



County of Centre, Pennsylvania

Single Audit Reports and Agreed-Upon Procedures

December 31, 2018

County of Centre, Pennsylvania

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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***

To the Board of Commissioners of
County of Centre, Pennsylvania

We have audited, 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 governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Centre, Pennsylvania (the "County") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 16, 2019. Our report disclosed that the County adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2018. Our opinion was not modified with respect to the matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Virchow Krause, LLP

State College, Pennsylvania
July 16, 2019

**Independent Auditors' Report on Compliance for
Each Major Federal and DHS Program and on
Internal Control Over Compliance Required by
the Uniform Guidance and the Commonwealth of Pennsylvania,
Department of Human Services *Single Audit Supplement* and on the Schedule of
Expenditures of Federal Awards and on the Schedule of DHS Expenditures**

To the Board of Commissioners of
County of Centre, Pennsylvania

Report on Compliance for Each Major Federal and DHS Program

We have audited the County of Centre, Pennsylvania's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Commonwealth of Pennsylvania, Department of Human Services ("DHS") *Single Audit Supplement* that could have a direct and material effect on each of the County's major federal and DHS programs for the year ended December 31, 2018. The County's major federal and DHS programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state DHS programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and DHS 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and; the Commonwealth of Pennsylvania, DHS *Single Audit Supplement*. Those standards, the Uniform Guidance and the DHS *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 DHS program occurred. An audit includes examining, on a test basis, evidence about the County'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 DHS program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and DHS Program

In our opinion, the County 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 major federal and DHS programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the County 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and DHS 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 DHS program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the DHS *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 the County's internal control over compliance.

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 DHS program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 DHS program will not be prevented, or detected and corrected, on a timely basis. 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 DHS 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance and the DHS *Single Audit Supplement*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and on the Schedule of the Department of Human Services Expenditures required by the Commonwealth of Pennsylvania Department of Human Services.

We have audited the financial statements, issued under separate cover, of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 16, 2019, 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 schedule of expenditures of federal awards and the Schedule of the Department of Human Services expenditures are presented for purposes of additional analysis as required by the Uniform Guidance and Commonwealth of Pennsylvania Department of Human Services, respectively, 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 schedule of expenditures of federal awards and the schedule of DHS expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

State College, Pennsylvania
September 23, 2019

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor / Pass-Through Grantor / Project Title	Federal CFDA Number	Pass-Through Grantor's Number/ Grant Number	Total Received for the Year	Accrued or (Deferred) Revenue at January 1, 2018	Adjustments to Accrued Revenue at January 1, 2018	Revenue Recognized	Total Federal Expenditures	Accrued or (Deferred) Revenue at December 31, 2018	Passed-Through to Subrecipients
U.S. Department of Agriculture									
Passed Through the Pennsylvania Department of Agriculture:									
Emergency Food Assistance Program (Administrative Costs)	10.568	ME441857	\$ 17,790	\$ 12,879	\$ -	\$ 15,048	\$ 15,048	\$ 10,137	\$ -
Emergency Food Assistance Program (Food Commodities)	10.569	ME441857	172,377	-	-	172,377	172,377	-	172,377
Total Food Distribution Cluster			190,167	12,879	-	187,425	187,425	10,137	172,377
Emergency Food Assistance Program (Administrative Costs)	10.555	N/A	10,795	-	-	10,795	10,795	-	-
Total Child Nutrition Cluster			10,795	-	-	10,795	10,795	-	-
Emergency Watershed Protection Program	10.923	68-2D37-17-203	-	46,950	(46,950)	-	-	-	-
Total U.S. Department of Agriculture			200,962	59,829	(46,950)	198,220	198,220	10,137	172,377
U.S. Department of Housing and Urban Development									
Passed Through the Pennsylvania Department of Community and Economic Development:									
Community Development Block Grants/State's Program	14.228	C000062149	183,573	29,920	-	159,748	159,748	6,095	157,348
Community Development Block Grants/State's Program	14.228	C000064007	43,277	12,000	-	109,416	109,416	78,139	77,411
Community Development Block Grants/State's Program	14.228	C000066600	206,830	-	-	225,047	225,047	18,217	225,047
Community Development Block Grants/State's Program	14.228	C000066614	33,060	-	-	41,260	41,260	8,200	9,160
Community Development Block Grants/State's Program	14.228	C000069019	35,396	-	-	35,396	35,396	-	35,396
Total CDBG - Entitlement Grants Cluster			502,136	41,920	-	570,867	570,867	110,651	504,362
Continuum of Care Program	14.267	PA0814L3T091600	135,153	11,120	-	144,304	144,304	20,271	144,304
Total U.S. Department of Housing and Urban Development			637,289	53,040	-	715,171	715,171	130,922	648,666
U.S. Department of the Interior									
Payment in Lieu of Taxes	15.226	N/A	20,449	-	-	20,449	20,449	-	-
U.S. Department of Justice									
State Criminal Alien Assistance Program	16.606	N/A	-	(25,512)	-	24,309	24,309	(1,203)	24,309
Passed Through the Pennsylvania Commission on Crime and Delinquency:									
Violence Against Women Formula Grants	16.588	2016/2017-VA-01/02/03-26314-3	94,992	-	-	121,883	121,883	26,891	110,420
Violence Against Women Formula Grants	16.588	2016-VA-13-26314-2	20,199	20,199	-	-	-	-	-
Total Violence Against Women Formula Grants			115,191	20,199	-	121,883	121,883	26,891	110,420
Drug Court Discretionary Grant Program	16.585	2017-DC-BX-0058	68,819	11,880	-	88,692	88,692	31,753	-
Total U.S. Department of Justice			184,010	6,567	-	234,884	234,884	57,441	134,729
Environmental Protection Agency									
Passed Through the Pennsylvania Department of Environmental Protection:									
Chesapeake Bay Program	66.466	ME4100078537	63,088	-	30,767	32,321	32,321	-	32,321
Chesapeake Bay Program	66.466	ME4100081735	15,254	-	-	32,505	32,505	17,251	-
Chesapeake Bay Program	66.466	ME4100056934	-	(1,400)	-	1,400	1,400	-	1,400
Chesapeake Bay Program	66.466	ME4100079535	22,237	-	12,000	12,000	12,000	1,763	12,000
Total Environmental Protection Agency			100,579	(1,400)	42,767	78,226	78,226	19,014	45,721
U.S. Department of Education									
Passed Through the Pennsylvania Department of Labor and Industry, Rehabilitation Services - Vocational Rehabilitation Grants to States									
	84.126	N/A	4,722	-	-	4,722	4,722	-	-
Passed Through the Pennsylvania Department of Human Services, Special Education - Grants for Infants and Families									
	84.181	N/A	63,109	-	-	63,109	63,109	-	-
Total U.S. Department of Education			67,831	-	-	67,831	67,831	-	-

