

COUNTY OF BLAIR
AUDITOR'S REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
PASSED THROUGH THE PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES
COMPLIANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2017

CONTENTS

	Page
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 <i>Government Auditing Standards</i>	1 - 2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	3 - 5
Schedule of Expenditures of Federal Awards	6 - 9
Schedule of Federal Expenditures Determination of Major Programs	10
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Passed Through the Pennsylvania Department of Human Services	11
Schedule of Expenditures of Federal Awards and State Financial Assistance Passed Through the Pennsylvania Department of Human Services	12 - 14
Reconciliation of Federal Expenditures and Program Expenditures Passed Through the Pennsylvania Department of Human Services	15
Schedule of Findings and Questioned Costs	16 - 45
Status of Prior Year's Findings and Questioned Costs	46
Communication with Those Charged with Governance at the Conclusion of the Audit	47 - 49
SUPPLEMENTAL INFORMATION	
Independent Accountant's Report on Applying Agreed-Upon Procedures	50 - 51
Reconciliation of Federal Awards Passed through the Pennsylvania Department of Human Services Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply	52 - 53

**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**

Board of Commissioners
County of Blair
Court House
423 Allegheny Street, Suite 441
Hollidaysburg, PA 16648-2022

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Blair, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County of Blair's basic financial statements and have issued our report thereon dated June 8, 2018. We issued an adverse opinion on the governmental activities because the County did not record certain general infrastructure assets as required by generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Blair's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Blair's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Blair's internal control.

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

**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*
(CONTINUED)**

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. The finding reference numbers are 2017-001, 2017-006, 2017-007, 2017-008, 2017-010, 2017-014, 2017-016, 2017-018, 2017-020, 2017-21, and 2017-025.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. The finding reference numbers are 2017-002, 2017-003, 2017-004, 2017-005, 2017-009, 2017-011, 2017-012, 2017-013, 2017-015, 2017-017, 2017-019, 2017-022, 2017-023, and 2017-024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Blair'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*.

County of Blair's Response to Findings

The County of Blair's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Blair's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Young, Decker, Brown & Company, P.C.

Altoona, Pennsylvania
June 8, 2018

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

Board of Commissioners
County of Blair
Court House
423 Allegheny Street, Suite 441
Hollidaysburg, PA 16648-2022

Report on Compliance for Each Major Federal and State Program

We have audited the County of Blair's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Pennsylvania Department of Human Services Compliance Supplement that could have a direct and material effect on each of the County of Blair's major federal and state programs for the year ended December 31, 2017. The County of Blair's major federal and state 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 and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Blair's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Pennsylvania Department of Human Services Compliance Supplement. Those standards, the Uniform Guidance, and the Pennsylvania Department of Human Services Compliance Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the County of Blair's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County of Blair's compliance.

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

Unmodified Opinion on Each Major Federal Program and State Program

In our opinion, the County of Blair complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the County of Blair is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Blair's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Pennsylvania Department of Human Services, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Blair's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-019 to be a significant deficiency.

County of Blair's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Blair's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Blair, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County of Blair's basic financial statements. We issued our report thereon dated June 8, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and the Pennsylvania Department of Human Services and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the Pennsylvania Department of Human Services is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Young, DeLee, Brown & Company, P.C.

Altoona, Pennsylvania
June 8, 2018

**COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Year</u>	<u>Pass-Through Grantor's Number (Description)</u>	<u>Program Receipts</u>	<u>Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Health and Human Services						
Passed Through State Department of Human Services:						
Guardianship Assistance	93.090	07/01/16-06/30/17	Title IV-E	\$ 19,254	\$ 10,242	\$ 9,889
Guardianship Assistance	93.090	07/01/17-06/30/18	Title IV-E	-	12,708	12,295
Total 93.090				\$ 19,254	\$ 22,950	\$ 22,184
Projects for Assistance in Transition from Homelessness (PATH)	93.150	07/01/16-06/30/17	PATH (Homeless)	\$ 21,354	\$ 21,354	\$ 21,354
Projects for Assistance in Transition from Homelessness (PATH)	93.150	07/01/17-06/30/18	PATH (Homeless)	23,544	23,544	23,544
Total 93.150				\$ 44,898	\$ 44,898	\$ 44,898
Promoting Safe and Stable Families	93.556	07/01/16-06/30/17	Family Preservation	\$ 4,369	\$ 4,369	\$ 4,369
Promoting Safe and Stable Families	93.556	07/01/16-06/30/17	Human Services	97,904	87,437	87,437
Promoting Safe and Stable Families	93.556	07/01/17-06/30/18	Human Services	12,761	12,761	12,761
Total 93.556				\$ 115,034	\$ 104,567	\$ 104,567
Temporary Assistance to Needy Families (TANF)	93.558	07/01/16-06/30/17	Children and Youth	\$ 394,209	\$ -	\$ -
Temporary Assistance to Needy Families (TANF)	93.558	07/01/17-06/30/18	Children and Youth	196,604	374,549	374,549
Total 93.558				\$ 590,813	\$ 374,549	\$ 374,549
Child Support Enforcement	93.563	01/01/13-12/31/13	Domestic Relations	(\$ 9,660)	\$ -	\$ -
Child Support Enforcement	93.563	01/01/16-12/31/16	Domestic Relations	98,618	-	-
Child Support Enforcement	93.563	01/01/17-12/31/17	Domestic Relations	495,913	528,295	-
Child Support Enforcement	93.563	07/01/14 - 06/30/15	Domestic Relations - Incentive	63,734	-	-
Child Support Enforcement	93.563	07/01/16 - 06/30/17	Domestic Relations - Incentive	180,374	-	-
Total 93.563				\$ 828,979	\$ 528,295	\$ -
Community-Based Child Abuse Prevention Grants	93.590	07/01/16-06/30/17	Children and Youth	\$ 30,354	\$ 14,970	\$ -
Community-Based Child Abuse Prevention Grants	93.590	07/01/17-06/30/18	Children and Youth	-	14,569	-
Community-Based Child Abuse Prevention Grants	93.590	07/01/17-06/30/18	Human Services	1,466	1,466	1,466
Total 93.590				\$ 31,820	\$ 31,005	\$ 1,466
Stephanie Tubbs Jones Child Welfare Services Program	93.645	07/01/16-06/30/17	Title IV-B Children and Youth	\$ 21,734	\$ 21,734	\$ 21,734
Stephanie Tubbs Jones Child Welfare Services Program	93.645	07/01/17-06/30/18	Title IV-B Children and Youth	21,734	21,734	21,734
Total 93.645				\$ 43,468	\$ 43,468	\$ 43,468
Administrative - Title IV-E	93.658	07/01/16-06/30/17	Title IV-E	\$ 24,608	\$ 13,707	\$ -
Administrative - Title IV-E	93.658	07/01/17-06/30/18	Title IV-E	-	8,647	-
Foster Care - Title IV-E	93.658	07/01/12-06/30/13	Title IV-E	(248)	(248)	(248)
Foster Care - Title IV-E	93.658	07/01/15-06/30/16	Title IV-E	144,291	144,291	144,291
Foster Care - Title IV-E	93.658	07/01/16-06/30/17	Title IV-E	1,603,816	1,258,979	507,357
Foster Care - Title IV-E	93.658	07/01/17-06/30/18	Title IV-E	-	438,833	-
Information Technology Grant - Title IV-E	93.658	07/01/16-06/30/17	Title IV-E	6,075	(242)	(242)
Information Technology Grant - Title IV-E	93.658	07/01/17-06/30/18	Title IV-E	-	26,636	26,636
Total 93.658				\$1,778,542	\$1,890,603	\$ 677,794
Adoption Assistance - Title IV-E	93.659	07/01/15-06/30/16	Title IV-E	\$ 5,798	\$ 5,798	\$ 5,798
Adoption Assistance - Title IV-E	93.659	07/01/16-06/30/17	Title IV-E	1,194,547	589,739	571,134
Adoption Assistance - Title IV-E	93.659	07/01/17-06/30/18	Title IV-E	-	595,400	571,599
Total 93.659				\$1,200,345	\$1,190,937	\$1,148,531

COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Program Year	Pass-Through Grantor's Number (Description)	Program Receipts	Program Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Health and Human Services (Continued)</u>						
Passed Through State Department of Human Services: (Cont.)						
Social Services Block Grant	93.667	07/01/16-06/30/17	Mental Health	\$ 7,940	\$ 7,940	\$ 7,940
Social Services Block Grant	93.667	07/01/17-06/30/18	Mental Health	7,940	7,940	7,940
Social Services Block Grant	93.667	07/01/16-06/30/17	Intellectual Disabilities	55,484	55,484	55,484
Social Services Block Grant	93.667	07/01/17-06/30/18	Intellectual Disabilities	55,484	55,484	55,484
Social Services Block Grant	93.667	07/01/16-06/30/17	Title XX - Children and Youth	49,805	49,805	49,805
Social Services Block Grant	93.667	07/01/17-06/30/18	Title XX - Children and Youth	49,805	49,805	49,805
Total 93.667				\$ 226,458	\$ 226,458	\$ 226,458
Independent Living Services	93.674	07/01/16-06/30/17	Independent Living	\$ 14,974	\$ 14,974	\$ 14,974
Independent Living Services	93.674	07/01/17-06/30/18	Independent Living	29,951	29,951	29,951
Total 93.674				\$ 44,925	\$ 44,925	\$ 44,925
Medical Assistance Program	93.778	07/01/16-06/30/17	Intellectual Disabilities Waiver	\$ 234,995	\$ 234,995	\$ 234,995
Medical Assistance Program	93.778	07/01/17-06/30/18	Intellectual Disabilities Waiver	234,994	234,994	234,994
Medical Assistance Program	93.778	07/01/15-06/30/16	Senior Services	(37,755)	(37,755)	(37,755)
Medical Assistance Program	93.778	07/01/16-06/30/17	Senior Services	304,516	304,516	304,516
Medical Assistance Program	93.778	07/01/17-06/30/18	Senior Services	319,741	319,741	319,741
Medical Assistance Program	93.778	07/01/16-06/30/17	Mental Health Administration	39,804	39,804	39,804
Medical Assistance Program	93.778	07/01/16-06/30/17	Intellectual Disabilities Administration	9,785	9,785	9,785
Medical Assistance Program	93.778	07/01/17-06/30/18	Intellectual Disabilities Administration	3,220	3,220	3,220
Medical Assistance Program	93.778	07/01/16-06/30/17	Early Intervention	5,504	5,504	5,504
Medical Assistance Program	93.778	07/01/17-06/30/18	Early Intervention	5,504	5,504	5,504
Medical Assistance Program	93.778	07/01/16-06/30/17	Children and Youth	4,480	2,594	-
Medical Assistance Program	93.778	07/01/17-06/30/18	Children and Youth	1,421	3,383	-
Total 93.778				\$1,126,209	\$1,126,285	\$1,120,308
Block Grants for Community Mental Health Services	93.958	07/01/16-06/30/17	Mental Health	\$ 58,644	\$ 58,644	\$ 58,644
Block Grants for Community Mental Health Services	93.958	07/01/17-06/30/18	Mental Health	58,644	58,644	58,644
Total 93.958				\$ 117,288	\$ 117,288	\$ 117,288
Total U.S. Department of Health and Human Services				\$6,168,033	\$5,746,228	\$3,926,436
<u>U.S. Department of Education</u>						
Passed Through State Department of Human Services:						
Special Education - Grants for Infants and Families	84.181	07/01/16-06/30/17	Early Intervention	\$ 63,553	\$ 63,553	\$ 63,553
Special Education - Grants for Infants and Families	84.181	07/01/17-06/30/18	Early Intervention	45,692	45,692	45,692
Total 84.181				\$ 109,245	\$ 109,245	\$ 109,245
Total U.S. Department of Education				\$ 109,245	\$ 109,245	\$ 109,245
<u>U.S. Department of Justice</u>						
Passed Through State Commission on Crime and Delinquency:						
Crime Victim Assistance	16.575	07/01/16-06/30/19	26662	\$ 91,933	\$ 99,842	\$ -
Total 16.575				\$ 91,933	\$ 99,842	\$ -

**COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Year</u>	<u>Pass-Through Grantor's Number (Description)</u>	<u>Program Receipts</u>	<u>Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Justice (Continued)</u>						
Passed Through State Commission on Crime and Delinquency: (Cont.)						
Edward Byrne Memorial Justice Assistance Grant	16.738	04/01/17-03/31/18	2016-JG-UX-27779	\$ 16,409	\$ 16,409	\$ -
Total 16.738				\$ 16,409	\$ 16,409	\$ -
Total U.S. Department of Justice				\$ 108,342	\$ 116,251	\$ -
<u>U.S. Department of Housing and Urban Development</u>						
Direct Programs:						
Community Development Block Grant	14.228	12/21/12-12/20/17	C000053406	\$ 88,561	\$ 84,234	\$ -
Community Development Block Grant	14.228	06/30/14-06/29/19	C000059083	127,803	127,804	-
Community Development Block Grant	14.228	08/05/15-08/04/20	C000061796	148,190	148,190	-
Community Development Block Grant	14.228	10/17/16-10/16/21	C000064337	100,801	100,801	-
Community Development Block Grant	14.228	10/18/17-10/17/22	C000066602	116	116	-
Total 14.228				\$ 465,471	\$ 461,145	\$ -
Passed Through State Department of Community and Economic Development:						
Emergency Shelter Grants Program	14.231	01/14/16-07/14/17	C000062466	\$ 125,089	\$ 91,189	\$ -
Emergency Shelter Grants Program	14.231	09/19/16-03/19/18	C000064181	31,316	31,365	-
Total 14.231				\$ 156,405	\$ 122,554	\$ -
Total U.S. Department of Housing and Urban Development				\$ 621,876	\$ 583,699	\$ -
<u>U.S. Department of Agriculture</u>						
Passed Through State Department of Agriculture:						
Emergency Food Assistance Program (Administrative Costs)	10.568	01/12/12-09/30/16	44112635	\$ 7,326	\$ -	\$ -
Emergency Food Assistance Program (Administrative Costs)	10.568	10/01/16-09/30/21	44165690	6,192	18,361	18,361
Total 10.568				\$ 13,518	\$ 18,361	\$ 18,361
Emergency Food Assistance Program (Food Commodities)	10.569	01/01/17-12/31/17	Food Commodities	\$ 36,386	\$ 36,386	\$ 36,386
Total Food Distribution Cluster				\$ 49,904	\$ 54,747	\$ 54,747
Total U.S. Department of Agriculture				\$ 49,904	\$ 54,747	\$ 54,747
<u>U.S. Department of Transportation</u>						
Passed Through State Department of Transportation:						
Highway Planning and Construction (Federal-Aid Program)	20.205	01/01/17-12/31/17	99865/Bridge #10	\$ 73,180	\$ 129,406	\$ -
National Priority Safety Programs	20.616	10/01/15-09/30/16	IDP-G-2010-Blair-0005	\$ 16,526	\$ -	\$ -
National Priority Safety Programs	20.616	10/01/16-09/30/17	IDP-G-2010-Blair-0005	15,762	30,472	-
National Priority Safety Programs	20.616	10/01/17-09/30/18	IDP-G-2010-Blair-0005	-	4,326	-
Total 20.616				\$ 32,288	\$ 34,798	\$ -

**COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Year</u>	<u>Pass-Through Grantor's Number (Description)</u>	<u>Program Receipts</u>	<u>Program Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Transportation (Continued)</u>						
Passed Through State Emergency Management Agency:						
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	10/01/15-02/28/17	4100072729	\$ 25,984	\$ 5,678	\$ -
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	10/01/16-09/30/17	4100077778	-	23,184	-
Total 20.703				\$ 25,984	\$ 28,862	\$ -
Total U.S. Department of Transportation				\$ 131,452	\$ 193,066	\$ -
<u>U.S. Department of Homeland Security</u>						
Direct Programs:						
Emergency Food and Shelter National Board Program	97.024	10/01/15-09/30/16	Human Services	\$ 512	\$ -	\$ -
Emergency Food and Shelter National Board Program	97.024	10/01/16-09/30/17	Human Services	1,100	1,100	-
Total 97.024				\$ 1,612	\$ 1,100	\$ -
Passed Through State Emergency Management Agency:						
Disaster Grants - Public Assist (Presidentially Declared)	97.036	01/01/17-12/31/17	Disaster Relief FEMA	\$ 16,424	\$ 16,424	\$ 16,424
Emergency Management Performance Grant	97.042	10/01/15-09/30/16	4100067657	\$ 86,373	\$ -	\$ -
Emergency Management Performance Grant	97.042	10/01/16-09/30/17	EMP-2016-EP-00004-S01	99,336	75,167	-
Emergency Management Performance Grant	97.042	10/01/17-09/30/18	EMP-2017-EP-00002-S01	-	26,476	-
Total 97.042				\$ 185,709	\$ 101,643	\$ -
Homeland Security Grant Program (Noncash)	97.067	10/01/16-09/30/18	4100070932	\$ 32,760	\$ 32,760	\$ 32,760
Total U.S. Department of Homeland Security				\$ 236,505	\$ 151,927	\$ 49,184
Total Federal Awards				\$7,425,357	\$6,955,163	\$4,139,612

**COUNTY OF BLAIR
 SCHEDULE OF FEDERAL EXPENDITURES
 DETERMINATION OF MAJOR PROGRAMS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

Listing of all federal program expenditures by CFDA numbers:

<u>Program</u>	<u>CFDA Number</u>	<u>Amount of Expenditure</u>
Foster Care - Title IV-E	93.658	\$1,890,603
Adoption Assistance - Title IV-E	93.659	1,190,937
Medical Assistance Program	93.778	1,126,285
Other	Various	<u>2,747,338</u>
 Total Federal Expenditures		 \$6,955,163
 Major Determination Amount		 <u>\$ 750,000</u>

The first three programs listed above were considered major programs in accordance with the Uniform Guidance. None of these Type A Programs were classified as low risk. These programs represent 60% of the total federal expenditures.

**COUNTY OF BLAIR
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1: The expenditures shown on the Schedule of Expenditures of Federal Awards were based on the accrual basis of accounting. The cash basis is used for revenue in order that the funding agency can trace the grant proceeds easily.

The DHS schedule was prepared on the accrual basis of accounting. The cash received for the year was adjusted to match the actual expenditures for the year through the carryover account. A positive carryover indicates money is being carried into the next calendar year. A negative carryover reflects additional revenue due from the funding agency.

Note 2: The commodities shown on the Schedule of Expenditures of Federal Awards are valued at the cost stated on the USDA invoices.

Note 3: Schedule of Federal Awards by pass-through agencies:

PA Department of Human Services	\$5,855,473
PA Commission on Crime and Delinquency	116,251
PA Department of Transportation	164,204
PA Department of Agriculture	54,747
PA Emergency Management Agency	179,689
PA Department of Community and Economic Development	<u>122,554</u>
 Total	 \$6,492,918
 Direct from U.S. Department of Housing and Urban Development	 461,145
Direct from U.S. Department of Homeland Security	<u>1,100</u>
 Total	 \$6,955,163
	<u><u> </u></u>

**COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Program Year</u>
<u>Domestic Relations Program</u>			
Child Support Enforcement	93.563	N/A	01/01/16-12/31/16
Child Support Enforcement	93.563	N/A	01/01/17-12/31/17
Child Support Enforcement	93.563	N/A	07/01/14-06/30/15
Child Support Enforcement	93.563	N/A	07/01/16-06/30/17
Child Support Enforcement	93.563	N/A	07/01/17-06/30/18
Total Domestic Relations Program			
<u>Children and Youth Program</u>			
Guardianship Assistance - Title IV-E	93.090	N/A	07/01/16-06/30/17
Guardianship Assistance - Title IV-E	93.090	N/A	07/01/17-06/30/18
Foster Care - Title IV-E	93.658	N/A	07/01/12-06/30/13
Foster Care - Title IV-E	93.658	N/A	07/01/15-06/30/16
Foster Care - Title IV-E	93.658	N/A	07/01/16-06/30/17
Foster Care - Title IV-E	93.658	N/A	07/01/17-06/30/18
Adoption Assistance - Title IV-E	93.659	N/A	07/01/15-06/30/16
Adoption Assistance - Title IV-E	93.659	N/A	07/01/16-06/30/17
Adoption Assistance - Title IV-E	93.659	N/A	07/01/17-06/30/18
Information Technology Grant (Foster Care) - Title IV-E	93.658	N/A	07/01/16-06/30/17
Information Technology Grant (Foster Care) - Title IV-E	93.658	N/A	07/01/17-06/30/18
Social Services Block Grant - Title XX - Children and Youth	93.667	N/A	07/01/16-06/30/17
Social Services Block Grant - Title XX - Children and Youth	93.667	N/A	07/01/17-06/30/18
Act 148	N/A	N/A	07/01/15-06/30/16
Act 148	N/A	N/A	07/01/16-06/30/17
Act 148	N/A	N/A	07/01/17-06/30/18
Medical Assistance Program - Children and Youth	93.778	N/A	07/01/16-06/30/17
Medical Assistance Program - Children and Youth	93.778	N/A	07/01/17-06/30/18
Independent Living Services	93.674	N/A	07/01/16-06/30/17
Independent Living Services	93.674	N/A	07/01/17-06/30/18
Stephanie Tubbs Jones Child Welfare Services Program - Title IV-B	93.645	N/A	07/01/16-06/30/17
Stephanie Tubbs Jones Child Welfare Services Program - Title IV-B	93.645	N/A	07/01/17-06/30/18
Temporary Assistance to Needy Families (TANF)	93.558	N/A	07/01/16-06/30/17
Temporary Assistance to Needy Families (TANF)	93.558	N/A	07/01/17-06/30/18
Community-Based Child Abuse Prevention Grants	93.590	N/A	07/01/16-06/30/17
Community-Based Child Abuse Prevention Grants	93.590	N/A	07/01/17-06/30/18
Promoting Safe and Stable Families	93.556	N/A	07/01/16-06/30/17
Evidence Based Grant	N/A	N/A	07/01/16-06/30/17
Evidence Based Grant	N/A	N/A	07/01/17-06/30/18
State Allocation - Information Technology Grant - Title IV-E	N/A	N/A	07/01/16-06/30/17
State Allocation - Information Technology Grant - Title IV-E	N/A	N/A	07/01/17-06/30/18
State Allocation - Independent Living Services	N/A	N/A	07/01/16-06/30/17
State Allocation - Independent Living Services	N/A	N/A	07/01/17-06/30/18
State Allocation - Stephanie Tubbs Jones Child Welfare Services Program - Title IV-B	N/A	N/A	07/01/16-06/30/17
State Allocation - Stephanie Tubbs Jones Child Welfare Services Program - Title IV-B	N/A	N/A	07/01/17-06/30/18
Total Children and Youth Program			

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Carryover 01/01/17</u>	<u>Program Receipts/ (Disbursements)</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Carryover 12/31/17</u>
(\$ 93,223)	\$ 98,618	\$ 5,395	\$ -	\$ -
-	486,253	528,295	528,295	(42,042)
-	63,734	63,734	-	-
-	180,374	136,199	-	-
-	-	45,573	-	(45,573)
(\$ 93,223)	\$ 828,979	\$ 779,196	\$ 528,295	(\$ 87,615)
(\$ 9,012)	\$ 19,254	\$ 10,242	\$ 10,242	\$ -
-	-	12,708	12,708	(12,708)
-	(248)	(248)	(248)	-
-	144,291	144,291	144,291	-
(351,603)	1,603,816	1,258,979	1,258,979	(6,766)
-	-	438,833	438,833	(438,833)
-	5,798	5,798	5,798	-
(604,808)	1,194,547	589,739	589,739	-
-	-	595,400	595,400	(595,400)
(6,317)	6,075	(242)	(242)	-
-	-	26,636	26,636	(26,636)
-	49,805	49,805	49,805	-
-	49,805	49,805	49,805	-
(911,560)	1,163,357	251,797	251,797	-
(1,893,969)	4,790,150	3,430,056	3,430,056	(533,875)
-	2,162,624	4,026,122	4,026,122	(1,863,498)
(1,886)	4,480	2,594	2,594	-
-	1,421	3,383	3,383	(1,962)
-	14,974	14,974	14,974	-
-	29,951	29,951	29,951	-
-	21,734	21,734	21,734	-
-	21,734	21,734	21,734	-
(394,209)	394,209	-	-	-
-	196,604	374,549	374,549	(177,945)
(15,384)	30,354	14,970	14,970	-
-	-	14,569	14,569	(14,569)
-	4,369	4,369	4,369	-
46,653	80,974	127,627	127,627	-
-	472,893	623,051	623,051	(150,158)
(16,747)	16,747	-	-	-
-	-	16,746	16,746	(16,746)
(16,097)	30,918	14,821	14,821	-
-	83,090	102,793	102,793	(19,703)
-	5,796	5,796	5,796	-
-	5,794	5,794	5,794	-
(\$4,174,939)	\$12,605,316	\$12,289,176	\$12,289,176	(\$3,858,799)

COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Program Year</u>
<u>Medical Assistance Transportation Program</u>			
Federal and State Allocation	93.778	N/A	07/01/15-06/30/16
Federal and State Allocation	93.778	N/A	07/01/16-06/30/17
Federal and State Allocation	93.778	N/A	07/01/17-06/30/18
Total Medical Assistance Transportation Program			
<u>Social Services Programs</u>			
<u>Mental Health Program</u>			
Social Service Block Grant	93.667	N/A	07/01/16-06/30/17
Social Service Block Grant	93.667	N/A	07/01/17-06/30/18
Block Grants for Community Mental Health Services	93.958	N/A	07/01/16-06/30/17
Block Grants for Community Mental Health Services	93.958	N/A	07/01/17-06/30/18
State Allocation	N/A	N/A	07/01/16-06/30/17
State Allocation	N/A	N/A	07/01/17-06/30/18
Medical Assistance Program	93.778	N/A	07/01/16-06/30/17
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	07/01/16-06/30/17
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	07/01/17-06/30/18
Total Mental Health Program			
<u>Intellectual Disabilities Program</u>			
Social Service Block Grant	93.667	N/A	07/01/16-06/30/17
Social Service Block Grant	93.667	N/A	07/01/17-06/30/18
State Allocation	N/A	N/A	07/01/16-06/30/17
State Allocation	N/A	N/A	07/01/17-06/30/18
Medical Assistance Program	93.778	N/A	07/01/16-06/30/17
Medical Assistance Program	93.778	N/A	07/01/17-06/30/18
Medical Assistance Program - Administration	93.778	N/A	07/01/16-06/30/17
Medical Assistance Program - Administration	93.778	N/A	07/01/17-06/30/18
Temporary NBG Funds for Regional Collaboratives	N/A	N/A	07/01/16-06/30/17
Total Intellectual Disabilities Program			
<u>Early Intervention Program</u>			
Special Education - Grants for Infants and Families	84.181	N/A	07/01/16-06/30/17
Special Education - Grants for Infants and Families	84.181	N/A	07/01/17-06/30/18
State Allocation	N/A	N/A	07/01/16-06/30/17
State Allocation	N/A	N/A	07/01/17-06/30/18
Medical Assistance Program	93.778	N/A	07/01/16-06/30/17
Medical Assistance Program	93.778	N/A	07/01/17-06/30/18
Total Early Intervention Program			
<u>Homeless Assistance Program</u>			
State Allocation - Human Services Block Grant	N/A	N/A	07/01/16-06/30/17
State Allocation - Human Services Block Grant	N/A	N/A	07/01/17-06/30/18
Total Homeless Assistance Program			

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

<u>Carryover 01/01/17</u>	<u>Program Receipts/ (Disbursements)</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Carryover 12/31/17</u>
\$ -	(\$ 75,510)	(\$ 75,510)	(\$ 75,510)	\$ -
-	609,032	609,032	609,032	-
<u>-</u>	<u>639,482</u>	<u>639,482</u>	<u>639,482</u>	<u>-</u>
\$ -	\$ 1,173,004	\$ 1,173,004	\$ 1,173,004	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ 7,940	\$ 7,940	\$ 7,940	\$ -
-	7,940	7,940	7,940	-
-	58,644	58,644	58,644	-
-	58,644	58,644	58,644	-
-	1,842,854	1,842,854	1,842,854	-
-	1,840,660	1,840,660	1,840,660	-
-	39,804	39,804	39,804	-
-	21,354	21,354	21,354	-
<u>-</u>	<u>23,544</u>	<u>23,544</u>	<u>23,544</u>	<u>-</u>
\$ -	\$ 3,901,384	\$ 3,901,384	\$ 3,901,384	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ 55,484	\$ 55,484	\$ 55,484	\$ -
-	55,484	55,484	55,484	-
-	360,286	360,286	360,286	-
-	360,284	360,284	360,284	-
-	234,995	234,995	234,995	-
-	234,994	234,994	234,994	-
-	9,785	9,785	9,785	-
-	3,220	3,220	3,220	-
<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
\$ -	\$ 1,317,032	\$ 1,317,032	\$ 1,317,032	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ 63,553	\$ 63,553	\$ 63,553	\$ -
-	45,692	45,692	45,692	-
-	333,000	333,000	333,000	-
-	433,737	433,737	433,737	-
-	5,504	5,504	5,504	-
<u>-</u>	<u>5,504</u>	<u>5,504</u>	<u>5,504</u>	<u>-</u>
\$ -	\$ 886,990	\$ 886,990	\$ 886,990	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ 131,509	\$ 131,509	\$ 131,509	\$ -
<u>-</u>	<u>131,508</u>	<u>131,508</u>	<u>131,508</u>	<u>-</u>
\$ -	\$ 263,017	\$ 263,017	\$ 263,017	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COUNTY OF BLAIR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Program Year</u>
<u>Social Services Programs (Continued)</u>			
<u>Human Services Development Fund</u>			
Promoting Safe and Stable Families	93.556	N/A	07/01/16-06/30/17
Promoting Safe and Stable Families	93.556	N/A	07/01/17-06/30/18
State Allocation - Promoting Safe and Stable Families	N/A	N/A	07/01/16-06/30/17
State Allocation - Promoting Safe and Stable Families	N/A	N/A	07/01/17-06/30/18
Community-Based Child Abuse Prevention Grants	93.590	N/A	07/01/17-06/30/18
State Allocation - Human Services Block Grant	N/A	N/A	07/01/16-06/30/17
State Allocation - Human Services Block Grant	N/A	N/A	07/01/17-06/30/18
Total Human Services Development Fund			
<u>Children and Youth Block Grant</u>			
State Allocation - Human Services Block Grant	N/A	N/A	07/01/16-06/30/17
Total Children and Youth Block Grant			
<u>Drug and Alcohol</u>			
Drug and Alcohol Services - Act 152	N/A	N/A	07/01/16-06/30/17
Drug and Alcohol Services - Act 152	N/A	N/A	07/01/17-06/30/18
Behavioral Health Initiative - Act 173	N/A	N/A	07/01/16-06/30/17
Behavioral Health Initiative - Act 173	N/A	N/A	07/01/17-06/30/18
Total Drug and Alcohol Program			
Total Social Service Programs			
<u>Juvenile Probation Program</u>			
Administrative - Title IV-E	93.658	N/A	07/01/16-06/30/17
Administrative - Title IV-E	93.658	N/A	07/01/17-06/30/18
Total Juvenile Probation Program			
Total Federal and State Financing Assistance Passed Through the Pennsylvania Department of Human Services			

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

<u>Carryover 01/01/17</u>	<u>Program Receipts/ (Disbursements)</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Carryover 12/31/17</u>
(\$ 10,467)	\$ 97,904	\$ 87,437	\$ 87,437	\$ -
-	12,761	12,761	12,761	-
(33,771)	33,771	-	-	-
-	70,917	70,917	70,917	-
-	1,466	1,466	1,466	-
-	69,516	69,516	69,516	-
-	<u>69,514</u>	<u>69,514</u>	<u>69,514</u>	-
(\$ 44,238)	\$ 355,849	\$ 311,611	\$ 311,611	\$ -
-	-	-	-	-
\$ -	\$ 335,516	\$ 335,516	\$ 335,516	\$ -
-	-	-	-	-
\$ -	\$ 335,516	\$ 335,516	\$ 335,516	\$ -
-	-	-	-	-
\$ -	\$ 88,438	\$ 88,438	\$ 88,438	\$ -
-	88,436	88,436	88,436	-
-	370,224	370,224	370,224	-
-	<u>200,224</u>	<u>200,224</u>	<u>200,224</u>	-
\$ -	\$ 747,322	\$ 747,322	\$ 747,322	-
-	-	-	-	-
(\$ 44,238)	\$ 7,807,110	\$ 7,762,872	\$ 7,762,872	\$ -
-	-	-	-	-
(\$ 10,901)	\$ 24,608	\$ 13,707	\$ 13,707	\$ -
-	-	8,647	8,647	(8,647)
(\$ 10,901)	\$ 24,608	\$ 22,354	\$ 22,354	(\$ 8,647)
-	-	-	-	-
(\$4,323,301)	\$22,439,017	\$22,026,602	\$21,775,701	(\$3,955,061)

**COUNTY OF BLAIR
RECONCILIATION OF FEDERAL EXPENDITURES AND
PROGRAM EXPENDITURES PASSED THROUGH
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Total Federal Expenditures		\$ 6,955,163
Add State Share Of Expenditures For:		
Children and Youth Program	\$8,604,603	
Medical Assistance Transportation Program	586,502	
Mental Health Program	3,683,514	
Intellectual Disabilities Program	723,070	
Early Intervention Program	766,737	
Homeless Assistance Program	263,017	
Human Services Development Fund	209,947	
Children and Youth Block Grant	335,516	
Drug and Alcohol Program	<u>747,322</u>	
Total State Share of Expenditures		<u>15,920,228</u>
		\$22,875,391
Deduct Federal Funds Not Passed Through DHS:		
Crime Victim Assistance	\$ 99,842	
Edward Byrne Memorial Justice Assistance Grant	16,409	
Community Development Block Grant	461,145	
Emergency Shelter Grants Program	122,554	
Emergency Food Assistance Program (Administrative Costs)	18,361	
Emergency Food Assistance Program (Food Commodities)	36,386	
Highway, Planning, and Construction (Federal-Aid Program)	129,406	
National Propriety Safety Programs	34,798	
Interagency Hazardous Materials Public Sector Training and Planning Grants	28,862	
Emergency Food and Shelter National Board Program	1,100	
Disaster Grants - Public Assistance (Presidentially Declared)	16,424	
Emergency Management Performance Grant	101,643	
Homeland Security Grant Program	<u>32,760</u>	
Total Federal Funds Not Passed Through DHS		<u>1,099,690</u>
Total Program Expenditures Passed Through DHS		<u>\$21,775,701</u>

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

A. Summary of Audit Results

1. The Auditor's Report expresses an unmodified opinion on the fund financial statements of the County of Blair and an adverse opinion on the government-wide financial statements.
2. Eleven (11) material weaknesses and fourteen (14) significant deficiencies disclosed during the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. There was one (1) material weakness and one (1) significant deficiency relating to the audit of the major federal award program and state funds passed through the Pennsylvania Department of Human Services and was reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and the Pennsylvania Department of Human Services' Compliance Supplement.
4. The Auditor's Report on Compliance for the Major Federal Award Programs and State Funded Programs Passed Through the Pennsylvania Department of Human Services for the County of Blair express an unqualified opinion on all major federal and PA DHS major programs.
5. Audit findings that are required to be reported in accordance with the Uniform Guidance are reported in this schedule.
6. The programs tested as a major program for federal purposes were:
 1. Foster Care - Title IV-E - 93.658
 2. Adoption Assistance - Title IV-E - 93.659
 3. Medical Assistance Program Grant - 93.778

The following state programs passed through the Pennsylvania Department of Human Services have tested major programs within:

1. Children and Youth Program
 2. Medical Assistance Transportation Program
 3. Social Services Program
 4. Juvenile Probation Program
7. The threshold for determining major programs was \$750,000 for federal programs and \$750,000 for DHS programs.
 8. The County of Blair was not determined to be a low-risk auditee.
 9. The County of Blair did not elect to use the 10% de minimis indirect cost rate as covered in Section 200.414 of the Uniform Guidance for Federal Awards.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings

2017-001

Department
Controller

Condition

Our testing in the areas of accounts receivable and accounts payable, within the General Fund, identified a substantial amount of estimated accounts receivable which were incorrect and the year-end accounts payable listing did not reconcile to the general ledger.

The following is a summary of issues related to accounts receivable and accounts payable:

Accounts Receivable

1. There are state reimbursements related to court proceedings and the district attorney's office that have been consistently recorded on the cash basis of accounting because of not knowing the exact amount of reimbursements. These were inadvertently recorded in accounts receivable at December 31, 2017 based on estimated amounts.
2. There were accounts receivables that were inadvertently not recorded at December 31, 2017.

Accounts Payable

1. There were 2018 accounts payable that had inadvertently been recorded as accounts payable at December 31, 2017.
2. There were some 2017 accounts payable that had not been recorded as of December 31, 2017.
3. There were transactions recorded in the accounts payable general ledger account in error that resulted in the accounts payable sub ledger not agreeing to the accounts payable general ledger.

The annual reconciliation between the general ledger and supporting detail is not being performed. The lack of this control feature allows for differences to occur and accumulate over a period of time. Ultimately, the determination of the actual receivables and payables balance is virtually impossible without a significant time investment in a lengthy reconciliation process.

This is a repeat finding from the 2016 County audit.

Criteria

It is a generally accepted accounting practice to reconcile material sub ledger accounts to the general ledger at month and year end.

Cause

The County should be more diligent in preparing the year end accounts payable and accounts receivable reconciliations.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-001 (Continued)

Effect

Accounts receivable and accounts payable balances were misstated at year end.

Recommendation

To maintain proper control over accounts receivable, we suggest that all cash receipts received during the first two months subsequent to year end be detail reviewed to determine if the receipt should be recorded as a receivable. If the cash receipts reviewed relates to the prior year, a receivable should be recorded for the amount. This procedure will ensure that all and only the amounts related to the prior year are recorded in accounts receivable at year end.

To maintain proper control over accounts payable, we suggest that the open invoice file be reconciled to the general ledger at the end of every month or at year end at a bare minimum. If any differences exist, management should investigate and resolve promptly. These procedures will ensure that the balance in the general ledger reflects the accurate accounts payable balance supported by the subsidiary system.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The County agrees with this finding.

Corrective Action Taken or To Be Taken:

1. Accounts Receivable

- The Controller asserts that receivables should be booked based on reasonable expectations. While some payments may not be received for more than a year, they should still be recorded.
- The Controller's Office will monitor receivables to ensure they are reasonable.

2. Accounts Payable

- Staff are receiving additional training to ensure the correct dates are used.
- Additional safeguards are being implemented in Accounts Payable.

3. Annual Reconciliation

- Monthly reconciliation was performed through November, but there are facets of the new software implementation that prevented year end reconciliation.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Controller will monitor the corrective action.

Person(s) Title and Scope of Responsibility:

Title: Controller

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-002

Department
Prothonotary

Condition

The Orphans Court Escrow Report balance was \$348 less than the Orphans Court reconciled cash balance at December 31, 2017.

This is a repeat finding from the 2016 County audit.

Criteria

It is required by generally accepted accounting principles to have a supporting schedule to support a controlling account.

Cause

Unknown

Effect

The County is unable to identify who the additional \$348 in the Prothonotary account is owed to.

Recommendation

We recommend that the Orphans Court Escrow Report be compared to the Orphans Court reconciled cash balance monthly and that any difference be investigated immediately.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Prothonotary agrees with this finding.

Corrective Action Taken or To Be Taken:

I will continue, along with my 1st Deputy, to try to identify problems from prior years that have caused the discrepancies. If needed, I will ask for assistant from the Finance Director to help me try to establish the discrepancy. I will also continue working with the Chief Deputy Controller, and with her help maybe we can make strides in identifying and correcting this problem.

Timetable for Implementation:

The previous Prothonotary had been working on correcting these problems since early 2014 and I will continue to do so as time allows. My goal is to have all problems corrected by December of 2018.

Monitoring to Be Performed:

Finance Director will assist the Prothonotary with the implementation of the corrective action.

Person(s) Title and Scope of Responsibility:

Title: Clerk of Orphans' Court

2017-003

Department
Prothonotary

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-003 (Continued)

Condition

The Prothonotary account Escrow Balance Report balance was less than the Prothonotary reconciled cash balance by \$31,682 at December 31, 2017.

This is a repeat finding from the 2016 County audit.

Criteria

It is required by generally accepted accounting principles to have a supporting schedule to support a controlling account.

Cause

Unknown

Effect

The County is unable to identify who the additional \$31,682 in the Prothonotary account is owed to.

Recommendation

We recommend that the Prothonotary Escrow Report be compared to the Prothonotary's reconciled cash balance monthly and that any difference be investigated immediately.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Prothonotary agrees with this finding.

Corrective Action Taken or To Be Taken:

I have continued, along with my 1st Deputy, to try to identify problems from prior years that have caused the discrepancies. I will ask for help from the Finance Director to help identify the problem. I will also ask the Chief Deputy Controller, as time permits, for any assistance she may give in solving this issue.

Timetable for Implementation:

The prior Prothonotary has been working on correcting these problems since early 2014 and I will continue to do so as time allows. My goal is to have all problems corrected by December 2018.

Monitoring to Be Performed:

The Prothonotary will monitor the corrective action. Upon the request of the Prothonotary, the Finance Director will assist the Prothonotary with the implementation of the corrective action.

Person(s) Title and Scope of Responsibility:

Title: Prothonotary

2017-004

Department

Prothonotary

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-004 (Continued)

Condition

Prothonotary liabilities reported on the Common Pleas Criminal Court Management System (CPCMS) Undisbursed Escrow Summary Report (maintained by Costs and Fines) are not reconciled by the Prothonotary office. The CPCMS Undisbursed Escrow Summary Report was less than Clerk of Courts reconciled cash balance by \$17,332 at December 31, 2017.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting practice to reconcile subsidiary ledgers with the controlling account.

Cause

Unknown

Effect

The County does not have the assurance that the Summary report is accurate and is unable to determine who the additional \$17,332 in the account is owed to.

Recommendation

We recommend that the Prothonotary office obtain detail from the Costs and Fines for Prothonotary accounts reported on the Common Pleas Criminal Court Management System Undisbursed Escrow Summary report and then reconcile these amounts to the Prothonotary office's records.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Prothonotary agrees with this finding.

Corrective Action Taken or To Be Taken:

The Prothonotary's office will implement the action recommended.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Prothonotary will monitor the corrective action. Upon the request of the Prothonotary, the Finance Director will assist the Prothonotary with the implementation of the corrective action.

Person(s) Title and Scope of Responsibility:

Title: Clerk of Courts

2017-005

Department

Prothonotary

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-005 (Continued)

Condition

The Prothonotary's office is unaware of the source of funds for a checking account.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted account practice, and required by generally accepted accounting principles, to maintain documentation for all components of the entity's financial statements.

Cause

The funds have been on hand for many years and may consist only of interest earned.

Effect

The County is unable to return the funds to their proper owners.

Recommendation

We recommend that the County transfers the excess, unidentified money to the General Fund.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Prothonotary agrees with this finding.

Corrective Action Taken or To Be Taken:

First National Bank Acct # 95023589 Closed 01/02/2018 \$4,269.53
Rec# 410333 Blair County General Fund.

Timetable for Implementation:

Completed January 2018

Monitoring to Be Performed:

No further monitoring required

Person(s) Title and Scope of Responsibility:

Title: Prothonotary

2017-006

Department

Retirement Board/Commissioners

Condition

The County did not make the "Actuarially Determined Contribution" (ADC) for the 2017 plan year in the amount of \$6,393,256. The County's contribution for the year ended December 31, 2017 was \$4,000,000.

This is a repeat finding from the 2016 County audit.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-006 (Continued)

Criteria

The actuary determined the amount the County was required to make to the pension fund for it to be solvent.

Cause

The full contribution was not made due to the County's financial condition.

Effect

The net pension liability will continue to increase when the ADC is not made. Furthermore, the unfunded pension liability is considered when the credit status of the County is determined for debt and other borrowing issues.

Recommendation

The County should make an effort to fund the pension plan's Actuarially Determined Contribution (ADC) on an annual basis.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Retirement Board and the Commissioners concur with this finding.

Corrective Action Taken or To Be Taken:

In 2013, the County committed \$8,000,000 of the proceeds from the sale of the County's Valley View Home for use in funding the ADC over the next four years. In 2015, the County contributed \$2,000,000 to the pension plan. The Commissioners included a \$3,000,000 pension contribution in their 2016 budget and are committed to increasing future contributions as funding becomes available. In 2017, the Commissioners have budgeted contributions to the retirement fund of \$4,000,000. In 2018, the Commissioners have budgeted contributions to the retirement fund of \$4,000,000. In 2016, the Retirement Board adopted a funding policy outlining future funding commitments.

Timetable for Implementation:

Ongoing

Monitoring to Be Performed:

The County Retirement Board will continue to have an actuarial valuation of the pension plan completed annually. Each year the Board will make a recommendation to the Commissioners who will consider the request as part of the annual budget process.

Person(s) Title and Scope of Responsibility:

Title: Retirement Board Chairman

2017-007

Department

Commissioners

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-007 (Continued)

Condition

The County's fixed asset ledger is updated each year for new purchases; however, there has never been a reconciliation of the fixed asset ledger to the current physical assets on hand. The fixed assets are tagged at year end with an identification number that reconciles to the fixed asset ledger instead of being tagged when the asset is received. In addition, the fixed asset additions per the fixed asset ledger did not tie to the capital outlay expenses on the trial balances.

This is a repeat finding from the 2016 County audit.

Criteria

There is a requirement of general accounting principles and internal control that the assets listing in the fixed asset ledger reconciles to the physical assets on hand and fixed asset additions tie to the general ledger. The County's fixed assets should be tagged with an identification number immediately upon receipt of the asset.

Cause

Unknown

Effect

There could be fixed assets removed from the County when they are not tagged and not included in the County's fixed asset ledger. In addition, the expenses on the trial balance are classified incorrectly.

Recommendation

We recommend that a complete inventory of the County's fixed assets be performed and reconciled to the fixed asset ledger. There should be a number assigned to each asset in the fixed asset ledger and this number should be affixed to the physical asset immediately upon receipt of the asset. In addition, we recommend that a reconciliation of the fixed asset additions per the fixed asset listing to the capital outlay expense on the trial balances be complete.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Commissioners agrees with this finding.

Corrective Action Taken or To Be Taken:

The County is switching the fixed asset tracking system to MUNIS in 2018 for ease of entry and to integrate with the Purchasing module in MUNIS Financial Accounting. Expected completion for this conversion is late 2018. Once all assets are in MUNIS, the Controller's office will use the reporting available in MUNIS to incorporate fixed asset monitoring into the department auditing that will be performed by their office. Fixed asset additions will be added by the Finance Department.

Timetable for Implementation:

Ongoing

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-007 (Continued)

Corrective Action Plan (Continued)

Monitoring to Be Performed:

Quarterly monitoring will be done by the Controller and Finance Director

Person(s) Title and Scope of Responsibility:

Title: Controller and Finance Director

2017-008

Department

Treasurer

Condition

The Offenders Supervision Fund receives electronic deposits for state grants that belong to other departments. The grants that belong to the other departments are not initially recorded in the Offenders Supervision Fund. Due to this, amounts that are overlooked and not transferred to the correct fund could end up not being recorded on any fund.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting practice that all transactions affecting a fund should be recorded in the general ledger. This includes all activity in the fund's bank account even grants received that belong to other departments.

Cause

Unknown

Effect

The monthly bank reconciliations may not reconcile to the general ledger and there is no paper trail within the original depositing fund of the money being received and later transferred to the appropriate department.

Recommendation

We recommend that all bank activity be recorded in the respective fund including the cash receipts for other departments.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Treasurer's office reviews all electronic deposits to the Offenders Supervision Fund. Each deposit is either receipted in the Offenders Supervision fund or if it is determined that the deposit belongs in another fund, the deposit is wired to the appropriate bank account and receipted. The Offenders Supervision Fund bank statement is reconciled monthly and a paper trail is maintained for all wire transactions.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-008 (Continued)

Corrective Action Plan (Continued)

Corrective Action Taken or To Be Taken:

The Treasurer's office has begun to receipt all electronic deposits to the Offenders Supervision Fund in order to create a general ledger paper trail. If the deposit belongs in another fund, the Treasurer's office will wire the funds to the appropriate bank account and notify the Controller's office.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

Bank statements will be reconciled monthly.

Person(s) Title and Scope of Responsibility:

Title: Treasurer

2017-009

Department

Commissioners/Treasurer

Condition

There are several instances where a percentage of gross receipts or sales by an outside business are remitted to the County as part of an agreement. The County does not obtain support for the amount received nor do they perform periodic reviews of the supporting documentation at the business site. This includes hotel tax (Treasurer's Office), and Lakemont Park rent (Commissioner's Office).

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting principles and proper internal controls to obtain supporting documentation for the amounts remitted under agreements.

Cause

Unknown

Effect

The County could be receiving less money than what is actually due to them because of the fact they do not require supporting documentation with the monthly check nor do they periodically review information at the business site.

Recommendation

We recommend that the County receive support monthly for the amounts remitted to them by these businesses. This would include a print out from the businesses system showing the receipts or sales for that particular month and not just a hand written sheet. In addition, we recommend that the County periodically visit the businesses sites to further review the support.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-009 (Continued)

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Commissioners and Treasurer agree with this finding.

Corrective Action Taken or To Be Taken:

The Treasurer has the statutory responsibility to select the outside auditor for the hotel tax. The Controller is exploring options for hiring outside consultants to assist in auditing hotel taxes. The Controller will continue to work with the Treasurer to develop forms and request additional documents to support these revenue items.

The Commissioners will obtain the appropriate documentation from Lakemont Park to ensure accuracy of the monthly and yearly rental payment from Lakemont Park.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Treasurer and County Commissioners will monitor the implementation of the corrective action.

Person(s) Title and Scope of Responsibility:

Title: Treasurer and Finance Director

2017-010

Department

District Attorney

Condition

There is a cash account held by the District Attorney department that is currently tracked outside the County accounting system. This bank account in question is listed under the County's District Attorney's office but under a different federal identification number.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting principles that all County financial activity be maintained on the accounting system.

Cause

Unknown

Effect

The County cannot ensure that proper controls are being taken over cash when it is not maintained on the County accounting system.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-010 (Continued)

Recommendation

We recommend that all cash accounts held under any form of the County's name be maintained on the County general ledger accounting system.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The District Attorney's office disagrees with this finding. The account in the District Attorney's office is not under the County's Tax Identification Number.

Corrective Action Taken or To Be Taken:

Timetable for Implementation:

Monitoring to Be Performed:

Person(s) Title and Scope of Responsibility:

Title:

2017-011

Department

Prothonotary

Condition

There is only one cash drawer in the Prothonotary's office which is accessed during the day by all employees in that office for all cash receipt transactions. In addition, it is not locked.

This is a repeat finding from the 2016 County audit.

Criteria

There is a requirement of generally accepted accounting practices and internal control that each employee maintain a separate locked cash drawer. This allows for the segregation of duties.

Cause

Unknown

Effect

Without a locked cash drawer, there is an opportunity for the misappropriation of funds. Without separate cash drawers for each employee, there is no segregation of duties.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-011 (Continued)

Recommendation

We recommend that the Prothonotary office have a procedure in place for who will take responsibility for the cash drawer or to have each employee be responsible for their own cash drawer. Also, the cash drawer should be locked when not in use.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Blair County Prothonotary agrees in principle to this finding.

Corrective Action Taken or To Be Taken:

Prothonotary will inquire with Infocon about the possibility of running daily reports for each clerk who creates a receipt in order to provide a total amount of cash receipted by each clerk. Prothonotary will speak to other prothonotaries throughout Pennsylvania and will use the information received from these individuals to establish policies and procedures for reconciling cash receipts.

Timetable for Implementation:

September 30, 2018

Monitoring to Be Performed:

The Prothonotary will monitor to ensure corrective action has been taken by September 30, 2018.

Person(s) Title and Scope of Responsibility:

Title: Prothonotary, Clerk of Courts, and Clerk of Orphans' Court

2017-012

Department

Controller

Condition

Duplicate payments were issued for invoices pertaining to several funds.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting practice that invoices and supporting documentation be marked paid to ensure double payments do not occur.

Cause

Unknown

Effect

The expenses on these funds were overstated.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-012 (Continued)

Recommendation

We recommend that invoices and supporting documentation be marked in a manner that notes it was paid to ensure double payments do not occur.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

While some duplication in early 2018 may also have existed, the Controller's Office has implemented safeguards in the new financial software to prevent paying duplicate invoices.

Corrective Action Taken or To Be Taken:

The Controller's Office has implemented safeguards in the new financial software to prevent paying duplicate invoices.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Controller will monitor the corrective action.

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-013

Department

Children, Youth, and Families

Condition

The year-end reconciled bank cash balance for the agency fund did not reconcile to the general ledger. In addition, none of the 2017 activity was recorded in the general ledger.

This is partially a repeat finding from the 2016 County audit.

Criteria

Generally accepted accounting practice requires the monthly bank reconciliation reconcile to the general ledger cash balance on a monthly basis and that all activity be recorded in the general ledger in a timely manner.

Cause

Unknown

Effect

The transactions (or omission of transactions) results in a misstatement of cash and other accounts, including revenue and expenses, on the general ledger.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-013 (Continued)

Recommendation

We recommend that transactions are posted to the ledger on a timely basis, and ensure that each balance on the general ledger agrees to supporting documentation on a monthly basis.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Commissioners agree with this finding.

Corrective Action Taken or To Be Taken:

The agency fund is currently reconciled on a monthly basis by the Children, Youth, and Families Fiscal Unit Supervisor. A copy of the reconciliation and bank statement are provided to the Controller's office. The Controller's office will work with the Fiscal Unit Supervisor to ensure all activity is recorded in the general ledger in a timely manner.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Controller's Office and Children, Youth, and Families Fiscal Department will monitor this account.

Person(s) Title and Scope of Responsibility:

Title: Controller and Children, Youth, and Families Administrator

2017-014

Department

Controller

Condition

There was no year to date summary prepared on Pension Fund investments for 2017.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting practice to prepare a year to date summary of activity related to the Pension Plan investments for the County.

Cause

Unknown

Effect

There was no financial information available for 2017 related to the County pension plan because the year to date summary of pension plan investments was not prepared.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-014 (Continued)

Recommendation

We recommend that the County Controller prepare a year to date summary of activity related to the County pension plan investments in the future.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller agrees with this finding.

Corrective Action Taken or To Be Taken:

Monthly and year end investment statements were available and provided to the Retirement Board and the Auditors. The Controller's Office will be making all entries in the Financial Software to keep an accurate record.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Controller will ensure that monthly reports are received for all pension funds.

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-015

Department

Controller

Condition

There were numerous issues with the accounting records at the Prison during 2017. The following is a summary of those issues:

1. Based on the 2017 trial balance that was generated in MUNIS, the County has combined both prison agency funds (Prisoner's Account and Work Release) with their prison governmental fund (Operational Reserve). According to the governmental auditing standards, at no point can agency fund activity be combined with governmental activity.
2. Since there has been a lot of turnover in the Controller's office in 2017 related to someone working on the prison accounts, there has been numerous invoices that have not been paid and numerous transfers that have not been made yet related to 2017. For example:
 - a. Oasis Management (commissary) invoices have not been paid dating back to September 2017 and commission relating to those invoices have not been transferred to the General Fund.
 - b. Cost recovery/admission processing fees for April, May, and June 2017 have not been transferred to the General Fund.
 - c. Encartele phone commission related to September - December 2017 have not been transferred to the General Fund.

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-015 (Continued)

Condition (Continued)

2. (Continued)

The above represents a poor lack of communication and has caused certain cash balances to be misstated as of 12/31/17.

3. Whenever an inmate is released from prison and then goes back to prison they are issued a new account number. In order to keep things accurate in the Lockdown System, that inmate is merged in order for them to keep the same account number and the same account balance (if they have one). When the merging is completed in the system, sometimes they are double charged the \$45 admission fee. This error was caught in April 2018. With that being said, any resident balance prior to April 2018 could be misstated.
4. There has not been documentation received regarding work release from the prison. This information needs to be entered on a weekly basis in order to show accurate prisoner account balances and to ensure that inmates currently on work release are court ordered to do so. This information also needs obtained/communicated in order to properly keep track of voluntary support. A poor lack of communication between the prison and the Controller's office is a result of this issue.
5. Per the trial balance, there is a \$69,975.58 commissary liability reported. The Controller's office currently does not know what exactly this amount is. All amounts recorded in the trial balance should have proper support/documentation in order to ensure accurate financial reporting.
6. Per the trial balance, there is a \$226,373.75 receivable reported that is due from the inmates to the County. This is an issue because there is no way of knowing if this amount will ever be collected.

This is a repeat finding from the 2016 County audit.

Criteria

Generally accepted accounting practice would require that the Prison financial records be in good order including subsequent transfer of funds to the proper accounts or individuals.

Cause

There were several changes in personnel during 2017 that had a negative effect on the preparation of the Prison financial records.

Effect

There was inaccurate reporting of the Prison financial records and financial information on a monthly basis.

Recommendation

We recommend that the County develop written policies and procedures in regards to the Prison financial records and there should also be a review of the Prison financial records on a monthly basis.

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-015 (Continued)

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller agrees with this finding.

Corrective Action Taken or To Be Taken:

Once the problems identified in the 2016 audit were discovered, the Controller's office assumed full responsibility for prison financial transactions. With a change in Prison administration, and staff changes in the Controller's office, a full reconciliation of all accounts did not occur prior to the end of 2017. Accounts are currently being reconciled and balanced. Additionally, the governmental accounts are being moved to the General Fund and Inmate accounts will be the only account in the Agency Fund.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Administrative/Accounting Assistant in the Controller's office will monitor the prison accounts.

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-016

Department

Controller

Condition

The general fund operation cash account did not reconcile to the general ledger at December 31, 2017 by \$229,000.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting practice to reconcile cash accounts to the general ledger on a monthly basis.

Cause

During the transition to the new MUNIS accounting software there were 2018 General Fund cash transactions inadvertently recorded in 2017.

Effect

The year-end and monthly County financial information would be inaccurate when bank reconciliations are not reconciled to the general ledger.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-016 (Continued)

Recommendation

We recommend that the County Controller develop a monthly checklist or a verification that all bank reconciliations reconcile to the general ledger.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller agrees with this finding.

Corrective Action Taken or To Be Taken:

All cash accounts were balanced to the General Ledger through November 2017. With the implementation of new financial software, there has been a delay in full reconciliation. The Controller's office and the Treasurer's office are working with the software vendor to complete this process.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Controller and Deputy Controller will work with staff to oversee this process.

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-017

Department

Controller

Condition

The County currently does not have written financial policies and procedures.

This is a repeat finding from the 2016 County audit.

Criteria

It is generally accepted accounting practice to have written financial policies and procedures.

Cause

Unknown

Effect

There is a weakness in the internal controls at the County when there are no written financial policies and procedures.

Recommendation

We recommend that the County consider developing written financial policies and procedures.

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-017 (Continued)

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller agrees with this finding.

Corrective Action Taken or To Be Taken:

"Unwritten" policies have been put in place with the new financial software. Over the course of 2018, they will be put into writing and be presented to the Board of Commissioners for approval.

Timetable for Implementation:

Ongoing, to be complete by the end of 2018

Monitoring to Be Performed:

Controller

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-018

Department

Children, Youth, and Families

Condition

The County does not reconcile the internal QuickBooks records of the Children, Youth, and Families Department to the County General Fund general ledger, which is where the financial transactions are initially recorded.

This is a repeat finding from the 2016 County audit.

Criteria

Generally accepted accounting practices would necessitate that both sets of accounting records reconcile with each other.

Cause

Unknown

Effect

There could be a situation which transactions recorded in the General Fund are not properly recorded in the Children, Youth, and Families Department's QuickBooks.

Recommendation

We recommend the Controller's Office and Children, Youth, and Families fiscal staff collaborate to ensure the financial transactions of the two systems are reconciled on a monthly basis.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-018 (Continued)

Corrective Action Plan

Management's Position (agree or disagree with explanation):

Children, Youth, and Families agrees that these two accounts are not reconciled on a monthly basis.

Corrective Action Taken or To Be Taken:

In late 2017, Blair County Children, Youth, and Families made a modification to the QuickBooks system in which county account numbers (MUNIS accounts) were incorporated into the QuickBooks invoices. Reports are now able to be printed from QuickBooks and MUNIS and a reconciliation can be performed to verify that all invoices submitted by CYF by the QB system are processed and documented through the County General Fund and that all corresponding transactions are documented in the General Ledger. This reconciliation is completed by CYF Fiscal staff at each month's end.

Timetable for Implementation:

January 1, 2018

Monitoring to Be Performed:

Children, Youth, and Families Fiscal Department

Person(s) Title and Scope of Responsibility:

Title: Children, Youth, and Families Administrator

2017-019

Department

Commissioners

Condition

There was a \$75,510 grant repayment to the state for MATP made directly by Blair Senior Services but this transaction was not recorded in the County's General Fund.

Criteria

It is generally accepted accounting practice to record all grant refunds even ones related to pass-through funding in the general ledger of the General Fund.

Cause

The County should be more diligent in recording grant refunds in the general ledger of the General Fund.

Effect

The grant revenue and grant expenditures in the County's General Fund are overstated by \$75,510 during 2017.

Recommendation

We recommend that the County improve their communication with pass-through funding agencies related to any grant refunds so they can be recorded in the County's General Fund.

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-019 (Continued)

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Commissioners agree with this finding.

Corrective Action Taken or To Be Taken:

The Commissioners will follow the recommended action and ensure that all transactions related to pass-through funding are recorded properly.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

The Finance Director will monitor MATP and other pass-through funded agencies on a regular basis.

Person(s) Title and Scope of Responsibility:

Title: Finance Director

2017-020

Department

Controller

Condition

The accrued payroll, which is a substantial liability in the General Fund, was never recorded at year-end.

Criteria

It is generally accepted accounting principles to record the accrued payroll liability at year-end.

Cause

The County should be more diligent in preparing the year-end calculation for accrued payroll.

Effect

The general fund liabilities are substantially understated when the accrued payroll is not recorded in the General Fund at year-end.

Recommendation

We recommend that every effort be made to calculate and record accrued payroll in the General Fund at year-end.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller generally agrees with this finding

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-020 (Continued)

Corrective Action Plan (Continued)

Corrective Action Taken or To Be Taken:

With the implementation of new Payroll Software including electronic time monitoring, we will be able to more accurately track accrued payroll expenses. Historically, the Controller and Auditors have used simple calculations to book the accrued payroll.

Timetable for Implementation:

October 2018

Monitoring to Be Performed:

Controller's Office

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-021

Department

Controller/Juvenile Probation

Condition

The County combined the internal juvenile probation governmental fund with their juvenile probation agency fund (restitution). According to governmental auditing standards, at no point can agency fund activity be combined with governmental activity.

Criteria

Generally accepted accounting practice would require that the agency and governmental funds be maintained separately.

Cause

The internal bank accounts held by the Juvenile Probation office were closed and deposited into the wrong type of fund.

Effect

There was inaccurate reporting of the Juvenile Probation financial records.

Recommendation

We recommend that the governmental activity be moved from the agency fund to a governmental fund within Juvenile Probation.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller generally agrees with the finding

Corrective Action Taken or To Be Taken:

Based on conversations with the Juvenile Probation Director, this fund was created accurately; however, after clarification by the auditors, the Controller's Office will correct the type of fund to the accurate type.

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-021 (Continued)

Corrective Action Plan (Continued)

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

Controller's Office

Person(s) Title and Scope of Responsibility:

Title: Controller

2017-022

Department

911

Condition

The County signed an intergovernmental cooperation agreement with two other Counties in order to obtain grants. One of the other Counties actually applied for the grant. No grant agreement was obtained by the County's 911.

Criteria

Generally accepted accounting practice would require that the grant agreement for all funds received, including pass-through funds, be obtained in order to determine such things as what the grant money can be spent on, is it federal funds, are there matching terms, etc.

Cause

Unknown

Effect

There was no grant agreement as support for the funds received.

Recommendation

We recommend that grant agreements be maintained for all funds received, including pass-through funds.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

Agree

Corrective Action Taken or To Be Taken:

We obtained the actual agreement from Huntingdon County who acted as the fiduciary on this ARC grant application. We will assure that all future grant agreements will be provided to Blair 911 and maintained as permanent records.

Timetable for Implementation:

Immediate

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-022 (Continued)

Corrective Action Plan (Continued)

Monitoring to Be Performed:

All grant agreements will be filed and maintained as part of our 911 records.

Person(s) Title and Scope of Responsibility:

Title: Blair County Director of Public Safety

2017-023

Department

Social Services

Condition

The year-end bank reconciliation did not reconcile to the general ledger.

Criteria

Generally accepted accounting practice requires that the monthly bank reconciliation should reconcile to the general ledger cash account balance on a monthly basis.

Cause

There was a change in fiscal personnel and implementation of a new accounting system.

Effect

This could result in an inaccurate cash balance in the general ledger on a monthly basis.

Recommendation

We recommend that on a monthly basis, the cash balance per the monthly bank reconciliation be reconciled to the general ledger.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

Agree

Corrective Action Taken or To Be Taken:

The process of reconciliation between the 2 systems has already begun. Staff have begun to ensure proper reconciliation from June 2017 through the end of the year.

Timetable for Implementation:

The process began once the finding was identified. The activity should be completed by the end of June 2018.

Monitoring to Be Performed:

The Social Services Executive Director will monitor the reconciliation between the 2 systems to occur every month. Should any discrepancies occur the Social Services Fiscal staff will collaborate with the Controller's office.

COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

B. Financial Statement Findings (Continued)

2017-023 (Continued)

Corrective Action Plan (Continued)

Person(s) Title and Scope of Responsibility:

Title: Social Services Fiscal Officer

2017-024

Department

Social Services

Condition

The County does not reconcile the internal XiTech records of Social Services, where transactions are initially recorded, to the County's MUNIS system general ledger.

Criteria

Generally accepted accounting practice would necessitate that both sets of accounting records agree with each other.

Cause

There was a change in fiscal personnel and implementation of a new accounting system.

Effect

There could be a situation which transactions recorded in the County's MUNIS system are not properly recorded in the Social Service's XiTech system.

Recommendation

We recommend that the Controller's office and Social Services fiscal staff collaborate to ensure the financial transactions of the two systems are reconciled on a monthly basis.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

Agree

Corrective Action Taken or To Be Taken:

Each month, the Fiscal Officer will reconcile the revenue and expense accounts between XiTech and MUNIS. The Fiscal Officer will print the monthly revenue invoices that are entered into MUNIS. The total dollar amount for the month will be reconciled between XiTech and MUNIS to ensure the totals match for that particular month. The revenue invoices will be used to ensure each deposit is accounted for on the monthly bank reconciliation.

Each month, the Fiscal Officer will balance the expense amounts between XiTech and MUNIS, by comparing each monthly expense entered into XiTech and MUNIS so the totals reconcile to each other.

If there is a discrepancy in the revenue and expense accounts, the Fiscal Officer will check the revenue and expense accounts for errors. If an error was made during the entry process, the Fiscal Officer will correct it and make sure both accounts reconcile in XiTech and MUNIS.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-024 (Continued)

Corrective Action Plan (Continued)

Corrective Action Taken or To Be Taken: (Continued)

If the mistake is not found due to an error, the Fiscal Officer will contact the controller's office to make the controller's aware of the discrepancy. When the error is found, the Fiscal Officer will correct it and reconcile the accounts again.

Currently, the Fiscal Officer is checking the voucher folders to ensure that the expenses went into the correct GL account along with the correct amount. The Fiscal Officer is checking to ensure that each deposit goes into the correct GL account along with the correct amount.

Timetable for Implementation:

The process of reconciliation has already begun and will be completed on a monthly basis.

Monitoring to Be Performed:

Each month, the Social Services Executive Director will monitor and reconcile the revenue and expense totals between XiTech and MUNIS.

Person(s) Title and Scope of Responsibility:

Title: Social Services Fiscal Officer

2017-025

Department

Controller/Commissioners

Condition

There is a General Fund budget variance under the line item employee benefits in the amount of \$9,095,135. The employee benefit line item per the budget was prepared by department; however, the actual employee benefit cost line item was recorded in one account in total during the year.

Criteria

It is generally accepted accounting practice to record the actual employee benefit costs in the general ledger the same way as the General Fund budget was prepared which was by allocating the employee benefit costs by department.

Cause

There was a change in procedures which prevented the allocation of actual employee benefit costs by department.

Effect

There is an error in the General Fund budget to actual comparison schedule which will show a variance under the caption employee benefits in the amount of \$9,095,135 on the County's financial statements.

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

B. Financial Statement Findings (Continued)

2017-025 (Continued)

Recommendation

We recommend that the actual employee benefit costs be recorded in the same manner as the budgeted employee benefit costs were allocated by department in the General Fund budget.

Corrective Action Plan

Management's Position (agree or disagree with explanation):

The Controller and Commissioners generally agree with the finding, however, the variance only exists in the difference between departments where it was budgeted and not in the line item in total.

Corrective Action Taken or To Be Taken:

With the implementation of new software, the 2018 budget was adopted in the same manner as the 2017 budget. The new software will allow for the application of benefits by department. Where variances occur, the budget will be amended to reflect those variances.

Timetable for Implementation:

Immediately

Monitoring to Be Performed:

Controller and Finance Director will monitor the budget to actual results for benefits.

Person(s) Title and Scope of Responsibility:

Title: Controller and Finance Director

**COUNTY OF BLAIR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)**

C. Single Audit Findings

The above financial statement findings listed as items 2017-001 and 2017-19 are also Single Audit Findings.

COUNTY OF BLAIR
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Audit Finding Number	Department	Description	Status at December 31, 2017		Audit Finding Number 12/31/17
			Corrected in 2017	Existed as of 12/31/17	
2016-001	Controller	Accounts receivable and payable per ledger not reconciled to sub ledgers		X	2017-001
2016-002	Prothonotary	Orphan Court escrow balance is more than cash balance		X	2017-002
2016-003	Prothonotary	Prothonotary escrow balance materially less than cash balance		X	2017-003
2016-004	Prothonotary	Clerk of Courts escrow balance is less than cash balance		X	2017-004
2016-005	Prothonotary	Source of fund for one certificates of deposit, a savings account, and a checking account are unknown		X	2017-005
2016-006	Retirement Board/Commissioners	Pension annual required contribution not made		X	2017-006
2016-007	Commissioners	No reconciliation of fixed assets between fixed asset ledger and physical assets on hand and new assets are not tagged in a timely manner		X	2017-007
2016-008	Emergency Management	Grant expenses not accurately tracked	X		N/A
2016-009	Treasurer	All transactions in the Offender Supervision bank account are not recorded in the Offender Supervision general ledger		X	2017-008
2016-010	Commissioners/Controller/Treasurer	No support is received nor is a review performed for the percentage of gross receipts or sales received from an outside business		X	2017-009
2016-011	Commissioners/Juvenile Probation/District Attorney	Several cash accounts held by departments that are tracked outside the County accounting system		X	2017-010
2016-012	Prothonotary	Clerk of Court's bank reconciliation was not accurate	X		N/A
2016-013	Prothonotary	One unlocked cash drawer is used by all staff of the Prothonotary's office		X	2017-011
2016-014	Controller	Duplicate payments were issued for invoices.		X	2017-012
2016-015	Prison Board/Prison	No sign-off on timecards	X		N/A
2016-016	Commissioners	2014 Project Funds were not reconciled to their proper balances	X		N/A
2016-017	Children, Youth, and Families	Year-end reconciled bank cash balance did not reconcile to the general ledger		X	2017-013
2016-018	Commissioners	Project costs by contractor were not properly reconciled to contract	X		N/A
2016-019	Treasurer	All cash receipts received by the General Fund are not receipted	X		N/A
2016-020	Controller	No year to date summary prepared on Pension Fund Investments		X	2017-014
2016-021	Emergency Management	CERT kits and equipment passed through the County had no support	X		N/A
2016-022	Controller/Commissioner/Treasurer	Transfers between funds are not recorded as transfers but rather expenses and revenues	X		N/A
2016-023	Children, Youth, and Families	Audit report received from sub-recipient was not the correct type	X		N/A
2016-024	Prison Board/Prison	Accounting records had issues such as bank reconciliations not completed, records kept at employee's home, cash receipts deposited to wrong account, etc.		X	2017-015
2016-025	Controller	General Fund operating cash account did not reconcile to the general ledger		X	2017-016
2016-026	Controller	Real estate tax cash receipts from tax collectors were not reconciled to general ledger	X		N/A
2016-027	Commissioners	Schedule of federal awards not prepared for two new federal grants	X		N/A
2016-028	All	Monitoring of grants pass through to sub-recipients is not completed	X		N/A
2016-029	Commissioners	PCCD was holding funds because the County would not respond to their request	X		N/A
2016-030	Controller	There are no written financial policies and procedures.		X	2017-017
2016-031	Children, Youth, and Families	There is no reconciliation of the internal QuickBooks records in this department to the County's general ledger system		X	2017-018
2016-032	Children, Youth, and Families	A contract was not in place with a service provider	X		N/A

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT**

Board of Commissioners
County of Blair
Court House
423 Allegheny Street, Suite 441
Hollidaysburg, PA 16648-2022

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Blair for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 8, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Blair are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the County of Blair during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the compensated absences is based on sick days and related per diem rate. We evaluated the key factors and assumptions used to develop the compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

The estimated useful lives of fixed assets by management.

The financial statement disclosures are neutral, consistent, and clear.

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT
(CONTINUED)**

Significant Audit Findings (Continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 8, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County of Blair's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County of Blair's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Defined Benefit Post-Employment Healthcare Plan, Defined Benefit Pension Plan, and Budgetary Comparison Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT
(CONTINUED)**

Other Matters (Continued)

We were engaged to report on the combining nonmajor funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the County of Blair and is not intended to be, and should not be, used by anyone other than these specified parties.

Young, Becker, Brown & Company, P.C.

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

Board of Commissioners
County of Blair
Court House
423 Allegheny Street, Suite 441
Hollidaysburg, PA 16648-2022

We have performed the procedures enumerated below, which were agreed to by the Pennsylvania Department of Human Services (the specified parties) on the Reconciliation of Federal Awards Passed through the Pennsylvania Department of Human Services Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply of the County of Blair as of (for the year ended) December 31, 2017. The County of Blair's management is responsible for the Reconciliation of Federal Awards Passed through the Pennsylvania Department of Human Services Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply. The sufficiency of these procedures is solely the responsibility of the Pennsylvania Department of Human Services. 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) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column C to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column D to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) Recalculate the amounts listed under the "Difference" column E and the "% Difference" column F.
- (d) Agree the amounts listed under the "Difference" column E to the audited books and records of the entity.
- (e) Agree the "Detailed Explanation of the Differences" to the audited books and records of the entity.
- (f) Based on the procedures detailed in paragraphs (a) through (e) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (list each separately).

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Reconciliation of Federal Awards Passed through the Pennsylvania Department of Human Services Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Pennsylvania Department of Human Services and, is not intended to be, and should not be used by anyone other than those specified parties.

Young, Decker, Brown & Company, P.C.

COUNTY OF BLAIR
RECONCILIATION OF FEDERAL AWARDS PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
EXPENDITURES PER THE SEFA TO REVENUE RECEIVED PER THE PENNSYLVANIA AUDIT CONFIRMATION REPLY
FOR THE YEAR ENDED DECEMBER 31, 2017

(A) CFDA Name	(B) Federal CFDA Number	(C) Federal Expenditures per the SEFA	(D) Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	(E) Difference (C-D)	(F) Percentage Difference (E/D)	(G) Detailed Explanation of Difference
Child Support Enforcement	93.563	\$ 528,295	\$ 777,920	(\$249,625)	-32%	SEFA does not include \$48,300.00 for December 2016, \$4,133.00 for August 2016 supplemental, and \$1,262.00 for July 2016 for additional fringe. Also SEFA does not include 06/30/17 payment of \$237,972.26 listed on confirmation which was received by the County in 2016 and 2017 but not expended. SEFA includes \$42,042.00 for December 2017 which was expensed in 2017 but not received by the County until 2018. (-\$48,300.00 - \$4,133.00 - \$1,262.00 - \$237,972.26 + \$42,042.00 = -\$249,625.26)
Guardianship Assistance - Title IV-E	93.090	22,950	21,531	1,419	7%	SEFA does not include \$3,918.14 and \$9.06 for November/December 2016 which was expensed by the County in prior year. SEFA includes \$6,203.76 for December 2017. Finally, the change in the carryover between December 2016 and December 2017 was \$3,696.00. (\$3,918.14 + \$9.06 - \$6,203.76 + \$3,696.00 = \$1,419.44)
Foster Care - Title IV-E	93.658	1,890,603	1,949,286	(58,683)	-3%	SEFA does not include \$177,706.45 for December 2017 or \$5,271.38 for fourth quarter 2016 which was expensed by the County in prior year. SEFA includes \$3,903.14 for fourth quarter 2017. The change in the carryover between December 2016 and December 2017 was \$114,315.00. Cash awards not documented on the PA confirmation total \$6,076.69. (-\$177,706.45 - \$5,271.38 + \$3,903.14 + \$114,315.00 + \$6,076.69 = \$58,683.00)
Adoption Assistance - Title IV-E	93.659	1,190,937	1,196,687	(5,750)	0%	SEFA includes \$297,791.00 received by the County in 2017. SEFA does not include payments for November/December 2017 totaling \$294,132.00. Finally, the change in the carryover between December 2016 and December 2017 was \$9,409.00. (\$297,791.00 - \$294,132.00 - \$9,409.00 = -\$5,750.00)
Social Services Block Grant	93.667	226,458	226,457	1	0%	Rounding difference
Medical Assistance Program	93.778	1,126,285	1,164,358	(38,073)	-3%	SEFA does not include \$117,423.00 for December 2017. SEFA does include \$117,497.00 and \$283.00 that was received in January 2017 and -\$37,755.00 which was returned during 2017. Cash awards per the PA confirmation that remain unidentified \$751.00. Finally, the change in the carryover between December 2016 and December 2017 was \$76.00. (-\$117,423.00 + \$117,497.00 + \$283.00 - \$37,755.00 - \$751.00 + \$76.00 = -\$38,073.00)

COUNTY OF BLAIR
RECONCILIATION OF FEDERAL AWARDS PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES
EXPENDITURES PER THE SEFA TO REVENUE RECEIVED PER THE PENNSYLVANIA AUDIT CONFIRMATION REPLY
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

(A) CFDA Name	(B) Federal CFDA Number	(C) Federal Expenditures per the SEFA	(D) Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	(E) Difference {C-D}	(F) Percentage Difference (E/D)	(G) Detailed Explanation of Difference
Independent Living Services	93.674	\$ 44,925	\$ 59,900	(\$ 14,975)	-25%	SEFA does not include \$14,975 that was received in January 2018.
Stephanie Tubbs Jones Child Welfare Services Program - Title IV-B	93.645	43,468	43,468	-	0%	
Temporary Assistance to Needy Families (TANF)	93.558	374,549	467,969	(93,420)	-20%	SEFA includes \$122,843.57 for November/December 2016 which was received in January 2017. Finally, the change in the carryover between December 2016 and December 2017 was \$216,264.00. (\$122,843.57 - \$216,264.00 = -\$93,420.43)
Community-Based Child Abuse Prevention Grants	93.590	31,005	47,120	(16,115)	-34%	SEFA does not include \$15,300.00 received in February 2018. The change in the carryover between December 2016 and December 2017 was \$815.00. (-\$15,300.00 - \$815.00 = -\$16,115.00)
Promoting Safe and Stable Families	93.556	104,567	115,034	(10,467)	-9%	The change in the carryover between December 2017 and December 2016 was \$10,467.00. (-\$10,467.00)
Projects for Assistance in Transition from Homelessness (PATH)	93.150	44,898	45,992	(1,094)	-2%	SEFA does not include \$11,771.00 for December 2017. SEFA includes \$10,677.00 for December 2016 which was received in January 2017. (-\$11,771.00 + 10,677.00 = -\$1,094.00)
Block Grants for Community Mental Health Services	93.958	117,288	117,288	-	0%	
Special Education - Grants for Infants and Families	84.141	109,245	100,315	8,930	9%	SEFA does not include \$22,846.00 for December 2017. SEFA does include \$31,776.00 for December 2016 which was received in January 2017. (-\$22,846.00 + \$31,776.00 = \$8,930.00)
		<u>\$ 5,855,473</u>	<u>\$6,333,325</u>	<u>(\$477,852)</u>	-8%	
Reconciliation of Federal Expenditures Passed Through the Pennsylvania Department of Human Services						
Federal Expenditures		\$ 5,855,473				
State Expenditures:						
Children and Youth Program		8,604,603				
Medical Assistance Transportation Program		586,502				
Social Services Program		<u>6,729,123</u>				
Federal and State Expenditures		<u>\$21,775,701</u>				