

**COUNTY OF YORK
PENNSYLVANIA**

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2012

COUNTY OF YORK, PENNSYLVANIA
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2012

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

County Commissioners
County of York
York, Pennsylvania

We have audited, in accordance with the 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 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, 2012, and the related notes to the financial statements, which collectively comprise COUNTY OF YORK, PENNSYLVANIA's basic financial statements and have issued our report thereon dated June 18, 2013. Our report includes a reference to other auditors who audited the financial statements of the York County Solid Waste and Refuse Authority, the York County Industrial Development Authority, and the York County Planning Commission, as described in our report on COUNTY OF YORK, PENNSYLVANIA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the York County Solid Waste and Refuse Authority, the York County Industrial 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 of the financial statements, we considered COUNTY OF YORK, PENNSYLVANIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness COUNTY OF YORK, PENNSYLVANIA's internal control. Accordingly, we do not express an opinion on the effectiveness of COUNTY OF YORK, PENNSYLVANIA's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a 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 12-1, 12-6, and 12-9 to be material weaknesses.

Harrisburg	Lehigh Valley	Philadelphia	Pittsburgh
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

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as Findings 12-5 and 12-11 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether COUNTY OF YORK, PENNSYLVANIA's financial statements are free from 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 are described in the accompanying schedule of findings and questioned costs as Finding 12-2.

County of York, Pennsylvania's Responses to Findings

COUNTY OF YORK, PENNSYLVANIA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. COUNTY OF YORK, PENNSYLVANIA's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
June 18, 2013

Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
THE PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE SINGLE AUDIT SUPPLEMENT,
AND ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AND PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE AWARDS

County Commissioners
County of York
York, Pennsylvania

Report on Compliance for Each Major Federal and Pennsylvania Department of Public Welfare Program

We have audited COUNTY OF YORK, PENNSYLVANIA's compliance with the types of compliance requirements described in the 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 COUNTY OF YORK, PENNSYLVANIA's major federal and DPW programs for the year ended December 31, 2012. COUNTY OF YORK, PENNSYLVANIA's major federal and DPW programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and DPW programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of COUNTY OF YORK, PENNSYLVANIA's major federal and DPW programs based on our audit of the types of compliance requirements referred to above. 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 *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 and DPW 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 on compliance for each major federal and DPW program. However, our audit does not provide a legal determination of COUNTY OF YORK, PENNSYLVANIA's compliance.

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Basis for Qualified Opinion on Major Federal and DPW Programs Listed in the Table Below.

As described in the accompanying schedule of findings and questioned costs, COUNTY OF YORK, PENNSYLVANIA did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
12-3	N/A – PA DPW	Pennsylvania Department of Public Welfare (PA DPW) MH/IDD and Children, Youth, and Families Program	Roster of Personnel
12-4	93.659 and PA DPW	Adoption Assistance and PA DPW Children, Youth, and Families Program	Eligibility
12-5	14.218	CDBG Entitlement Cluster	Earmarking
12-6	14.218	CDBG Entitlement Cluster	Reporting
12-7	14.239	HOME Investment Partnerships Program	Procurement, Suspension, and Debarment
12-8	81.042 (including ARRA)	Weatherization Assistance for Low-Income Persons	Eligibility
12-9	81.042 (including ARRA)	Weatherization Assistance for Low-Income Persons	Reporting
12-10	81.042 ARRA Only	Weatherization Assistance for Low-Income Persons	Earmarking
12-11	N/A - PA DPW	PA DPW Child Support Enforcement	Reporting

Compliance with such requirements is necessary, in our opinion, for COUNTY OF YORK, PENNSYLVANIA to comply with the requirements applicable to that program.

Qualified Opinion on Major Federal and DPW Programs Listed in the Table Above.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, COUNTY OF YORK, PENNSYLVANIA, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and DPW programs listed in the table above for the year ended December 31, 2012.

Unmodified Opinion on Each of the Other Major Federal and DPW Programs

In our opinion, COUNTY OF YORK, PENNSYLVANIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and DPW programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

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Other Matters

The County of York's responses to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of York's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of COUNTY OF YORK, PENNSYLVANIA, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered COUNTY OF YORK, PENNSYLVANIA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and DPW program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and DPW program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Pennsylvania Department of Public Welfare *Single Audit Supplement*, 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 DPW 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 there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DPW 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 12-4, 12-6, 12-7, 12-8, and 12-9 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or DPW program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 12-3, 12-5, 12-10 and 12-11 to be significant deficiencies.

COUNTY OF YORK, PENNSYLVANIA's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. COUNTY OF YORK, PENNSYLVANIA's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Pennsylvania Department of Public Welfare *Single Audit Supplement*. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal and Pennsylvania Department of Public Welfare Awards Required by OMB Circular A-133 and the Pennsylvania Department of Public Welfare *Single Audit Supplement*

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, 2012, and the related notes to the financial statements, which collectively comprise COUNTY OF YORK, PENNSYLVANIA's basic financial statements. We issued our report thereon dated June 18, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 OMB Circular A-133 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 basic 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 information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and Pennsylvania Department of Public Welfare awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Harrisburg, Pennsylvania
June 18, 2013

COUNTY OF YORK, PENNSYLVANIA
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Grantor Program Title	Federal CFDA No.	Fund	Accrued/ (Deferred) Revenue at 12/31/11	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/12
U.S. Department of Agriculture						
Pass-through Commonwealth of Pennsylvania Department of Education						
Child Nutrition Cluster:						
School Breakfast Program	10.553	Youth Development Center	\$ 2,097	\$ 12,975	\$ 12,447	\$ 1,569
National School Lunch Program	10.555	Youth Development Center	3,917	22,821	21,936	3,032
Total Child Nutrition Cluster			<u>6,014</u>	<u>35,796</u>	<u>34,383</u>	<u>4,601</u>
Pass-through PA Department of Agriculture:						
Emergency Food Assistance Cluster:						
Emergency Food Assistance Program (Administrative Costs)	10.568	Human Services	30,428	56,220	50,208	24,416
Emergency Food Assistance Program (Administrative Costs) - ARRA	10.568	Human Services	23	23	-	-
Emergency Food Assistance Program (Food Commodities)	10.569	Human Services	-	270,944	270,944	-
Total Emergency Food Assistance Cluster			<u>30,451</u>	<u>327,187</u>	<u>321,152</u>	<u>24,416</u>
TOTAL - U.S. Department of Agriculture			<u>36,465</u>	<u>362,983</u>	<u>355,535</u>	<u>29,017</u>
U.S. Department of Housing & Urban Development (HUD)						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grants/Entitlement Grants	14.218	Planning Commission	-	17,330,892	17,436,638 *	105,746
Community Development Block Grant - ARRA	14.253	Planning Commission	-	176,242	176,242 *	-
Neighborhood Stabilization Program	14.218	Planning Commission	-	64,889	91,490 *	26,601
Total CDBG - Entitlement Grants Cluster			<u>-</u>	<u>17,572,023</u>	<u>17,704,370</u>	<u>132,347</u>
Emergency Shelter Grants Program	14.231	Planning Commission	-	128,625	141,545	12,920
Supportive Housing Program - Homeless Management Information Systems	14.235	Human Services, Planning Commission	6,588	75,376	73,632	4,844
HOME Investment Partnerships Program	14.239	Planning Commission	-	11,742,079	11,746,660 *	4,581
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	Planning Commission	-	393,719	393,719	-
Pass-through PA Department of Community and Economic Development:						
Emergency Shelter Grants Program	14.231	Planning Commission	-	44,623	44,623	-
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	Planning Commission	-	91,935	91,935	-
TOTAL - U.S. Department of Housing & Urban Development			<u>6,588</u>	<u>30,048,380</u>	<u>30,196,484</u>	<u>154,692</u>
U.S. Department of Justice						
Pass-through Pennsylvania Bureau of Justice Assistance						
Drug Court Discretionary Grant Program (2011-DC-BX-0105)	16.585	Court Administration	-	-	66,932	66,932
Pass-through Pennsylvania Commission on Crime and Delinquency						
Edward Byrne Memorial JAG Program (2009-JG-04-21775-2)	16.738	Court Administration	-	25,818	67,026 *	41,208
Edward Byrne Memorial JAG Program (2009-JG-04-22703)	16.738	Court Administration	-	89,364	134,663 *	45,299
Edward Byrne Memorial JAG Program (2010-JG-06-23503)	16.738	Juvenile Probation	-	-	5,600 *	5,600
Edward Byrne Memorial JAG Program (2009/2010-SC/JT/JG-01/03-22152)	16.738	Human Services	-	-	24,508 *	24,508
Edward Byrne Memorial JAG Program (2006-JG-04-18921-2)	16.738	Court Administration	29,381	29,381	-	-
Edward Byrne Memorial JAG Program (2009-JG-04-21775)	16.738	Court Administration	87,884	87,884	-	-
Edward Byrne Memorial JAG Program - ARRA (2009-AJ-07-20597)	16.803	District Attorney	16,605	42,115	25,510 *	-
Edward Byrne Memorial JAG Program - ARRA (2009-AJ-04-20708)	16.803	District Attorney	30,292	42,966	12,674 *	-
Edward Byrne Memorial JAG Program - ARRA (2009-AJ-02-20658)	16.803	District Attorney	24,413	37,998	13,585 *	-
Edward Byrne Memorial JAG Program - ARRA (2009-AJ-01-20657)	16.803	District Attorney	8,120	20,025	11,905 *	-
Edward Byrne Memorial JAG Program - ARRA (2009-AJ-06-23957)	16.803	District Attorney	-	-	1,589 *	1,589
Total Justice Assistance Grant Program Cluster			<u>196,695</u>	<u>375,551</u>	<u>297,060</u>	<u>118,204</u>
Juvenile Accountability Incentive Block Grants (2010-JB-03-22171)	16.523	Juvenile Probation	1,320	1,320	-	-
Juvenile Accountability Incentive Block Grants (2010/11-JB-03-22830)	16.523	Juvenile Probation	-	10,683	15,507	4,824
Juvenile Justice and Delinquency Prevention - Allocation to States (2009-J-04-20346)	16.540	Juvenile Probation	192	9,474	9,282	-
Title V Delinquency Prevention Program	16.548	Human Services	11,228	35,436	24,208	-
Violence Against Women Formula Grants	16.588	District Attorney	34,698	106,860	72,162	-
TOTAL - U.S. Department of Justice			<u>244,133</u>	<u>539,324</u>	<u>485,151</u>	<u>189,960</u>
U.S. Department of Transportation						
Pass-through PA Dept. of Transportation						
Highway Planning and Construction Cluster:						
Highway Planning and Construction	20.205	Liquid Fuels & Planning Commission	422,286	475,990	357,645	303,941
Pass-through PA Dept. of Conservation & Natural Resources						
Recreation Trails Program	20.219	Parks	4,700	4,700	-	-
Total Highway Planning and Construction Cluster			<u>426,986</u>	<u>480,690</u>	<u>357,645</u>	<u>303,941</u>
Highway Safety Cluster:						
State and Community Highway Safety	20.600	Traffic Safety	155,984	351,806	438,873	243,051
Alcohol Impaired Driving Countermeasures Incentives Grant	20.601	Adult Probation	64,767	154,374	98,943	9,336
Total Highway Safety Cluster			<u>220,751</u>	<u>506,180</u>	<u>537,816</u>	<u>252,387</u>
U.S. Research and Special Programs Administration						
Interagency Hazardous Material Public Sector Training and Planning Grants	20.703	Emergency Management Agency	-	3,065	4,125	1,060
TOTAL - U.S. Department of Transportation			<u>647,737</u>	<u>989,935</u>	<u>899,586</u>	<u>557,388</u>

COUNTY OF YORK, PENNSYLVANIA
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2012

Grantor Program Title	Federal CFDA No.	Fund	Accrued/ (Deferred) Revenue at 12/31/11	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/12
U.S. General Services Administration						
Pass-through PA Dept. of General Services						
Help America Vote Act	39.011	Voter Registration	1,499	-	-	1,499
Help America Vote Act	90.401	Voter Registration	125,064	-	-	125,064
TOTAL - U.S. General Services Administration			126,563	-	-	126,563
U.S. Department of Energy						
Pass-through PA Dept. of Community & Economic Development:						
Weatherization Assistance for Low-Income Persons	81.042	Planning Commission	8,118	-	171,944 *	180,060
Weatherization Assistance for Low-Income Persons - ARRA	81.042	Planning Commission	(131,435)	814,961	946,396 *	-
TOTAL - U.S. Department of Energy			(123,319)	814,961	1,118,340	180,060
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/IDD	-	569,466	569,466	-
Pass-through Tuscarora IU #11:						
Special Education-Grants for Infants and Families	84.181	MH/IDD	-	68,324	68,324	-
Total Early Intervention Services (IDEA) Cluster			-	637,790	637,790	-
Pass-through PA Dept. of Health:						
Safe and Drug-Free Schools and Communities-State Grants	84.186	Human Services	1,649	1,649	-	-
TOTAL - U.S. Department of Education			1,649	639,439	637,790	-
U.S. Department of Health & Human Services						
Pass-through PA Dept. of Aging:						
Special Programs for the Aging-Title VII, Ch 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	Aging	-	2,751	2,751	-
Special Programs for the Aging-Title VII, Ch 2-Long Term Care Ombudsman Services for Older Individuals	93.042	Aging	-	6,074	6,074	-
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	Aging	-	19,206	19,206	-
Aging Cluster:						
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	Aging	-	513,755	513,755 *	-
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	Aging	-	398,204	398,204 *	-
Nutrition Services Incentive Program	93.053	Aging	-	146,321	146,321 *	-
Total Aging Cluster			-	1,058,280	1,058,280	-
Special Programs for the Aging - Title IV and Title II Discretionary Projects	93.048	Aging	-	10,840	10,840	-
National Family Caregiver Support	93.052	Aging	-	129,395	129,395	-
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	Aging	-	23,813	23,813	-
Medicaid Cluster:						
Medical Assistance Program - Waiver	93.778	Aging	110,149	93,212	(16,937)	-
Medical Assistance Program - Pre Admission Assessment	93.778	Aging	-	545,513	545,513	-
Subtotal Medicaid Cluster			110,149	638,725	528,576	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	Aging	-	270,190	270,190	-
Pass-through PA Dept. of Community & Economic Development:						
Low-Income Home Energy Assistance Program	93.568	Planning Commission	59,008	545,689	591,927	105,246
Total PA DCED			59,008	545,689	591,927	105,246
Pass-through PA Dept. of Health:						
Block Grants for Prevention and Treatment of Substance Abuse - SAP #4100053278	93.959	Drug & Alcohol	165,974	1,078,842	995,859	82,991
Pass-through PA Dept. of Public Welfare:						
Public Health and Social Services Emergencies Program	93.003	MH/IDD	(10,305)	-	-	(10,305)
Projects for Assistance in Transition from Homelessness (PATH)	93.150	MH/IDD	-	46,456	46,456	-
Substance Abuse and Mental Health Services/Projects	93.243	MH/IDD	(86,241)	808,253	750,140	(144,354)
Temporary Assistance for Needy Families Cluster	93.558	Children, Youth, and Families, MH/IDD	601,604	1,264,451	1,183,483 *	520,636
Child Support Enforcement	93.563	Domestic Relations	331,800	3,791,836	2,751,807 *	(708,229)
Child Welfare Services-State Grants	93.645	Children, Youth, and Families	-	160,466	160,466	-
Foster Care-Title IV-E	93.658	Children, Youth, and Families, Juv. Prob.	790,466	2,616,723	3,011,983 *	1,185,726
Foster Care-Title IV-E - ARRA	93.658	Children, Youth, and Families	58,544	-	-	58,544

COUNTY OF YORK, PENNSYLVANIA
 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended December 31, 2012

Grantor Program Title	Federal CFDA No.	Fund	Accrued/ (Deferred) Revenue at 12/31/11	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at 12/31/12
U.S. Department of Health & Human Services (Continued)						
Pass-through PA Dept. of Public Welfare (Continued):						
Adoption Assistance	93.659	Children, Youth, and Families	372,427	1,145,179	1,514,405 *	741,653
Social Services Block Grant	93.667	Children, Youth, and Families, MH/IDD	-	406,051	406,051	-
Chafee Foster Care Independence Program	93.874	Children, Youth, and Families	40,195	156,933	153,086	36,348
Medical Assistance Program (Medicaid Cluster)	93.778	Various	12,189	3,209,972	2,911,504	(286,279)
National Bioterrorism Hospital Preparedness Program	93.889	MH/IDD	(10,100)	225,700	222,222	(13,578)
Block Grants for Community Mental Health Services	93.958	MH/IDD	-	288,413	288,413	-
MA Transformation Transfer Initiative	93.999	MH/IDD	-	176,800	176,800	-
Pass-through University of Pittsburgh						
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	Human Services	-	19,042	28,660	9,618
TOTAL - U.S. Department of Health & Human Services			2,435,710	18,100,080	17,242,387	1,578,017
U.S. Department of Homeland Security						
Pass-through PA Emergency Management Agency						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Parks	-	444,321	67,467	(376,854)
Emergency Management Performance Grants	97.042	Emergency Management Agency	34,705	99,868	88,439	23,276
Pass-through PA Dept. of Public Welfare:						
Immediate Services Crisis Counseling Program	97.032	MH/IDD	-	388,018	224,377	(163,641)
Disaster Assistance Projects Grant	97.088	MH/IDD	-	682,557	682,041	(516)
TOTAL - U.S. Department of Homeland Security			34,705	1,614,764	1,062,324	(517,735)
TOTAL FEDERAL AWARDS			\$ 3,410,231	\$ 53,109,866	\$ 51,997,597	\$ 2,297,962

* Denotes Program Tested as Major

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE EXPENDITURES
 YEAR ENDED DECEMBER 31, 2012

		Combined Federal and State Expenditures	
Children, Youth, and Families Program	\$	34,264,851	*
Child Support Enforcement Program		2,751,807	*
Homeless Assistance Programs (HAP)		1,026,309	
Human Services Development Fund (HSDF)		257,887	
Medical Assistance Transportation (MATP)		1,341,075	
Mental Health/Intellectual and Developmental Disabilities Program		26,425,530	*
Total Department of Public Welfare Expenditures	\$	66,067,459	

* Denotes a major program for Pennsylvania Department of Public Welfare purposes. The amount expended under major DPW programs for the year ended December 31, 2012 totaled \$ 63,442,188 or 96.03% of total Pennsylvania Department of Public Welfare Financial Assistance.

COUNTY OF YORK, PENNSYLVANIA
 NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS
 YEAR ENDED DECEMBER 31, 2012

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 2012 threshold for determining Type A and Type B Programs is \$1,028,797. The following high-risk Type B Program was audited as major:

<u>CFDA</u>	<u>Program</u>
16.738 & 16.803	JAG Program Cluster

The following low-risk Type A Program was not audited as major:

<u>CFDA</u>	<u>Program</u>
93.778	Medicaid Cluster Program

The amount expended under programs audited as major federal programs for the year ended December 31, 2012, totaled \$40,386,388 or 77.67% of total federal awards.

COUNTY OF YORK, PENNSYLVANIA
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2012

NOTE 4: LOANS OUTSTANDING

The County had the following loan balances outstanding at December 31, 2012. 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	\$ 14,978,948
Home Investment Partnership Programs	14.239	\$ 11,566,328

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, 2012:

Program	CFDA Number	Grant Period	State Contract Number	Amount
Emergency Shelter Grant	14.231	8/5/10-8/4/12	C000049501	\$ 44,623
DOE Weatherization (ARRA)	81.042	7/1/09-12/31/12	C000046225	814,961
Homeless Prevention and Rapid Re-Housing Program (ARRA)	14.257	9/17/09-8/12/12	C000046168	91,935
LIHEAP	93.568	10/1/10-9/30/13	C000050650	545,689

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, 2012:

Program	CFDA Number	Grant Period	State Contract Number	Amount
Child Support Enforcement	93.563	10/1/10-9/30/15	4100053445	\$ 3,791,836

Zelenkofskje 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, 2012 and calendar year ended December 31, 2012. The COUNTY OF YORK's management is responsible for the financial schedules and exhibits required by the DPW *Single Audit Supplement*. This agreed-upon procedures engagement 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 those parties specified in the report. 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.

Our procedures and 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, 2012, and calendar year ended December 31, 2012, for Exhibits A-1(a) and A-1(c) , 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
Title IV-D Child Support Enforcement	A-1(c)	Comparison of Reported Incentives to Incentives of Deposit
Medical Assistance Transportation – York County	III(a)	Schedule of Revenues and Expenditures
Medical Assistance Transportation – Adams County	III(b)	Schedule of Revenues and Expenditures

Zelenkofske Axelrod LLC

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<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Schedule/Exhibit</u>
Mental Health/IDD	IV(a)MH	Schedule of Revenues, Expenditures, and Carryover Funds – MH
	IV(b)MH	Report of Income and Expenditures - MH
	IV(c)IDD	Schedule of Revenues, Expenditures, and Carryover Funds – IDD
	IV(d)IDD	Report of Income and Expenditures - IDD
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 that incentive payments reported on Schedule A-1(c) were understated by \$118,465 (See Finding 12-11).		

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial schedules and exhibits. 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 York County Commissioners and the Pennsylvania Department of Public Welfare and is not intended to be and should not be used by anyone other than those specified parties.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
June 18, 2013

COUNTY OF YORK, PENNSYLVANIA
 SUMMARY OF EXPENDITURES - TITLE IV-D CHILD SUPPORT ENFORCEMENT PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2012

	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)
Calendar Quarter Ended 3/31/12															
Salary/Overhead (Exclude Blood Tests)	\$ 1,157,517	\$ 37,499	\$ 1,120,018	66%	\$ 739,212	\$ 1,157,517	\$ 37,499	\$ 1,120,018	66%	\$ 739,212	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	6	-	6	66%	4	6	-	6	66%	4	-	-	-	66%	-
Interest/Program Income	41,163	1,335	39,828	66%	26,286	41,163	1,335	39,828	66%	26,286	-	-	-	66%	-
Blood Testing Fees	3,489	-	3,489	66%	2,303	3,489	-	3,489	66%	2,303	-	-	-	66%	-
Subtotal (1-2-3-4)	1,112,859	36,164	1,076,695	-	710,619	1,112,859	36,164	1,076,695	-	710,619	-	-	-	-	-
Blood Testing	3,296	-	3,296	66%	2,176	3,296	-	3,296	66%	2,176	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	<u>\$ 1,116,155</u>	<u>\$ 36,164</u>	<u>\$ 1,079,991</u>	-	<u>\$ 712,795</u>	<u>\$ 1,116,155</u>	<u>\$ 36,164</u>	<u>\$ 1,079,991</u>	-	<u>\$ 712,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Calendar Quarter Ended 6/30/12															
Salary/Overhead (Exclude Blood Tests)	\$ 1,078,096	\$ 34,648	\$ 1,043,448	66%	\$ 688,675	\$ 1,078,096	\$ 34,648	\$ 1,043,448	66%	\$ 688,675	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	7	-	7	66%	4	7	-	7	66%	4	-	-	-	66%	-
Interest/Program Income	48,232	1,553	46,679	66%	30,808	48,232	1,553	46,679	66%	30,808	-	-	-	66%	-
Blood Testing Fees	4,349	-	4,349	66%	2,870	4,349	-	4,349	66%	2,870	-	-	-	66%	-
Subtotal (1-2-3-4)	1,025,508	33,095	992,413	-	654,993	1,025,508	33,095	992,413	-	654,993	-	-	-	-	-
Blood Testing	4,416	-	4,416	66%	2,914	4,416	-	4,416	66%	2,914	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	<u>\$ 1,029,924</u>	<u>\$ 33,095</u>	<u>\$ 996,829</u>	-	<u>\$ 657,907</u>	<u>\$ 1,029,924</u>	<u>\$ 33,095</u>	<u>\$ 996,829</u>	-	<u>\$ 657,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Calendar Quarter Ended 9/30/12															
Salary/Overhead (Exclude Blood Tests)	\$ 1,117,758	\$ 35,650	\$ 1,082,108	66%	\$ 714,191	\$ 1,117,758	\$ 35,650	\$ 1,082,108	66%	\$ 714,191	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	7	-	7	66%	4	7	-	7	66%	4	-	-	-	66%	-
Interest/Program Income	46,657	1,491	45,166	66%	29,810	46,657	1,491	45,166	66%	29,810	-	-	-	66%	-
Blood Testing Fees	1,149	-	1,149	66%	759	1,149	-	1,149	66%	759	-	-	-	66%	-
Subtotal (1-2-3-4)	1,069,945	34,159	1,035,786	-	683,618	1,069,945	34,159	1,035,786	-	683,618	-	-	-	-	-
Blood Testing	3,072	-	3,072	66%	2,027	3,072	-	3,072	66%	2,027	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	<u>\$ 1,073,017</u>	<u>\$ 34,159</u>	<u>\$ 1,038,858</u>	-	<u>\$ 685,645</u>	<u>\$ 1,073,017</u>	<u>\$ 34,159</u>	<u>\$ 1,038,858</u>	-	<u>\$ 685,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Calendar Quarter Ended 12/31/12															
Salary/Overhead (Exclude Blood Tests)	\$ 1,149,350	\$ 37,169	\$ 1,112,181	66%	734,039	\$ 1,149,350	\$ 37,169	\$ 1,112,181	66%	\$ 734,039	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	3	-	3	66%	2	3	-	3	66%	2	-	-	-	66%	-
Interest/Program Income	40,984	1,332	39,652	66%	26,171	40,984	1,332	39,652	66%	26,171	-	-	-	66%	-
Blood Testing Fees	2,603	-	2,603	66%	1,717	2,603	-	2,603	66%	1,717	-	-	-	66%	-
Subtotal (1-2-3-4)	1,105,760	35,837	1,069,923	-	706,149	1,105,760	35,837	1,069,923	-	706,149	-	-	-	-	-
Blood Testing	4,864	-	4,864	66%	3,211	4,864	-	4,864	66%	3,211	-	-	-	66%	-
ADP	-	-	-	66%	-	-	-	-	66%	-	-	-	-	66%	-
Net Total (5+6+7)	<u>\$ 1,110,624</u>	<u>\$ 35,837</u>	<u>\$ 1,074,787</u>	-	<u>\$ 709,360</u>	<u>\$ 1,110,624</u>	<u>\$ 35,837</u>	<u>\$ 1,074,787</u>	-	<u>\$ 709,360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>

COUNTY OF YORK, PENNSYLVANIA
 COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT - CHILD SUPPORT ENFORCEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2012

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Variance	Type of Account Structure
January 1	776,565	776,565	0	(X) Separate Bank Account () Restricted Fund - General Ledger () Other: _____
March 31	985,680	985,680	0	
June 30	985,680	1,104,145	(118,465)	
September 30	1,104,099	1,222,564	(118,465)	
December 31	1,221,164	1,339,629	(118,465)	

Note: Do not include income received from interest or Medical Incentives.

Note: Variance is due to the June incentive payment of \$118,465.18 (for 1/12-3/12) not being entered onto the MSE Paid Cost Worksheet as Incentives received.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF REVENUES AND EXPENDITURES
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM - YORK COUNTY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Reported</u>	<u>Actual</u>
<u>Service Data:</u>		
Expenditures		
Group I Clients	\$ 1,564,369	\$ 1,564,369
Group II Clients	<u>71,663</u>	<u>71,663</u>
Total Expenditures	<u>\$ 1,636,032</u>	<u>\$ 1,636,032</u>
 <u>Allocation Data:</u>		
Revenues		
Department of Public Welfare	\$ 1,633,638	\$ 1,633,638
Interest Income	<u>2,394</u>	<u>2,394</u>
Total Revenues	<u>1,636,032</u>	<u>1,636,032</u>
Funds Expended		
Operating Costs	1,481,408	1,481,408
Administrative Costs	<u>154,624</u>	<u>154,624</u>
Total Funds Expended	<u>1,636,032</u>	<u>1,636,032</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF REVENUES AND EXPENDITURES
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM - ADAMS COUNTY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Reported</u>	<u>Actual</u>
<u>Service Data:</u>		
Expenditures		
Group I Clients	\$ 359,255	\$ 359,255
Group II Clients	<u>10,025</u>	<u>10,025</u>
Total Expenditures	<u>\$ 369,280</u>	<u>\$ 369,280</u>
 <u>Allocation Data:</u>		
Revenues		
Department of Public Welfare	\$ 368,805	\$ 368,805
Interest Income	<u>475</u>	<u>475</u>
Total Revenues	<u>369,280</u>	<u>369,280</u>
Funds Expended		
Operating Costs	337,400	337,400
Administrative Costs	<u>31,880</u>	<u>31,880</u>
Total Funds Expended	<u>369,280</u>	<u>369,280</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, 2012

Sources of DPW Funds	DPW Funds Available			Cost Eligible for DPW Participation (4)	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)						
A. MH Services	\$ 22,352	\$ 15,384,749	\$ 15,407,101	\$ 15,336,901	\$ 70,200	\$ 295	\$ -	\$ -	\$ 70,495
B. OTHER STATE FUNDS									
2. BH Services Initiative	-	240,309	240,309	240,309	-	-	-	-	-
3. Personal Care Homes	-	-	-	-	-	-	-	-	-
4. Reserved	-	-	-	-	-	-	-	-	-
9. Total Other State	-	240,309	240,309	240,309	-	-	-	-	-
C. SSBG	-	68,432	68,432	68,432	-	-	-	-	-
D. CMHSBG	-	287,683	287,683	287,683	-	-	-	-	-
E. OTHER FEDERAL FUNDS									
1. Max. Part. Project	-	-	-	-	-	-	-	-	-
2. Medical Assistance/ TTI	-	51,150	51,150	51,150	-	-	-	-	-
3. PATH Homeless	-	46,456	46,456	46,456	-	-	-	-	-
6. Youth Suicide Prevention	79,778	392,000	471,778	356,110	115,668	-	-	-	115,668
7. Jail Diversion & Trauma Recovery	25,668	115,000	140,668	92,777	47,891	-	-	-	47,891
8. Terrorism Related Disaster Relief	10,305	-	10,305	-	10,305	-	-	-	10,305
9. Hospital Prep Prog-Crisis Counsel	10,100	-	10,100	10,100	-	-	-	-	-
10. Biotersm Hosp Prep/Pub Hth Prep Resp	-	250,000	250,000	246,522	3,478	-	-	-	3,478
11. Intermediate Svs Crisis Counseling Grant	-	935,016	935,016	771,375	163,641	-	-	-	163,641
12. Disaster Case Management	-	59,100	59,100	58,584	516	-	-	-	516
13. Peer Spec Delivery of Empl, Svcs Grant	-	10,300	10,300	10,300	-	-	-	-	-
14. Wellness & Older Adult Peer Supp	-	22,100	22,100	22,100	-	-	-	-	-
13. Total Other Federal	125,851	1,881,122	2,006,973	1,665,474	341,499	-	-	-	341,499
F. TOTAL	\$ 148,203	\$ 17,862,295	\$ 18,010,498	\$ 17,598,799	\$ 411,699	\$ 295	\$ -	\$ -	\$ 411,994

COUNTY OF YORK, PENNSYLVANIA
 REPORT OF INCOME AND EXPENDITURES - MENTAL HEALTH PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

I.	TOTAL ALLOCATION	<u>\$ 18,010,498</u>
II.	TOTAL EXPENDITURES	<u>\$ 21,539,512</u>
III.	COSTS OVER ALLOCATION	
	A. County Funded - Eligible	\$ -
	B. County Funded - Ineligible	-
	C. Other Eligible	-
	D. Other Ineligible	-
		<hr/>
	E. Total Costs Over Allocation	-
IV.	REVENUES	
	A. Program Service Fees	32,321
	B. Private Insurance Fees	8,850
	C. Medical Assistance	3,351,048
	D. Medical Assistance - Administration Claims	8,286
	E. Room and Board	49,901
	F. Earned Interest	5,708
	G. Other	54,822
		<hr/>
	H. Total Revenue	<u>3,510,936</u>
V.	DPW REIMBURSEMENT	
	A. Base Allocation 90%	3,843,590
	B. Base Allocation 100%	327,656
	C. DPW Categorical Funding 90%	24,379
	D. DPW Categorical Funding 100%	13,047,059
	E. SSBG	
	90% Adult	-
	90% Child	-
	100% Adult	68,432
	100% Child	-
	F. CMHSBG	
	90%	-
	100%	287,683
VI.	10% COUNTY MATCH	<u>429,777</u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	<u>18,028,576</u>
VIII.	TOTAL CARRYOVER	<u>\$ 411,699</u>

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - INTELLECTUAL AND DEVELOPEMENTAL DISABILITIES SERVICES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Sources of DPW Funds	DPW Funds Available			Cost Eligible for DPW Participation (4)	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)						
A. ID Services									
1. Community (NR/Res)	\$ 481,381	\$ 3,087,900	\$ 3,569,281	\$ 3,566,692	\$ 2,589	\$ 32	\$ -	\$ -	\$ 2,621
2. SSBG	-	104,256	104,256	104,256	-	-	-	-	-
4. Subtotal MR Services	481,381	3,192,156	3,673,537	3,670,948	2,589	32	-	-	2,621
B. Waiver									
1. Waiver Administration	-	410,104	410,104	410,104	-	-	-	-	-
2. Reserved	-	-	-	-	-	-	-	-	-
5. Subtotal Waiver	-	410,104	410,104	410,104	-	-	-	-	-
C. Other									
1. Elwyn Institute	-	-	-	-	-	-	-	-	-
2. Money Follows the Person	-	-	-	-	-	-	-	-	-
3. Reserved	-	-	-	-	-	-	-	-	-
Subtotal Other	-	-	-	-	-	-	-	-	-
E. Total	\$ 481,381	\$ 3,602,260	\$ 4,083,641	\$ 4,081,052	\$ 2,589	\$ 32	\$ -	\$ -	\$ 2,621

COUNTY OF YORK, PENNSYLVANIA
 REPORT OF INCOME AND EXPENDITURES - INTELLECTUAL AND DEVELOPMENTAL DISABILITIES PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

I.	TOTAL ALLOCATION	\$ 4,083,641
II.	TOTAL EXPENDITURES	\$ 4,479,963
III.	COSTS OVER ALLOCATION	
	A. County Funded Eligible	\$ -
	B. County Funded Ineligible	-
	C. Other Eligible	-
	D. Other Ineligible	-
	E. Total Costs Over Allocation	-
IV.	REVENUES	
	A. Program Service Fees	-
	B. Private Insurance Fees	-
	C. Medical Assistance	-
	D. Medical Assistance - Administration	-
	E. Room and Board	31,067
	F. Earned Interest	4,994
	G. Other	54,296
	H. Total Revenue	90,357
V.	DPW Reimbursement	
	A. Base Allocation 90%	2,233,460
	B. Base Allocation 100%	581,344
	C. DPW Cat. Funding 90%	517,111
	D. DPW Cat. Funding 100%	644,881
	E. SSBG	
	90% Adult	26,402
	90% Child	-
	100% Adult	77,854
	100% Child	-
VI.	10% COUNTY MATCH	308,554
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	4,389,606
VIII.	TOTAL CARRYOVER	\$ 2,589

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - EARLY INTERVENTION SERVICES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Sources of DPW Funds	DPW Funds Available			Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6)	Total Fund Balance (7)
	Carryover (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention							
1. Early Intervention Services	\$ 172,189	\$ 2,371,281	\$ 2,543,470	\$ 2,543,470	\$ -	\$ 9,386	\$ 9,386
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)	-	598,631	598,631	598,631	-	-	-
5. ITF Waiver Administration	-	37,904	37,904	37,904	-	-	-
6. Infants & Toddlers w/ Disabilities (Part C) / ARRA	-	152,307	152,307	152,307	-	-	-
7. Reserved	-	-	-	-	-	-	-
8. Total Early Intervention	<u>\$ 172,189</u>	<u>\$ 3,307,044</u>	<u>\$ 3,479,233</u>	<u>\$ 3,479,233</u>	<u>\$ -</u>	<u>\$ 9,386</u>	<u>\$ 9,386</u>

COUNTY OF YORK, PENNSYLVANIA
 REPORT OF INCOME AND EXPENDITURES - EARLY INTERVENTION PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

I.	TOTAL ALLOCATION	<u>\$ 3,479,233</u>
II.	TOTAL EXPENDITURES	<u>\$ 6,791,176</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	2,870,193
	D. Medical Assistance - Admin.	-
	E. Earned Interest	714
	F. Other	<u>75,449</u>
	G. Total Revenue	<u>2,946,356</u>
V.	DPW Reimbursement	
	A. Base Allocation 90%	-
	B. Base Allocation 100%	-
	C. DPW Cat. Funding 90%	3,289,022
	D. DPW Cat. Funding 100%	190,211
VI.	10% COUNTY MATCH	<u>365,587</u>
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	<u>3,844,820</u>
VIII.	TOTAL CARRYOVER	<u>\$ -</u>

COUNTY OF YORK, PENNSYLVANIA
SCHEDULE OF REVENUES AND EXPENDITURES
COMBINED HOMELESS ASSISTANCE PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Sources of Funding

DPW Allocation (Must Equal Total County HAP Allocation)	A \$ 974,876
Client Contributions	B 25,755
Other	C -
Interest Earned	D <u>1,156</u>
Total HAP Funding (A + B + C + D = E)	E <u>\$ 1,001,787</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	\$ 44,677	\$ -	\$ 275,486	\$ 52,074	F \$ 372,237
Personnel	182,644	115,101	64,970	-	G 362,715
Operating	70,634	33,865	25,249	-	H 129,748
Fixed Assets/Equipment	<u>78,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	I <u>78,086</u>
Subtotal	<u>\$ 376,041</u>	<u>\$ 148,966</u>	<u>\$ 365,705</u>	<u>\$ 52,074</u>	J 942,786
			County Administration (Max 10% Total HAP Funding)		K <u>59,001</u>
			Total HAP Expenses (J + K = L)		L <u>1,001,787</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, 2012

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>
14.218 & 14.253	Community Development Block Grant – Entitlement Grants Cluster
14.239	HOME Investment Partnerships Program
16.738 & 16.803	Justice Assistance Grants Program Cluster
81.042	Weatherization Assistance for Low-Income Persons
93.044, 93.045 & 93.053	Aging Cluster
93.558	Temporary Assistance for Needy Families (TANF) Cluster
93.563	Child Support Enforcement Program
93.658	Foster Care Title IV-E
93.659	Adoption Assistance

Name of DPW Program

Children, Youth, and Families Program
 Child Support Enforcement Program
 Mental Health/Intellectual and Developmental Disabilities Program

Dollar threshold used to distinguish between Type A and Type B programs: \$1,028,797

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, 2012

Section II - Financial Statement Findings

Finding 12-1

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 allowance for doubtful accounts/expense and accounts receivable/deferred revenue 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, 2012

Section II - Financial Statement Findings (Continued)

Finding 12-2

Payment of Annual Required Contribution to Pension Plan

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, 2012 actuarial valuation required the County to contribute \$11,484,752 during 2012 to the County's Retirement Plan. The County contributed only \$10,000,000 of the required contribution to the retirement plan during 2012. Also during 2011, 2010 and 2009, the County did not fully fund their annual required contributions to the County's Retirement Plan. At December 31, 2012, the cumulative unfunded pension liability is \$6,751,978.

Cause: The County elected not to contribute \$1,484,752 of their 2012 annual required contribution to the retirement plan and the County elected not to fully fund their 2011, 2010 and 2009 annual required contributions 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 2012 was made in order to balance the County's 2012 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, 2012

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

Finding 12-3

Roster of Personnel

Pennsylvania Department of Public Welfare MH/IDD Program
 Pennsylvania Department of Public Welfare Children, Youth, and Families Program

Criteria: Under mandate of the Pennsylvania Department of Welfare, the Children, Youth, and Families and the MH/IDD Program are to follow specific personnel related regulations and submit a Roster of Personnel (PW 1171) to the Pennsylvania Department of Welfare. The Pennsylvania Department of Welfare informs the County of the nature and amount of any disallowances.

Condition: During the year under audit, the Rosters of Personnel for the Children, Youth, and Families and MH/IDD Program were not certified by Pennsylvania Department of Public Welfare.

Cause: The Pennsylvania Department of Public Welfare is unable to conclude its review of the submitted PW 1171. The County has cooperated with the Department in providing the requested information, and the Children, Youth, and Families and MH/IDD Programs continue to wait on the receipt of the certification of the PW 1171 report.

Effect: The Programs are not in compliance with Pennsylvania Department of Welfare, Children, Youth, and Families and MH/IDD guidelines.

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

Recommendation: The Program Coordinator/Director needs to ensure that the Roster of Personnel is free from disallowances.

Management's Response:

For the year ending June 30, 2012 this report (PW 1171) was submitted by the Children, Youth, and Families and MH/IDD Programs prior to the regulatory deadline. However, due to DPW staff shortages and more intensive reviews being conducted by the Department of Public Welfare, audit staff of DPW were unable to complete their review in a timely manner. While the review is currently in progress, the Children, Youth, and Families & MH/IDD Programs do not control this process nor do we know when the Department of Public Welfare will issue its report.

The Children, Youth, and Families and the MH/IDD Program have responded in a timely manner to all questions posed regarding the reports that were submitted to the Department of Public Welfare for the year ended June 30, 2012. We continue to wait for the final report.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

Finding 12-4

Eligibility

CFDA #93.659 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 59 instances out of 60 items selected for testing where the County did not have documentation that the child was still residing with the adoptive parent or the documentation was not properly submitted.

Cause: For the 59 instances noted, the Program either didn't send a letter to the adoptive parents during 2012, sent a letter to the adoptive parents but did not follow up with the parents to ensure the letter was returned, or received the letter back but did not have Children & Youth personnel sign off on the form.

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 operating effectively.

Questioned Costs: \$216,367

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.

Management's
 Response:

The County will be implementing procedures to create and send adoption letters on a monthly basis (by the month the adoption was finalized) as opposed to past practices which only required that annual letters be sent on a quarterly basis. Additional procedures will also be applied that require a permanency clerical staff person to monitor the return of the signed adoption letters in a more timely manner. This will ensure more effective internal control and to meet the requirements of OMB Circular A-133 and the Department of Public Welfare.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

Finding 12-5

Earmarking

CFDA #14.218 Community Development Block Grant Entitlement Grants

Criteria:	As described in 24 CFR section 570.200(g), "no more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs." It further states, "Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year."
Condition:	As a result of our testing of earmarking requirements, we noted that the amount of planning and administrative costs charged to the grant exceeded 20 percent of the entitlement grant plus program income received during the program year. Program year expenditures for planning and administrative costs are approximately 24.6 percent of the entitlement grant plus current year program income.
Cause:	Program planning and administrative costs were not adequately monitored for the program year and these costs continued to be funded by CDBG funds after the 20 percent cap had been reached.
Effect:	The County is not in compliance with earmarking requirements. In addition, the internal control over this requirement is not designed effectively.
Questioned Costs:	\$99,254.
Recommendation:	The program should implement policies to monitor planning and administrative expenditures charged to the grant on an on-going basis. If the planning and administrative expenditures are nearing the maximum amount, the program should take steps to ensure those expenditures are funded through other sources such as local funds.
Management's Response:	The County will take necessary steps to meet HUD's directive. Financial planning including planning and administrative cost analysis and budget review are underway. If necessary, appropriate revisions to internal controls and standard operating procedures for the CDBG program will also take place to ensure that the County is in compliance with the 20% PA Cap cumulatively for 2012 and 2013 and future program requirements.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

Finding 12-6

Reporting

CFDA #14.218 Community Development Block Grant Entitlement Grants

Criteria:	Recipients of first-tier subawards are required to "report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds" as described in 2 CFR section 170, Appendix A, Part I.a.1. <i>Applicability pursuant to the Federal Funding Accountability and Transparency Act of 2006 ("Transparency Act")</i> , unless the entity meets certain exceptions.
Condition:	As a result of our testing of reporting requirements, we noted 6 instances out of 6 subawards selected for testing where the Program did not properly report awards to subrecipients in the FSRS according to the Transparency Act reporting requirements.
Cause:	The Program could not obtain all of the required information from its subrecipients to input into the website.
Effect:	The County is not in compliance with Transparency Act reporting requirements. In addition, the internal control over this requirement is not operating effectively.
Questioned Costs:	The amount of questioned costs, if any, is undeterminable.
Recommendation:	The Program should implement procedures to ensure that awards over \$25,000 to the program's subrecipients are reported in accordance with Transparency Act reporting requirements, and that all required information should be obtained from subrecipients prior to entering into subaward agreements.
Management's Response:	Until recently, the County was unsuccessful in obtaining user access to the Federal Sub-Award Reporting System (FSRS) for various reasons. Once user access to FSRS was obtained, the County successfully reported awards greater than \$25,000.00 to subrecipients per the Transparency Act reporting requirements for Program Year 2012 for the Community Development Block Grant (CDBG) Program. The County will now implement procedures to ensure that awards over \$25,000.00 to the program's subrecipients are reported in FSRS in a timely manner. Internal controls for FSRS reporting are being updated to reflect this.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

<u>Finding 12-7</u>	<u>Procurement, Suspension, and Debarment</u>
	CFDA #14.239 HOME Investment Partnerships Program
Criteria:	OMB Circular A-133 requires that the County maintain internal control over Procurement, Suspension, and Debarment requirements to ensure it does 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 have the controls in place to ensure it complied with OMB A-133 internal control requirements over Procurement, Suspension and Debarment. However, we viewed the Excluded Parties List online noting that the provider was not on the list of 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:	The County will now include debarment and suspension language for HOME Commitment letters and HOME Agreements with providers/contractors to ensure that all providers receiving HOME funds certify that they are not suspended or debarred:

COUNTY OF YORK, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2012

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

<u>Finding 12-8</u>	<u>Eligibility</u>
	CFDA #81.042 Weatherization Assistance for Low-Income Persons CFDA #81.042 ARRA Weatherization Assistance for Low-Income Persons
Criteria:	As described in 2 CFR Section 440.22(a)(1) a dwelling unit is eligible for weatherization services if it is occupied by a family "whose income is at or below 200 percent of the poverty level." Per Weatherization Assistance Program Directives issued by the Pennsylvania Department of Community and Economic Development (DCED), the County's grantor, income is determined by gross wages and payments before taxes or deductions.
Condition:	During our testing, we noted one of 37 instances where the person receiving weatherization assistance was over the income limit, and was not eligible under another eligibility criterion.
Cause:	For one out of 37 case files tested, the Program used net income instead of gross income to determine eligibility.
Effect:	The County is not in compliance with program eligibility requirements. In addition, the internal control over this requirement is not operating effectively.
Questioned Costs:	\$11,092.
Recommendation:	The program should develop procedures to ensure all eligibility calculations are performed in accordance with 2 CFR Section 440.22(a)(1) and the directives issued by the Pennsylvania Department of Community and Economic Development.
Management's Response:	Pennsylvania WAP Directive 2012-05 was released on July 16, 2012 and completely replaced Directive 2011-02. Additional information on the application of income exclusions and how non-cash benefits are calculated to determine consumer income eligibility is identified in Section III.A.1.iii.b.4.ix). Subsection b) and c.1) contains specific language on deductions from a Social Security payment not being considered a non-cash benefit, and, therefore, not an income exclusion. The County is revising the methodology used when calculating non-cash benefits as income exclusions for the purpose of determining income eligibility in compliance with Directive 2012-05. Deductions from paychecks are not considered non-cash and will be included in the gross income calculation. Internal controls will be developed to outline this process.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

Finding 12-9

Reporting

CFDA #81.042 Weatherization Assistance for Low-Income Persons
 CFDA #81.042 ARRA Weatherization Assistance for Low-Income Persons

Criteria: As required by the Pennsylvania Department of Community and Economic Development (DCED), a Financial Status Report (FSR) is required to be completed and submitted monthly by the Program to report the expenditures incurred in the previous month.

Condition: During our testing, we noted three out of four instances where the filed reports did not accurately report the monthly expenditures or cumulative grant expenditures for the Program. For the months of January, April, and July of 2012, we noted variances of \$268,426, \$143,558, and \$57,792 respectively between reported expenditures and expenditures on the general ledger. We did note, however, that all grant funds received were expended or obligated during the grant period.

Cause: The Program reported expenditures incurred during the month and cumulative expenditures for all projects completed during that month.

Effect: The Program is not in compliance with Reporting requirements of the grantor agency. In addition, internal controls over this requirement are not operating effectively.

Questioned Costs: None.

Recommendation: The Program should prepare and review the required financial reports using the methods and basis prescribed by the grantor agency.

Management's Response: The County will review the internal controls regarding the FSR preparation and completion and will work with staff and the Controllers Office to identify ways to better tie in the reporting components of the FSR to the County Pentamation System.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

Finding 12-10

Earmarking

CFDA #81.042 ARRA Weatherization Assistance for Low-Income Persons

Criteria:	As described in 10 CFR section 440.18(e), "Not more than 10 percent of any grant made to a State may be used by the grantee and subgrantees for administrative purposes." The Program's grantor, the Pennsylvania Department of Community and Economic Development (DCED), may place further restriction on the amount of funds that may be used for administrative purposes during the subaward budget approval process.
Condition:	During testing, we noted that the Program exceeded the maximum expenditures for administrative purposes.
Cause:	During 2012, the Program received a revised allocation from DCED, reducing the total grant award and in turn reducing the maximum administrative expenditures. At the time of this revised allocation, the Program had already exceeded the new administrative expenditure amount. Excess costs incurred over the new maximum administrative costs were subsequently reported as program operations expenditures. The Program could not provide documentation that the reclassified expenditures were operating expenditures.
Effect:	The Program is not in compliance with earmarking requirements. In addition, internal controls over this requirement are not operating effectively.
Questioned Costs:	\$17,264
Recommendation:	The Program should ensure that administrative expenditures are accurately reported.
Management's Response:	Even though the grant reduction was a situation beyond the County's control, the County will better prepare and closely monitor the spending of administration funds in the future in order to better prepare for any unforeseen reduction of funds.

COUNTY OF YORK, PENNSYLVANIA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

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

<u>Finding 12-11</u>	<u>Reporting</u>
	Pennsylvania Department of Public Welfare Child Support Enforcement
Criteria:	The Pennsylvania Department of Public Welfare requires the Program to report accurate balances on the MSE Incentive Paid Cost Worksheet – Ending Balances
Condition:	During our testing, we noted the ending balance reported on the MSE Incentive Paid Cost Worksheet – Ending Balances for the quarter ended June 30, 2012 was understated by \$118,465.
Cause:	The Program did not include an incentive payment received of \$118,465 during the quarter ended June 30, 2012 on the MSE Incentive Paid Cost Worksheet – Ending Balances. The incentive payment of \$118,465 also was not reported for the quarters ending September 30 and December 31, 2012.
Effect:	The Program is not in compliance with reporting requirements. In addition, internal controls over this requirement are not operating effectively.
Questioned Costs:	None.
Recommendation:	The Program should ensure all incentive payments are properly reported on the MSE Incentive Paid Cost Worksheet – Ending Balances.
Management's Response:	The Program has reviewed the written procedures in place for the reporting of incentive funds and found they were not followed properly for the reporting month of June 2012. As a result, this affected the reporting for the months following (July through December 2012). Corrective reports for the months affected have been completed and forwarded to the Bureau of Child Support Enforcement. Going forward, the Program will ensure that the internal control procedures in place for financial reporting are followed appropriately, as according to reporting requirements.

YORK COUNTY, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2012

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	11-1	Accounting Records	See Current Year Finding 12-1
Various	11-2	Payment of Annual Required Contribution to Pension Plan	See Current Year Finding 12-2
Children, Youth, and Families Program and MH/IDD Program	11-3	Roster of Personnel	See Current Year Finding 12-3
ARRA STOP Violence Program	11-4	Procurement, Suspension & Debarment	Resolved
C&Y Adoption Assistance Program	11-5	Eligibility	See Current Year Finding 12-4
C&Y Foster Care Program, C&Y Adoption Assistance Program, Medical Assistance Program	11-6	Special Tests and Provisions R1 Separate Accountability for ARRA Funding	Resolved
ARRA Energy Efficiency and Conservation Block Grant Program	11-7	Cash Management	Resolved
Children, Youth, and Families Foster Care Program	11-8	Eligibility	Resolved
Children, Youth, and Families Program	11-9	Procurement, Suspension, and Debarment, and Subrecipient Monitoring	Resolved
Community Development Block Grant Entitlement Grants	11-10	Reporting	See Current Year Finding 12-6