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor / Pass-Through Grantor / Project Title	Federal CFDA Number	Pass-Through Grantor's Number/ Grant Number	Total Received for the Year	Accrued or (Deferred) Revenue at January 1, 2018	Adjustments to Accrued Revenue at January 1, 2018	Revenue Recognized	Total Federal Expenditures	Accrued or (Deferred) Revenue at December 31, 2018	Passed-Through to Subrecipients
U.S. Department of Health and Human Services									
Passed Through the Pennsylvania Department of Aging:									
Special Programs for the Aging - Title VII - Ombudsman	93.042	4100034528	\$ 2,750	\$ -	\$ -	\$ 2,750	\$ 2,750	\$ -	\$ -
Special Programs for the Aging - Title III, Part D, Disease Prevention and Health Promotion Services	93.043	4100034528	5,416	(1,598)	1,598	5,416	5,416	-	-
Special Programs for the Aging - Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	4100034528	138,644	-	-	138,644	138,644	-	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	4100034528	91,669	-	-	91,669	91,669	-	-
Nutrition Services Incentive Program	93.053	4100034528	50,466	3,511	(3,511)	50,466	50,466	-	-
Total Aging Cluster			280,779	3,511	(3,511)	280,779	280,779	-	-
National Family Caregiver Support, Title III, Part E	93.052	4100034528	20,323	(14,001)	3,676	31,344	31,344	696	-
Medicare Enrollment Assistance Program	93.071	4100034528	15,955	-	-	15,595	15,595	(360)	-
State Health Insurance Assistance Program	93.324	4100034528	24,997	(10,853)	10,853	24,997	24,997	-	-
Total passed through the Pennsylvania Department of Aging			350,220	(22,941)	12,616	360,881	360,881	336	-
Passed Through the Pennsylvania Department of Human Services:									
Guardianship Assistance - Title IV-E	93.090	N/A	107,590	42,309	-	88,092	88,092	22,811	-
Promoting Safe and Stable Families	93.556	N/A	2,213	-	-	2,213	2,213	-	-
Temporary Assistance for Needy Families - TANF Cluster	93.558	N/A	284,149	64,052	-	281,205	281,205	61,108	-
Child Support Enforcement	93.563	ME5323114014	701,731	132,835	-	700,304	700,304	131,408	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	25,362	-	-	25,362	25,362	-	-
Foster Care - Title IV-E	93.658	N/A	972,110	733,144	-	749,253	749,253	510,287	-
Administrative Costs - Title IV-E	93.658	N/A	488	81	-	485	485	78	-
Total Title IV-E			972,598	733,225	-	749,738	749,738	510,365	-
Adoption Assistance	93.659	N/A	693,908	333,276	-	561,980	561,980	201,348	-
Social Services Block Grants - Title XX - Children and Youth	93.667	N/A	68,743	-	-	68,743	68,743	-	-
Social Services Block Grants - MH	93.667	N/A	21,208	-	-	21,208	21,208	-	-
Social Services Block Grants - ID	93.667	N/A	39,615	-	-	39,615	39,615	-	-
Total Social Services Block Grant			129,566	-	-	129,566	129,566	-	-
Chafee Foster Care Independence Program	93.674	N/A	55,390	(8,270)	-	45,340	45,340	(18,320)	-
Block Grants for Community Mental Health Services	93.958	N/A	131,623	-	-	131,623	131,623	-	131,623
Passed Through the Pennsylvania Department of Aging:									
Medical Assistance Program - LAMP/OBRA	93.778	4100034528	167,382	(127,407)	100,810	189,013	189,013	(4,966)	-
Medical Assistance Program - OBRA	93.778	4100034528	1,027	-	-	1,027	1,027	-	-
Passed Through the Pennsylvania Department of Human Services:									
Medical Assistance Program - Opioid State Targeted Response	93.778	N/A	253,916	-	-	253,916	253,916	-	-
Medical Assistance Program - Aging and Disability Resource Center	93.778	4100034528	-	7,210	(7,210)	-	-	-	-
Medical Assistance Program - Medicaid	93.778	N/A	3,869	1,440	-	4,296	4,296	1,867	-
Medical Assistance Program - Title IV-D Incentive	93.778	N/A	1,376	-	-	1,376	1,376	-	1,376
Medical Assistance Program - Transportation	93.778	N/A	260,925	(51,487)	-	329,200	329,200	16,788	-
Medical Assistance Program - Waiver	93.778	N/A	93,428	(118,280)	118,280	93,519	93,519	91	41,772
Medical Assistance Program - IT&F Waiver	93.778	N/A	15,572	-	-	15,572	15,572	-	-
Total Medicaid Cluster			797,495	(288,524)	211,880	887,919	887,919	13,780	43,148
Passed Through the Pennsylvania Department of Health,									
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4100053196	440,432	68,000	(2,000)	374,432	374,432	-	-
Total U.S. Department of Health and Human Services			4,692,277	1,053,962	222,496	4,338,655	4,338,655	922,836	174,771

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor / Pass-Through Grantor / Project Title	Federal CFDA Number	Pass-Through Grantor's Number/ Grant Number	Total Received for the Year	Accrued or (Deferred) Revenue at January 1, 2018	Adjustments to Accrued Revenue at January 1, 2018	Revenue Recognized	Total Federal Expenditures	Accrued or (Deferred) Revenue at December 31, 2018	Passed- Through to Subrecipients
Corporation for National Community Services									
Passed Through Pennsylvania Department of Corporation for National and Community Service, Retired and Senior Volunteer Program	94.002	035RAPA	\$ 60,348	\$ (47,755)	\$ 47,755	\$ 60,348	\$ 60,348	\$ -	\$ -
U.S. Department of Homeland Security									
Passed Through Pennsylvania Emergency Management Agency: Emergency Management Performance Grants	97.042	N/A	-	23,282	-	102,502	102,502	125,784	-
Homeland Security Grant Program	97.067	N/A	32,432	-	-	32,432	32,432	-	32,432
Total U.S. Department of Homeland Security			32,432	23,282	-	134,934	134,934	125,784	32,432
Total expenditures of federal awards			<u>\$ 5,996,177</u>	<u>\$ 1,147,525</u>	<u>\$ 266,068</u>	<u>\$ 5,848,718</u>	<u>\$ 5,848,718</u>	<u>\$ 1,266,134</u>	<u>\$ 1,208,696</u>

See notes to schedule of expenditures of federal awards

County of Centre, Pennsylvania

Notes to Schedule of Expenditures of Federal Awards
December 31, 2018

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County of Centre, Pennsylvania (the "County") under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Uniform Guidance (depending on the date of the federal awards involved), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

In-kind values are reported in the Schedule at the fair value of the commodities received and disbursed.

3. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

4. Prior Period Adjustment

The County had several programs that were either (over accrued) or under accrued for at the end of December 31, 2017. These grants needed to be adjusted in the current year to properly reflect the reported expenses. As of January 1, 2018, the County adjusted (increased) its accrued revenues for the prior year \$266,068.

County of Centre, Pennsylvania

Schedule of Commonwealth of Pennsylvania, Department of Human Services Expenditures
Year Ended December 31, 2018

<u>Grantor/Program Title</u>	<u>Combined Federal and State Expenditures</u>
Pennsylvania Department of Human Services	
Children and Youth Services	\$ 8,160,230
Mental Health/Intellectual Disabilities	7,748,804
Child Support Enforcement	749,253
Medical Assistance Transportation	658,400
Combined Homeless Assistance Programs	507,858
Human Services Development Fund	<u>198,370</u>
Total selected Pennsylvania Department of Human Services Assistance	<u><u>\$ 18,022,915</u></u>

Note: This schedule includes selected Pennsylvania, Department of Human Services (DHS) Assistance received by the County of Centre, Commonwealth of Pennsylvania, and is presented using the modified accrual basis of accounting. Amounts reported in this schedule agree with the amounts included in the County's basic financial statements.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? _____ yes X No
Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X No

Federal and DHS Awards

Internal control over major federal and DHS programs:
Material weakness(es) identified? _____ yes X No
Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major federal and DHS programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and/or the DHS *Single Audit Supplement*? _____ yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.658	Foster Care Title IV-E
14.228	Community Development Block Grants - Entitlement Grants Cluster

Identification of major DHS programs:

<u>Name of DHS Program</u>
Children and Youth Services
Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes _____ no

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV - Summary of Prior Year Audit Findings

None.

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners of
County of Centre, Pennsylvania
And Commonwealth of Pennsylvania, Department of Human Services

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services ("DHS") and management of the County of Centre, Pennsylvania (the "County") on the DHS financial schedules and exhibits required by the DHS *Single Audit Supplement* of the County as of and for the year ended December 31, 2018. The County's management is responsible for the financial schedules and exhibits required by the DHS *Single Audit Supplement*. The sufficiency of these procedures is solely the responsibility of DHS and the County (the specified parties). 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 agreed by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for the fiscal years ended June 30, 2018 and December 31, 2018, have been accurately compiled and reflect the audited books and records of the County. We also agreed 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 DHS *Single Audit Supplement* pertaining to this period.

Program Name	Page Number	Exhibit Number	Schedule/Exhibit
Title IV-D Child Support Program	15	A-1 (a)	Comparison of Single Audit Expenditures with the Reported Expenditures
Title IV-D Child Support Program	16	A-1 (c)	Comparison of Reported Incentives to Incentives on Deposit
Title IV-D Child Support Program	17	A-1 (d)	Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account
Medical Assistance Transportation	18	III	Revenues and Expenditures
Early Intervention Program	19	V (a) EI	Revenues, Expenditures, and Carryover Funds - Early Intervention
Early Intervention Program	20	V (b) EI	Report of Income and Expenditures - Early Intervention
Block Grant Summary Report	21	VI (a) BG-S	Report of Income and Expenditures
County Human Services Block Grant	22	VI (b) BG-S	Report of Income and Expenditures

- b. We inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on reports submitted to DHS for the period reported upon.
- c. With regard to the Reconciliation Supplemental Financial Schedule (Exhibit XX on Page 23) (the "Reconciliation Schedule"), we have performed the following procedures:
 1. We have agreed by comparison of amounts and classifications the expenditure amounts listed on the Reconciliation Schedule under the "Federal Expenditures per the SEFA" (Column C), which summarizes DHS federal expenditure amounts as of December 31, 2018, have been accurately compiled and reflect the audited books, records and SEFA of the County.

2. We have agreed by comparison of amounts and classifications the program receipt amounts listed on the Reconciliation Schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" (Column D), which summarizes DHS federal receipt amounts as of December 31, 2018, have been accurately compiled and reflect the amounts reported on the audit confirmation reply from Pennsylvania.
 3. We have recalculated the dollar amount and percentage differences between the Federal Expenditures per the SEFA (Column C) and the Federal Awards Received per the audit confirmation reply from Pennsylvania (Column D) on the Reconciliation Schedule.
 4. We have agreed by comparison to the audited books and records that the dollar amount differences (Column E) between the expenditures (Column C) and receipts (Column D) on the Reconciliation Schedule accurately reflect the audited books and records of the County.
 5. We have agreed by comparison to the audited books and records that the explanation of differences (Column G) between the expenditures (Column C) and receipts (Column D) on the Reconciliation Schedule accurately reflect the audited books and records of the County.
- d. With regard to the Child Protective Services Law ("CPSL") monitoring of In-Home Purchased Services Providers (Exhibit XXI on Page 24), we have performed the following procedures:
1. We have agreed by comparison of provider Name (column A) to the providers who were paid for In-Home Purchased Services during the year according to the County Children and Youth Agency's ("CCYA") general ledger, cash disbursements journal, or similar records.
 2. We have agreed by comparison of provisions the Provider Contract with requirements of the CPSL.
 3. We have agreed by comparison that information in columns C through I of Exhibit XXI to the CCYA's monitoring records for In-Home Purchased Service Providers.

The procedures detailed in paragraphs (a), (b), (c) and (d) above disclosed no adjustments or findings for the period reported upon.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the financial schedules and exhibits required by the DHS *Single Audit Supplement*. Accordingly, we do not express such an opinion or conclusion. 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 Commonwealth of Pennsylvania, Department of Human Services, the Board of Commissioners, management and others within the County of Centre, Pennsylvania and is not intended to be, and should not be, used by anyone other than those specified parties.

Baker Tilly Virchow Krause, LLP

State College, Pennsylvania
September 23, 2019

County of Centre, Pennsylvania

Child Support Enforcement Program
 Comparison of Single Audit Expenditures with the Reported Expenditures
 June 30, 2018

Exhibit A-1(a)

	Single Audit Expenditures					Reported Expenditures					Single Audit Over (Under) Expenditures				
	Incentive				Amount	Incentive				Amount	Incentive				Amount
	Total	Unallowable	Paid Costs	Net	Paid	Total	Unallowable	Paid Costs	Net	Paid	Total	Unallowable	Paid Costs	Net	Paid
Quarter ending: 9/30/17															
1. Salary/Overhead	\$ 274,887	\$ 7,755	\$ 26,306	\$ 240,826	\$ 158,945	\$ 274,887	\$ 7,755	\$ 26,306	\$ 240,826	\$ 158,945	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees/Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest/Program Income	2,919	76	-	2,843	1,876	2,919	76	-	2,843	1,876	-	-	-	-	-
4. Blood Testing Fees	472	-	-	472	312	472	-	-	472	312	-	-	-	-	-
5. Blood Testing Costs	380	-	-	380	251	380	-	-	380	251	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net total	<u>\$ 271,876</u>	<u>\$ 7,679</u>	<u>\$ 26,306</u>	<u>\$ 237,891</u>	<u>\$ 157,008</u>	<u>\$ 271,876</u>	<u>\$ 7,679</u>	<u>\$ 26,306</u>	<u>\$ 237,891</u>	<u>\$ 157,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Quarter ending: 12/31/17															
1. Salary/Overhead	\$ 332,053	\$ 8,618	\$ 27,316	\$ 296,119	\$ 195,439	\$ 332,053	\$ 8,618	\$ 27,316	\$ 296,119	\$ 195,439	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees/Costs	1	-	-	1	-	1	-	-	1	-	-	-	-	-	-
3. Interest/Program Income	2,545	60	-	2,485	1,640	2,545	60	-	2,485	1,640	-	-	-	-	-
4. Blood Testing Fees	153	-	-	153	101	153	-	-	153	101	-	-	-	-	-
5. Blood Testing Costs	190	-	-	190	125	190	-	-	190	125	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net total	<u>\$ 329,544</u>	<u>\$ 8,558</u>	<u>\$ 27,316</u>	<u>\$ 293,670</u>	<u>\$ 193,823</u>	<u>\$ 329,544</u>	<u>\$ 8,558</u>	<u>\$ 27,316</u>	<u>\$ 293,670</u>	<u>\$ 193,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Quarter ending: 3/31/18															
1. Salary/Overhead	\$ 292,056	\$ 6,347	\$ 37,500	\$ 248,209	\$ 163,818	\$ 292,056	\$ 6,347	\$ 37,500	\$ 248,209	\$ 163,818	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees/Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest/Program Income	3,078	65	-	3,013	1,989	3,078	65	-	3,013	1,989	-	-	-	-	-
4. Blood Testing Fees	228	-	-	228	150	228	-	-	228	150	-	-	-	-	-
5. Blood Testing Costs	398	-	-	398	263	398	-	-	398	263	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net total	<u>\$ 289,148</u>	<u>\$ 6,282</u>	<u>\$ 37,500</u>	<u>\$ 245,366</u>	<u>\$ 161,942</u>	<u>\$ 289,148</u>	<u>\$ 6,282</u>	<u>\$ 37,500</u>	<u>\$ 245,366</u>	<u>\$ 161,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Quarter ending: 6/30/18															
1. Salary/Overhead	\$ 329,155	\$ 8,065	\$ 37,500	\$ 283,590	\$ 187,169	\$ 329,155	\$ 8,065	\$ 37,500	\$ 283,590	\$ 187,169	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees/Costs	1	-	-	1	1	1	-	-	1	1	-	-	-	-	-
3. Interest/Program Income	2,772	59	-	2,713	1,791	2,772	59	-	2,713	1,791	-	-	-	-	-
4. Blood Testing Fees	119	-	-	119	79	119	-	-	119	79	-	-	-	-	-
5. Blood Testing Costs	285	-	-	285	188	285	-	-	285	188	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net total	<u>\$ 326,548</u>	<u>\$ 8,006</u>	<u>\$ 37,500</u>	<u>\$ 281,042</u>	<u>\$ 185,488</u>	<u>\$ 326,548</u>	<u>\$ 8,006</u>	<u>\$ 37,500</u>	<u>\$ 281,042</u>	<u>\$ 185,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Centre, Pennsylvania

Title IV-D Child Support Program

Exhibit A-1 (c)

Comparison of Reported Incentives to Incentives on Deposit
Year Ended December 31, 2018

<u>Month</u>	<u>MSE Paid Cost Worksheet Ending Incentive Balance</u>	<u>Audited Title IV-D Account Incentive Balance</u>	<u>Type of Account Structure</u>
January	\$ 225,618	\$ 225,618	
March	216,683	216,683	(X) Separate Bank Account
June	208,702	208,702	() Restricted Fund-General Ledger
September	199,389	199,389	() Other: _____
December	227,337	227,337	

NOTE: Do not include income received from interest or medical incentives.

County of Centre, Pennsylvania

Title IV-D Child Support Program

Exhibit A-1 (d)

Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account

Year Ended December 31, 2018

	Single Audit		Single Audit
	Title IV-D Account	Reported Title IV-D Account	Over/(Under) Reported
Balance at January 1	\$ 798,257	\$ 798,257	\$ -
Receipts:			
Reimbursements	700,304	700,304	-
Incentives	150,000	150,000	-
Title XIX Incentives	-	-	-
Interest	2,240	2,240	-
Program income	4,653	4,653	-
Genetic testing costs	966	966	-
Maintenance of effort (MOE)	-	-	-
Other:	-	-	-
Total Receipts	\$ 858,163	\$ 858,163	\$ -
Intra-Fund Transfers-In	399,707	399,707	-
Funds Available	2,056,127	2,056,127	-
Disbursements:			
Incentive paid costs	128,622	128,622	-
Transfer to general fund	1,126,535	1,126,535	-
Other: _____	-	-	-
Total Disbursements	\$ 1,255,157	\$ 1,255,157	\$ -
Intra-Fund Transfers-Out	-	-	-
Balance at December 31	\$ 800,970	\$ 800,970	\$ -

The Title IV-D account consists of three accounts.

The Title IV-D account is comprised of one checking and two money-market accounts.

County of Centre, PennsylvaniaMedical Assistance Transportation
Revenues and Expenditures
Year Ended June 30, 2018

Exhibit III

	<u>Reported</u>	<u>Actual</u>	<u>Difference</u>
Service Data			
Expenditures:			
Group I Clients	\$ 558,050	\$ 558,050	\$ -
Group II Clients	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 558,050</u>	<u>\$ 558,050</u>	<u>\$ -</u>
Allocation Data			
Revenues:			
Department of Public Welfare	\$ 558,033	\$ 558,033	\$ -
Interest income	17	17	-
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>558,050</u>	<u>558,050</u>	<u>-</u>
Funds Expended			
Operating costs	517,129	517,129	-
Administrative costs	40,921	40,921	-
	<u> </u>	<u> </u>	<u> </u>
Total funds expended	<u>558,050</u>	<u>558,050</u>	<u>-</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Centre County, Pennsylvania

Early Intervention Program
 Revenues, Expenditures, and Carryover Funds
 Year Ended June 30, 2018

Exhibit V (a) EI

Source of DHS Funding	Appropriation	DHS Funds Available			Cost Eligible for DHS Participation	Balance of Funds	Grant Fund Adjustments	Total Fund Balance
		Carryover	Allotment	Total Allocation				
A. Early Intervention								
1. Early Intervention Services	10235	\$ 619	\$ 719,736	\$ 720,355	\$ 676,828	\$ 43,527	\$ 504	\$ 44,031
2. Early Intervention Training	10235	-	2,347	2,347	2,347	-	-	-
3. Early Intervention Administration	10235	-	77,175	77,175	77,175	-	-	-
4. Infants and Toddlers with Disabilities (Part C)	70170	-	63,079	63,079	63,079	-	-	-
5. IT&F Waiver Administration	10235/70184	-	31,144	31,144	31,144	-	-	-
6. Reserved	00001	-	-	-	-	-	-	-
Total Early Intervention		<u>\$ 619</u>	<u>\$ 893,481</u>	<u>\$ 894,100</u>	<u>\$ 850,573</u>	<u>\$ 43,527</u>	<u>\$ 504</u>	<u>\$ 44,031</u>

Centre County, Pennsylvania

Early Intervention Program
 Report of Income and Expenditures
 Year Ended June 30, 2018

Exhibit V (b) EI

	Administration Office	Early Intervention	Service Coordination	Total
I. Total Allocation	\$ -	\$ -	\$ -	\$ 894,100
II. Total Expenditures	116,894	561,400	391,688	1,069,982
III. Costs Over Allocation				
A. County Funded - Eligible	-	-	20,578	20,578
B. County Funded - Ineligible	-	-	-	-
C. Other - Eligible	-	-	-	-
D. Other - Ineligible	-	-	-	-
Total Costs Over Allocation	-	-	20,578	20,578
IV. Revenues				
A. Program Service Fees	-	-	-	-
B. Private Insurance	-	-	-	-
C. Medical Assistance	-	-	128,361	128,361
D. Earned Interest	-	-	-	-
E. Other	-	-	-	-
Total Revenues	-	-	128,361	128,361
V. DHS Reimbursement				
A. DHS Categorical Funding - 90%	77,175	505,260	236,994	819,429
B. DHS Categorical Funding - 100%	31,144	-	-	31,144
VI. County Match - 10%	8,575	56,140	26,333	91,048
VII. Total DHS Reimbursement and County Match	<u>\$ 116,894</u>	<u>\$ 561,400</u>	<u>\$ 263,327</u>	<u>\$ 941,621</u>
VIII. Total Carryover			<u>\$ 43,527</u>	

Centre County, Pennsylvania

Block Grant Summary Report
 Report of Income and Expenditures
 Year Ended June 30, 2018

Exhibit VI (a) BG-S

County Match (%)	4.61%
Actual County Match (\$)	\$ 253,908
Actual County Match (%)	4.61%

Block Grant Reporting		Costs Eligible for DHS Participation							Balance of	Total Fund	
Sources of Funding	Appropriation	DHS	Mental	Intellectual	Homeless	HSS	D&A	Total	Funds	Adjustments	Balance
		Allocation	Health	Disabilities	Assistance						
1. State Human Services Block Grant	Multiple	\$ 5,549,321	\$ 3,727,626	\$ 728,001	\$ 435,159	\$ 201,275	\$ 182,844	\$ 5,274,905	\$ 274,416	\$ -	\$ 274,416
2. SSBG	Multiple	60,822	21,208	39,614	-	-	-	60,822	-	-	-
3. SABG	80884	-	-	-	-	-	-	-	-	-	-
4. CMHSBG	70167	104,253	104,253	-	-	-	-	104,253	-	-	-
5. MA	70175	93,437	-	93,437	-	-	-	93,437	-	-	-
6. Crisis Counseling	80222	-	-	-	-	-	-	-	-	-	-
Total for Block Grant		<u>\$ 5,807,833</u>	<u>\$ 3,853,087</u>	<u>\$ 861,052</u>	<u>\$ 435,159</u>	<u>\$ 201,275</u>	<u>\$ 182,844</u>	<u>\$ 5,533,417</u>	<u>\$ 274,416</u>	<u>\$ -</u>	<u>\$ 274,416</u>

Retained Earnings	
I. Unexpended Allocation	\$274,416
II. Maximum Retained Earnings (5%)	\$277,466
III. Amount to be Returned to DHS	\$0
IV. Total Requested Retained Earnings	\$274,416

Prior Year Retained Earnings	
I. FY 16-17 Retained Earnings	\$237,504
II. Total Expended Retained Earnings-3%	\$172,386
III. Total Expended Retained Earnings-Waiver of 3%	\$65,118
IV. Amount to be Returned to DHS	\$0

Centre County, Pennsylvania

County Human Services Block Grant
 Report of Income and Expenditures
 Year Ended June 30, 2018

Exhibit VI(b) BG-S

Source of DHS Funding	Appropriation	Total Carryover	Allotment	DHS Allocation	Cost Eligible for DHS Participation	Balance of Funds	Adjustments	Total Fund Balance
A. Mental Health Services								
1. State - Personal Care Homes	10252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Federal - Adult Health Quality Measures	10248	-	-	-	-	-	-	-
3. Federal - Self Directed Care - TTI	10252	-	-	-	-	-	-	-
4. Federal - Infusing Peer Specialist into Crisis Services - TTI	70154	-	-	-	-	-	-	-
5. Federal - PATH Homeless Grant	70522	-	-	-	-	-	-	-
6. Federal - Capitalization of POMS	70651	-	-	-	-	-	-	-
7. Federal - Youth Suicide Prevention	70747	-	-	-	-	-	-	-
8. Federal - Jail Diversion & Trauma Recovery	80343	-	-	-	-	-	-	-
9. Federal - Adult Launch	70127	-	-	-	-	-	-	-
10. Federal - Bio-Terrorism Hospital Preparedness	70589	-	-	-	-	-	-	-
Subtotal Mental Health Services		-	-	-	-	-	-	-
B. Intellectual Disabilities Services								
1. Other	10255	-	-	-	-	-	-	-
2. Elwyn	10236	-	-	-	-	-	-	-
3. Money Follows the Person	10263	-	-	-	-	-	-	-
Subtotal Intellectual Disabilities Services		-	-	-	-	-	-	-
C. Total for Non-Block Grant Reporting								
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

County of Centre, Pennsylvania

Reconciliation Supplemental Financial Schedule
Year Ended December 31, 2018

Exhibit XX

**Federal Awards Passed through the Pennsylvania Department of Human Services
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference (C-D)	% Difference (E/D)	Detailed Explanation of the Differences
Special Education - Grants for Infants and Families	84.181	\$ 63,109	\$ 63,078	\$ 31	0.05%	1
Guardianship Assistance - Title IV-E	93.090	88,092	85,971	2,121	2.47%	1
Promoting Safe and Stable Families	93.556	2,213	2,213	-	0.00%	N/A
Temporary Assistance for Needy Families	93.558	281,205	284,149	(2,944)	-1.04%	1
Child Support Enforcement	93.563	700,304	780,387	(80,083)	-10.26%	1
Stephanie Tubbs Jones Child Welfare Services Program	93.645	25,362	25,362	-	0.00%	N/A
Foster Care Title IV-E	93.658	749,253	986,538	(237,285)	-24.05%	1
Adoption Assistance	93.659	561,980	555,811	6,169	1.11%	1
Social Services Block Grant	93.667	129,566	129,566	-	0.00%	N/A
Chafee Foster Care Independence Program	93.674	45,340	44,338	1,002	2.26%	1
Medical Assistance Program	93.778	697,879	499,059	198,820	39.84%	1
Block Grants for Community Mental Health Services	93.958	131,623	154,432	(22,809)	-14.77%	1
		<u>\$ 3,475,926</u>	<u>\$ 3,610,904</u>	<u>\$ (134,978)</u>	<u>-3.74%</u>	

n/a - amounts are in agreement

1. The difference is due to timing based on the audit confirmation reflecting cash payments versus the modified accrual accounting of federal expenditures on the schedule of federal expenditures. Management believes this calculation represents federal expenditures.

County of Centre, Pennsylvania

Children and Youth Agency Monitoring Schedule
 Year Ended December 31, 2018

Exhibit XXI

**Centre County Children and Youth Agency
 Child Protective Services Law (CPSL) Monitoring of In-Home Purchased Service Providers**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Provider Name	Does Provider Contract Include CPSL Requirements	Most Recent Monitoring Date	Monitored During The Current Year Monitoring	List Any Exceptions Noted During Current Year Monitoring	If Applicable, Was CAP Submitted	Is CAP Acceptable to CCYA	Date Follow-up Was Done on Prior Year Monitoring	Has Provider Implemented the CAP
Wardell and Associates	No	03/19/2019	Yes	None	N/A	N/A	N/A	N/A
Centre County Youth Service Bureau	No	03/19/2019	Yes	None	N/A	N/A	N/A	N/A