

County of Northumberland, Pennsylvania

**Single Audit and Pennsylvania Department of Human
Services Agreed Upon Procedures Together With
Reports of Independent Public Accountants**

For the Year Ended December 31, 2015



DECEMBER 31, 2015

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Independent Auditor's Report

Board of Commissioners,
County of Northumberland, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Northumberland, Pennsylvania (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Conservation District. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit presentation of the Conservation District, is based on the report of the other auditors.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, schedules of net pension liability, pension contributions, funding progress, employer contributions for the Employees Retirement Trust Fund and Retiree Health and Welfare Benefit Plan, and budgetary comparison information, as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and the Schedule of Expenditures of Federal Awards, as required by 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Management's Discussion and Analysis, schedules of net pension liability, pension contributions, funding progress, employer contributions for the Employees Retirement Trust Fund and Retiree Health and Welfare Benefit Plan, and budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016 on our consideration of County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

Klacik & Associates, P.C.

Shamokin, Pennsylvania
September 30, 2016

SB & Company, LLC

Harrisburg, Pennsylvania
September 30, 2016



**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 Northumberland, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Northumberland, Pennsylvania (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County of Northumberland's basic financial statements, and have issued our report thereon dated September 30, 2016. Our report includes a reference to other auditors who audited the financial statements of the Northumberland County Conservation District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial

reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 County's entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Klacik & Associates, P.C.

Shamokin, Pennsylvania
September 30, 2016

SB & Company, LLC

Harrisburg, Pennsylvania
September 30, 2016

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND PENNSYLVANIA DEPARTMENT OF
HUMAN SERVICES *SINGLE AUDIT SUPPLEMENT***

Board of Commissioners
County of Northumberland, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the County of Northumberland, Pennsylvania's (the County) 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 the County's major federal and DHS funded programs for the year ended December 31, 2015. The County's major federal and DHS funded programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and DHS funded programs for the year ended December 31, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with the compliance requirements referred to above that are required to be reported in accordance with the Uniform Guidance and DHS *Single Audit Supplement*, and which are described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, 2015-003, 2015-004, and 2015-005. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were 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 the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or DHS funded program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and DHS *Single Audit Supplement*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal or DHS funded program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or combination of deficiencies in

internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DHS funded 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 funded 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002, 2015-003, 2015-004, and 2015-005 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were 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. Accordingly, this report is not suitable for any other purpose.

Klacik & Associates, P.C.

Shamokin, Pennsylvania
September 30, 2016

SB & Company, LLC

Harrisburg, Pennsylvania
September 30, 2016

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 1/1/15	REVENUE RECOGNIZED	FEDERAL EXPENDITURES	FEDERAL EXPENDITURES CLUSTER TOTAL	ACCRUED OR (DEFERRED) REVENUE AT 12/31/15
U.S. DEPARTMENT OF AGRICULTURE								
Passed through Pennsylvania Department of Agriculture:								
Emergency Food Assistance Program Administrative Costs	10.568	None	\$ 19,340	\$ 5,879	\$ 14,026	\$ 14,026		\$ 565
Emergency Food Assistance Program (Food Commodities)	10.569	None	93,717	-	93,717	93,717		-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			113,057	5,879	107,743	107,743		565
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Passed through Pennsylvania Department of Community and Economic Development:								
Community Development Block Grant	14.228	C000036529	313,967	7,744	313,362	313,362		7,139
Community Development Block Grant	14.239	None	14,628	734	16,128	16,128		2,234
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			328,595	8,478	329,490	329,490		9,373
U.S. DEPARTMENT OF JUSTICE								
Passed through Pennsylvania Commission of Crime and Delinquency:								
Edward Byrne Memorial Justice Assistance Grant Program	16.738	None	20,008	1,861	18,147	18,147		-
TOTAL U.S. DEPARTMENT OF JUSTICE			20,008	1,861	18,147	18,147		-
U.S. DEPARTMENT OF TRANSPORTATION								
Passed through Pennsylvania Department of Transportation:								
Highway Planning and Construction Cluster								
Recreational Trails Program	20.219	None	484,206	106,691	701,016	701,016		323,501
Highway Planning and Construction	20.205	None	39,121	-	39,121	39,121		-
Total Highway Planning and Construction Cluster							740,137	
Highway Safety Cluster								
State and Community Highway Safety	20.600	None	92,207	-	92,207	92,207		-
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	None	170,814	-	170,814	170,814		-
	20.616	None	190,747	-	190,747	190,747		-
Total Highway Safety Cluster							453,768	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	None	7,755	7,755	-	-		-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			984,850	114,446	1,193,905	1,193,905		323,501
U.S. DEPARTMENT OF ENERGY								
Passed through Pennsylvania Department of Community and Economic Development:								
Weatherization Assistance for Low-Income Persons	81.042	C000045911	131,947	99,834	158,204	158,204		126,091
TOTAL U.S. DEPARTMENT OF ENERGY			131,947	99,834	158,204	158,204		126,091

The Notes to the Schedule of Expenditures of Federal Awards Are an Integral Part of This Schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 1/1/15	REVENUE RECOGNIZED	FEDERAL EXPENDITURES	FEDERAL EXPENDITURES CLUSTER TOTAL	ACCRUED OR (DEFERRED) REVENUE AT 12/31/15
U.S. DEPARTMENT OF EDUCATION								
Passed through Pennsylvania Department of Human Services: Special Education - Grants for Infants and Families	84.181	None	54,695	-	84,390	84,390		29,695
TOTAL U.S. DEPARTMENT OF EDUCATION			54,695	-	84,390	84,390		29,695
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Passed through Pennsylvania Department of Aging:								
Title VII, Chapter 3 -Special Program for the Aging	93.041	None	2,357	-	2,357	2,357		-
Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	4100002035	5,897	-	5,897	5,897		-
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	4100002035	5,895	-	15,720	15,720		9,825
Aging Cluster								
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	4100002035	158,583	-	387,781	387,781		229,198
Title III, Part C - Nutrition Services	93.045	4100002035	117,922	-	292,039	292,039		174,117
Nutrition Services Incentive Program	93.053	None	57,306	-	60,540	60,540		3,234
Total Aging Cluster							740,360	
Title III, Part E - National Family Caregiver Support Medicare Enrollment Assistance Program	93.052	4000003802	74,213	-	74,213	74,213		-
State Health Insurance Assistance Program	93.071	None	3,789	-	3,789	3,789		-
Medical Assistance Program	93.324	None	8,663	-	19,990	19,990		11,327
Medical Assistance Program	93.778	None	88,106	-	207,470	207,470		119,364
Passed through Pennsylvania Department of Public Welfare:								
Guardianship Assistance	93.090	None	57,794	25,904	71,709	71,709		39,819
Caseworker Visitation	93.556	None	7,879	-	7,879	7,879		-
Temporary Assistance for Needy Families	93.558	None	53,422	30,667	58,351	58,351		35,596
Child Support Enforcement	93.563	None	738,915	263,086	665,938	665,938		190,109
Stephanie Tubbs Jones Child Welfare Services Program	93.645	None	11,305	-	22,609	22,609		11,304
Foster Care - Title IV-E	93.658	None	1,340,915	627,365	1,316,407	1,316,407		602,857
Adoption Assistance	93.659	None	547,221	266,334	567,745	567,745		286,858
Social Services Block Grant	93.667	DC08498229	82,659	-	165,322	165,322		82,663
Chafee Foster Care Independence Program	93.674	None	28,663	1,557	44,019	44,019		16,913
Medical Assistance Program	93.778	None	392,135	30,286	723,215	723,215		361,366
Block Grants for Community Mental Health Services	93.958	None	56,531	-	109,063	109,063		52,532
Passed through Pennsylvania Department of Community Economic Development								
Low-Income Home Energy Assistance	93.568	None	490,127	60,772	528,753	528,753		99,398

The Notes to the Schedule of Expenditures of Federal Awards Are an Integral Part of This Schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 1/1/15	REVENUE RECOGNIZED	FEDERAL EXPENDITURES	FEDERAL EXPENDITURES CLUSTER TOTAL	ACCRUED OR (DEFERRED) REVENUE AT 12/31/15
Passed through Pennsylvania Department of Drug and Alcohol Programs:								
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAP 4100053208	115,686	-	213,962	213,962		98,276
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			4,445,983	1,305,971	5,564,768	5,564,768		2,424,756
U.S. DEPARTMENT OF HOMELAND SECURITY								
Passed through Pennsylvania Emergency Management Agency:								
Emergency Management Performance Grant	97.042	None	53,964	12,344	41,620	41,620		-
Homeland Security Grant Program	97.067	None	40,921	-	40,921	40,921		-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			94,885	12,344	82,541	82,541		-
TOTAL FEDERAL AWARDS			\$ 6,174,020	\$ 1,548,813	\$ 7,539,188	\$ 7,539,188		\$ 2,913,981

Note 1: This schedule includes the federal award activity of the County of Northumberland, Pennsylvania and is presented using the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts may differ from amounts presented in or used in the preparation of the financial statements.

Note 2: During 2015, the County repaid \$197,721.00 to the Pennsylvania Department of Community and Economic Development relating to the Homelessness Prevention and Rapid Re-Housing Program Grant Contract (#C000046172). The HUD Office Inspector General had determined the County did not comply with Recovery Act requirements. This repayment has not been included in the schedule presented above.

The Notes to the Schedule of Expenditures of Federal Awards Are an Integral Part of This Schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Sunbury, Pennsylvania

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

All Federal grant operations of the County of Northumberland, PA (the County) are included in the scope of Title 2 U.S. Code of Federal Regulations part 200, Uniform Administration Requirement, Cost Principles, and Audit Requirements for Federal Awards (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant program noted below. This program represents Federal award programs for fiscal year 2015 cash and non-cash expenditures to ensure coverage of at least 40% of federally granted funds. Actual coverage is 29% of total cash and non-cash Federal award program expenditures.

Expenditures reported on the Schedule of expenditures of Federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

2. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

3. SUBRECIPIENT AWARDS

The County does not pay subrecipient awards; the subrecipient award column has been removed from the Schedule.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued:	UNMODIFIED	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	___ <u>X</u> ___ no
Significant deficiency(ies)?	_____ yes	___ <u>X</u> ___ none reported
Noncompliance material to financial statements noted?	_____ yes	___ <u>X</u> ___ no

Federal Awards

Type of auditors' report issued on compliance for major programs:	UNMODIFIED	
Internal control over major programs:		
Material weakness(es) identified?	_____ yes	___ <u>X</u> ___ no
Significant deficiency(ies)?	___ <u>X</u> ___ yes	_____ none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ <u>X</u> ___ yes	_____ no
Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>	
Auditee qualified as low-risk auditee?	___ <u>X</u> ___ yes	_____ no

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Part I – Summary of Auditors’ Results (continued)

Identification of Major Programs:

Federal Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Federal Expenditures</u>
93.658	Foster Care - Title IV-E	\$1,316,407
93.778	Medicaid Cluster	930,685

Department of Human Service (DHS) Major Programs:

<u>Name of Program</u>	<u>Combined Federal and State Expenditures</u>
County Children, Youth and Families Program	\$7,788,199
Mental Health	3,339,607
Intellectual Disabilities	2,614,542

Part II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a 2 CFR 200.516(a) audit. There are no financial statement findings

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

This section identifies the audit findings required to be reported by 2 CFR 200.516(a) (for example, material weaknesses, significant deficiencies and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2015-001

**COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING – FEDERAL EXPENDITURES
NOT PROPERLY RECORDED BY INDIVIDUAL GRANT
PROGRAMS – SIGNIFICANT DEFICIENCY**

County-Wide Finding

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Criteria: 2 CFR 200.516(a) requires that recipients' financial management system provides for the following:

- 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Section 215.52.
- 2) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

Condition: Federal expenditures were not properly recorded according to specific programs by all departments during the year. State and federal funding has been co-mingled in the County's accounting system, as well as various grant streams received by the individual departments. The County identifies the funding after year end; adjustments are often identified however the amounts are materially correct at time of reporting.

Cause: Lack of understanding of Federal reporting requirements.

Effect: Greater opportunity for error in the preparation of the Schedule of Expenditures of Federal Awards and no assurance that errors will be detected and corrected on a timely basis.

Questioned Costs: Unknown

Recommendation: We recommend the County strengthen its controls over financial reporting and implement procedures to ensure all grant revenues and expenditures are properly reported by grant program and funding stream.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

2015-001 (continued)

Prior Year Finding: Yes-2014-001

**Management
Response:**

The County of Northumberland, Pennsylvania agrees with the finding. The County is currently implementing a new accounting system that will identify revenues and expenses by CFDA number. Following numerous reviews of the Chart of Accounts, currently, the county is in the process of updating the software to the server located on the cloud. The Controller's office will assist each department's fiscal officer in reconciling federal expenditures on a fiscal year as well as a calendar year basis.

Person responsible: Controller's office staff along with fiscal officers

Anticipated Completion Date: Calendar Year 2017

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2015-002 (continued)

Recommendation: We recommend the County strengthen its controls over program income reporting and implement procedures to ensure all income is recorded into the accounting system in accordance with their quarterly filing requirements – allowing underlying accounting data to support quarterly state reports.

Prior Year Finding: Yes-2014-002

Management

Response:

The County of Northumberland, Pennsylvania agrees with the finding. In 2015 and prior years, The Area Agency on Aging (AAA) transferred cash from the Senior Action Center accounts to AAA at June 30th and December 31st through a check or inter-bank transfer. The initial goal was to perform this transfer on a quarterly basis to accurately reflect program income on the general ledger and the state reports. On December 8, 2015 all Senior Action Center agency bank accounts were closed and all funds were and continue to be deposited with the County Treasurer.

Person responsible: No responsibility exists since The Area Agency on Aging is currently in compliance

Anticipated Completion Date: Corrective action has already been implemented

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.	FINDING/NONCOMPLIANCE
2015-003	COMPLIANCE AND INTERNAL CONTROL OVER SPECIAL TESTS & PROVISIONS – DHS SUPPLEMENT COMMON REQUIREMENTS- DRUG FREE WORKPLACE ACT– SIGNIFICANT DEFICIENCY
Federal Agency:	U.S. Department of Health and Human Services, passed through Pennsylvania Department of Human Services
Program Name:	DHS County Children, Youth & Families (CYF) Program
Criteria:	DHS Single Audit Supplement- Common Requirements states that in accordance with the Drug-Free Work Place Act, the Commonwealth of Pennsylvania is prohibited from entering into a contract involving an expenditure of \$25,000 or more of federal funding with a contractor or an individual who does not certify a drug-free workplace, and who does not establish several conditions and requirements that have to be met in order to certify a drug-free workplace.
Condition:	Northumberland County is responsible for ensuring that any contract over \$25,000 with a contractor or individual certifies they are a Drug-Free Work Place. Based on our testing, the Juvenile Probation Office (JPO) did not include the Drug-Free Work Place Act provisions in one out of twenty-five contracts tested and no alternative procedures were in place.
Cause:	Lack of understanding of the DHS Single Audit Supplement Common requirements.
Effect:	Program funds were paid to a contractor without certifying they have a Drug-Free Work Place.
Questioned Costs:	Unknown
Recommendation:	We recommend the Juvenile Probation Office (JPO) establish procedures to ensure when a contract over \$25,000 is entered into there is a process in place to certify the contractor or individual is in compliance with the Drug-Free Work Place Act.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2015-003 (continued)

Prior Year Finding: No

**Management
Response:**

Northumberland County JPO will ensure that the Drug-Free Work Place Act provisions are included in all contracts. These provisions are included in contracts that are generated by Northumberland County JPO. In this instance, the contract was generated by the service provider and did not include these provisions. Going forward, all contracts will be reviewed by the Deputy Chief JPO to ensure that the Drug-Free Work Place Act provisions are included in all contracts.

Person responsible: Deputy Chief JPO

Anticipated Completion Date: October 31, 2016 and on-going

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.	FINDING/NONCOMPLIANCE
2015-004	COMPLIANCE AND INTERNAL CONTROL OVER SPECIAL TESTS & PROVISIONS – DHS SUPPLEMENT COMMON REQUIREMENTS- ROSTER OF PERSONNEL– SIGNIFICANT DEFICIENCY
Federal Agency:	U.S. Department of Health and Human Services, passed through Pennsylvania Department of Human Services
Program Name:	DHS Mental Health/Intellectual Disabilities/Early Intervention (MH/ID/EI) Program
Criteria:	DHS Single Audit Supplement- Common Requirements states the County must follow specific personnel-related regulations and submit a Roster of Personnel (PW 1171) to DHS. The Bureau of Personnel reviews the PW 1171 and provides written notification to the county as to the nature and amount of any disallowances.
Condition:	Northumberland County is responsible for submitting a Roster of Personnel (PW 1171) to DHS, in a timely manner. Based on our testing, Behavioral Health/Intellectual & Developmental Services Department (BHIDS) did not submit a Roster of Personnel (PW 1171) to DHS on a timely basis and no alternative procedures were in place.
Cause:	Lack of understanding of the DHS Single Audit Supplement Common Requirements.
Effect:	Program funds used to pay employees could have been disallowed per DHS.
Questioned Costs:	Unknown
Recommendation:	We recommend the Behavioral Health/Intellectual & Developmental Services Department (BHIDS) establish procedures to ensure that the Roster of Personnel (PW 1171) is completed and submitted on timely basis.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2015-004 (continued)

Prior Year Finding: No

Management

Response:

The County of Northumberland, Pennsylvania agrees with the finding. The BH/IDS department had an oversight with sending the County Roster due to multiple retirements within the department. An updated roster will be prepared and sent to the appropriate office and to the preparer's supervisor.

Person responsible: Fiscal Officer

Anticipated Completion Date: Early October 2016

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2015-005

**COMPLIANCE AND INTERNAL CONTROL OVER
SPECIAL TESTS & PROVISIONS – DHS SUPPLEMENT
COMMON REQUIREMENTS- DEBARRED/SUSPENDED –
SIGNIFICANT DEFICIENCY**

Federal Agency:

**U.S. Department of Health and Human Services, passed
through Pennsylvania Department of Human Services**

Program Name:

DHS County Children, Youth & Families (CYF) Program

Criteria:

DHS Single Audit Supplement- Common Requirements states that a person or entity that is debarred or suspended shall be excluded from federal financial and non-financial assistance and benefits under federal programs and activities. Debarment or suspension of a participant in a program by one agency shall have government-wide effect. Debarred and suspension provisions apply to all contractors and grantees, whether government or private agency. In awarding sub-grants and contracts, the grantor (government or private agency) must obtain a certification that potential subrecipients are not debarred or suspended.

Condition:

Northumberland County is responsible for receiving a certification ensuring that any contract entered into with a government or private is not suspended or debarred from providing goods or services by a Federal agency. It was discovered that the Juvenile Probation Office (JPO) did not include such language in the contract in place with the contractor, in two out of twenty-five contracts tested.

Cause:

Lack of understanding of the DHS Single Audit Supplement Common Requirements.

Effect:

Program funds could have been used to pay contractors that were suspended or debarred.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2015-005 (continued)

Questioned Costs: Unknown

Recommendation: We recommend the Juvenile Probation Office (JPO) establish procedures to ensure contractors are not suspended or debarred. The County should include the suspension and debarment certification in all contracts.

Prior Year Finding: No

**Management
Response:**

Northumberland County JPO will ensure that the Suspension/Debarment provisions are included in all contracts. These provisions are included in contracts that are generated by Northumberland County JPO. However, in this instance, the contract was generated by the provider and did not include these provisions. Going forward, all contracts will be reviewed by the Deputy Chief JPO to ensure that the Suspension/Debarment provisions are included in all contracts. Further, it was discovered that the language used in JPO contracts regarding this issue is not detailed enough and will be revised to reflect the provision accurately.

Person responsible: Deputy Chief JPO

Anticipated Completion Date: October 31, 2016 and on-going

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2014-01

**COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING – FEDERAL EXPENDITURES
NOT PROPERLY RECORDED BY INDIVIDUAL GRANT
PROGRAMS – SIGNIFICANT DEFICIENCY**

County-Wide Finding

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Condition: Federal expenditures were not properly recorded according to specific programs by all departments. State and federal funding has been co-mingled in the County's accounting system, as well as various grant streams received by the individual departments.

Recommendation: We recommend the County strengthen its controls over financial reporting and implement procedures to ensure all grant revenues and expenditures are properly reported by grant program and funding stream.

Conclusion: See current year finding 2015-001

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.	FINDING/NONCOMPLIANCE
2014-02	COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING – PROGRAM INCOME NOT PROPERLY RECORDED BY INDIVIDUAL GRANT PROGRAMS – SIGNIFICANT DEFICIENCY
Aging Cluster	
CFDA 93.044	Title III, Part B - Grants for Supportive Services and Senior Centers
CFDA 93.045	Title III, Part C - Nutrition Services
CFDA 93.053	Nutrition Services Incentive Program

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Condition: Federal expenditures were not properly recorded according to specific programs by all departments. State and federal funding has been commingled in the County’s accounting system, as well as various grant streams received by the individual departments.

Recommendation: Federal program income reported by the County under their Aging Cluster grants is not supported by their underlying accounting system. The Area Agency on Aging only reports a fraction of their program income in their accounting records, as it is maintained at their satellite centers and used accordingly. When preparing quarterly reports, the Fiscal Officer uses the various centers’ bank statements and County records, but does not maintain documentation of how the calculation is completed.

Conclusion: See current year finding 2015-002

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.

FINDING/NONCOMPLIANCE

2014-003

**COMPLIANCE AND INTERNAL CONTROL OVER
ALLOWABLE COSTS – PROGRAM DISBURSEMENTS
NOT CLEARLY DOCUMENTED BY INVOICES –
SIGNIFICANT DEFICIENCY**

CFDA 93.568

Low-Income Home Energy Assistance

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Condition:

Federal program disbursements reported by the County under their LIHEAP program are not supported fully by their underlying invoice documentation (13 of the 25 contractor disbursements reviewed). The Weatherization department has received contractor invoices that do not provide enough documentation to determine the cost to be allowable and unduplicated. When contractor invoices are received, they are evaluated by the Department's Coordinator and the Controller's Office ensures invoice and rider were approved by the Department Head, who is responsible for the validity. The auditor is unable to verify that the expenditure has not been duplicated based on support maintained.

Recommendation:

We recommend the County strengthen its controls over program disbursement records and implement procedures to ensure all program disbursements are accurately and fully supported by the accompanying documentation on hand – allowing underlying records to support allowable Federal expenditures.

Conclusion:

Finding cleared. The Controller's Office requested more detail from the two vendors in question in January 2015 after reviewing invoices. These vendors are no longer contracted to perform services for the County. The County is currently contracted with two vendors that provide proper invoice detail for expense tracking.

**COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015**

FINDING NO.	FINDING/NONCOMPLIANCE
2014-004	COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING – EXPENDITURES NOT PROPERLY REPORTED BY INDIVIDUAL GRANT PROGRAMS – SIGNIFICANT DEFICIENCY
CFDA 93.778	Medical Assistance Program
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Condition:	Area Agency on Aging’s Waiver quarterly Federal report expenditures reconcile in total to the County’s underlying accounting records, however the expense line item classifications reported per quarter do not reconcile to such records.
Recommendation:	We recommend the County strengthen its controls over financial reporting and implement procedures to ensure all grant revenues and expenditures are properly reported by grant program and funding stream per quarter.
Conclusion:	Finding cleared. A spreadsheet has been developed that will take the General Ledger data from the County's accounting system and place the accounts in the appropriate expense categories to properly report on the Waiver quarterly report. The report will be reviewed by the Administrator as a check and balance. It must be understood that the quarterly reports are due the 10th of the month following the end of the quarter, so many times the reports have to be estimated and a reconciliation be done for the subsequent quarter.

Independent Accountants' Report on Applying Agreed-Upon Procedures

Board of Commissioners
County of Northumberland, Pennsylvania and
Commonwealth of Pennsylvania
Department of Human Services

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS) and the County of Northumberland, Pennsylvania (the County), 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, 2015 and calendar year ended December 31, 2015. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of DHS and the management of the County. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- (a) We have agreed by comparison of the amounts and classifications that the supplemental financial statements listed below, which summarize amounts reported to DHS for the fiscal year ended June 30, 2015 and calendar year ended December 31, 2015, have been accurately compiled and are derived from the books and records used in the financial statement audit. We have also agreed by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS *Single Audit Supplement* pertaining to this period.

<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Scheduled/Exhibit</u>
Title IV-D Child Support	A-1 (a)	Summary of Expenditures
Title IV-D Child Support	A-1 (c)	Comparison of Reported Incentives to Incentives on Deposit
Title IV-D Child Support	A-1 (d)	Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account
Behavioral Health/ Intellectual Disability	IV (a) MH	Schedule of Revenues, Expenditures, and Carryover Funds - MH



<u>Program Name</u>	<u>Exhibit Number</u>	<u>Referenced Scheduled/Exhibit</u>
Behavioral Health/ Intellectual Disability	IV (b) MH	Report of Income and Expenditures - MH
Behavioral Health/ Intellectual Disability	IV(c) MR	Schedule of Revenues, Expenditures, and Carryover Funds - ID
Behavioral Health/ Intellectual Disability	IV (d) MR	Report of Income and Expenditures - ID
Early Intervention	V (a) EI	Schedule of Revenues, Expenditures, and carryover Funds – EI
Early Intervention	V (b) EI	Report of Income and Expenditures - EI
Combined Homeless Assistance Program	XIX (a)	Schedule of Revenues and Expenditures

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

(c) In regard to the Reconciliation Schedule included as Exhibit XX, we have performed the following procedures:

1. Agree 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. Agree 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. Recalculate the amounts listed under the “Difference” column and the “% Difference” column.
4. Agree the amounts listed under the “Difference” column to the audited books and records of the County.

5. Agree the “Detailed Explanation of the Differences” to the audited books and records of the County.

(d) The processes detailed in paragraphs (a) and (b) above disclosed no adjustments for the period reported upon. However, procedures required by the DHS *Single Audit Supplement* have disclosed the following deficiencies:

- (i) The DHS states that the County cannot enter into a contract involving an expenditure of \$25,000 or more of federal funding with a contractor or an individual who does not certify a drug-free workplace, and who does not establish several conditions and requirements that have to be met in order to certify a drug-free workplace. Based on our testing under the County Children, Youth & Families Program, the County did not include the Drug-Free Work Place Act provisions in one out of twenty-five contracts tested.
- (ii) The DHS states that in awarding sub-grants and contracts, the County must obtain a certification that potential subrecipients are not debarred or suspended. Based on our testing, under the County Children, Youth & Families Program, the Juvenile Probation Office (JPO) did not include such language in two out of twenty-five contracts tested.
- (iii) The DHS requires that under the Mental Health programs, the County must follow specific personnel-related regulations and submit a Roster of Personnel (PW 1171) to DHS. The Bureau of Personnel reviews the PW 1171 and provides written notification to the county as to the nature and amount of any disallowances. Based on our testing the County did not submit a Roster of Personnel (PW 1171) to DHS.
- (iv) The County Children & Youth and BHIDS Agencies did not receive the results of DHS’s review of their Roster of Personnel for fiscal year 2014/2015 as of our report date; therefore, we could not conclude whether there were any adjustments pertaining to the salary amounts sought for reimbursement.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the financial schedules and exhibits. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Northumberland County Board of Commissioners, management, and others within the County and federal and state awarding



agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Klacik & Associates, P.C.

Shamokin, Pennsylvania
September 30, 2016

SB & Company, LLC

Harrisburg, