

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
PROCEDURES (CONTINUED)**

Contract Service Providers

The Programs contract with independent service providers for substantially all of the required services. The Intellectual Developmental Disabilities Program also uses supports coordination services provided to this Program by the County. The accompanying statements of revenue and expenditures include income earned in the production of these services by these service providers and the gross amount of expenses incurred by the providers and charged to the Programs to provide the contracted services. The service providers are sometimes given an advance on the service contract and submit monthly reports and requests for reimbursement of their eligible expenses less any related income earned. In some cases, program providers are reimbursed at a negotiated rate for each unit of service provided, net of program service fees, medical assistance, private insurance or other reimbursements. The service providers are required to submit annual audited financial statements to the Programs in compliance with DHS regulations and directives.

Interest Income and Expense

Funds received from the Pennsylvania Department of Human Services are received primarily via quarterly advances. When received, these funds are deposited into the General Fund of the County of Delaware until required for use by the Programs to satisfy program expenditures. Interest income is imputed to the Programs based upon the rate at which the County of Delaware could invest any excess funds, while interest expense is imputed to the Programs to cover any shortfall of funds based upon the rate that the County pays on its tax anticipation loans.

Allocation of Administrative Expense

The County's Department of Human Services is also responsible for the administration of other county-sponsored human services programs. Accordingly, certain personnel costs, including employee benefits, and other common expenses are allocated to the Programs based on personnel use, aggregate dollars administered, or other defined allocation bases.

**COUNTY OF DELAWARE, PENNSYLVANIA
 MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
 DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
 PROCEDURES (CONTINUED)**

County Administrative Services

Delaware County provides certain accounting and other administrative support services to the Programs. All program-related support services are accounted for in the General Fund of the County of Delaware and are allocated to the Programs based on the County's cost allocation plan. The cost of these services is included in the accompanying Statements of Revenue and Expenditures as follows:

	<u>2018</u>	<u>2017</u>
Mental Health Program	\$ 102,106	\$ 111,050
Intellectual Developmental Disabilities Program	53,809	63,525
Early Intervention Program	46,967	62,882

Employees' Retirement Plan

County employees are eligible to participate in the County's single employer defined benefit pension plan. The plan provides retirement, disability, and death benefits to plan members and their families. Plan members are required to contribute 7% of their annual covered salary. The County contributes any remaining amount necessary to finance the coverage of employees through annual contributions at an actuarially determined rate.

Unexpended Department of Human Services Funds

Unexpended funds received from the Pennsylvania Department of Human Services are customarily carried over to the subsequent fiscal year and are deducted by PA DHS from payments that would otherwise be applicable to such year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
PROCEDURES (CONTINUED)**

Date of Management's Review

Program management has evaluated events and transactions that occurred after the balance sheet date for potential recognition and disclosure through July 29, 2019, the date on which the financial statements were available to be issued.

NOTE 2 RETROACTIVE ADJUSTMENTS

The rules and regulations governing the use of the funds provided by the Pennsylvania Department of Human Services, permit the Department to request reimbursement of funds advanced if it is determined that the funds were not spent as directed by PA DHS or under guidelines established by PA DHS. Accordingly, the accompanying financial statements are subject to retroactive adjustment, based on the right of PA DHS to audit and evaluate the applicable transactions of the Programs and the service providers to the Programs.

**NOTE 3 WAIVER RECONCILIATION – INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM**

Effective July 1, 2009, PA DHS's Office of Developmental Programs' (ODP) waiver providers began to receive their funding directly from the Commonwealth of Pennsylvania's Treasury Department. Previously, this funding had been passed down through Pennsylvania county human service organizations. At that time, PA DHS developed a statewide rate-setting methodology for the Consolidated Waiver and Person/Family Directed Support Waiver Programs. Accordingly, provider rates were established on a prospective basis for a specified period and were not cost settled at the end of the specified period. According to this methodology, rates are adjusted each year, based on the prior year's costs reported by the various statewide providers.

Simultaneous with this change, ODP established a revenue reconciliation process intended to maintain some stability in providers' revenue during the transition to this payment system. The reconciliation was to be performed for the initial two years and

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 3 WAIVER RECONCILIATION – INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM (CONTINUED)**

would result in a calculation to determine if individual providers experienced an underpayment or an overpayment for those two years. If an overpayment was deemed to have occurred, ODP would initiate a recoupment of the excess payment from the provider. If an underpayment was deemed to have occurred, ODP would initiate a supplemental payment to the provider.

As a result of the reconciliation processes for the initial two years, beginning in fiscal year 2010, as well as continued excesses of revenues over expenditures for each of the fiscal years 2012 through 2018, inclusive, a restricted fund balance of \$2,122,263 has been reflected in the Program's financial statements at June 30, 2018. This amount is available for future Supports Coordination expenditures.

NOTE 4 CONTINGENCIES

Various individuals, associations and institutions from time to time bring or threaten suit to compel the County to provide additional care, community facilities for rehabilitation or other specific health services. It is not possible to determine whether or not any of these claims will mature to the point of litigation, however, they are not, in the opinion of management, expected to materially affect the financial position of the Programs.

NOTE 5 HUMAN SERVICES BLOCK GRANT

Commencing in fiscal year 2013, several DHS categorical funding appropriations were consolidated into one appropriation, the Human Services Block Grant, for certain Pennsylvania counties. The County's Mental Health Program and Intellectual Developmental Disabilities Program participated in this program. The Early Intervention Program is not eligible for participation in the Program. The intention of the Block Grant is to provide improved flexibility to the participating counties in delivering their human services' needs. Under the terms of the Block Grant, funds may be moved by the County from one categorical program to another. The Block Grant has a five-year phase-in, under which the Human Services funding that is allowed to be reallocated increases each year. For fiscal year 2017 and thereafter, the County may reallocate all unused Block Grant funds to other County-based Human Services programs as determined by the County.

SUPPLEMENTARY INFORMATION

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
RECONCILIATION OF REVENUE AND EXPENDITURES
TO PROGRAM REPORTED REVENUE AND EXPENDITURES
YEAR ENDED JUNE 30, 2018**

MENTAL HEALTH

Revenue and expenditures per financial statements \$ 42,518,829

Revenue and expenditures reported to DHS \$ 42,518,829

INTELLECTUAL DEVELOPMENTAL DISABILITIES

Revenue and expenditures per financial statements \$ 15,845,189

Revenue and expenditures reported to DHS \$ 15,845,189

EARLY INTERVENTION

Revenue and expenditures per financial statements \$ 6,301,916

Revenue and expenditures reported to DHS \$ 6,301,916

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
<u>Program Title</u>					
<u>Federal Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of					
Human Services:					
Social Services Block Grant	93.667	70135	\$ 293,886	\$ 293,886	\$ 293,886
Community Mental Health Services Block Grant	93.958	70167	613,758	613,758	613,758
PATH Homeless	93.150	70154	131,919	131,919	131,919
<u>U.S. Department of Housing and Urban Development</u>					
Shelter Plus Care Program	14.238	-	<u>134,161</u>	<u>134,161</u>	<u>134,161</u>
Total Federal Awards			1,173,724	1,173,724	1,173,724
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Community Mental Health Services (Base Program)		10248	31,523,686	31,523,686	31,523,686
Specialized Residences		10258	91,410	91,410	91,410
Behavioral Health Initiative		10262	362,182	362,182	362,182
Self Direct Care TTI		70127	<u>782</u>	<u>782</u>	<u>782</u>
Total Pennsylvania DHS Awards			<u>31,978,060</u>	<u>31,978,060</u>	<u>31,978,060</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 33,151,784</u>	<u>\$ 33,151,784</u>	<u>\$ 33,151,784</u>

See accompanying notes to Schedule of
Expenditures of Federal and Pennsylvania Department of
Human Services Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
<u>Program Title</u>					
<u>Federal Financial Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of					
Human Services:					
Social Services Block Grant	93.667	70177	\$ 396,194	\$ 396,194	\$ 396,194
Waiver Program:					
Administration	93.778	70175	845,395	845,395	845,395
Targeted Service Management Admin	93.778	70175	<u>26,376</u>	<u>26,376</u>	<u>26,376</u>
Total Federal Financial Awards			<u>1,267,965</u>	<u>1,267,965</u>	<u>1,267,965</u>
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Community ID Services (Base Program)		10255	7,686,473	7,686,473	7,686,473
Elwyn		10236	<u>251,194</u>	<u>251,194</u>	<u>251,194</u>
Total Pennsylvania DHS Financial Awards			<u>7,937,667</u>	<u>7,937,667</u>	<u>7,937,667</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 9,205,632</u>	<u>\$ 9,205,632</u>	<u>\$ 9,205,632</u>

See accompanying notes to Schedule of Expenditures of Federal
and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
Program Title					
<u>Federal Financial Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
Infants and Toddlers	84.181	70170	\$ 770,293	\$ 770,293	\$ 770,293
Waiver Administration	93.778	70184	<u>29,995</u>	<u>29,995</u>	<u>29,995</u>
Total Federal Financial Awards			800,288	800,288	800,288
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Maintenance (Base Program)	-	10235	4,031,024	4,031,024	4,031,024
Administration	-	10235	427,148	427,148	427,148
Training	-	10235	5,376	5,376	5,376
Waiver Administration	-	10235	<u>29,995</u>	<u>29,995</u>	<u>29,995</u>
Total Pennsylvania DHS Awards			<u>4,493,543</u>	<u>4,493,543</u>	<u>4,493,543</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 5,293,831</u>	<u>\$ 5,293,831</u>	<u>\$ 5,293,831</u>

See accompanying notes to Schedule of Expenditures of Federal
and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
NOTES TO SCHEDULES
OF FEDERAL AND PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

The accompanying Schedules of Federal and Pennsylvania Department of Human Services Awards present all Federal and Pennsylvania DHS financial assistance received and expended by the County of Delaware, Pennsylvania Mental Health, Intellectual Developmental Disabilities, and Early Intervention Programs for the year ended June 30, 2018.

NOTE 2 BASIS OF PRESENTATION

The Schedules of Expenditures of Federal and Pennsylvania DHS Awards are presented on the accrual basis of accounting and include provider-related program expenditures approved for reimbursement by the Programs. The information in these schedules 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).

NOTE 3 UNEXPENDED FUNDS

Funds allocated to and passed through to the Programs but not spent are customarily carried over for use in a subsequent period upon approval of the funding source.

**NOTE 4 STATE APPROPRIATION NUMBERS AND FEDERAL CFDA
NUMBERS**

The Program titles, CFDA numbers, and state appropriation numbers were derived from the pass-through grantor or *Catalog of Federal Domestic Assistance*.

NOTE 5 INDIRECT COSTS

The Programs elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

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INDEPENDENT AUDITOR'S 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 Council
County of Delaware, 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 County of Delaware, Pennsylvania Mental Health Program, Intellectual Developmental Disabilities Program, and Early Intervention Program (collectively, "the Programs") as of and for the year ended June 30, 2018, and the related notes to the financial statements and have issued our report thereon dated July 29, 2019.

Internal Control over Financial Reporting

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

Mingis, Gutowski & Company, LLP

July 29, 2019
Media, Pennsylvania

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

County Council
County of Delaware, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Delaware, Pennsylvania Mental Health Program's, Intellectual Developmental Disabilities Program's, and Early Intervention Program's (Programs) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Programs' major federal programs for the year ended June 30, 2018. The Programs' major federal 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Program's major federal 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; and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Programs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance for each major federal program. However, our audits do not provide a legal determination of the Programs' compliance.

Opinion on Each Major Federal Program

In our opinion, the Programs 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 programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

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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 is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

July 29, 2019
Media, Pennsylvania

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

The prior year Single Audit disclosed no findings in the Schedule of Findings and Questioned Costs.

**COUNTY OF DELAWARE, PENNSYLVANIA
 MENTAL HEALTH PROGRAM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance		
	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 93.958	Name of Federal Program:	PA DHS Community Mental Health Services Block Grant
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 DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

**III. FEDERAL AND PENNSYLVANIA DHS AWARD FINDINGS AND
QUESTIONED COSTS**

No matters were reported.

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

The prior year Single Audit disclosed no findings in the Schedule of Findings and Questioned Costs.

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 93.778	Name of Federal Program:	PA DHS Waiver Administration
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 DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

**III. FEDERAL AND PENNSYLVANIA DHS AWARD FINDINGS AND
QUESTIONED COSTS**

No matters were reported.

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

The prior year Single Audit disclosed no findings in the Schedule of Findings and Questioned Costs.

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no
Federal Awards		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 84.181	Name of Federal Program:	PA DHS Infants and Toddlers
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 DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

**III. FEDERAL AND PENNSYLVANIA DHS AWARD FINDINGS AND
QUESTIONED COSTS**

No matters were reported.

**PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
SCHEDULES AND EXHIBITS**

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

County Council
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and the County of Delaware, Pennsylvania solely to assist you with respect to the financial schedules and exhibits required by the DHS *Single Audit Supplement*. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- (a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2018, have been accurately compiled and reflect the audited books and records of the County of Delaware, Pennsylvania Early Intervention Program. We have also verified by comparison to the 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	Number	Referenced Schedule/Exhibit
Early Intervention	V(a)EI V(b)EI	Early Intervention Services Report of Income and Expenditures

- (b) We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to DHS for the period in question.
- (c) The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings which have not been reflected on the corresponding schedules, except as described below.

	<u>Revenue</u>	<u>Expenditures</u>
<u>EARLY INTERVENTION</u>		
Per financial statements	<u>\$ 6,301,916</u>	<u>\$ 6,301,916</u>
Per supplementary schedule	<u>\$ 6,301,916</u>	<u>\$ 6,301,916</u>

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

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

Mingis, Gutowski & Company, LLP

July 29, 2019
Media, Pennsylvania

Commonwealth of Pennsylvania
DHS - Bureau of Financial Operations
County Early Intervention Services Report
EI15 -Early Intervention Services
Fiscal Year 2017-2018
Delaware County EI Program

Revision Number: 4

Sources of DHS Funding	App	DHS Funds Available			Cost Eligible for DHS Participation (4)	Balance Of Funds (5)	Grant Fund Adjustments (6)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention Services								
1. Early Intervention Services	10235	\$0	\$4,584,346	\$4,584,346	\$4,031,024	\$553,322	\$0	\$553,322
2. Early Intervention Training	10235	\$0	\$6,551	\$6,551	\$5,376	\$1,175	\$0	\$1,175
3. Early Intervention Administration	10235	\$0	\$432,556	\$432,556	\$427,148	\$5,408	\$0	\$5,408
4. Infants & Toddlers w/Disabilities (Part C)	70170	\$0	\$770,293	\$770,293	\$770,293	\$0	\$0	\$0
5. IT&F Waiver Administration	10235/70184	\$0	\$59,990	\$59,990	\$59,990	\$0	\$0	\$0
8. Reserved	00001	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Early Intervention Services		\$0	\$5,853,736	\$5,853,736	\$5,293,831	\$559,905	\$0	\$559,905


I certify that the statement of receipts and expenditures for the period shown is true and correct to the best of my knowledge and belief, that the fund balance shown on this report has been reconciled with the related balances of the books of this program, that the funds expended have been used in accordance with the official plan and estimates of the local authorities approved by the Department of Human Services, with the regulations of the Department and further that local authorities understand that payments made to this program hereunder will be made in reliance by the Commonwealth upon the statements herein made.

11/30/18
Date


Authorized Signature

Sandra Garrison, Acting Director
Printed Name/Title

11/30/18
Date


Authorized Signature

Jeffrey Powers, Accountant II
Printed Name/Title

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES REQUIRED BY THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

County Council
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by management, solely to assist the specified parties in evaluating the County of Delaware, Pennsylvania Mental Health, Intellectual Developmental Disabilities, and Early Intervention Programs' (Programs) compliance with the reporting of the reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmations received from the Commonwealth of Pennsylvania. Management is responsible for the Programs' compliance with those requirements. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of those procedures is solely the responsibility of those parties specified in this 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.

The procedures performed are as follows:

- a. We agreed the expenditure amounts listed on the reconciliation schedule (Exhibit A) under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- b. We agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the Audit Confirmation Replies from Pennsylvania DHS" column to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.

- c. We recalculated the amounts listed under the "Difference" column.
- d. We agreed the amounts listed under the "Difference" column to the audited books and records of the provider.
- e. We agreed the "Detailed Explanation of the Differences" to the audited books and records of the provider.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. 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 Programs, the Commonwealth of Pennsylvania, Department of Human Services, and is not intended to be, and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA'S MENTAL HEALTH,
INTELLECTUAL DEVELOPMENTAL DISABILITIES, AND EARLY INTERVENTION PROGRAMS**

YEAR ENDED JUNE 30, 2018

SUPPLEMENTAL SCHEDULE

RECONCILIATION

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)
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (E/D)</u>	<u>Detailed Explanation of the Differences</u>
<u>Mental Health Program</u>						
Social Services Block Grant	93.667	\$ 293,886	\$ 293,886	\$ 0	0%	N/A
Community Mental Health Services Block Grant	93.958	613,758	613,758	0	0	N/A
PATH Homeless	93.150	<u>131,919</u>	<u>131,919</u>	<u>0</u>	<u>0</u>	N/A
		<u>1,039,563</u>	<u>1,039,563</u>	<u>0</u>	<u>0</u>	

EXHIBIT A

**COUNTY OF DELAWARE, PENNSYLVANIA'S MENTAL HEALTH,
INTELLECTUAL DEVELOPMENTAL DISABILITIES, AND EARLY INTERVENTION PROGRAMS**

YEAR ENDED JUNE 30, 2018

SUPPLEMENTAL SCHEDULE

RECONCILIATION

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)
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (E/D)</u>	<u>Detailed Explanation of the Differences</u>
<u>Intellectual Developmental Disabilities Program</u>						
Social Services Block Grant	93.667	\$ 396,194	\$ 396,194	\$ 0	0%	N/A
Waiver Program	93.778	<u>871,771</u> <u>1,267,965</u>	<u>871,771</u> <u>1,267,965</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	N/A
<u>Early Intervention Program</u>						
Infants and Toddlers	84.181	\$ 770,293	\$ 770,293	\$ 0	0%	N/A
Waiver Administration	93.778	<u>29,995</u> <u>800,288</u>	<u>29,995</u> <u>800,288</u>	<u>0</u> <u>0</u>	<u>0</u> <u>0</u>	N/A
Total Federal passed through PA DHS		<u>\$ 3,107,816</u>	<u>\$ 3,107,816</u>	<u>\$ 0</u>	<u>0%</u>	

EXHIBIT A

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
CALENDAR YEAR BASIS SINGLE AUDIT REPORTS
ON MAJOR PROGRAM COMPLIANCE AND ON
INTERNAL CONTROL OVER COMPLIANCE
YEAR ENDED DECEMBER 31, 2018**

**MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Media, Pennsylvania**

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

County Council
County of Delaware, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Delaware, Pennsylvania Mental Health Program's, Intellectual Developmental Disabilities Program's, and Early Intervention Program's (Programs) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Programs' major federal programs for the year ended December 31, 2018. The Programs' major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Program's major federal 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; and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Programs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance for each major federal program. However, our audits do not provide a legal determination of the Programs' compliance.

Opinion on Each Major Federal Program

In our opinion, the Programs 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 programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

Page 3

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 is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

July 29, 2019
Media, Pennsylvania

**COUNTY OF DELAWARE, PENNSYLVANIA
 MENTAL HEALTH PROGRAM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance		
	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 93.958	Name of Federal Program:	PA DHS Community Mental Health Services Block Grant
Dollar threshold used to distinguish between type A and type B programs:		
	\$750,000	
Auditee qualified as low-risk auditee?		
	___X___ yes	_____ no

Note: The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania which maintains its accounts on a calendar year basis. The Mental Health Program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis, do not cause a deviation in the determination of major programs identified on the Program's June 30 fiscal year basis.

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 93.778	Name of Federal Program:	PA DHS Waiver Administration
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

Note: The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania which maintains its accounts on a calendar year basis. The Intellectual Developmental Disabilities Program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis, do not cause a deviation in the determination of major programs identified on the Program's June 30 fiscal year basis.

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 84.181	Name of Federal Program:	PA DHS Infants and Toddlers
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

Note: The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania which maintains its accounts on a calendar year basis. The Early Intervention Program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis, do not cause a deviation in the determination of major programs identified on the Program's June 30 fiscal year basis.

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES AWARDS

County Council
County of Delaware, Pennsylvania

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of the County of Delaware, Pennsylvania's Mental Health Program, Intellectual Developmental Disabilities Program, and Early Intervention Program (collectively, "the Programs") for the year ended June 30, 2018, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the Programs for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
Social Services Block Grant	93.667	70135	\$ 293,886	\$ 293,886	\$ 293,886
Community Mental Health Services Block Grant	93.958	70167	613,758	613,758	613,758
PATH Homeless	93.150	70154	131,919	131,919	131,919
<u>U.S. Department of Housing and Urban Development</u>					
Shelter Plus Care Program	14.238	-	<u>134,161</u>	<u>134,161</u>	<u>134,161</u>
Total Federal Awards			<u>1,173,724</u>	<u>1,173,724</u>	<u>1,173,724</u>
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Community Mental Health Services (Base Program)		10248	31,523,686	31,523,686	31,523,686
Specialized Residences		10258	91,410	91,410	91,410
Behavioral Health Initiative		10262	362,182	362,182	362,182
Self Direct Care TTI		70127	<u>782</u>	<u>782</u>	<u>782</u>
Total Pennsylvania DHS Awards			<u>31,978,060</u>	<u>31,978,060</u>	<u>31,978,060</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 33,151,784</u>	<u>\$ 33,151,784</u>	<u>\$ 33,151,784</u>

See accompanying notes to Schedule of
Expenditures of Federal and Pennsylvania Department of
Human Services Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
Program Title					
<u>Federal Financial Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of					
Human Services:					
Social Services Block Grant	93.667	70177	\$ 396,194	\$ 396,194	\$ 396,194
Waiver Program:					
Administration	93.778	70175	845,395	845,395	845,395
Targeted Service Management Admin	93.778	70175	<u>26,376</u>	<u>26,376</u>	<u>26,376</u>
Total Federal Financial Awards			1,267,965	1,267,965	1,267,965
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Community ID Services (Base Program)		10255	7,686,473	7,686,473	7,686,473
Elwyn		10236	<u>251,194</u>	<u>251,194</u>	<u>251,194</u>
Total Pennsylvania DHS Financial Awards			<u>7,937,667</u>	<u>7,937,667</u>	<u>7,937,667</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 9,205,632</u>	<u>\$ 9,205,632</u>	<u>\$ 9,205,632</u>

See accompanying notes to Schedule of Expenditures of Federal
and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
Program Title					
<u>Federal Financial Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of					
Human Services:					
Infants and Toddlers	84.181	70170	\$ 770,293	\$ 770,293	\$ 770,293
Waiver Administration	93.778	70184	<u>29,995</u>	<u>29,995</u>	<u>29,995</u>
Total Federal Financial Awards			800,288	800,288	800,288
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Maintenance (Base Program)	-	10235	4,031,024	4,031,024	4,031,024
Administration	-	10235	427,148	427,148	427,148
Training	-	10235	5,376	5,376	5,376
Waiver Administration	-	10235	<u>29,995</u>	<u>29,995</u>	<u>29,995</u>
Total Pennsylvania DHS Awards			<u>4,493,543</u>	<u>4,493,543</u>	<u>4,493,543</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 5,293,831</u>	<u>\$ 5,293,831</u>	<u>\$ 5,293,831</u>

See accompanying notes to Schedule of Expenditures of Federal
and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AND PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

The accompanying Schedules of Expenditures of Federal and Pennsylvania Department of Human Services Awards present all federal and Pennsylvania DHS financial assistance received and expended by the County of Delaware, Pennsylvania Mental Health, Intellectual Developmental Disabilities, and Early Intervention Programs for the year ended June 30, 2018.

NOTE 2 BASIS OF PRESENTATION

The Schedules of Expenditures of Federal and Pennsylvania DHS Awards are presented on the accrual basis of accounting and include provider-related program expenditures approved for reimbursement by the Programs. The information in these schedules 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).

NOTE 3 UNEXPENDED FUNDS

Funds allocated to and passed through to the Program but not spent are customarily carried over for use in a subsequent period upon approval of the funding source.

**NOTE 4 STATE APPROPRIATION NUMBERS AND FEDERAL CFDA
NUMBERS**

The program titles, CFDA numbers, and appropriation numbers were derived from the pass-through grantor or *Catalog of Federal Domestic Assistance*.

NOTE 5 INDIRECT COSTS

The Programs elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
CALENDAR YEAR BASIS SINGLE AUDIT REPORTS
ON MAJOR PROGRAM COMPLIANCE AND ON
INTERNAL CONTROL OVER COMPLIANCE
YEAR ENDED DECEMBER 31, 2018**

**MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Media, Pennsylvania**

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

County Council
County of Delaware, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Delaware, Pennsylvania Mental Health Program's, Intellectual Developmental Disabilities Program's, and Early Intervention Program's (Programs) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Programs' major federal programs for the year ended December 31, 2018. The Programs' major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Program's major federal 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; and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Programs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance for each major federal program. However, our audits do not provide a legal determination of the Programs' compliance.

Opinion on Each Major Federal Program

In our opinion, the Programs 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 programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the Programs 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 Programs' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Programs' 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 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 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 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 is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

July 29, 2019
Media, Pennsylvania

**COUNTY OF DELAWARE, PENNSYLVANIA
 MENTAL HEALTH PROGRAM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance		
	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 93.958	Name of Federal Program:	PA DHS Community Mental Health Services Block Grant
Dollar threshold used to distinguish between type A and type B programs:		
	\$750,000	
Auditee qualified as low-risk auditee?		
	___X___ yes	_____ no

Note: The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania which maintains its accounts on a calendar year basis. The Mental Health Program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis, do not cause a deviation in the determination of major programs identified on the Program's June 30 fiscal year basis.

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 93.778	Name of Federal Program:	PA DHS Waiver Administration
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

Note: The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania which maintains its accounts on a calendar year basis. The Intellectual Developmental Disabilities Program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis, do not cause a deviation in the determination of major programs identified on the Program's June 30 fiscal year basis.

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Number: 84.181	Name of Federal Program:	PA DHS Infants and Toddlers
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

Note: The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania which maintains its accounts on a calendar year basis. The Early Intervention Program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis, do not cause a deviation in the determination of major programs identified on the Program's June 30 fiscal year basis.

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AND PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES AWARDS**

County Council
County of Delaware, Pennsylvania

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of the County of Delaware, Pennsylvania's Mental Health Program, Intellectual Developmental Disabilities Program, and Early Intervention Program (collectively, "the Programs") for the year ended June 30, 2018, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the Programs for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
MENTAL HEALTH PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
Program Title					
<u>Federal Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
Social Services Block Grant	93.667	70135	\$ 293,886	\$ 293,886	\$ 293,886
Community Mental Health Services Block Grant	93.958	70167	613,758	613,758	613,758
PATH Homeless	93.150	70154	131,919	131,919	131,919
<u>U.S. Department of Housing and Urban Development</u>					
Shelter Plus Care Program	14.238	-	134,161	134,161	134,161
Total Federal Awards			1,173,724	1,173,724	1,173,724
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Community Mental Health Services (Base Program)		10248	31,523,686	31,523,686	31,523,686
Specialized Residences		10258	91,410	91,410	91,410
Behavioral Health Initiative		10262	362,182	362,182	362,182
Self Direct Care TTI		70127	782	782	782
Total Pennsylvania DHS Awards			31,978,060	31,978,060	31,978,060
Total Federal and Pennsylvania DHS Awards			\$ 33,151,784	\$ 33,151,784	\$ 33,151,784

See accompanying notes to Schedule of Expenditures of Federal and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
INTELLECTUAL DEVELOPMENTAL DISABILITIES PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

	<u>Federal CFDA Number</u>	<u>State Appropriation Number</u>	<u>Payments Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Grantor/Pass-Through Grantor</u>					
Program Title					
<u>Federal Financial Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
Social Services Block Grant	93.667	70177	\$ 396,194	\$ 396,194	\$ 396,194
Waiver Program:					
Administration	93.778	70175	845,395	845,395	845,395
Targeted Service Management Admin	93.778	70175	<u>26,376</u>	<u>26,376</u>	<u>26,376</u>
Total Federal Financial Awards			1,267,965	1,267,965	1,267,965
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Community ID Services (Base Program)		10255	7,686,473	7,686,473	7,686,473
Elwyn		10236	<u>251,194</u>	<u>251,194</u>	<u>251,194</u>
Total Pennsylvania DHS Financial Awards			<u>7,937,667</u>	<u>7,937,667</u>	<u>7,937,667</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 9,205,632</u>	<u>\$ 9,205,632</u>	<u>\$ 9,205,632</u>

See accompanying notes to Schedule of Expenditures of Federal
and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
EARLY INTERVENTION PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor</u> Program Title	<u>Federal</u> CFDA <u>Number</u>	<u>State</u> Appropriation <u>Number</u>	<u>Payments</u> <u>Received</u>	<u>Receipts or</u> Revenues <u>Recognized</u>	<u>Disbursements</u> or <u>Expenditures</u>
<u>Federal Financial Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
Infants and Toddlers	84.181	70170	\$ 770,293	\$ 770,293	\$ 770,293
Waiver Administration	93.778	70184	<u>29,995</u>	<u>29,995</u>	<u>29,995</u>
Total Federal Financial Awards			800,288	800,288	800,288
<u>Pennsylvania Department of Human Services</u>					
<u>Financial Assistance</u>					
Maintenance (Base Program)	-	10235	4,031,024	4,031,024	4,031,024
Administration	-	10235	427,148	427,148	427,148
Training	-	10235	5,376	5,376	5,376
Waiver Administration	-	10235	<u>29,995</u>	<u>29,995</u>	<u>29,995</u>
Total Pennsylvania DHS Awards			<u>4,493,543</u>	<u>4,493,543</u>	<u>4,493,543</u>
Total Federal and Pennsylvania DHS Awards			<u>\$ 5,293,831</u>	<u>\$ 5,293,831</u>	<u>\$ 5,293,831</u>

See accompanying notes to Schedule of Expenditures of Federal
and Pennsylvania Department of Human Services Awards

**COUNTY OF DELAWARE PENNSYLVANIA
MENTAL HEALTH PROGRAM, INTELLECTUAL DEVELOPMENTAL
DISABILITIES PROGRAM, AND EARLY INTERVENTION PROGRAM
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AND PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

The accompanying Schedules of Expenditures of Federal and Pennsylvania Department of Human Services Awards present all federal and Pennsylvania DHS financial assistance received and expended by the County of Delaware, Pennsylvania Mental Health, Intellectual Developmental Disabilities, and Early Intervention Programs for the year ended June 30, 2018.

NOTE 2 BASIS OF PRESENTATION

The Schedules of Expenditures of Federal and Pennsylvania DHS Awards are presented on the accrual basis of accounting and include provider-related program expenditures approved for reimbursement by the Programs. The information in these schedules 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).

NOTE 3 UNEXPENDED FUNDS

Funds allocated to and passed through to the Program but not spent are customarily carried over for use in a subsequent period upon approval of the funding source.

**NOTE 4 STATE APPROPRIATION NUMBERS AND FEDERAL CFDA
NUMBERS**

The program titles, CFDA numbers, and appropriation numbers were derived from the pass-through grantor or *Catalog of Federal Domestic Assistance*.

NOTE 5 INDIRECT COSTS

The Programs elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS
YEAR ENDED JUNE 30, 2018**

**MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Media, Pennsylvania 19063**

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
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MINGIS, GUTOWSKI & COMPANY, LLP

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Independent Auditor's Report

County Council
County of Delaware, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Delaware, Pennsylvania Drug and Alcohol (Program) Program, as of and for the year ended June 30, 2018, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the County of Delaware, Pennsylvania Drug and Alcohol Program as of June 30, 2018 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements are intended to present the financial position and results of operations of only the County of Delaware, Pennsylvania's Drug and Alcohol Program and do not purport to, and do not, present fairly the financial position of the County of Delaware as of June 30, 2018 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the Program taken as a whole. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Program. In addition, the accompanying schedule of expenditures of Federal awards is also presented

for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Pennsylvania Department of Human Services *Single Audit Supplement* and are also not a required part of the basic financial statements of the Program. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of the Program as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
BALANCE SHEET
JUNE 30, 2018**

ASSETS

Receivable from Delaware County General Fund	<u>\$ 3,294,593</u>
	<u>\$ 3,294,593</u>

LIABILITIES

Accounts payable, principally to service providers	<u>\$ 3,294,593</u>
	<u>\$ 3,294,593</u>

See accompanying notes to financial statements

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED JUNE 30, 2018**

REVENUE:

State allocated funding from Department of Drug and Alcohol Programs	\$ 1,896,355
State allocated funding from PA Department of Human Services	1,910,803
Federal funding passed through PA Department of Human Services	2,797,106
Court Grant – PADAP	23,145
County of Delaware	129,378
DUI fines	24,285
HealthChoices Program	<u>324,238</u>
Total revenue	<u>7,105,310</u>

EXPENDITURES:

Administration	973,981
Evaluation and research	60,000
Prevention	1,719,582
Assistance and other intervention	27,865
Inpatient – nonhospital	1,805,289
Inpatient – hospital	279,348
Outpatient	519,576
Case management, recovery housing, and support services	<u>1,719,669</u>
Total expenditures	<u>7,105,310</u>

Excess of revenue over expenditures	<u>\$ -</u>
-------------------------------------	-------------

See accompanying notes to financial statements

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Organization

The County of Delaware, Pennsylvania Drug and Alcohol Program (Program) is a Special Revenue Fund that serves as an agency for the County of Delaware, Pennsylvania (County) in planning, coordinating and administering a wide range of community-based service programs for the control of drug and alcohol abuse in Delaware County. The Program is funded principally through annual funding allocation grants received from the Department of Drug and Alcohol Programs and from the Pennsylvania Department of Human Services and is, therefore, subject to the regulations and directives prescribed by those state agencies.

General

The financial statements presented herein are intended to present the financial position and results of operations of the Program only and are not intended to present fairly the financial position, results of operations, or changes in financial position of the County in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements of the Program, whose fiscal year ends on June 30, have been prepared using the accrual basis of accounting.

Revenue

The principal source of revenue recognized by the Program is derived from the Department of Drug and Alcohol Programs (DDAP), which includes the pass-through of Federal Funds, and from the Pennsylvania Department of Human Services Behavioral Health Services Initiative, and Act 152 funds. Revenue from these and other sources is considered earned as approved expenditures are incurred. The Program also receives revenue support, including required matching funds, from the County and periodically from other County human services programs to fund the Program activity. County funds are considered earned when requested from other County Human Services Programs. Annually, any Program funding shortfall is funded by the County.

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
NOTES TO FINANCIAL STATEMENTS: CONTINUED
YEAR ENDED JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES
(CONTINUED)**

Contract Service Providers

The Program contracts with independent service providers for substantially all of the care and prevention services provided to combat drug and alcohol abuse. The accompanying statement of revenue and expenditures includes income earned in the production of these services by these service providers and the gross amount of expenses incurred by the providers and charged to the Program in providing the contracted services. The service providers are customarily given advance funding based on the total contract amount and thereafter regularly submit reports and requests for reimbursement of their eligible expenses, less any related income earned. The service providers are required to submit annual audited financial statements to the Program.

Unexpended Funds

Unexpended funds applicable to funding received from the Department of Drug and Alcohol Programs and Department of Human Services are either required to be refunded or are permitted to be carried over for use in a subsequent period. There were no program funds expended in fiscal year 2018 that were not applicable to fiscal year 2018 funding.

Allocation of Administrative Expense

Certain representatives of the administrative staff of the Program are also responsible for the administration of other county-sponsored Human Services programs. Accordingly, certain personnel costs, including employee benefits, and common expenses are allocated among these various programs based on personnel use, aggregate dollars administered or other applicable measurement bases.

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
NOTES TO FINANCIAL STATEMENTS: CONTINUED
YEAR ENDED JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES
(CONTINUED)**

County Administrative Services

Delaware County provides certain accounting and other administrative services to the Program for which it charges the Program. All such Program-related support services are accounted for in the General Fund of the County of Delaware and are subsequently allocated to the Program based on the County's cost allocation plan. The allocated cost of these County-provided services was \$60,096 in fiscal year 2018. The County disburses all Program expenditures from its General Fund. Grant funds requested by the Program are deposited in the General Fund of the County when received.

Employees' Retirement Plan

County employees are eligible to participate in the County's single employer defined benefit pension plan. Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute any remaining amount necessary to finance employee coverage at an actuarially determined rate.

Property and Equipment

In accordance with grantor regulations, Program funds may not be used for the acquisition cost of land or buildings. Mortgaged real estate may be charged to the Programs by providers at the lesser of fair rental value or the actual cost of principal and interest.

Title to fixed assets which are acquired with program funds remains with the County. Upon termination or cancellation of a provider contract within a prescribed period, the County may retain the fixed assets for County use, transfer them to another provider, or sell them and utilize the proceeds in the program.

The Program charges the acquisition cost of fixed assets to expense. Under generally accepted accounting principles, these costs would normally be capitalized and depreciated. For fiscal year 2018, the cost of fixed assets purchased was not significant.

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
NOTES TO FINANCIAL STATEMENTS: CONTINUED
YEAR ENDED JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES
(CONTINUED)**

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Program management has evaluated events and transactions that occurred after the balance sheet date for potential recognition and disclosure through July 29, 2019, the date on which the financial statements were available to be issued.

NOTE 2 CONTINGENCIES

Various individuals and organizations from time to time bring or threaten suit to compel the County to provide additional services through its Drug and Alcohol Program. In the opinion of management, these claims are not expected to materially affect the financial position of the Program.

NOTE 3 HUMAN SERVICES BLOCK GRANT

Commencing in fiscal 2013, several DHS categorical funding appropriations were consolidated into one appropriation, the Human Services Block Grant, for certain Pennsylvania counties. The County's Drug and Alcohol Program was included in the Programs which participated in this program. The intention of the Block Grant is to provide improved flexibility to the participating counties in delivering its human services' needs. Under the terms of the Block Grant, funds may be moved by the County from one categorical program to another. The Block Grant has a five-year phase-in, under which the Human Services funding that is allowed to be reallocated increases each year. For fiscal year 2017 and thereafter, the County may reallocate all unused Block Grant funds to other County-based Human Services programs as determined by the County.

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
RECONCILIATION OF REVENUE AND
EXPENDITURES TO PROGRAM
REPORTED REVENUE AND EXPENDITURES
YEAR ENDED JUNE 30, 2018**

Revenue and expenditures per financial statements	<u>\$ 7,105,310</u>
Revenue and expenditures reported to the Department of Drug and Alcohol Programs	<u>\$ 7,105,310</u>

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
SCHEDULE OF ADMINISTRATION EXPENDITURES
YEAR ENDED JUNE 30, 2018**

Administration:

Personnel services:	
Salaries	\$ 345,927
Benefits	<u>167,392</u>
	513,319
Operating expenses:	
Meetings and conferences	13,830
Consulting expenses	176,716
Occupancy	27,063
Communications	9,970
Office supplies	44
Staff travel	5,075
Equipment leases	27,059
Other operating expenses	12,687
Indirect costs – DDAP funds	93,868
Indirect costs – Other funds	<u>94,350</u>
	<u>460,662</u>
Total administration expenditures	<u>\$ 973,981</u>

**COUNTY OF DELAWARE, PENNSYLVANIA
 DRUG AND ALCOHOL PROGRAM
 SCHEDULE OF
 EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor</u> Program Title	<u>Federal CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Amount Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
SAPT Block Grants:					
Base Drug and Alcohol Grants	93.959	4100053190	\$ 1,675,830	\$ 1,675,830	\$ 1,675,830
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	4100053190	310,244	310,244	310,244
Opioid State Targeted Response	93.788	4100053190	<u>811,032</u>	<u>811,032</u>	<u>811,032</u>
Total Federal Awards			<u>\$ 2,797,106</u>	<u>\$ 2,797,106</u>	<u>\$ 2,797,106</u>

See accompanying notes to
 Schedule of Expenditures of Federal Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents all federal awards received by the Program for the year ended June 30, 2018.

NOTE 2 BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. Provider-related expenses represent amounts expended by providers and approved for reimbursement by the Program. The information in these schedules is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3 UNEXPENDED FUNDS

Funds received but not spent are either required to be refunded to the funding agency or are carried over for use in a subsequent period upon approval of the funding source.

NOTE 4 FEDERAL CFDA NUMBERS

The program titles and CFDA numbers were derived from the pass-through grantor or *Catalog of Federal Domestic Assistance*.

NOTE 5 INDIRECT COSTS

The Program elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • Media, PA 19063
\$197,499.72 \$ 197,499.72

610-544-5100
FAX: 610-544-9767

Independent Auditor's 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 Council
County of Delaware, 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 County of Delaware, Pennsylvania Drug and Alcohol Program (Program) as of and for the year ended June 30, 2018, and the related notes to the financial statements and have issued our report thereon dated July 29, 2019.

Internal Control over Financial Reporting

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

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**Independent Auditor's Report on Compliance For Each Major Program and on
Internal Control Over Compliance Required by the Uniform Guidance**

County Council
County of Delaware, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Delaware, Pennsylvania Drug and Alcohol Program's (Program) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Program's major federal program for the year ended June 30, 2018. The Program's major federal program is 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 programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Program complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Program 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 Program's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Program'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 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 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 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 is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

The prior year Single Audit disclosed no findings in the Schedule of Findings and Questioned Costs.

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal programs:		
CFDA Numbers: 93.959 93.788	Name of Federal Program:	U.S. Department of Health and Human Services SAPT Block Grant
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 DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES REQUIRED BY THE
PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES**

County Council
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by management, solely to assist the specified parties in evaluating the County of Delaware, Pennsylvania Drug and Alcohol Program's (Program) compliance with the reporting of the reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania. Management is responsible for the Program's compliance with those requirements. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of those procedures is solely the responsibility of those parties specified in this 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.

The procedures performed are as follows:

- a. We agreed the expenditure amounts listed on the reconciliation schedule (Exhibit A) under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- b. We agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the Audit Confirmation Reply from Pennsylvania DHS" column to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.

- c. We recalculated the amounts listed under the "Difference" column.
- d. We agreed the amounts listed under the "Difference" column to the audited books and records of the provider.
- e. We agreed the "Detailed Explanation of the Differences" to the audited books and records of the provider.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. 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 Program, the Commonwealth of Pennsylvania, Department of Human Services, and is not intended to be, and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

COUNTY OF DELAWARE, PENNSYLVANIA'S DRUG AND ALCOHOL PROGRAM

YEAR ENDED JUNE 30, 2018

SUPPLEMENTAL SCHEDULE

RECONCILIATION

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)
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (E/D)</u>	<u>Detailed Explanation of the Differences</u>
Base Drug and Alcohol Grants	93.959	\$ 1,675,830	\$ 1,675,830	\$ 0	0%	N/A
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	310,244	310,244	0	0	N/A
Opioid State Targeted Response	93.788	<u>811,032</u>	<u>811,032</u>	<u>0</u>	<u>0</u>	N/A
		<u>\$ 2,797,106</u>	<u>\$ 2,797,106</u>	<u>\$ 0</u>	<u>0%</u>	N/A

EXHIBIT A

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
CALENDAR YEAR BASIS SINGLE AUDIT REPORT
ON MAJOR PROGRAM COMPLIANCE
AND ON INTERNAL CONTROL OVER COMPLIANCE
YEAR ENDED DECEMBER 31, 2018**

**MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Media, Pennsylvania 19063**

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

County Council
County of Delaware, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Delaware, Pennsylvania Drug and Alcohol Program's (Program) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Program's major federal program for the year ended December 31, 2018. The Program's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Program's major federal program 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, and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Program'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 program. However, our audit does not provide a legal determination of the Program's compliance.

Opinion on Each Major Federal Program

In our opinion, the Program complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the Program 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 Program's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Program'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 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 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 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 is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
 DRUG AND ALCOHOL PROGRAM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified			
Internal control over financial reporting:			
• Material weaknesses identified?	_____ yes	___X___	no
• Significant deficiencies identified?	_____ yes	___X___	none reported
Noncompliance material to financial statements noted?			
	_____ yes	___X___	no
<i>Federal Awards</i>			
Internal control over the major federal program:			
• Material weaknesses identified?	_____ yes	___X___	no
• Significant deficiencies identified?	_____ yes	___X___	none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance			
	_____ yes	___X___	no
Identification of major federal programs:			
CFDA Numbers:	93.959	Name of Federal Program:	U.S. Department of Health and Human Services SAPT Block Grant
	93.788		
Dollar threshold used to distinguish between type A and type B programs:			
	\$750,000		
Auditee qualified as low-risk auditee?			
	___X___ yes	_____	no

The audit of compliance for the year ended December 31, 2018 was performed to support the reporting requirements of the County of Delaware, Pennsylvania, which maintains its accounts on a calendar year basis. The Drug and Alcohol program maintains its accounts on a June 30 fiscal year basis. Program expenditures, as determined on a calendar year basis do not cause a deviation in the determination of the major program identified on the Program's June 30 fiscal year basis.

**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

County Council
County of Delaware, Pennsylvania

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of the County of Delaware, Pennsylvania's Drug and Alcohol Program (the Program) for the year ended June 30, 2018, and the related notes.

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the Program for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
July 29, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor</u> Program Title	<u>Federal CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Amount Received</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements or Expenditures</u>
<u>Federal Awards</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed through Pennsylvania Department of Human Services:					
SAPT Block Grants:					
Base Drug and Alcohol Grants	93.959	4100053190	\$ 1,675,830	\$ 1,675,830	\$ 1,675,830
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	4100053190	310,244	310,244	310,244
Opioid State Targeted Response	93.788	4100053190	<u>811,032</u>	<u>811,032</u>	<u>811,032</u>
Total Federal Awards			<u>\$ 2,797,106</u>	<u>\$ 2,797,106</u>	<u>\$ 2,797,106</u>

See accompanying notes to
Schedule of Expenditures of Federal Awards

**COUNTY OF DELAWARE, PENNSYLVANIA
DRUG AND ALCOHOL PROGRAM
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents all federal awards received by the Program for the year ended June 30, 2018.

NOTE 2 BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. Provider-related expenses represent amounts expended by providers and approved for reimbursement by the Program. The information in these schedules is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 3 UNEXPENDED FUNDS

Funds received but not spent are required to be refunded to the funding agency or, in certain cases, are carried over for use in a subsequent period upon approval of the funding source.

NOTE 4 FEDERAL CFDA NUMBERS

The program titles and CFDA numbers were derived from the pass-through grantor or *Catalog of Federal Domestic Assistance*.

NOTE 5 INDIRECT COSTS

The Program elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

SECTION C

CHILDREN & YOUTH SERVICES PROGRAM OF THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2018

SUBMITTED BY:
CHRISTOPHER REYNOLDS INC.

FINANCIAL STATEMENTS

**CHILDREN AND YOUTH SERVICES PROGRAM
OF THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA**

JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

County Council
County of Delaware, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Delaware, Pennsylvania Children and Youth Services Program (the Program), as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the County of Delaware, Pennsylvania Children and Youth Services Program as of June 30, 2018, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements are intended to present the financial position and results of operations of only the County of Delaware, Pennsylvania's Children and Youth Services Program and do not purport to, and do not, present fairly the financial position of the County of Delaware as of June 30, 2018 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters


Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Program taken as a whole. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Program. In addition, the accompanying schedules of expenditures of Federal and Pennsylvania Department of Human Services awards are also presented for purposes of additional analysis as required by Title 2, U.S. *Code of Federal Regulations* (CFR) Part 200,

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Pennsylvania Department of Human Services *Single Audit Supplement*, and are also not a required part of the financial statements of the Program. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of the Program as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.


July 29, 2019
Springfield, Pennsylvania

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA

Balance Sheet
June 30, 2018

ASSETS

Due from the Pennsylvania Department of Human Services	\$ 15,574,732
Due from Pennsylvania Department of Human Services – prior years	<u>692,227</u>
TOTAL ASSETS	<u>\$ 16,266,959</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Due to the County of Delaware's General Fund	<u>\$ 16,266,959</u>
TOTAL LIABILITIES	16,266,959
Fund Balance:	
Fund Balance	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 16,266,959</u>

See accompanying notes to financial statements.

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Statement of Revenue and Expenditures
For the Year Ended June 30, 2018

REVENUE:

Title XX	\$ 519,839
Title IV-E	8,040,160
Act 148 (Less YDC/YFC and Excess over State Allocation)	31,553,265
Program Income	560,525
YDC/YFC State Share	385,014
Medicaid Administration	27,227
TANF	1,619,400
TITLE IV-B	220,851
County Contribution (Net of YDC/YFC) (Including Excess over State Act 148 Allocation)	<u>11,385,827</u>
TOTAL REVENUE	<u>54,312,108</u>

EXPENDITURES:

Wages and Salaries	9,384,126
Employee Benefits	4,481,521
Subsidies	5,761,948
Operating	4,000,955
Purchased Services	30,540,773
Purchase of Fixed Assets	<u>142,785</u>
TOTAL EXPENDITURES	<u>54,312,108</u>

EXCESS OF REVENUE OVER EXPENDITURES \$ -

See accompanying notes to financial statements.

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA

Notes to Financial Statements

June 30, 2018

NOTE 1 – Summary of Significant Accounting Policies

Business Activity – The regulations that govern the Children and Youth Services Agencies are for each county to provide social services for children in need.

The annual plan submitted by the Children and Youth Services Program of the Department of Human Services of the County of Delaware, Pennsylvania must be approved by the Pennsylvania Department of Human Services. In accordance with an annual plan set forth by the Program subject to the acceptance of the Pennsylvania Department of Human Services, the Program would be entitled to reimbursement or a percentage of reimbursement for child services rendered. These revenues would be received by the Program from the Pennsylvania Department of Human Services under various categories to provide care for dependent and delinquent children regardless of sex, race, color, religion, settlement, residence, or social status.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue is recognized when earned rather than when actually received and expenses are recognized when incurred rather than when actually paid. The schedules and financial statements as noted in the Table of Contents are presented in the manner prescribed by the Pennsylvania Department of Human Services for its program financial statements.

For the purpose of the financial statements, the balance sheet reflects the financial position of the Program at year end. All accruals are treated as if they belong to the County itself; consequently, all receivables (less deferred revenue) are due to the County of Delaware as reimbursement. The Pennsylvania Department of Human Services – Exhibit I – Revenues and Expenditures, Pennsylvania Department of Human Services – Expenditures Report, Pennsylvania Department of Human Services – Revenue Report do not include expenditures or revenue related to special grants. Those grants, however, are reported separately in the Schedule of Revenue and reflect the costs of the respective grants. Consequently, the full cost of the Program is as follows:

Child Welfare Costs (including YDC/YFC)	\$54,312,108
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CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Notes to Financial Statements
June 30, 2018

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fixed Assets – Fixed assets are expensed when purchased, which is a departure from generally accepted accounting principles that require fixed assets to be capitalized and depreciated over their estimated useful lives. The effect of this departure is not material to the financial statements.

Estimates – The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management’s Review – For the year ended June 30, 2018, management of the Program has evaluated subsequent events for potential recognition and disclosure through July 29, 2019, the date of the independent auditor’s report.

NOTE 2 – Due From Pennsylvania Department of Human Services

The Program, at June 30, 2018, was due certain funds from the Pennsylvania Department of Human Services as reimbursement for child services rendered during the period. These funds were subsequently collected and are comprised of the following:

Title IV-E	\$ 4,318,097
Act 148	9,967,788
TANF	826,986
Supervised Independent Living	119,791
County Contribution	333,274
Medicaid Administration	<u>8,796</u>
	<u>\$ 15,574,732</u>

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA

Notes to Financial Statements

June 30, 2018

NOTE 3 – Due from Pennsylvania Department of Human Services – Prior Years

The Program, at June 30, 2018, was also due certain funds from the Pennsylvania Department of Human Services as reimbursement for child services rendered in prior fiscal years. This amount is principally comprised of Title IV-E Funds earned by the Program in prior fiscal years.

NOTE 4 – Indirect Costs/Contingent Receivable

The Pennsylvania Department of Human Services limits the amount the Program may charge as administrative overhead as an indirect cost of 2% of department grant programs. As a result of this limitation, the Program has derived a direct cost allocation program for many of the administrative costs that had been classified as indirect in prior years and has resultantly limited the indirect costs to the prescribed amount that can be reimbursed under the program. The Program charged \$689,981 in indirect costs based on 2% of the actual Act 148 Allocation.

NOTE 5 – Pension Plan

Substantially all of the employees of the County are covered under a retirement pension plan. The pension plan is a joint contributory plan where both the County and the employee contribute to provide benefits. All eligible employees must participate in the plan. The retirement contribution to the Program was .03% of the Program's payroll.

NOTE 6 – County Match

The County's actual support of the Act 148 program, including Juvenile Court, was \$11,385,827.

NOTE 7 – Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Program expects such amounts, if any, to be immaterial.

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**INDEPENDENT AUDITOR'S 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 Council
County of Delaware, 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 County of Delaware, Pennsylvania Children and Youth Services Program (the Program) as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2019.

Internal Control over Financial Reporting

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

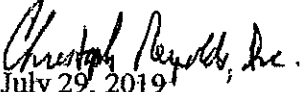
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 Program'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 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 Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


July 29, 2019
Springfield, Pennsylvania

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

County Council
County of Delaware, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Delaware, Pennsylvania Children and Youth Services Program's, (Program) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Program's major federal programs for the year ended June 30, 2018. The Program's major federal 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Program's major federal 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; and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Program'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 program. However, our audit does not provide a legal determination of the Programs' compliance.

Opinion on Each Major Federal Program

In our opinion, the Program 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 programs for the year ended June 30, 2018.

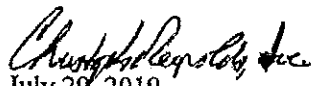
Report on Internal Control over Compliance

Management of the Program 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 Program's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Program'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 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 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 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. Accordingly, this report is not suitable for any other purpose.


July 29, 2019
Springfield, Pennsylvania

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I – Summary of Independent Auditor’s Results

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor’s report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal program:		
CFDA Number: 93.658	Name of Federal Program:	Title IV-E
93.659		Adoption Assistance
93.558		TANF
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2018

Section II – Financial Statement Findings:

No matters were reported.

Section III – Federal and Pennsylvania DHS Award Findings and Questioned Costs:

No findings noted.

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

<u>Federal Grantor/Project Title</u>	<u>Source Code</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through the Pennsylvania Department of Human Services:</i>			
Title XX	I	93.667	\$ 519,839
Title IV-E:			
Foster Care	I	93.658	\$ 5,218,731
Supervised Independent Living Grant	I	93.674	103,874
Information Technology	I	93.658	93,588
Information Technology	I	93.659	3,111
Information Technology	I	93.090	225
Adoption Assistance	I	93.659	2,456,613
SPLC	I	93.090	<u>135,112</u>
TOTAL TITLE IV-E			8,011,254
Medicaid Administration	I	93.778	27,227
Title IV-B	I	93.645	220,851
TANF	I	93.558	1,619,400
Caseworker Visitation	I	93.556	<u>12,948</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 10,411,519</u>

Source Codes:
I = Indirect Funding

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents all federal financial assistance received and expended by the County of Delaware, Pennsylvania Children and Youth Services Program for the year ended June 30, 2018.

NOTE 2 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents federal assistance received by the Program and is presented on the accrual basis of accounting and includes provider-related program expenditures approved for reimbursement by the Program. 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).

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 4 INDIRECT COSTS

The Program elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

NOTE 5 UNEXPENDED FUNDS

Funds allocated to and passed through to the Program but not spent are customarily carried over for use in a subsequent period upon approval of the funding source.

NOTE 6 FEDERAL CFDA NUMBERS

The Program titles and CFDA numbers were derived from the pass-through grantor or *Catalog of Federal Domestic Assistance*.

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018

The prior year's Single Audit disclosed no findings in the Schedule of Findings and Questioned Costs.

**CHRISTOPHER REYNOLDS, INC.
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INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

County of Delaware
Department of Human Services
Children and Youth Services
Media, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and the Children and Youth Services Program of the Department of Human Services of the County of Delaware, Pennsylvania, solely to assist you with respect to the financial schedules and exhibits required by the DHS Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

(a) We have verified by comparison of the amounts and classifications that the supplemental financial schedule listed below, which summarizes amounts reported to DHS for fiscal year ended June 30, 2018, has been accurately compiled and reflects the audited books and records of the Children and Youth Services Program of the Department of Human Services of the County of Delaware, Pennsylvania. We have also verified by comparison to the schedule that the schedule is presented, at a minimum, at the level of detail and in the format required by the DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
County Children and Youth	I	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 DHS for the period in question.

(c) The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings which have not been reflected on the corresponding schedules, except as described below.

	<u>Revenue</u>	<u>Expenditures</u>
Per financial statements	<u>\$ 54,312,108</u>	<u>\$ 54,312,108</u>
Per supplementary schedule	<u>\$ 54,312,108</u>	<u>\$ 54,312,108</u>

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

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

Christopher Reynolds, Inc.
 July 29, 2019
 Springfield, Pennsylvania

**CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA**
Pennsylvania Department of Human Services – Expenditures Report
For the Year Ended June 30, 2018

	Wages and Salaries	Employee Benefits	Subsidies	Operating	Purchased Services	Fixed Assets	Total Expenditures	Non-Reimbursable Expenditures	Total Reimbursable Expenditures
IN-HOME									
1-A	Adoption Service	\$ 1,602,855	\$ 770,949	\$ -	\$ 463,957	\$ -	\$ 25,415	\$ -	\$ 2,863,176
1-B	Adoption Assistance	-	-	5,231,719	-	-	5,231,719	-	5,231,719
1-C	Subsidized Permanent Legal Custodianship	-	-	530,329	-	-	530,229	-	530,229
1-D	Counseling - Dependent	-	-	-	-	-	-	-	-
1-E	Counseling - Delinquent	-	-	-	1,804,023	-	1,804,023	-	1,804,023
1-F	Day Care	-	-	-	169,563	-	169,563	-	169,563
1-G	Day Treatment Dependent	-	-	-	979,621	-	979,621	-	979,621
1-H	Day Treatment - Delinquent	-	-	-	440,079	-	440,079	-	440,079
1-I	Homemaker Service	-	-	-	-	-	-	-	-
1-J	Intake and Referral	774,460	372,948	213,803	-	12,279	1,373,490	-	1,373,490
1-K	Life Skills - Dependent	-	-	-	-	-	-	-	-
1-L	Life Skills - Delinquent	-	-	-	3,024,532	-	3,024,532	-	3,024,532
1-M	Protective Service - Child Abuse	1,569,081	749,062	-	436,472	24,873	5,059,286	-	5,059,286
1-N	Protective Service - General	2,598,746	1,220,575	-	718,651	41,207	4,579,179	-	4,579,179
1-O	Service Planning	241,230	114,597	-	66,596	3,827	554,500	-	554,500
1-P	Juvenile Act Proceedings - Dependent	-	-	-	11,712	-	11,712	-	11,712
1-Q	Juvenile Act Proceedings - Delinquent	-	-	-	25,331	-	61,984	-	61,984
1-R	Subtotal In Home	<u>6,786,372</u>	<u>3,228,131</u>	<u>5,761,948</u>	<u>1,936,522</u>	<u>8,862,519</u>	<u>26,683,093</u>	<u>-</u>	<u>26,683,093</u>
COMMUNITY BASED PLACEMENT									
2-A	Alternative Treatment - Dependent	-	-	-	9,750	-	9,750	9,750	-
2-B	Alternative Treatment - Delinquent	-	-	-	68,888	-	68,888	-	68,888
2-C	Community Residential - Dependent	-	-	-	2,057,753	-	2,057,753	115,361	1,942,392
2-D	Community Residential - Delinquent	-	-	-	1,010,906	-	1,010,906	-	1,010,906
2-E	Emergency Shelter - Dependent	-	-	36,368	540,490	-	576,858	-	576,858
2-F	Emergency Shelter - Delinquent	-	-	-	-	-	-	-	-
2-G	Foster Family - Dependent	1,692,828	814,625	666,105	6,035,493	26,843	9,235,894	5,837	9,230,057
2-H	Foster Family - Delinquent	-	-	248,982	13,851	-	262,833	-	262,833
2-I	Supervised Independent Living - Dependent	-	-	-	429,329	3,315	432,644	-	432,644
2-J	Supervised Independent Living - Delinquent	-	-	-	193,906	-	193,906	-	193,906
2-K	Subtotal Community Based Placement	<u>1,692,828</u>	<u>814,625</u>	<u>951,455</u>	<u>10,360,366</u>	<u>30,158</u>	<u>13,849,432</u>	<u>130,948</u>	<u>13,718,484</u>
INSTITUTIONAL PLACEMENT									
3-A	Juvenile Detention Service	-	-	-	6,995,477	-	6,995,477	-	6,995,477
3-B	Residential Service - Dependent	-	-	-	1,156,759	-	1,156,759	-	1,156,759
3-C	Residential Service - Delinquent (Except YDC)	-	-	-	1,506,592	-	1,506,592	108	1,506,484
3-D	Secure Residential Service (Except YDC)	-	-	-	1,007,627	-	1,007,627	-	1,007,627
3-E	YDC Secure	-	-	-	651,433	-	651,433	-	651,433
3-F	Subtotal Institutional Placement	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,317,888</u>	<u>-</u>	<u>11,317,888</u>	<u>108</u>	<u>11,317,780</u>
4	ADMINISTRATION	<u>964,926</u>	<u>438,765</u>	<u>-</u>	<u>1,112,928</u>	<u>-</u>	<u>5,026</u>	<u>-</u>	<u>2,461,695</u>
5	TOTAL EXPENDITURES	<u>\$ 9,384,126</u>	<u>\$ 4,481,521</u>	<u>\$ 5,761,948</u>	<u>\$ 4,000,955</u>	<u>\$ 30,540,773</u>	<u>\$ 54,312,108</u>	<u>\$ 131,056</u>	<u>\$ 54,181,052</u>
	County Indirect Costs				<u>\$ 689,951</u>				

**CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA**
Pennsylvania Department of Human Services - Revenue Report
For the Year Ended June 30, 2018

	Total Reimbursable Expenditures	Program Income	Title IV-E Maintenance	Title IV-E Admin.	YANF	Title XX	Title IV-B	Child Welfare Demonstration Project Title IV-E	Medical Assistance	Net Reimbursable Excesses	State Act 148	Local Share
IN-HOME										\$ 2,387,198	\$ 2,387,198	\$ -
1-A Adoption Service	\$ 2,843,176	\$ 877	\$ -	\$ 475,101	\$ -	\$ -	\$ -	\$ -	\$ -	2,958,697	2,366,957	591,740
1-B Adoption Assistance	5,231,219	-	2,248,228	24,794	-	-	-	-	-	402,768	322,214	80,554
1-C Substituted Permanent Legal Custodianship	550,229	-	127,481	-	-	-	-	-	-	-	-	-
1-D Counseling - Dependent	-	-	-	-	-	-	-	-	-	1,304,023	1,443,219	360,804
1-E Counseling - Delinquent	1,804,023	-	-	-	-	-	-	-	-	169,563	135,651	33,912
1-P Day Care	169,563	-	-	-	440,886	-	-	-	-	538,735	430,988	107,747
1-G Day Treatment - Dependent	979,621	-	-	-	145,226	-	-	-	-	294,853	235,881	58,972
1-H Day Treatment - Delinquent	440,039	-	-	-	-	-	-	-	-	-	-	-
1-I Homeemaker Service	-	-	-	-	-	-	-	-	-	1,145,252	916,292	229,050
1-J Intake and Referral	1,373,490	424	-	227,814	-	-	-	-	-	-	-	-
1-K Life Skills - Dependent	-	-	-	-	664,474	-	-	-	-	2,260,058	1,888,047	472,011
1-L Life Skills - Delinquent	3,024,532	-	-	-	-	-	-	-	-	4,231,810	3,385,448	846,362
1-M Protective Service - Child Abuse	5,039,286	860	-	457,302	168,814	-	-	-	-	3,815,231	3,052,184	763,047
1-N Protective Service - General	4,579,179	1,421	-	742,527	-	-	-	-	-	483,359	386,768	96,591
1-O Service Planning	554,500	132	-	70,909	-	-	-	-	-	11,712	5,857	5,855
1-P Juvenile Act Proceedings - Dependent	11,712	-	-	-	-	-	-	-	-	61,254	30,024	30,024
1-Q Juvenile Act Proceedings - Delinquent	65,284	-	-	-	-	-	-	-	-	70,665,343	16,487,608	3,677,332
1-R Subtotal In-Home	26,683,092	3,714	2,424,439	2,078,942	1,612,890	-	-	-	-	-	-	-
COMMUNITY BASED PLACEMENT												
2-A Alternative Treatment - Dependent	-	-	-	-	-	-	-	-	-	67,045	53,636	13,409
2-B Alternative Treatment - Delinquent	68,888	1,876	434	-	-	-	-	-	-	1,569,115	1,255,452	313,663
2-C Community Residential - Dependent	1,942,392	35,875	317,242	-	-	-	-	-	-	854,539	683,632	170,907
2-D Community Residential - Delinquent	1,010,906	35,804	120,563	-	-	-	-	-	-	404,844	344,217	40,627
2-E Emergency Shelter - Dependent	576,858	3,237	168,937	-	-	-	-	-	-	-	-	-
2-F Emergency Shelter - Delinquent	-	-	-	-	-	-	-	-	-	6,733,229	5,386,593	1,346,636
2-G Foster Family - Dependent	9,230,057	204,874	1,046,802	1,241,152	-	-	-	-	-	217,045	175,634	41,409
2-H Foster Family - Delinquent	262,833	184	1,958	43,646	-	-	-	-	-	411,132	328,905	82,227
2-I Supervised Independent Living - Dependent	412,644	5,745	15,224	543	-	-	-	-	-	172,837	118,270	54,567
2-J Supervised Independent Living - Delinquent	193,806	16,256	4,212	-	-	-	-	-	-	10,429,426	8,164,311	2,045,495
2-K Subtotal Community Based Placement	13,218,462	309,351	1,694,569	1,285,751	-	-	-	-	-	-	-	-
INSTITUTIONAL PLACEMENT												
3-A Juvenile Detention Service	6,995,477	71,587	-	-	-	519,419	220,851	-	-	6,923,890	3,461,946	3,461,944
3-B Residential Service - Dependent	1,156,759	15,060	200,457	-	-	-	-	-	-	200,552	120,331	80,221
3-C Residential Service - Delinquent (Except YDC)	1,506,464	132,805	56,786	-	-	-	-	-	-	1,316,893	790,156	526,737
3-D Secure Residential Service (Except YDC)	1,007,827	19,094	-	-	-	-	-	-	-	988,533	593,120	395,413
3-E YDC Secure	651,433	9,751	-	-	-	519,839	370,855	-	-	641,692	385,014	256,678
3-F Subtotal Institutional Placement	11,317,780	248,287	257,243	-	-	-	-	-	-	10,071,560	5,330,547	4,741,013
ADMINISTRATION												
4	3,461,681	123	-	307,974	-	-	-	-	27,227	2,026,321	1,415,793	610,528
TOTAL REVENUES	\$ 54,181,052	\$ 360,525	\$ 4,122,828	\$ 2,374,762	\$ 1,612,890	\$ 519,839	\$ 220,851	\$ -	\$ 27,227	\$ 43,183,020	\$ 21,938,719	\$ 11,249,771

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA

Schedule of Revenue
For the Year Ended June 30, 2018

Title XX	\$ 519,839
Title IV-E	8,040,160
Act 148 (Less YDC/YFC and Excess over State Allocation)	31,553,265
Program Income	560,525
YDC/YFC State Share	385,014
Medicaid Administration	27,227
TANF	1,619,400
TITLE IV-B	220,851
County Contribution (Net of YDC/YFC) (Includes Excess over State Act 148 Allocation)	<u>11,385,827</u>
TOTAL REVENUE	<u>\$ 54,312,108</u>

**CHRISTOPHER REYNOLDS, INC.
CERTIFIED PUBLIC ACCOUNTANT
352 GARDEN ROAD
SPRINGFIELD, PA 19064**

Christopher Reynolds, CPA

TELEPHONE

MEMBER OF AICPA AND PICPA

(610)543-5486

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES REQUIRED BY THE
PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES**

County Council
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by management, solely to assist the specified parties in evaluating the County of Delaware, Pennsylvania Children and Youth Services Program's (the Program) compliance with the reporting of the reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue audit confirmations received from the Commonwealth of Pennsylvania. Management is responsible for the Program's compliance with those requirements. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of those procedures is solely the responsibility of those parties specified in this 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.

The procedures performed are as follows:

- a. We agreed the expenditure amounts listed on the reconciliation schedule (Exhibit A) under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- b. We agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the Audit Confirmation Replies from Pennsylvania DHS" column to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.

Page 2

- a. We recalculated the amounts listed under the "Difference" column.
- b. We agreed the amounts listed under the "Difference" column to the audited books and records of the provider.
- c. We agreed the "Detailed Explanation of the Differences" to the audited books and records of the provider.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. 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 Program, the Commonwealth of Pennsylvania, Department of Human Services, and is not intended to be, and should not be used by anyone other than these specified parties.

Christopher Reynolds, Jr.
Springfield, Pennsylvania
July 29, 2019

CHILDREN AND YOUTH SERVICES PROGRAM OF
THE DEPARTMENT OF HUMAN SERVICES
COUNTY OF DELAWARE, PENNSYLVANIA

Supplemental Schedule
Year ended June 30, 2018

RECONCILIATION

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)
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the audit confirmation reply from Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (E/D)</u>	<u>Detailed Explanation of the Differences</u>
Title XX	93.667	\$ 519,839	\$ 519,839	\$ 0	0%	N/A
Title IV-E:						
Title IV-E	93.658	5,218,731	5,218,731	0	0	N/A
Supervised Independent Living Grant	93.674	103,874	103,874	0	0	N/A
Information Technology	93.658	93,588	93,588	0	0	N/A
Information Technology	93.659	3,111	3,111	0	0	N/A
Information Technology	93.090	225	225	0	0	N/A
Adoption Assistance	93.659	2,456,613	2,456,613	0	0	N/A
Medicaid Administration	93.778	27,227	27,227	0	0	N/A
Title IV-B	93.645	220,851	220,851	0	0	N/A
TANF	93.558	1,619,400	1,619,400	0	0	N/A
SPLC	93.090	135,112	135,112	0	0	N/A
Caseworker Visitation	93.556	<u>12,948</u>	<u>12,948</u>	<u>0</u>	<u>0</u>	N/A
		<u>\$ 10,411,519</u>	<u>\$ 10,411,519</u>	<u>\$ 0</u>	<u>0%</u>	N/A

EXHIBIT A

SECTION D

HOMELESS ASSISTANCE PROGRAM

STATEMENT OF REVENUES AND EXPENDITURES YEAR ENDED JUNE 30, 2018

SUBMITTED BY:
MINGIS, GUTOWSKI & COMPANY, LLP

**COUNTY OF DELAWARE, PENNSYLVANIA
HOMELESS ASSISTANCE PROGRAM**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Media, PA 19063

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • Media, PA 19063

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INDEPENDENT AUDITORS' REPORT

County Council
County of Delaware, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Delaware, Pennsylvania Homeless Assistance Program, which comprise the balance sheet and related statement of revenues and expenditures as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express our opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet of the County of Delaware, Pennsylvania Homeless Assistance Program as of June 30, 2018, and the respective statement of revenues and expenditures for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the County of Delaware, Pennsylvania Homeless Assistance Program and do not purport to, and do not, present fairly the financial position of the County's Office of Adult Services as of June 30, 2018, and the change in its financial position for the year ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2019, on our consideration of the County of Delaware, Pennsylvania Homeless Assistance Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Delaware, Pennsylvania Homeless Assistance Program's internal control over financial reporting and compliance.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
August 14, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
HOMELESS ASSISTANCE PROGRAM**

BALANCE SHEET

JUNE 30, 2018

Asset:	
Due from Delaware County Human Services Block Grant	<u>\$ 1,154,348</u>
Total Assets	<u>\$ 1,154,348</u>
Liabilities:	
Accounts Payable – Providers	\$ 473,668
Due to the County of Delaware General Fund	<u>680,680</u>
Total Liabilities	<u>\$ 1,154,348</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF DELAWARE, PENNSYLVANIA
HOMELESS ASSISTANCE PROGRAM**

STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED JUNE 30, 2018

Revenues:	
Pennsylvania Department of Human Services Block Grant	\$ 1,993,032
Interest	<u>957</u>
Total HAP Revenues	<u>1,993,989</u>
Expenditures:	
Costs Expended on Behalf of Clients	328,182
Personnel and Benefits	464,227
Operating Costs	1,054,775
Fixed Assets	7,124
County Administrative Costs	<u>139,681</u>
Total HAP Expenditures	<u>1,993,989</u>
Excess of Revenues over Expenditures	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**COUNTY OF DELAWARE, PENNSYLVANIA
HOMELESS ASSISTANCE PROGRAM**

NOTES TO FINANCIAL STATEMENT

YEAR ENDED JUNE 30, 2018

NOTE 1 THE HOMELESS ASSISTANCE PROGRAM AND ORGANIZATION

Homeless Assistance Program

The Homeless Assistance Program (HAP Program) makes available a continuum of services to homeless and near homeless individuals and families. HAP Program funding is provided to county governments by the Pennsylvania Department of Human Services. HAP Program funding helps to assure: 1) homelessness can be avoided through a variety of prevention services assisting clients to maintain affordable housing; 2) people who are homeless can find refuge and care; and 3) homeless and near homeless clients are assisted in moving toward self-sufficiency.

Organization

The HAP Program is managed by the Delaware County Office of Adult Services, which is administered by Delaware County's Department of Human Services. The HAP Program is funded principally by the Delaware County Human Services Block Grant received from the Pennsylvania Department of Human Services.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present the results of operations of the HAP Program only and are not intended to present fairly the results of operations of Delaware County or the County's Office of Adult Services in conformity with accounting principles generally accepted in the United States of America. The financial statements have been prepared using the accrual method of accounting.

**COUNTY OF DELAWARE, PENNSYLVANIA
HOMELESS ASSISTANCE PROGRAM**

NOTES TO FINANCIAL STATEMENT (CONTINUED)

YEAR ENDED JUNE 30, 2018

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue is derived from the Delaware County Human Services Block Grant, received from the Pennsylvania Department of Human Services (Pennsylvania DHS). Pennsylvania DHS provides the allocation of this funding to the various programs within the Delaware County Department of Human Services. Each program is required to expend at least 50% of the allocation as determined by the Pennsylvania DHS. Any funding that remains unspent after the 50% obligation can be distributed to other programs as deemed appropriate by the County. Other revenue consists principally of client contributions for room and board.

Contract Service Providers and Expenditures

The HAP Program contracts with independent service providers for substantially all of the care and prevention services provided to homeless and near homeless individuals. Expenditures are recognized when the services are provided. These expenditures are classified as follows:

On Behalf of Clients: Expenditures for services to clients for food, rent, security deposits, utility payments, purchased client services, transportation, and housing.

Personnel and Benefits: Expenditures for salaries, wages, benefits, and training for personnel working in the HAP.

Operating: Expenditures to service providers for rent, utilities, communications, insurance, professional fees, supplies, travel, and system consultants.

Fixed Assets: Expenditures for equipment, furnishings, repairs and renovations, and real property purchases. (Under GAAP, these expenditures would be capitalized and depreciated, if material.)

**COUNTY OF DELAWARE, PENNSYLVANIA
HOMELESS ASSISTANCE PROGRAM**

NOTES TO FINANCIAL STATEMENT (CONTINUED)

YEAR ENDED JUNE 30, 2018

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

County Administrative Costs

Administrative costs charged to the HAP Program by the County consist of expenses required at the County level to administer the program, including grant management and reporting, coordination between service providers, monitoring of the service providers' programs and management, and support activities such as procurement, data processing, accounting, Government Center operations, and similar costs. These costs consist of those County administrative costs charged or allocated to the program and are limited to a maximum of 10% of total available HAP funds, which includes the DHS allocation, plus interest earned, client contributions, and other income.

Date of Management's Review

Management has evaluated events and transactions that occurred after June 30, 2018 for potential recognition and disclosure through August 14, 2019, the date on which the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTE 3 RECEIVABLE FROM THE DELAWARE COUNTY HUMAN SERVICES BLOCK GRANT

As discussed in Note 2 (Revenue), each program participating in the Block Grant is required to expend at least 50% of the allocation determined by the Pennsylvania Department of Human Services. Any funding that remains unspent after the 50% obligation can be distributed to other participating programs as deemed appropriate by the County. The County provided the HAP Program with additional block grant funding, that was unused by various other County programs within the Department of Human Services. This additional funding was received by the HAP Program subsequent to June 30, 2018.

**INDEPENDENT AUDITOR'S 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 Council
County of Delaware, 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 County of Delaware, Pennsylvania Homeless Assistance Program (Program) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements, and have issued our report thereon dated August 14, 2019.

Internal Control over Financial Reporting

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

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
August 14, 2019

SECTION E

HUMAN SERVICES DEVELOPMENT

FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

SUBMITTED BY:
BARSZ GOWIE AMON & FULTZ, LLC

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County of Delaware
Human Services Development Fund

June 30, 2018

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Independent Auditor's Report

The County Council
County of Delaware

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Delaware, Human Services Development Fund, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County of Delaware, Human Services Development Fund's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Delaware, Human Services Development Fund, as of June 30, 2018, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 20, 2019, on our consideration of the Human Services Development Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Human Services Development Fund's internal control over financial reporting and compliance.

Barsz Gowie Amon & Fultz LLC

Media, Pennsylvania
August 20, 2019

County of Delaware
Human Services Development Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>
<u>Revenues</u>		
Pennsylvania Department of Human Services	\$ 187,866	\$ 185,818
Interest income	-	41
Total Revenues	187,866	185,859
 <u>Expenditures</u>		
Catagorical:		
Adult services		
Counseling	14,738	16,127
Homemaker	7,000	3,438
Life skills education	32,790	32,790
Specialized services		
Family centers	22,039	21,980
HIV program	67,262	65,873
Service coordination	25,250	27,858
County administration	18,787	17,793
Total Expenditures	187,866	185,859
<u>Excess Revenues Over (Under) Expenditures</u>	-	-
<u>Fund Balance - Beginning</u>	-	-
<u>Fund Balance - Ending</u>	\$ -	\$ -

See accompanying notes to financial statements.

County of Delaware
Human Services Development Fund
Notes to Financial Statements
June 30, 2018

Note 1 Summary of Significant Accounting Policies

Nature of the Organization

The County of Delaware, Human Services Development Fund (the "Fund") is a fully funded state grant, administered by the Office of Social Programs within the Department of Human Services (the "DHS") of the Commonwealth of Pennsylvania. The program is designed to focus services in one or more of the following major program areas: Adult Services, Aging, Children and Youth, Drug and Alcohol, Homeless Assistance, and the Community Mental Health/Mental Retardation programs. These funds are used to expand existing services in any or all of the seven program areas, for the coordination of services among those programs, and for specialized or generic services.

The Fund is subsidized by grants passed through the DHS. DHS provides the subsidy directly to the County of Delaware (the "County") on behalf of the Fund. The County in turn meets all obligations on behalf of the Fund.

Basis of Accounting

The accounts of the Fund are included in the books and records of the County. The financial statements are prepared on the accrual basis of accounting. Consequently, revenue and the related assets are recorded when earned, and expenses and related liabilities are recorded when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Cash Available – Restricted Fund Balance

DHS regulations stipulate that any unexpended funds for the 2018 fiscal year would be carried over to the 2019 fiscal year and subsequently applied to the amount allocated for that year's grant. The Grant itself and related imputed interest income were completely expended and no funds were carried into the 2019 fiscal year.

County of Delaware
Human Services Development Fund
Notes to Financial Statements
June 30, 2018

Note 3 Program Funding

A plan for all categorical programs is submitted for approval to DHS. The County receives advances against the total award amount on behalf of the Fund. The total funding approved by DHS for the 2018 fiscal year was \$185,859.

Note 4 Interest Income

Interest income has been computed using the interest rates earned by the County on its investments during the fiscal year.

Note 5 Indirect Costs/Service Allocation Plan

The County has an indirect cost allocation plan. Indirect costs are included in the total administration charges. Total indirect costs charged to the program were within the DHS allowable guidelines. The Department of Human Resources has a direct cost service allocation plan, which allows grant administrators to more fully account for Departmental expenses germane to the program.

Note 6 Concentration of Risk

The Fund receives substantially all of its revenue from the state funded Pennsylvania Department of Human Services program passed through from the County of Delaware. A change in funding priorities or discontinuation of these revenues, which is dependent upon the state grant, would have a material adverse impact on the financial condition of the agency.

Note 7 Subsequent Events

The Delaware County Human Services Development Fund has evaluated subsequent events through August 20, 2019, the date which the financial statements were available to be issued.



Independent Auditor's 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*

The County Council
County of Delaware

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 County of Delaware, Human Services Development Fund (the "Fund"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Fund's financial statements and have issued our report thereon dated August 20, 2019.

Internal Control over Financial Reporting

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund'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 Fund'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.

Barz Gowie Amon & Fultz LLC

Media, Pennsylvania
August 20, 2019

SECTION F

COUNTY OFFICE OF SERVICES FOR THE AGING

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITOR'S
REPORT AND SINGLE AUDIT REPORTS YEAR ENDED JUNE 30, 2018

SUBMITTED BY:
MINGIS, GUTOWSKI & COMPANY, LLP

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**DELAWARE COUNTY OFFICE OF
SERVICES FOR THE AGING (COSA)**

**FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY
INFORMATION WITH INDEPENDENT AUDITOR'S REPORT
AND SINGLE AUDIT REPORTS**

YEAR ENDED JUNE 30, 2018

**MINGIS, GUTOWSKI & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
MEDIA, PA 19063**

DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)

YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Delaware County Office of
Services for the Aging (COSA)
Eddystone, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Delaware County Office of Services for the Aging (COSA) as of and for the year ended June 30, 2018, and the related costs by cost center and funding source for the year then ended and the related notes to the financial statements, which collectively comprise COSA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Pennsylvania Department of Aging (PDA) and with the PDA prescribed method of accounting described below; this includes determining that this prescribed method of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Delaware County Office of Services for the Aging, as of June 30, 2018, and the related costs by cost center and funding source thereof for the year then ended on the basis of accounting described in Note 2.

Basis of Accounting

As discussed in Note 1, the financial statements present only the results of the transactions of COSA and do not purport to, and do not, present fairly the financial position of the County of Delaware, Pennsylvania, as of June 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described more fully in Note 2, COSA prepares its financial statements using accounting practices prescribed or permitted by the Pennsylvania Department of Aging, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise COSA's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2019, on our consideration of COSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COSA's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of management of COSA, the County of Delaware, Pennsylvania, and for filing with the Pennsylvania Department of Aging and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
February 11, 2019

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
BALANCE SHEET
JUNE 30, 2018**

ASSETS

Current Assets:

Petty cash	\$ 250
Accounts receivable:	
Due from Pennsylvania Department of Human Services	923,575
Due from Delaware County General Fund	855,313
Due from Corporation for National and Community Service	<u>16,875</u>

TOTAL ASSETS \$ 1,796,013

LIABILITIES

Current Liabilities:

Accounts payable	\$ 889,675
Deferred revenue	594,191
Accrued liabilities:	
Salaries and fringe benefits	225,185
Compensated absences	60,962
Expenses	<u>26,000</u>

TOTAL LIABILITIES \$ 1,796,013

SEE NOTES TO FINANCIAL STATEMENTS.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

PA Department of Aging (PDA) Block Grant:	
Regular Block Grants	\$ 8,192,088
Family Caregiver - State	335,943
Family Caregiver - Federal	173,111
APPRISE	70,340
NSIP (USDA)	128,236
Title III Medical Health Promotion	44,239
Title III Nutrition	486,264
Title III B Support Services	726,204
Ombudsman	32,340
Elder Abuse	<u>6,360</u>
TOTAL PDA BLOCK GRANT	<u>10,195,125</u>
Title XIX Pre-Admission	1,665,480
Title XIX MA Support	<u>136,818</u>
TOTAL PDA MA Assessment – Title XIX	<u>1,802,298</u>
Other Revenue:	
DHS – Service Coordination	2,038,257
Foster Grandparents	271,199
County of Delaware Funding	218,332
OBH Gateway	200,000
Consumer Cost Sharing – Personal Care	84,925
DHS – Adult Protective Services	2,835
ADRC-Link Funding	40,331
Other Funding	<u>19,506</u>
TOTAL OTHER REVENUE	<u>2,875,385</u>
TOTAL REVENUES	14,872,808

(Continued)

SEE NOTES TO FINANCIAL STATEMENTS.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
STATEMENT OF REVENUES AND EXPENDITURES: CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018**

EXPENDITURES

Purchased Consumer Services and Personal Assistant Services/Respite and Home Support	\$ 6,625,184
Salaries and Wages	3,463,816
Contracted Staff	1,061,859
Fringe Benefits	2,090,655
Foster Grandparents Stipends and Expenses	199,967
Employee Training and Education	42,893
Rent/Utilities	379,516
Telephone	122,385
Advertising/Printing	206,173
Postage	13,683
Office Supplies and Other Operating Expenses	86,117
Equipment Maintenance and Small Equipment Purchases	22,993
Mileage Reimbursement/Volunteer Travel/County Vehicle Charges	51,837
Professional Fees	122,470
Other Expenses	<u>383,260</u>
TOTAL EXPENDITURES	<u>14,872,808</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>

SEE NOTES TO FINANCIAL STATEMENTS.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
STATEMENT OF COSTS BY COST CENTER AND FUNDING SOURCE
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Cost Center Services</u>	<u>Total PDA Block Grant</u>	<u>Title XIX Assessment</u>	<u>Service Coordination Program</u>	<u>Foster Grandparents</u>	<u>OBH Gateway/ MH Peer</u>	<u>County of Delaware Funding</u>	<u>Reimbursement Funding Sources</u>	<u>Total</u>
Administration	\$ 969,986	\$ 194,000	\$ -	\$ -	\$ -	\$ 50,905	\$ 270	\$ 1,215,161
Home Delivered Meals	949,222	-	-	-	-	17,364	6,474	973,060
Congregate Meals	510,666	-	-	-	-	-	2,717	513,383
Senior Center/Support Services	1,070,895	-	-	-	-	25,000	-	1,095,895
Consumer Reimbursement	288,884	-	-	-	-	-	-	288,884
Foster Grandparents	102,370	-	-	271,199	-	20,095	-	393,664
Volunteer Services	36,244	-	-	-	-	-	-	36,244
Information and Referral	1,022,924	136,818	-	-	-	24,118	40,331	1,224,191
Care Management	1,680,706	-	2,038,257	-	-	14,245	8,864	3,742,072
Transportation	70,241	-	-	-	-	-	-	70,241
Protective Services/Intake	1,009,429	-	-	-	-	-	2,835	1,012,264
Personal Care	1,219,485	-	-	-	-	-	84,925	1,304,410
Home Support	341,920	-	-	-	-	-	1,181	343,101
DOM Care	54,336	-	-	-	-	-	-	54,336
Preadmission Assessment	-	1,471,480	-	-	-	66,440	-	1,537,920
Legal Assistance	68,967	-	-	-	-	-	-	68,967
Ombudsman	89,917	-	-	-	-	165	-	90,082
Adult Day Care	58,687	-	-	-	-	-	-	58,687
Medical Equipment and Lifelines	120,753	-	-	-	-	-	-	120,753
Guardianship	94,228	-	-	-	-	-	-	94,228
OBH Gateway Counseling/MH Peer	244,146	-	-	-	200,000	-	-	444,146
Personal Assistance Service	40,762	-	-	-	-	-	-	40,762
Environmental Modifications	150,357	-	-	-	-	-	-	150,357
TOTAL	<u>\$ 10,195,125</u>	<u>\$ 1,802,298</u>	<u>\$ 2,038,257</u>	<u>\$ 271,199</u>	<u>\$ 200,000</u>	<u>\$ 218,332</u>	<u>\$ 147,597</u>	<u>\$ 14,872,808</u>

SEE NOTES TO FINANCIAL STATEMENTS.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 ORGANIZATION AND PRESENTATION

Organization

Delaware County Office of Services for the Aging (COSA) is an area agency on aging and part of a statewide and national network designed to provide programs and services for persons sixty (60) years of age or older. COSA provides a wide range of services conducive to helping senior citizens remain active, independent, and viable members of the Delaware County community. Preference for services is intended for those senior citizens with the greatest social and economic needs.

In addition to the programs funded by and through the Pennsylvania Department of Aging (PDA), COSA has fiscal and administrative responsibility for maintaining other federal and state funded aging programs for the County of Delaware, Pennsylvania (the County).

Presentation

The financial statements presented herein represent the results of operations of COSA only and are not intended to present fairly the financial position or the results of operations of the County of Delaware, Pennsylvania in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

COSA maintains its accounting records as part of the overall Delaware County accounting system, but with its own set of accounts and authorizing personnel. COSA presents its financial statements on the accrual basis of accounting and is considered a special revenue fund of the County of Delaware and is reported as such in the general-purpose financial statements of the County of Delaware, Pennsylvania.

Revenue is recognized as earned in amounts necessary to match the incurred expenditures. Reimbursements earned but not yet collected from the various funding sources are recorded as receivables. Expenditures are recognized as incurred in accordance with the accrual basis of accounting.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements are prepared and presented pursuant to requirements of the Pennsylvania Department of Aging. Accordingly, capital additions are expensed as acquired. Under generally accepted accounting principles, such amounts would be capitalized and depreciated.

An additional departure from generally accepted accounting principles involves the non-recognition of indirect costs charged by the County of Delaware, Pennsylvania. The County has an approved cost allocation plan for indirect costs. In accordance with provisions of PDA's Aging Program Directive on Indirect Cost Policy for Department of Aging Contracts, COSA is not charged by the County for these indirect costs. Expenditures reflect actual program expenditures incurred by COSA only.

COSA charges certain of its costs among the various cost centers. Overhead allocation by cost center has been established by approximate time spent by personnel per cost center function or by direct charge where calculable and/or identifiable.

Use of Estimates

The preparation of financial statements in conformity with Pennsylvania Department of Aging regulations requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Although these estimates are based on management's assessment of current events and actions expected to be undertaken in the future, they may ultimately differ from actual results.

Economic Dependence

COSA receives a substantial amount of its support from the Pennsylvania Department of Aging. A significant reduction in the level of this support, if it were to occur, would have a material adverse effect on COSA's programs and activities.

Employees' Retirement Plan

Substantially all of the full-time employees of the County of Delaware, Pennsylvania are covered under the County's single-employer defined benefit pension plan. Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Date of Management's Review

For the year ended June 30, 2018, COSA's Management has evaluated subsequent events for potential recognition and disclosures through February 11, 2019, the date of the Independent Auditor's Report.

**NOTE 3 DUE FROM PENNSYLVANIA DEPARTMENT OF
HUMAN SERVICES**

The receivable from the Pennsylvania Department of Human Services represents the amount of funds earned, but not yet received by COSA at the balance sheet date for the Service Coordination Program, as described in Note 9.

NOTE 4 DUE FROM DELAWARE COUNTY GENERAL FUND

The receivable from the Delaware County General Fund represents the amount of funding earned, but not yet received by COSA at the balance sheet date.

**NOTE 5 DUE FROM CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE**

The receivable from the Corporation for National and Community Service (CNCS) represents the amount of funds earned, but not yet received by COSA at the balance sheet date for the Foster Grandparents Program, as described in Note 9.

NOTE 6 DEFERRED REVENUE

Deferred revenue of \$594,191 at June 30, 2018 represents the amount of funding received, but not yet earned at the balance sheet date for the Service Coordination Program (\$436,980), as described in Note 9, in-home care (\$101,584), and other aging programs (\$55,627).

NOTE 7 COMPENSATED ABSENCES

Accrued compensated absences of \$60,962 at June 30, 2018 represent amounts to which employees are entitled, based on accumulated leave earned in accordance with the County's personnel policy. Employees are compensated for accumulated vacation leave in the event of retirement or termination from service.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 8 IN-KIND EXPENDITURES

The schedule of costs by cost center does not reflect “in-kind” expenditures of the Foster Grandparents Program. In-kind expenditures include allowable daily meals provided to the volunteers and the costs of physical examinations and clearances provided on behalf of the volunteers. These non-cash expenditures are not reflected in the Statement of Revenue and Expenditures since no objective basis is available to measure the value of such expenditures.

NOTE 9 PROGRAMS AND SERVICES

PDA Block Grant

COSA receives the majority of its funding from the Pennsylvania Lottery proceeds through an Aging Services Block Grant (ASBG) administered by PDA. The ASBG is a combination of federal and state funds. COSA’s continuum of aging services funded by the ASBG includes such programs as senior centers, health insurance information, crime victim services, mental health counseling and wellness programs, family caregiver services, legal assistance, care management, assessment for nursing home care, home and community-based care, and protective services. Effective for fiscal year 2013 and thereafter, the PDA Title XIX Assessment Program is reported separately and is no longer a component of the PDA Block Grant.

PDA Title XIX Assessment

Title XIX is now recognized as a separate grant agreement administered by the Pennsylvania Department of Aging. This program is designed to screen, assist, and approve Medical-Assistance eligible consumers who are 60 years of age and older for placement in nursing homes and other community settings.

Foster Grandparents Program/PDA

The Foster Grandparents Program is a separate program under the administrative auspices of COSA. It is primarily funded by a federal grant from the Corporation for National and Community Service with supplemental local matching funds and “in-kind” services.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 9 PROGRAMS AND SERVICES (CONTINUED)

Service Coordination Program

The Service Coordination Program replaced the PDA MA Waiver Program in the fiscal year of 2013. The Service Coordination Program is a fee-for-service program funded by Medicaid; therefore, it is an income-based program rather than a grant. The Program includes the primary functions of providing information to participants and facilitating access, locating, coordination, and monitoring needed services and support for waiver participants.

NOTE 10 COMMITMENTS AND CONTINGENT LIABILITIES

Certain litigation, claims, and legal actions have been brought against COSA. Management believes that the disposition of these matters will not have a material adverse effect on the financial position of COSA.

SUPPLEMENTARY INFORMATION REQUIRED
BY THE UNIFORM GUIDANCE

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services		
Passed Through Pennsylvania Department of Aging		
Special Program for Aging – Title III B Support Services (Aging Cluster)	93.044	\$ 617,273
Special Programs for Aging – Title III C Nutrition (Aging Cluster)	93.045	405,094
N.S.I.P. – Federal Nutrition Incentive Program (Aging Cluster)	93.053	128,236
Title XIX - Preadmission Medical Assessment/Information/Referral/ ADRC/NHT – Nursing Home Transition	93.778	828,234
Health Promotion/Medical Management	93.043	30,083
Ombudsman	93.042	15,900
Apprise/MIPPA/ADRC	93.071	13,770
Family Caregiver	93.052	173,111
Elder Abuse	93.041	6,360
State Health Insurance Assistance Program	93.324	50,955
Corporation for National and Community Service		
Foster Grandparents Program	94.011	<u>271,199</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS		 <u>\$ 2,540,215</u>

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents federal assistance received and expended by COSA and is presented on the accrual basis of accounting. 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).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COSTS

COSA elected not to use the 10% de minimus cost rate as allowed under the Uniform Guidance.

SINGLE AUDIT REPORTS

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • Media, PA 19063

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INDEPENDENT AUDITOR'S 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

Delaware County Office of
Services for the Aging (COSA)
Eddystone, 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 Delaware County Office of Services for the Aging (COSA), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise COSA's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 11, 2019.

Internal Control over Financial Reporting

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

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
February 11, 2019

MINGIS, GUTOWSKI & COMPANY, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Delaware County Office of
Services for the Aging (COSA)
Eddystone, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Delaware County Office of Services for the Aging's (COSA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of COSA's major federal programs for the year ended June 30, 2018. COSA's major federal 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of COSA's major federal 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; and 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). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about COSA'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 program. However, our audit does not provide a legal determination of COSA's compliance.

Opinion on Each Major Federal Program

In our opinion, COSA 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 programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

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

Page 3

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. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
February 11, 2019

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
STATUS OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

STATUS OF PRIOR AUDIT FINDINGS

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

The audit report for the year ended June 30, 2017 did not contain any findings that were required to be reported under the provisions of the Uniform Guidance.

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America: Unmodified			
Internal control over financial reporting:			
• Material weaknesses identified?	_____	yes	_____ <u>X</u> _____ no
• Significant deficiencies identified?	_____	yes	_____ <u>X</u> _____ none reported
Noncompliance material to financial statements noted?			
	_____	yes	_____ <u>X</u> _____ no
<i>Federal Awards</i>			
Internal control over the major federal program:			
• Material weaknesses identified?	_____	yes	_____ <u>X</u> _____ no
• Significant deficiencies identified?	_____	yes	_____ <u>X</u> _____ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance			
	_____	yes	_____ <u>X</u> _____ no
Identification of major federal programs:			
CFDA Number:	93.044	Name of Federal Program:	Aging Cluster
	93.045		Aging Cluster
	93.053		Aging Cluster
	93.778		Title XIX Assessment
Dollar threshold used to distinguish between type A and type B programs:			
	\$750,000		
Auditee qualified as low-risk auditee?			
	_____	<u>X</u> yes	_____ no

**DELAWARE COUNTY OFFICE OF SERVICES FOR THE AGING (COSA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018
(CONTINUED)**

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY
ACCEPTED GOVERNMENT AUDITING STANDARDS**

No matters were reported.

III. FEDERAL AND PDA AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION G

OFFICE OF ADULT SERVICES, FAMILY CENTER GRANT

AGREED UPON PROCEDURES YEAR ENDED JUNE 30, 2018

SUBMITTED BY:
BARSZ GOWIE AMON & FULTZ, LLC

RECEIVED

AUG 26 2019

CONTROLLERS OFFICE

County of Delaware
Office of Adult Services

Family Center Grant

June 30, 2018

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BARSZ GOWIE AMON FULTZ

Certified Public Accountants

Independent Accountant's Report on Applying
Agreed-Upon Procedures

The County Council
County of Delaware

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services ("DHS") and the County of Delaware Office of Adult Services (Family Center Grant), solely to assist you with respect to the financial schedule required by this agreement. The County of Delaware Office of Adult Services' (Family Center Grant) management is responsible for this schedule. The sufficiency of these 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.

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2018, have been accurately compiled and reflect the audited books and records of the County of Delaware Office of Adult Services (Family Center Grant). 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 DHS Single Audit Supplement pertaining to this period.

Community Based Family Center – 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 DHS for the period in question. Any adjustments made were reflected on the reports submitted to DHS.

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 audit or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Schedule of Revenues and Expenditures of the Family Center Grant. 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.

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This report is intended solely for the information and use of the Commonwealth of Pennsylvania, Department of Human Services and the County of Delaware Office of Adult Services (Family Center Grant) and is not intended to be and should not be used by anyone other than these specified parties.

Barz Gowie Amon Fultz, LLC

Media, Pennsylvania
August 20, 2019

Family Center Grant
Schedule of Revenues and Expenditures
Fiscal Year 2017/2018

County: Delaware
Fiscal Year: 17-18

Grant #: 4100067006
Vendor #: 139089-027

	<u>DHS Grant Funds</u>	<u>Match</u>	<u>Total</u>
Revenues			
Department of Human Services	\$ 196,714	\$ -	\$ 196,714
Delaware County	-	19,672	19,672
Total Revenues	<u>\$ 196,714</u>	<u>\$ 19,672</u>	<u>\$ 216,386</u>
Expenditures			
I. Total Personnel (total amount of salaries/benefits)	<u>\$ 142,351</u>	<u>\$ -</u>	<u>\$ 142,351</u>
II. Operations			
Occupancy	5,779	1,101	6,880
Communication	527	100	627
Administrative supplies	23,649	4,647	28,296
Transportation	2,787	531	3,318
Other operating costs	1,020	194	1,214
Indirect - up to 10% or negotiated rate	13,564	12,318	25,882
Professional/Technical services	3,615	689	4,304
Conferences	481	92	573
Total Operations	<u>51,422</u>	<u>19,672</u>	<u>71,094</u>
III. Purchased Assets			
Service and office equipment	2,941	-	2,941
Data processing equipment	-	-	-
Total Purchased Assets	<u>2,941</u>	<u>-</u>	<u>2,941</u>
Total Expenditures	<u>\$ 196,714</u>	<u>\$ 19,672</u>	<u>\$ 216,386</u>
YTD Interest Earned	<u>\$ 59</u>		
YTD Interest Expended	<u>\$ 59</u>		

See Independent Accountant's Agreed-Upon Procedures Report

SECTION H

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT AND SINGLE AUDIT REPORTS
CONTRACT YEAR ENDED JUNE 30, 2018

SUBMITTED BY:
MINGIS, GUTOWSKI & COMPANY, LLP

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION WITH
INDEPENDENT AUDITOR'S REPORT AND SINGLE AUDIT REPORTS
CONTRACT YEAR ENDED JUNE 30, 2018**

**MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Media, Pennsylvania 19063**

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM**

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INDEPENDENT AUDITOR'S REPORT

County Council
County of Delaware, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Delaware, Pennsylvania, Medical Assistance Transportation Program (Program), which comprise the Statement of Financial Position and the related Statement of Revenue and Expenditures, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the County of Delaware, Pennsylvania, Medical Assistance Transportation Program, as of June 30, 2018, and the related statement of revenues and expenditures thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the financial statements present the financial position and results of operations of the County of Delaware, Pennsylvania's Medical Assistance Transportation Program, and are not intended to present fairly the results of operations of the County of Delaware, Pennsylvania, or the County's Office of Adult Services in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Program's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2019, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
January 22, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

ASSETS

Due from Community Transit of Delaware County, Inc. – Advance Payment	\$ 18,810
Due from Community Transit of Delaware County, Inc.	<u>90,332</u>
	<u>\$ 109,142</u>

LIABILITY

Due to County of Delaware, Pennsylvania General Fund	<u>\$ 109,142</u>
	<u>\$ 109,142</u>

See Notes to Financial Statements.

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
CONTRACT YEAR ENDED JUNE 30, 2018**

REVENUES	\$ 5,190,790
EXPENDITURES	
Subcontracted services	5,177,236
Administrative personnel and benefits	2,591
Professional fees	9,225
Other operating costs	<u>1,738</u>
Total expenditures	<u>5,190,790</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u><u>\$ _____</u></u> *

See Notes to Financial Statements.

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
NOTES TO FINANCIAL STATEMENTS
CONTRACT YEAR ENDED JUNE 30, 2018**

NOTE 1 ORGANIZATION AND PRESENTATION

Medical Assistance Transportation Program

The mission of the Medical Assistance Transportation Program (MATP) is to ensure that eligible MATP medical assistance recipients residing in the Commonwealth of Pennsylvania, who are in need of transportation to and from any medical assistance compensable services, receive such services in a manner that is both professional and courteous through a reasonable and cost-effective mode.

Organization

The Delaware County MATP Program (Program) is managed by the County of Delaware, Pennsylvania (County) Office of Adult Services, which is administered by the County's Department of Human Services. The Program is funded solely by a grant from the Pennsylvania Department of Human Services and is, therefore, subject to the rules and regulations prescribed by that state agency.

Presentation

The accompanying financial statements present the financial position and results of operations of the Program only and are not intended to present fairly the results of operations of the County or the County's Office of Adult Services in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements of the Program, whose fiscal year ends on June 30, have been prepared using the accrual method of accounting.

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
NOTES TO FINANCIAL STATEMENTS
CONTRACT YEAR ENDED JUNE 30, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

The sole source of federal and state revenue recognized by the Program is derived from the Pennsylvania Department of Human Services. Revenue from this source is considered earned as approved expenditures are incurred.

Revenue and expenditures include amounts earned and incurred for the contract year ended June 30, 2018.

Contract Service Providers and Expenditures

The Program contracts with one independent service provider for all of the transportation services provided to MATP clients. Expenditures are recognized when the services are provided. The provider is required to submit annual audited financial statements to the County's Program management.

Allocation of County Administrative Expenses

Certain representatives of the administrative staff of the County's Office of Adult Services are also responsible for the administration of other County-sponsored human service programs. Accordingly, certain personnel and related costs, including employee benefits, rent, and other common expenses are allocated among these various programs, including the Program, based on actual personnel use, aggregate dollars administered or other applicable measurement bases. The administration of the Program includes grant management, the monitoring of the sole provider's operation of this Program and ongoing reporting to the Commonwealth of Pennsylvania's Department of Human Services.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
NOTES TO FINANCIAL STATEMENTS
CONTRACT YEAR ENDED JUNE 30, 2018**

**NOTE 3 DUE FROM COMMUNITY TRANSIT OF DELAWARE
 COUNTY, INC. – ADVANCE PAYMENT**

The amount due from the Program's independent service provider for all transportation services provided for this Program represents an advance payment from the Program equivalent to approximately two months of service billings from this provider. The original amount advanced by the Program was \$774,810 at June 30, 2009. During the contract year ended June 30, 2018, the Program's independent service provider continued to voluntarily repay \$84,000 annually of the original advance amount. Accordingly, the balance of this advance at June 30, 2018 is \$18,810. This amount was subsequently paid by the service provider in September 2018.

**NOTE 4 DUE FROM COMMUNITY TRANSIT OF DELAWARE
 COUNTY, INC.**

In connection with the Commonwealth of Pennsylvania's Medical Assistance Transportation Program (MATP), the Program's independent service provider used a single trip rate for the MATP in fiscal year 2017-2018, which resulted in the amount received by the service provider to be \$90,332 greater than the service provider's actual MATP expenditures. Accordingly, \$90,332 is reflected as the amount due to the Program from the service provider at June 30, 2018 in connection with the MATP. This amount is subsequently being repaid by the Program's independent service provider in fiscal year 2019.

NOTE 5 DATE OF MANAGEMENT'S REVIEW

For the contract year ended June 30, 2018, the Program's management has evaluated subsequent events for potential recognition and disclosure through the date of the independent auditor's report.

SUPPLEMENTARY INFORMATION
REQUIRED BY THE UNIFORM GUIDANCE

**COUNTY OF DELAWARE, PENNSYLVANIA
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE CONTRACT YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
Department of Health and Human Services			
Passed through Department of Human Services, Commonwealth of Pennsylvania, County of Delaware's Medical Assistance Transportation Program	93.778	07/01/17- 06/30/18	<u>\$2,595,394</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$2,595,394</u>

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
CONTRACT YEAR ENDED JUNE 30, 2018**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents federal assistance received and expended by the County of Delaware, Pennsylvania's Medical Assistance Transportation Program for the contract year ended June 30, 2018 and is presented on the accrual basis of accounting. 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).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COSTS

The Program elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

SINGLE AUDIT REPORTS

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • Media, PA 19063

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INDEPENDENT AUDITOR'S 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 Council
County of Delaware, 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 County of Delaware, Pennsylvania, Medical Assistance Transportation Program (Program), which comprise the Statement of Financial Position and the related Statement of Revenue and Expenditures, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2019.

Internal Control over Financial Reporting

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

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
January 22, 2019

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • Media, PA 19063

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

County Council
County of Delaware, Pennsylvania

Report on Compliance for Major Federal Program

We have audited the County of Delaware, Pennsylvania, Medical Assistance Transportation Program's (Program) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2018. The Program's major federal program is 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Program's major federal program 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; and 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). Those standards and the Uniform Guidance 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about the Program'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 the major federal program. However, our audit does not provide a legal determination of the Program's compliance.

Opinion on The Major Federal Program

In our opinion, the Program complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the Program 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 Program's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Program'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 the assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 to material noncompliance with a type of compliance requirement of a federal 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 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.

County Council
County of Delaware, Pennsylvania
Page 3

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. Accordingly, this report is not suitable for any other purpose.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
January 22, 2019

**COUNTY OF DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
STATUS OF PRIOR AUDIT FINDINGS
CONTRACT YEAR ENDED JUNE 30, 2018**

STATUS OF PRIOR AUDIT FINDINGS

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

There were no findings noted in the audit completed for the contract year ended June 30, 2017.

**COUNTY OF DELAWARE, PENNSYLVANIA
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 CONTRACT YEAR ENDED JUNE 30, 2018**

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Type of report the independent auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles in the United States of America: Unmodified		
Internal control over financial reporting:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?		
	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over the major federal program:		
• Material weaknesses identified?	_____ yes	___X___ no
• Significant deficiencies identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ yes	___X___ no
Identification of major federal program:		
CFDA Number: 93.778	Name of Federal Program:	Medical Assistance Transportation Program
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 DELAWARE, PENNSYLVANIA
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CONTRACT YEAR ENDED JUNE 30, 2018**

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY
ACCEPTED GOVERNMENT AUDITING STANDARDS**

None

**III. FINDINGS AND QUESTIONED COSTS APPLICABLE TO FEDERAL
AWARDS**

None

SUPPLEMENTARY INFORMATION

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

County Council
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and the County of Delaware, Pennsylvania solely to assist you with respect to the financial schedules and exhibits required by the DHS *Single Audit Supplement*. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- (a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2018, have been accurately compiled and reflect the audited books and records of the County of Delaware, Pennsylvania Medical Assistance Transportation Program. We have also verified by comparison to the 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	Referenced Schedule/Exhibit
Medical Assistance Transportation	Summary of Expenditures

- (b) We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to DHS for the period in question.
- (c) The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings which have not been reflected in the corresponding schedules.

<u>Medical Assistance Transportation</u>	<u>Expenditures</u>
Per financial statements	<u>\$ 5,190,790</u>
Per supplementary schedule	<u>\$ 5,190,790</u>

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

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

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
January 22, 2019

FINAL TRIP RATE RECONCILIATION

Input Cells are shaded in Blue

**MEDICAL ASSISTANCE
TRANSPORTATION
Delaware County**

PROGRAM:
GRANTEE:
COUNTY MODEL:
FISCAL YEAR:

2017-2018

GRANTEE DIRECT ADMINISTRATIVE COSTS	
Salaries & Benefits	
Salary Wages	\$1,707
Benefits	\$888
Misc. (details must be attached)	\$0
Subtotal - Salaries & Benefits	\$2,595
Rent/Lease of Space	
Rent	\$0
Utilities	\$0
Insurance	\$0
Telephone	\$0
Misc. (details must be attached)	\$0
Subtotal - Rent/Lease of Space	\$0
Materials & Supplies	
Office Supplies	\$0
Printing & Copying	\$0
Postage	\$0
Misc. (details must be attached)	\$0
Subtotal - Materials & Supplies	\$0
Office Furniture & Equipment	\$0
Data Processing	
Computer Equipment	\$0
Subcontract Services	\$0
Software	\$0
Misc. (details must be attached)	\$0
Subtotal - Data Processing	\$0
Travel	\$0
Fees - Other Related Costs	
Professional Fees	\$9,026
Bank Charges	\$0
Insurance	\$0
Misc. (details must be attached)	\$707
Subtotal - Fees - Other	\$9,732
Total Grantee Direct Administrative Costs	\$12,327

TRANSPORTATION COSTS	
Senior Shared Ride Copy	\$123,398
Transportation Rate (Negotiated Rate)	\$36,04
Transportation Costs (Trips multiplied by approved transportation rate)	\$5,084,299
Service Costs	\$5,188,884
Allowable Indirect Costs (10% for Hybrid/Service Provider Models unless another indirect cost rate is approved)	\$1,232
Indirect Cost Rate (10% unless another indirect cost rate is approved)	9.98%
Total Costs	\$5,191,226
Total Costs by Group	
Group 1	5,147,101
Group 2	44,125
Total Costs	\$5,191,226
Interest Earned	(\$438)
Grantee Reported Cost based on the Final Trip Rate	\$5,190,790
Grantee Reported Cost based on the Interim Trip Rates per the Quarterly Cost Reports	\$5,280,897
Variance between Final and Interim Trip Rates	(\$90,097)
Total Funding for the Current Fiscal Year	\$5,190,790
Payments made for the Current Fiscal Year	\$5,182,086
Reconciliation Amount to or (from) Grantee	\$8,704

(version 10/28/17)

SECTION I

FUND 14 BLOCK GRANT PROGRAM

AGREED UPON PROCEDURES YEAR END JUNE 30, 2018

SUBMITTED BY:
MINGIS, GUTOWSKI & COMPANY, LLP

**COUNTY OF DELAWARE, PENNSYLVANIA
FUND 14 BLOCK GRANT PROGRAM**

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

YEAR ENDED JUNE 30, 2018

**MINGIS, GUTOWSKI & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS
MEDIA, PENNSYLVANIA**

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

County Council
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and the County of Delaware, Pennsylvania solely to assist you with respect to the financial schedules and exhibits required by the DHS *Single Audit Supplement*. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- (a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2018, have been accurately compiled and reflect the audited books and records of the County of Delaware Fund 14 Block Grant Program. We have also verified by comparison to the 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	Number	Referenced Schedule/Exhibit
Fund 14 Block Grant Program	VI (a) BG-S	Block Grant Report Income and Expenditures
	VI (b) BG-S	Block Grant Report Fund Balances -- Summary Report

- (b) We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.
- (c) The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings which have not been reflected on the corresponding schedules.

	<u>Revenue</u>	<u>Expenditures</u>
Fund 14 Block Grant		
Per financial statements:		
Mental Health	\$ 30,865,867	\$ 30,865,867
Intellectual Disabilities	9,766,755	9,766,755
Homeless Assistance	1,190,616	1,190,616
Human Services and Supports	185,818	185,818
Drug & Alcohol	<u>1,240,806</u>	<u>1,240,806</u>
Total	<u>\$ 43,249,862</u>	<u>\$ 43,249,862</u>
Per supplementary schedule	<u>\$ 43,249,862</u>	<u>\$ 43,249,862</u>

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

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

Mingis, Gutowski & Company, LLP

August 1, 2019
Media, Pennsylvania

PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

SCHEDULES AND EXHIBITS

Commonwealth of Pennsylvania
DHS - Bureau of Financial Operations
County Report of Income and Expenditures
County Human Services Block Grant
Fiscal Year 2017 - 2018
Block Grant Summary Report - Delaware County
Schedule of Fund Balances - Summary Report

County Match (%)	2.06%
Actual County Match (\$)	\$899,307
Actual County Match (%)	2.06%

Revision Number: 4

Block Grant Reporting		Costs Eligible for DHS Participation								Balance of Funds (3)	Adjustments (4)	Total Fund Balance (5)
		DHS Allocation (1)	Mental Health	Intellectual Disabilities	Homeless Assistance	HSS	D&A	Total	(2)			
Sources of Funding:	Appropriation											
1 State Human Services Block Grant	Multiple	\$42,382,724	\$30,221,785	\$6,525,168	\$1,190,816	\$185,818	\$1,240,806	\$41,384,181	\$1,018,533	\$4,384	\$1,022,917	
2 SSBG	Multiple	\$890,080	\$293,888	\$396,194	\$0	\$0	\$0	\$890,080	\$0	\$0	\$0	
3 SABG	80884	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4 CMHDBG	70167	\$350,196	\$350,196	\$0	\$0	\$0	\$0	\$350,196	\$0	\$0	\$0	
5 MA	70175	\$845,385	\$0	\$845,385	\$0	\$0	\$0	\$845,385	\$0	\$0	\$0	
6 Crisis Counseling	80222	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total for Block Grant		\$44,268,395	\$30,865,867	\$9,765,765	\$1,190,816	\$185,818	\$1,240,806	\$43,249,882	\$1,018,533	\$4,384	\$1,022,917	

Retained Earnings	
I. Unexpended Allocation	\$1,018,533
II. Maximum Retained Earnings (5%)	\$2,119,136
III. Amount to be Returned to DHS	\$0
IV. Total Requested Retained Earnings	\$1,018,533

Prior Year Retained Earnings	
I. FY 16-17 Retained Earnings	\$2,291,544
II. Total Expended Retained Earnings-3%	\$1,283,088
III. Total Expended Retained Earnings-Waiver of 3%	\$1,008,458
IV. Amount to be Returned to DHS	\$0

Exhibit VI(a)

BC-S

Commonwealth of Pennsylvania
DHS - Bureau of Financial Operations
County Report of Income and Expenditures
County Human Services Block Grant
Fiscal Year 2017 - 2018
Non-Block Grant Summary Report - Delaware County
Schedule of Fund Balances - Summary Report

Revision Number: 4

Sources of Funding	Appropriation	Total Carryover (1)	Allotment (2)	DHS Allocation (3)	Costs Eligible for DHS Participation (4)	Balance of Funds (5)	Adjustments (6)	Total Fund Balance (7)
A. Mental Health Services								
1 State - Project STARR NSH	10248	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Federal - Infusing Peer Specialist into Crisis Services - TTI	70127	\$782	\$0	\$782	\$0	\$782	\$0	\$782
3 Federal - PATH Homeless Grant	70154	\$0	\$131,919	\$131,919	\$131,919	\$0	\$0	\$0
4 Federal-CMHSBG-Doctor Adair Project	70167	\$77,591	\$185,971	\$263,562	\$149,904	\$113,658	\$0	\$113,658
5 Federal-CMHSBG-Network of Care	70167	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Federal-CMHSBG-Survey Project	70167	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Federal-CMHSBG-Training	70167	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Federal - Capitalization of POMS	70522	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Federal-PA System of Care Grant	70976	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Federal - Project Launch	71021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Federal-Hospital Preparedness Program	80222	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Federal - Bio-Terrorism Hospital Preparedness	80343	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Mental Health Services		\$78,373	\$317,890	\$396,263	\$281,823	\$114,440	\$0	\$114,440
B. Intellectual Disabilities Services								
1 Temporary NBG Funds for Regional Collaboratives	10255	\$2,500	\$5,000	\$7,500	\$3,051	\$4,449	\$0	\$4,449
2 Etwyn	10236	\$88,806	\$251,194	\$340,000	\$183,092	\$156,908	\$0	\$156,908
3 One Time Pass Through Non-Block Grant	10255	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Intellectual Disabilities Services		\$91,306	\$256,194	\$347,500	\$186,143	\$161,357	\$0	\$161,357
C. Drug & Alcohol Services								
1 State-Centers of Excellence	10262	\$170,000	\$500,000	\$670,000	\$670,000	\$0	\$0	\$0
Subtotal Drug & Alcohol Services		\$170,000	\$500,000	\$670,000	\$670,000	\$0	\$0	\$0
D. Total for Non-Block Grant Reporting								
		\$339,679	\$1,074,084	\$1,413,763	\$1,137,966	\$275,797	\$0	\$275,797

FY 16-17 State-Centers of Excellence Excess Carryover Calculation	
Center of Excellence-Balance of Funds (Col.-5) (H-31)	\$0
Centers of Excellence-Allotment (Col.-2) (E31)	\$500,000
Variance	\$0
FY 16-17 Carryover Due Back to Commonwealth	\$0
Note: Excess Carryover attributed to FY 16-17 will not be re-allocated to FY 18-19. Therefore, any excess of FY 16-17 Carryover (a positive number, appearing in Cell C42, highlighted in Red) must be returned upon written notice from the Commonwealth.	

Exhibit VI (b)

BG-S

