u>
II.	TOTAL EXPENDITURES	\$ 6,704,403
		<u>                    </u>
III.	COSTS OVER ALLOCATION	
	A. County Funded Eligible	\$ -
	B. County Funded Ineligible	-
	C. Other Eligible	-
	D. Other Ineligible	-
		<u>                    </u>
	E. Total Costs Over Allocation	-
		<u>                    </u>
IV.	REVENUES	
	A. Program Service Fees	-
	B. Private Insurance Fees	-
	C. Medical Assistance - MA EI	1,309,354
	D. Medical Assistance - Admin.	-
	E. Earned Interest	1,449
	F. Other	-
		<u>                    </u>
	G. Total Revenue	1,310,803
		<u>                    </u>
V.	DPW Reimbursement	
	A. Base Allocation 90%	-
	B. Base Allocation 100%	-
	C. DPW Cat. Funding 90%	3,753,218
	D. DPW Cat. Funding 100%	1,223,356
		<u>                    </u>
VI.	10 % COUNTY MATCH	417,026
		<u>                    </u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	5,393,600
		<u>                    </u>
VIII.	TOTAL CARRYOVER	\$ 335,324
		<u>                    </u>

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF REVENUES AND EXPENDITURES  
COMBINED HOMELESS ASSISTANCE PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Sources of Funding

DPW Allocation (Must Equal Total County HAP Allocation)	A	\$ 1,081,234
Client Contributions	B	30,800
Other	C	-
Interest Earned	D	<u>2,922</u>
		Total HAP Funding (A + B + C + D = E)
	E	<u>\$ 1,114,956</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	\$ 47,757	\$ -	\$ 336,110	\$ 34,485	F \$ 418,352
Personnel	239,214	126,058	134,790	-	G 500,062
Operating	44,541	37,196	40,446	-	H 122,183
Fixed Assets/Equipment	<u>11,693</u>	<u>4,791</u>	<u>-</u>	<u>-</u>	I <u>16,484</u>
Subtotal	<u>\$ 343,205</u>	<u>\$ 168,045</u>	<u>\$ 511,346</u>	<u>\$ 34,485</u>	J 1,057,081
			County Administration (Max 10% Total HAP Funding)		K <u>57,875</u>
			Total HAP Expenses (J + K = L)		L <u>1,114,956</u>
			Total Unexpended Funds (E - L)		<u>\$ -</u>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

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>
10.568 & 10.569	Emergency Food Assistance Cluster
14.218 & 14.253	Community Development Block Grant – Entitlement Grants Cluster
14.257	Homelessness Prevention and Rapid Re-Housing Program
16.588	Violence Against Women Formula Grants
16.804	Edward Byrne Memorial Justice Assistance Grant (JAG) Program
81.042	Weatherization Assistance for Low-Income Persons
81.128	Energy Efficiency and Conservation Block Grant Program
93.658	Foster Care Title IV-E
93.659	Adoption Assistance
93.778	Medicaid Cluster
93.044, 93.045, 93.053, 93.705, & 93.707	Aging Cluster

Name of DPW Program

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

Dollar threshold used to distinguish between Type A and Type B programs: \$940,495

Auditee qualified as low-risk auditee?  yes  no

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2010

Section II - Financial Statement Findings

Finding 10-1

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 and receivables/revenues 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 could 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 AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2010

Section II - Financial Statement Findings (Continued)

<u>Finding 10-2</u>	<u>Payment of Annual Required Contribution to Pension Plan</u>
Criteria:	Under PA County Pension Law Act of 1971, P.L. 398, No. 96 Section 11, the County is required to appropriate funds to make a required annual contribution to the retirement plan.
Condition:	The December 31, 2010 actuarial valuation required the County to contribute \$10,666,047 during 2010 to the County's Retirement Plan. The County contributed only \$8,000,000 of the required contribution to the retirement plan during 2010.
Cause:	The County elected not to contribute \$2,666,047 of their 2010 annual required contribution to the retirement plan.
Effect:	The County is not in compliance with the PA County Pension Law Act of 1971, P.L. 398, No. 96 Section 11.
Questioned Costs:	None.
Recommendation:	The County should make their annual required contribution to the pension plan.
Management's Response:	The decision to pay short on the ARC in 2010 was made in order to balance the County's 2010 budget and avoid significant cuts in the County workforce. Payment of the full recommended ARC would have resulted in a tax increase, which the Board of Commissioners was unwilling to approve during a time when unemployment in York County is on the rise, homes are being foreclosed in record numbers and the economy of the region remains in a severe recession.

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2010

Section II - Financial Statement Findings (Continued)

Finding 10-3

Nursing Home Accounts Receivable Reconciliation

**Criteria:** The accounts receivable detailed subsidiary ledger account balance of the Nursing Home should agree to the balance on the County's general ledger.

**Condition:** During our audit testwork, we noted that the Nursing Home's accounts receivable subsidiary ledger balances did not agree to the accounts receivable balance recorded on the County's general ledger.

**Cause:** The Nursing Home did not routinely reconcile its subsidiary accounts receivable detail balances to the accounts receivable balance recorded on the County's general ledger.

**Effect:** The system of internal control over accounts receivable is not operating effectively and as a result the general ledger control account could result in a material misstatement.

**Questioned Costs:** None.

**Recommendation:** The detail listing of accounts receivable should be reconciled to the County's general ledger accounts at the end of each month. Any differences should be investigated and resolved.

**Management's  
Response:**

The Nursing Home has implemented procedures to ensure that their accounts receivable accounts are reconciled to the County's general ledger accounts on a monthly basis, allowing any discrepancies to be resolved in a more timely basis. These procedures will permit a higher accuracy in their recordkeeping process and help to avoid the possibility of any material misstatements due to improper recordkeeping.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

<u>Finding 10-4</u>	<u>Allowable Costs/Cost Principles</u> CFDA # 81.042 Weatherization Assistance for Low-Income Persons
Criteria:	Pursuant to Office of Management and Budget Circular A-133 and 10 CFR section 440.18(c)(1), expenditures of the program shall not exceed an average dollar amount per dwelling unit weatherized as specified in the grant agreement and updated annually by DOE.
Condition:	The Weatherization Program's expenditures per unit exceeded the dollar amount per dwelling unit as specified by DOE.
Cause:	The County has not implemented adequate allowable costs/cost principle procedures to ensure the average dollar amount per dwelling is below the required amount as specified by DOE.
Effect:	The County is not in compliance with the requirements of Allowable Costs/Cost Principles. In addition, the internal control over this requirement is not designed effectively.
Questioned Costs:	\$52,206.
Recommendation:	The County should implement procedures to ensure the Program's average dollar amount per dwelling unit is below the required amount as specified by DOE.
Management's Response:	The County recognizes that this was a unique circumstance that resulted in this issue of non-compliance. The County will continue to monitor the average dollar amount per dwelling unit to ensure it remains below the average as specified by DOE.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

Finding 10-5

Subrecipient Monitoring

CFDA#10.568 Emergency Food Assistance Program (Administrative Costs)  
 CFDA#10.568 ARRA Emergency Food Assistance Program (Administrative Costs)  
 CFDA#10.569 Emergency Food Assistance Program (Food Commodities)  
 CFDA#10.569 ARRA Emergency Food Assistance Program (Food Commodities)

**Criteria:** Pursuant to Office of Management and Budget Circular A-133, the County is required to perform monitoring activities over their subrecipients throughout the year to ensure accountability for the use of federal funds and compliance with applicable regulations.

**Condition:** As a result of testing, we noted the Program did not monitor its one subrecipient.

**Cause:** The Program did not have procedures in place to ensure it was monitoring its subrecipient.

**Effect:** The County is not in compliance with the requirements of Subrecipient Monitoring. In addition, the internal control over this requirement is not designed effectively.

**Questioned Costs:** The amount of questioned costs, if any, is undeterminable.

**Recommendation:** The County should implement procedures to ensure the Program's subrecipients are monitored to ensure accountability for the use of federal funds and compliance with applicable regulations.

**Management's Response:** The York County Human Services Department currently contracts with the York County Food Bank in relation to The Emergency Food Assistance Program (TEFAP) and the distribution of commodities. Moving forward, the York County Human Services Department will monitor and verify the receipts of commodities and reconcile those receipts with the quarterly reports submitted by the food distributor to ensure that the correct amounts of commodities are being reported. In addition, the York County Human Services Department will also obtain the annual audit report of the York County Food Bank to verify compliance with OMB Circular A-133 and the subrecipient monitoring requirements.

COUNTY OF YORK, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2010

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

<u>Finding 10-6</u>	<u>Procurement, Suspension &amp; Debarment</u> CFDA #16.588 ARRA STOP Violence 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 of the Program's one provider, we noted that the provider's contract 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.
Cause:	The County did not have proper controls in place to ensure that the provider of service was not suspended or debarred prior to contracting with the provider.
Effect:	The County did not comply with OMB A-133 internal control requirements over Procurement, Suspension and Debarment. However, we ensured the provider was not suspended or debarred by viewing the government's website that lists suspended/debarred contractors.
Questioned Costs:	None.
Recommendation:	The County should include a clause in their contracts with providers to ensure that all providers receiving federal funds certify that they are not suspended or debarred.
Management's Response:	To ensure compliance with OMB A-133, the Program has added contract language in all of their provider contracts/grant agreements to certify that all of their providers and subcontractors are neither suspended or debarred by the Commonwealth or any other government entity, prior to payment being made. Procedures have also been implemented to ensure that documentation is being maintained to support that the providers were not suspended or debarred.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

<u>Finding 10-7</u>	<u>Eligibility</u> CFDA #93.659 Adoption Assistance CFDA #93.659 ARRA Adoption Assistance Pennsylvania Department of Public Welfare Children & Youth Program
Criteria:	OMB A-133 (42 USC 673(a)(4)(B)) and the Pennsylvania Department of Public Welfare (PA Code Title 55 3140.204(b)(3)(e)) require that the IV-E agency, after the child is deemed Title IV-E Adoption Assistance eligible, ensure the child still meets the eligibility requirements of the program. The child is no longer eligible if the parent is no longer legally responsible for the support of the child, or if the IV-E agency determines the child is no longer receiving any support from the parents.
Condition:	As a result of our testing of the eligibility requirements, we noted 6 instances out of 40 items selected for testing where the County did not have documentation that the child was still residing with the adoptive parent.
Cause:	For the 6 instances noted, the Program either didn't send a letter to the adoptive parents during 2010, sent a letter to the adoptive parents but did not follow up with the parents to ensure the letter was returned, or the program could not locate the child's case file.
Effect:	The County is not in compliance with OMB A-133 and the Pennsylvania Department of Public Welfare eligibility requirements. In addition, the internal control over this requirement is not designed effectively.
Questioned Costs:	\$43,461.
Recommendation:	The County should implement procedures to ensure, annually, a letter is sent and returned from the adoptive parents for each child enrolled in the program. In addition, the County should improve internal control procedures over the filing and storing of case files.
Management's Response:	The County has implemented procedures to ensure a letter is both sent and received back completed, on an annual basis, to adoptive parents for each child enrolled in the program. The procedures include sending additional letters to the parent if not received back within a timely manner. In addition, a phone call and/or a field visit will be scheduled to the adoptive parent's home if necessary, to ensure that the County is in compliance with OMB Circular A-133 requirements. The County has also established procedures to maintain subsidy records separate from the actual case file; which will be monitored by the fiscal department through a process of requiring a written request to be submitted to receive access to the file needed. This system will assure that the County is in compliance with the requirements of OMB Circular A-133 and the Pennsylvania Department of Public Welfare

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

<u>Finding 10-8</u>	<u>Special Tests and Provisions R1 Separate Accountability for ARRA Funding</u> CFDA#93.778 ARRA Medical Assistance Program CFDA#93.658 ARRA Foster Care Title IV-E CFDA#93.659 ARRA Adoption Assistance CFDA#10.568 ARRA Emergency Food Assistance Program (Administrative Costs) CFDA#10.569 ARRA Emergency Food Assistance Program (Food Commodities) CFDA#93.705 Aging Home-Delivered Nutrition Services for States CFDA#93.707 Aging Congregate Nutrition Services for States
Criteria:	Pursuant to Office of Management and Budget Circular A-133 in 2 CFR section 176.210, the County must agree to maintain records that adequately identified the source and application of ARRA awards.
Condition:	During our audit testing, we noted the ARRA revenues and expenditures were not separately identified on the County's general ledger.
Cause:	The County did not create additional accounts in order for ARRA revenues and expenditures to be separately identified in the General Ledger.
Effect:	The County is not in compliance with the requirements of Special Tests and Provisions R1 Separate Accountability for ARRA Funding. In addition, the internal control over this requirement is not designed effectively.
Questioned Costs:	The amount of questioned costs, if any, is undeterminable.
Recommendation:	The County should implement procedures to separately identify and track ARRA revenues and expenditures separately on the County's general ledger.
Management's Response:	The County will segregate ARRA revenues and expenditures separately on the County's general ledger so as to maintain adequate records that will comply with OMB Circular A-133 requirements.

COUNTY OF YORK, PENNSYLVANIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

<u>Finding 10-9</u>	<u>Cash Management</u> CFDA #81.128 ARRA Energy Efficiency and Conservation Block Grant Program
Criteria:	OMB A-133 Compliance Supplement Cash Management requires recipients to follow procedures that minimize the time elapsing between transfer of funds from the U.S. Treasury and disbursement.
Condition:	As a result of our testing, we noted for two out four drawdowns tested, funds were not disbursed to the vendor within three business days.
Cause:	The County's was not initially aware that funds had to be disbursed to a vendor within 3 business days after the funds were received.
Effect:	The County did not comply with OMB A-133 internal control requirements over Cash Management.
Questioned Costs:	None.
Recommendation:	The County should establish procedures to ensure that funds are disbursed timely.
Management's Response:	The County has since implemented procedures to make certain that a check is physically cut prior to initiating a drawdown. This ensures the timeliness of the disbursement of funds so as to assure the County's compliance with OMB A-133 Cash Management requirements.

YORK COUNTY, PENNSYLVANIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010

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	09-1	Accounting Records	See Current Year Finding 10-1
Various	09-2	Payment of Annual Required Contribution to Pension Plan	See Current Year Finding 10-2
Various	09-3	Pension Plan	Resolved
Foster Care – Title IV-E	09-4	Special Tests and Provisions R3	Resolved
Medicaid Cluster	09-5	Subrecipient Monitoring Special Tests and Provisions R3	Resolved
Department of Public Welfare – Medical Assistance Transportation Program	09-6	Subrecipient Monitoring Reporting	Resolved
Foster Care – Title-IV-E and Medicaid Cluster	09-7	Special Tests and Provisions R1 Separate Accountability for ARRA Funding	See Current Year Finding 10-8