

**COUNTY OF ADAMS
PENNSYLVANIA**

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2017

COUNTY OF ADAMS, PENNSYLVANIA
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2017

CONTENTS

	<u>Page</u>
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, on Internal Control over Compliance Required by the Uniform Guidance and the Pennsylvania Department of Human Services <i>Single Audit Supplement</i> , and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-6
Schedule of Expenditures of Federal Awards	7-8
Notes to Schedule of Expenditures of Federal Awards	9
Independent Accountant's Report on Applying Agreed-Upon Procedures to the Financial Schedules and Exhibits Required by the Pennsylvania Department of Human Services	10-11
Pennsylvania Department of Human Services Schedules and Exhibits	12-17
Schedule of Findings and Questioned Costs	18-21
Summary Schedule of Prior Audit Findings	22



**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**

Independent Auditor's Report

Page 1

County Commissioners
County of Adams
Gettysburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of COUNTY OF ADAMS, PENNSYLVANIA, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise COUNTY OF ADAMS, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated July 27, 2018. Our report includes a reference to other auditors who audited the financial statements of the Adams County Industrial Development Authority and the Adams County Conservation District, as described in our report on COUNTY OF ADAMS, PENNSYLVANIA's financial statements. The financial statements of the Adams County Industrial Development Authority were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2017-001 that we consider to be a material weakness.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether COUNTY OF ADAMS, PENNSYLVANIA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Adams, Pennsylvania's Response to the Finding

COUNTY OF ADAMS, PENNSYLVANIA's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. COUNTY OF ADAMS, PENNSYLVANIA'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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
July 27, 2018



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES SINGLE AUDIT SUPPLEMENT,
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
UNIFORM GUIDANCE**

Independent Auditor's Report

Page 3

County Commissioners
County of Adams
Gettysburg, Pennsylvania

Report on Compliance for Each Major Federal and Pennsylvania Department of Human Services Program

We have audited COUNTY OF ADAMS, PENNSYLVANIA's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Compliance Supplement* and the Pennsylvania Department of Human Services ("DHS") *Single Audit Supplement* that could have a direct and material effect on each of COUNTY OF ADAMS, PENNSYLVANIA's major federal and DHS programs for the year ended December 31, 2017. COUNTY OF ADAMS, PENNSYLVANIA's major federal and DHS 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 DHS awards applicable to its federal and DHS programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal and DHS program. However, our audit does not provide a legal determination of COUNTY OF ADAMS, PENNSYLVANIA's compliance.



Basis for Qualified Opinion on the Major Federal and DHS Program Listed in the Table Below

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

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2017-001	93.658	Foster Care – Title IV-E and PA DHS Children, Youth, and Families Program	Reporting

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

Qualified Opinion on the Major Federal and DHS Program Listed in the Table Above

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, COUNTY OF ADAMS, PENNSYLVANIA, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal and DHS program listed in the table above for the year ended December 31, 2017.

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

In our opinion, COUNTY OF ADAMS, PENNSYLVANIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and DHS 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.

Other Matters

The COUNTY OF ADAMS, PENNSYLVANIA’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The COUNTY OF ADAMS, PENNSYLVANIA’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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



express an opinion on the effectiveness of COUNTY OF ADAMS, PENNSYLVANIA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or DHS program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DHS program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or DHS program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2017-001 that we consider to be a material weakness.

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

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 *Single Audit Supplement*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of COUNTY OF ADAMS, PENNSYLVANIA, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise COUNTY OF ADAMS, PENNSYLVANIA's basic financial statements. We issued our report thereon dated July 27, 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 COUNTY OF ADAMS, PENNSYLVANIA's 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 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States



of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
August 14, 2018

COUNTY OF ADAMS, PENNSYLVANIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/Pass-through Grantor	Federal CFDA Number	Program Name	County Fund	Contract No.	(Accrued)/Deferred Revenue December 31, 2016	Federal Grant Receipts	Expenditures	Accrued/(Deferred) Revenue December 31, 2017	Payments to Subrecipients
<u>U.S. Department of Agriculture</u>									
Food Distribution Cluster:									
PA Department of Agriculture	10.568	Emergency Food Assistance Program (Administrative Costs)	General Fund	N/A	\$ (2,662)	\$ 11,508	\$ 12,303	\$ 3,457	\$ -
Total CFDA 10.568					<u>(2,662)</u>	<u>11,508</u>	<u>12,303</u>	<u>3,457</u>	<u>-</u>
PA Department of Agriculture	10.569	Emergency Food Assistance Program (Food Commodities)		44112629	-	35,034	35,034	-	-
Total CFDA 10.569					<u>-</u>	<u>35,034</u>	<u>35,034</u>	<u>-</u>	<u>-</u>
Total Food Distribution Cluster					<u>(2,662)</u>	<u>46,542</u>	<u>47,337</u>	<u>3,457</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>\$ (2,662)</u>	<u>\$ 46,542</u>	<u>\$ 47,337</u>	<u>\$ 3,457</u>	<u>\$ -</u>
<u>U.S. Department of Defense</u>									
Direct Payments	12.112	Payments to States in Lieu of Real Estate Taxes	General Fund	N/A	\$ -	\$ 23,837	\$ 23,837	\$ -	\$ -
Total CFDA 12.112					<u>-</u>	<u>23,837</u>	<u>23,837</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Defense					<u>\$ -</u>	<u>\$ 23,837</u>	<u>\$ 23,837</u>	<u>\$ -</u>	<u>\$ -</u>
<u>U.S. Department of Housing and Urban Development</u>									
PA Department of Community and Economic Development	14.228	Community Development Block Grant 2011	CDBG	C000052048	\$ -	\$ 25,089	\$ 25,089	\$ -	\$ -
PA Department of Community and Economic Development	14.228	Community Development Block Grant 2012	CDBG	C000052861	-	106,757	106,757	-	-
PA Department of Community and Economic Development	14.228	Community Development Block Grant 2013	CDBG	C000057612	-	147,500	147,500	-	-
PA Department of Community and Economic Development	14.228	Community Development Block Grant 2014	CDBG	C000057612	-	167,982	167,982	-	-
Total CFDA 14.228					<u>-</u>	<u>447,328</u>	<u>447,328</u>	<u>-</u>	<u>-</u>
PA Department of Community and Economic Development	14.231	Emergency Shelter Grants Program	General Fund	C000062464	(8,479)	78,474	78,418	8,423	-
Total CFDA 14.231					<u>(8,479)</u>	<u>78,474</u>	<u>78,418</u>	<u>8,423</u>	<u>-</u>
PA Department of Community and Economic Development	14.239	HOME Investment Partnership Program	HOME	C000061803	(99,715)	382,177	282,462	-	-
Total CFDA 14.239					<u>(99,715)</u>	<u>382,177</u>	<u>282,462</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development					<u>\$ (108,194)</u>	<u>\$ 907,979</u>	<u>\$ 808,208</u>	<u>\$ 8,423</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>									
PA Commission on Crime and Delinquency	16.575	Crime Victim Assistance	General	2013-2014-VF-05-24357	\$ (48,596)	\$ 113,502	\$ 90,945	\$ 26,039	\$ -
Total CFDA 16.575					<u>(48,596)</u>	<u>113,502</u>	<u>90,945</u>	<u>26,039</u>	<u>-</u>
PA Commission on Crime and Delinquency	16.588	STOP Violence Against Women Grant	General	2013/2014-VA-07-23837-3	(25,048)	108,884	125,000	41,164	-
Total CFDA 16.588					<u>(25,048)</u>	<u>108,884</u>	<u>125,000</u>	<u>41,164</u>	<u>-</u>
Direct Payments	16.606	State Criminal Alien Assistance	General	N/A	24,671	(24,671)	-	-	-
Total CFDA 16.606					<u>24,671</u>	<u>(24,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>
PA Commission on Crime and Delinquency	16.738	Edward Byrne Memorial Justice Assistance	General	22913	-	149,924	149,924	-	-
Total CFDA 16.738					<u>-</u>	<u>149,924</u>	<u>149,924</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Justice					<u>\$ (48,973)</u>	<u>\$ 347,639</u>	<u>\$ 365,869</u>	<u>\$ 67,203</u>	<u>\$ -</u>

* Denotes Program Tested as Major

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

<u>Federal Grantor/Pass-through Grantor</u>	<u>Federal CFDA Number</u>	<u>Program Name</u>	<u>County Fund</u>	<u>Contract No.</u>	<u>(Accrued)/Deferred Revenue December 31, 2016</u>	<u>Federal Grant Receipts</u>	<u>Expenditures</u>	<u>Accrued/(Deferred) Revenue December 31, 2017</u>	<u>Payments to Subrecipients</u>
U.S. Department of Transportation									
Highway Planning and Construction Cluster: PA Department of Transportation	20.205	Highway and Planning Construction	Liquid Fuels	08A049 and 089479	\$ (3,501)	\$ 1,216,206	\$ 1,365,502	\$ 152,797	\$ -
PA Department of Transportation	20.205	Highway and Planning Construction	General Fund	N/A	(46,620)	107,361	97,086	36,345	-
Total CFDA 20.205 Highway Planning & Construction Cluster					<u>(50,121)</u>	<u>1,323,567</u>	<u>1,462,588</u> *	<u>189,142</u>	<u>-</u>
PA Department of Emergency Services	20.703	Interagency Hazardous Material Public Sector Training	Hazardous	HM-HMP-0426-14-01-00	-	6,202	6,202	-	-
		and Planning Grants	Materials		-	6,202	6,202	-	-
Total CFDA 20.703					<u>-</u>	<u>6,202</u>	<u>6,202</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Transportation					<u>\$ (50,121)</u>	<u>\$ 1,329,769</u>	<u>\$ 1,468,790</u>	<u>\$ 189,142</u>	<u>\$ -</u>
U.S. Department of Health and Human Services									
TANF Cluster: PA Department of Human Services	93.558	Temporary Assistance for Needy Families	Children & Youth	N/A	\$ (72,533)	\$ 155,988	\$ 151,287	\$ 67,832	\$ -
Total CFDA 93.558 TANF Cluster					<u>(72,533)</u>	<u>155,988</u>	<u>151,287</u>	<u>67,832</u>	<u>-</u>
PA Department of Human Services	93.563	Child Support Enforcement Title IV-D & Incentives	Domestic Relations	4100053446	(275,571)	1,077,776	1,049,416	247,211	-
Total CFDA 93.563					<u>(275,571)</u>	<u>1,077,776</u>	<u>1,049,416</u>	<u>247,211</u>	<u>-</u>
PA Department of Human Services	93.645	Child Welfare Services Title IV-B	Children & Youth	N/A	-	124,587	124,587	-	-
Total CFDA 93.645					<u>-</u>	<u>124,587</u>	<u>124,587</u>	<u>-</u>	<u>-</u>
PA Department of Human Services	93.556	Caseworker Visit Formula Grant	Children and Youth	N/A	-	2,001	2,001	-	-
Total CFDA 93.556					<u>-</u>	<u>2,001</u>	<u>2,001</u>	<u>-</u>	<u>-</u>
PA Department of Human Services	93.658	Foster Care Title IV-E	Children & Youth	N/A	(145,975)	530,865	728,327	343,437	-
Total CFDA 93.658					<u>(145,975)</u>	<u>530,865</u>	<u>728,327</u>	<u>343,437</u>	<u>-</u>
PA Department of Human Services	93.659	Adoption Assistance	Children & Youth	N/A	(92,464)	293,998	408,594	207,060	-
Total CFDA 93.659					<u>(92,464)</u>	<u>293,998</u>	<u>408,594</u>	<u>207,060</u>	<u>-</u>
PA Department of Human Services	93.667	Social Services Block Grant Title XX	Children & Youth	N/A	-	51,465	51,465	-	-
Total CFDA 93.667					<u>-</u>	<u>51,465</u>	<u>51,465</u>	<u>-</u>	<u>-</u>
PA Department of Human Services	93.674	Chafee Foster Care Independence Program Title IV-E	Children & Youth	N/A	-	17,114	24,213	7,099	-
Total CFDA 93.674					<u>-</u>	<u>17,114</u>	<u>24,213</u>	<u>7,099</u>	<u>-</u>
PA Department of Human Services	93.090	Guardianship Assistance	Children & Youth	N/A	(3,845)	18,791	29,043	14,097	-
Total CFDA 93.090					<u>(3,845)</u>	<u>18,791</u>	<u>29,043</u>	<u>14,097</u>	<u>-</u>
Medicaid Cluster: PA Department of Human Services	93.778	Medical Assistance Program	Children & Youth	N/A	(1,011)	6,768	8,768	3,011	-
Total CFDA 93.778 Medicaid Cluster					<u>(1,011)</u>	<u>6,768</u>	<u>8,768</u>	<u>3,011</u>	<u>-</u>
Total U.S. Department of Health and Human Services					<u>\$ (591,399)</u>	<u>\$ 2,279,353</u>	<u>\$ 2,577,701</u>	<u>\$ 889,747</u>	<u>\$ -</u>
U.S. Department of Homeland Security									
PA Department of Emergency Services	97.042	Emergency Management Performance Grants	General	PEMA 2015-047	\$ (75,094)	\$ 75,094	\$ 64,451	\$ 64,451	\$ -
Total CFDA 97.042					<u>(75,094)</u>	<u>75,094</u>	<u>64,451</u>	<u>64,451</u>	<u>-</u>
PA Department of Emergency Services	97.036	Disaster Grants - Public Assist (Presidentially Declared)	General	N/A	\$ -	\$ 8,366	\$ 8,366	\$ -	\$ -
Total CFDA 97.036					<u>-</u>	<u>8,366</u>	<u>8,366</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Homeland Security					<u>\$ (75,094)</u>	<u>\$ 83,460</u>	<u>\$ 72,817</u>	<u>\$ 64,451</u>	<u>\$ -</u>
Total Federal Awards					<u>\$ (876,443)</u>	<u>\$ 5,018,579</u>	<u>\$ 5,364,559</u>	<u>\$ 1,222,423</u>	<u>\$ -</u>

* Denotes Program Tested as Major

COUNTY OF ADAMS, PENNSYLVANIA
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1: REPORTING ENTITY

The County of Adams, Pennsylvania (the "County") as the reporting entity for financial reporting purposes is defined in Note 1 to the County's financial statements. For purposes of preparing the Schedule of Expenditures of Federal Awards, the County's reporting entity differs from that used for financial purposes, in that awards received and expended, if any, by the following entities are excluded:

- Adams County Industrial Development Authority
- Adams County Conservation District

Direct awards pertaining to these entities have been excluded from the accompanying schedules principally because the County is not directly involved in maintaining the accounting records or systems of internal accounting and administrative controls for these entities. Where applicable, these entities have arranged for the issuance of separate Single Audit Reports containing their audited financial statements and schedule of expenditures of federal awards and all required audit reports.

Except as indicated above, the accompanying Schedule of Expenditures of Federal Awards present the activity of all federal award programs of the County.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of awards are presented using the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements. The County did not use the 10% de minimis indirect cost rate.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2017 threshold for determining Type A programs is \$750,000.

The following low risk Type A Program was audited as major for coverage:

<u>CFDA</u>	<u>Program</u>
93.563	Child Support Enforcement

The following high risk Type B Program was audited as major:

<u>CFDA</u>	<u>Program</u>
93.658	Foster Care – Title IV-E

The amount expended under programs audited as major federal programs for the year ended December 31, 2017, totaled \$3,240,331 or 60.40% of total federal awards.



INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES
TO THE FINANCIAL SCHEDULES AND EXHIBITS REQUIRED BY THE
PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

County Commissioners
County of Adams
Gettysburg, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (“DHS”) and COUNTY OF ADAMS, PENNSYLVANIA, solely to assist you with respect to the financial schedules and exhibits required by the DHS *Single Audit Supplement* for the fiscal year ended June 30, 2017 and calendar year ended December 31, 2017. The COUNTY OF ADAMS PENNSYLVANIA’s management is responsible for the financial schedules and exhibits required by the DHS *Single Audit Supplement*. The sufficiency of the procedures is solely the responsibility of DHS and the management of COUNTY OF ADAMS, PENNSYLVANIA. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2017 and calendar year ended December 31, 2017, have been accurately compiled based on the audited books and records of the COUNTY OF ADAMS, PENNSYLVANIA. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS *Single Audit Supplement* pertaining to this period.

<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Schedule/Exhibit</u>
Title IV-D Child Support Enforcement	A-1(a)	Summary of Expenditures
	A-1(b)	PASCES OCSE 157 Data Reliability Validation
	A-1(c)	Comparison of Reported Incentives to Incentives on Deposit
	A-1(d)	Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account
Combined Homeless Assistance	XIX(a) NBG	Schedule of Revenues and Expenditures

- b) We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.



- c) In regard to the Reconciliation Schedule included as Exhibit XX, we have performed the following procedures:
1. Agreed the expenditure amounts listed on the Reconciliation Schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards ("SEFA").
 2. Agreed the receipt amounts listed on the Reconciliation Schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Commonwealth of Pennsylvania Office of Budget, Comptroller Operations.
 3. Recalculated the amounts listed under the "Difference" column and the "% of Difference" column.
 4. Agreed the amounts listed under the "Difference" column to the audited books and records of the County.
 5. Agreed the "Detailed Explanation of the Differences" to the audited books and records of the County.
- d) The processes noted in (a) through (c) above disclosed that no adjustments and/or findings were necessary.

This engagement to apply agreed-upon procedures 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 on the financial schedules and exhibits required by the DHS *Single Audit Supplement*. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
August 14, 2018

COUNTY OF ADAMS, PENNSYLVANIA
 SUMMARY OF EXPENDITURES - TITLE IV-D CHILD SUPPORT ENFORCEMENT PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Single Audit Expenditures						Reported Expenditures						Single Audit Over(Under) Reported					
	(A) Total	(B) Unallowable	(C) Incentive Paid Costs	(D) Net (A-B-C)	(E) FFP	(F) Amount Paid (D x E)	(A) Total	(B) Unallowable	(C) Incentive Paid Costs	(D) Net (A-B-C)	(E) FFP	(F) Amount Paid (D x E)	(A) Total	(B) Unallowable	(C) Incentive Paid Costs	(D) Net (A-B)	(E) FFP	(F) Amount Paid (C x D)
Calendar Quarter Ended 9/30/16																		
Salary/Overhead (Exclude Blood Tests)	\$ 389,527	\$ 12,049	\$ -	\$ 377,478	66%	\$ 249,135	\$ 389,527	\$ 12,049	\$ -	\$ 377,478	66%	\$ 249,135	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	1	-	-	1	66%	1	1	-	-	1	66%	1	-	-	-	-	66%	-
Interest/Program Income	17,301	545	-	16,756	66%	11,059	17,301	545	-	16,756	66%	11,059	-	-	-	-	66%	-
Blood Testing Fees	638	-	-	638	66%	422	638	-	-	638	66%	422	-	-	-	-	66%	-
Subtotal (1-2-3-4)	371,587	11,504	-	360,083	-	237,653	371,587	11,504	-	360,083	-	237,653	-	-	-	-	-	-
Blood Testing	379	-	-	379	66%	250	379	-	-	379	66%	250	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 371,966	\$ 11,504	\$ -	\$ 360,462	-	\$ 237,903	\$ 371,966	\$ 11,504	\$ -	\$ 360,462	-	\$ 237,903	\$ -	\$ -	\$ -	\$ -	-	\$ -
Calendar Quarter Ended 12/31/16																		
Salary/Overhead (Exclude Blood Tests)	\$ 392,148	\$ 11,096	\$ -	\$ 381,052	66%	\$ 251,494	\$ 392,148	\$ 11,096	\$ -	\$ 381,052	66%	\$ 251,494	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	1	-	-	1	66%	1	1	-	-	1	66%	1	-	-	-	-	66%	-
Interest/Program Income	18,411	528	-	17,883	66%	11,803	18,411	528	-	17,883	66%	11,803	-	-	-	-	66%	-
Blood Testing Fees	429	-	-	429	66%	283	429	-	-	429	66%	283	-	-	-	-	66%	-
Subtotal (1-2-3-4)	373,307	10,568	-	362,739	-	239,407	373,307	10,568	-	362,739	-	239,407	-	-	-	-	-	-
Blood Testing	323	-	-	323	66%	213	323	-	-	323	66%	213	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 373,630	\$ 10,568	\$ -	\$ 363,062	-	\$ 239,620	\$ 373,630	\$ 10,568	\$ -	\$ 363,062	-	\$ 239,620	\$ -	\$ -	\$ -	\$ -	-	\$ -
Calendar Quarter Ended 3/31/17																		
Salary/Overhead (Exclude Blood Tests)	\$ 394,805	\$ 11,247	\$ 8,500	\$ 375,058	66%	\$ 247,538	\$ 394,805	\$ 11,247	8,500	\$ 375,058	66%	\$ 247,538	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	2	-	-	2	66%	2	2	-	-	2	66%	2	-	-	-	-	66%	-
Interest/Program Income	16,856	485	-	16,371	66%	10,840	16,856	485	-	16,371	66%	10,840	-	-	-	-	66%	-
Blood Testing Fees	820	-	-	820	66%	541	820	-	-	820	66%	541	-	-	-	-	66%	-
Subtotal (1-2-3-4)	377,127	10,762	8,500	357,865	-	236,191	377,127	10,762	8,500	357,865	-	236,191	-	-	-	-	-	-
Blood Testing	266	-	-	266	66%	175	266	-	-	266	66%	175	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 377,393	\$ 10,762	\$ 8,500	\$ 358,131	-	\$ 236,366	\$ 377,393	\$ 10,762	\$ 8,500	\$ 358,131	-	\$ 236,366	\$ -	\$ -	\$ -	\$ -	-	\$ -
Calendar Quarter Ended 6/30/17																		
Salary/Overhead (Exclude Blood Tests)	\$ 391,923	\$ 10,741	\$ -	\$ 381,182	66%	\$ 251,580	\$ 391,923	\$ 10,741	\$ -	\$ 381,182	66%	\$ 251,580	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	1	-	-	1	66%	1	1	-	-	1	66%	1	-	-	-	-	66%	-
Interest/Program Income	16,247	449	-	15,798	66%	10,427	16,247	449	-	15,798	66%	10,427	-	-	-	-	66%	-
Blood Testing Fees	697	-	-	697	66%	460	697	-	-	697	66%	460	-	-	-	-	66%	-
Subtotal (1-2-3-4)	374,978	10,292	-	364,686	-	240,692	374,978	10,292	-	364,686	-	240,692	-	-	-	-	-	-
Blood Testing	418	-	-	418	66%	276	418	-	-	418	66%	276	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Net Total (5+6+7)	\$ 375,396	\$ 10,292	\$ -	\$ 365,104	-	\$ 240,968	\$ 375,396	\$ 10,292	\$ -	\$ 365,104	-	\$ 240,968	\$ -	\$ -	\$ -	\$ -	-	\$ -

County: Adams County

Year Ended: 2017

OCSE 157 Report Line Number	Number of Cases Reviewed	Case Problems Found
Line # 1- IV-D Cases Open at the End of the Fiscal Year	5	None
Line #2- IV-D Cases Open at the End of the Fiscal Year with Support Orders Established	5	None
Line #5- Children in IV-D Cases Open at the End of the Fiscal Year Who Were Born Out of Wedlock	5	None
Line #6- Children in IV-D Cases Open at the End of the Fiscal Year that were born out of wedlock with paternity resolved	5	None
Line #24- Total Amount of Current Support Due for the Fiscal Year (for IV-D cases, excluding emancipated children)	5	None
Line #25-Total Amount of Support Disbursed as Current Support During the Fiscal Year (for IV-D cases, excluding emancipated children)	5	None
Line #28- Cases with Arrears Due During the Fiscal Year	5	None
Line #29- Cases Paying Toward Arrears During the Fiscal Year	5	None

COUNTY OF ADAMS, PENNSYLVANIA
CHILD SUPPORT ENFORCEMENT
COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
June 30, 2016	\$ 928,198	\$ 928,198	
1st Quarter (7/1/2016-9/30/2016)	966,797	966,797	
2nd Quarter (10/1/2016-12/31/2016)	1,003,010	1,003,010	() Separate Bank Account
3rd Quarter (1/1/2017-3/31/2017)	1,030,461	1,030,461	() Restricted Fund - General Ledger
4th Quarter (4/1/2017-6/30/2017)	1,102,641	1,102,641	(X) Other: _____

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

COUNTY OF ADAMS, PENNSYLVANIA
CHILD SUPPORT ENFORCEMENT
COMPARISON OF SINGLE AUDIT TITLE IV-D ACCOUNT
WITH REPORTED TITLE IV-D ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Single Audit TITLE IV-D Account	Reported TITLE IV-D Account	Single Audit Over/(Under) Reported
Balance at January 1	\$ 1,021,017	\$ 1,021,017	\$ -
Receipts:			
Reimbursements	879,541	879,541	-
Incentives	198,235	198,235	-
Title XIX Incentives	3,552	3,552	-
Interest	9,201	9,201	-
Program Income	61,617	61,617	-
Genetic Testing Costs	3,036	3,036	-
Maintenance of Effort (MOE)	-	-	-
Other:	-	-	-
Total Receipts	\$ 1,155,182	\$ 1,155,182	\$ -
Intra-fund Transfers - In	2,011,632	2,011,632	-
Funds Available	\$ 4,187,831	\$ 4,187,831	\$ -
Disbursements:			
Transfers to General Fund	-	-	-
Vendor Payments	993,908	993,908	-
Bank Charges	-	-	-
Other:	-	-	-
Total Disbursements	\$ 993,908	\$ 993,908	\$ -
Intra-fund Transfers - Out	2,011,632	2,011,632	-
Balance at December 31	\$ 1,182,291	\$ 1,182,291	\$ -

The Title IV-D account consists of **two** accounts.

The Title IV-D account is comprised of **two** checking, 0 savings, 0 CD, and 0 other accounts.

COUNTY OF ADAMS, PENNSYLVANIA
 SCHEDULE OF REVENUES AND EXPENDITURES
 COMBINED HOMELESS ASSISTANCE PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

County: Adams County _____

Fiscal Year: 2017	Administration	Bridge Housing	Case Management	Rental Assistance	Emergency Shelter	Other Housing Support	Total
I. Total Allocation							\$ 93,894
II. Total Expenditures							-
A. Personnel	\$ -	\$ 66,075	\$ -	\$ -	\$ -	\$ -	66,075
B. Operating	-	14,861	-	-	-	-	14,861
C. Purchased Services	-	-	-	-	12,958	-	12,958
Subtotal of Total Expenditures	-	80,936	-	-	12,958	-	93,894
III. Revenues							
A. Client Fees							-
B. Other							-
Subtotal Revenues	-	-	-	-	-	-	-
IV. DPW Reimbursement							
A. State HAP Funding	-	80,936	-	-	12,958	-	93,894
B. SSBG	-	-	-	-	-	-	-
C. SABG	-	-	-	-	-	-	-
Subtotal of DPW Reimbursement	\$ -	\$ 80,936	\$ -	\$ -	\$ 12,958	\$ -	93,894
V. Unspent Allocation							\$ -

COUNTY OF ADAMS, PENNSYLVANIA
RECONCILIATION SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

CFDA Name	CFDA NO.	Dept.	Federal Expenditures per the SEFA	Federal Awards Received per the audit confirmation reply from Pennsylvania	Difference	% of Difference	Detailed Explanation of the Differences
Guardianship Assistance (SPLC)	93.090	CYF	\$ 29,043	\$ 25,703	\$ 3,340	11.50%	Difference is due to timing of receipts.
Child Welfare Services Title IV-B	93.645	CYF	124,587	124,587	-	0.00%	Explanation not necessary as difference is \$0.
Promoting Safe and Stable Families (Caseworker Visitation)	93.556	CYF	2,001	2,001	-	0.00%	Explanation not necessary as difference is \$0.
Temporary Assistance for Needy Families	93.558	CYF	151,287	155,988	(4,701)	-3.11%	The difference is related to amounts accrued in the prior year as compared to the current year accrual.
Child Support Enforcement	93.563	DRO	1,049,416	1,136,628	(87,212)	-8.31%	Difference is due to timing of receipts.
Foster Care - Title IV-E	93.658	CYF	728,327	720,607	7,720	1.06%	Difference is due to timing of receipts.
Adoption Assistance	93.659	CYF	408,594	395,356	13,238	3.24%	Difference is due to timing of receipts.
Social Services Block Grant	93.667	CYF	51,465	51,465	-	0.00%	Explanation not necessary as difference is \$0.
Chafee Foster Care Independence Program	93.674	CYF	24,213	24,213	-	0.00%	Explanation not necessary as difference is \$0.
Medical Assistance Program	93.778	CYF	8,768	8,025	743	8.47%	Difference is due to timing of receipts.
TOTAL			<u>\$ 2,577,701</u>	<u>\$ 2,644,573</u>	<u>\$ (66,872)</u>		

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weaknesses?
 yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified that are not considered to be material weaknesses?
 yes none reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster
93.563	Child Support Enforcement
93.658	Foster Care – Title IV-E
	<u>Name of DHS Program</u>
	Child Support Enforcement
	County Children, Youth, & Families (CYF) Programs

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

Auditee qualified as low-risk auditee? yes no

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

Section II – Financial Statement Findings and Questioned Costs

See Section III.

Finding Summary

The following is a summary of additional Financial Statement Findings. The findings in this section are presented in detail in Section III – Federal and Pennsylvania Department of Human Services Awards' Findings and Questioned Costs.

<u>Finding Reference</u>	<u>Finding Summary</u>
2017-001	CFDA #93.658 Foster Care – Title IV-E

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

Section III – Federal and Pennsylvania Department of Human Services Awards’ Findings and Questioned Costs

<u>Finding 2017-001</u>	<u>Reporting</u>
	CFDA #93.658 Foster Care - Title IV-E U.S. Department of Health and Human Services Pass-through Pennsylvania Department of Human Services PA DHS - County Children, Youth, & Families (CYF) Programs
Criteria:	Pursuant to 45 CFR part 75 section 302, the Programs are required to ensure all reports filed with granting agencies accurately reflect the Program’s revenues and expenditures recorded on the County’s General Ledger.
Condition:	As a result of our testing over reporting requirements we noted the June 30, 2017 expenditure reports agreed to the activity within the Program’s general ledger. However, we noted the June 30, 2017 expenditure report for the County’s Children, Youth, and Families Department did not agree to the revenues and expenditures recorded on the County’s general ledger. The expenditures on the County’s general ledger were \$1,319,331 more than the expenditures reported to the Pennsylvania Department of Human Services.
Cause:	The program did not complete reconciliations between reported amounts, the program’s ledgers, and the County’s general ledger.
Effect:	The County is not in compliance with 45 CFR part 75 section 302 and the Pennsylvania Department of Human Services <i>Single Audit Supplement</i> reporting requirements. In addition, the internal control over this requirement is not operating effectively. The finding was a repeat of Finding 2015-002 from prior years.
Questioned Costs:	No known questioned costs.
Recommendation:	The County should implement procedures to ensure all filed reports are reconciled to the County’s general ledger prior to submission.
Views of Responsible Officials:	The Program’s records and reports filed, accurately reflect the financial activity of the Children and Youth Program. A reconciliation was not performed to reconcile expenditures and revenues from the Program’s records to the County’s general ledger. In the future, the County will perform a reconciliation to ensure the Program’s records accurately reflect the activity recorded on the County’s general ledger.

COUNTY OF ADAMS, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

The summary which follows indicates the current year status of findings identified in the prior year Single Audit Report.

<u>County Program</u>	<u>Prior Year Finding</u>	<u>Brief Description of Finding</u>	<u>Current Year Status</u>
Various	2016-001	Accounting Records	Resolved
93.658 Foster Care – Title IV-E	2015-002	Reporting	See 2017-001
20.205 Highway Planning and Construction Program	2014-002	Procurement, Suspension, and Debarment	Resolved
93.658 Foster Care – Title IV-E, 93.645 Child Welfare Services, 93.659 Adoption Assistance, Children, Youth, and Families- PA DHS	2014-003 and 2014-006	Reporting	Unresolved - See 2017-001 for Foster Care – Title IV-E and Children, Youth, and Families – PA DHS. For Child Welfare Services and Adoption Assistance, the County is currently working to implement reconciliation procedures to ensure all reports filed with granting agencies accurately reflect the program's revenues and expenditures on the County's general ledger.
14.228 Community Development Block Grant	2014-005	Cash Management	Resolved.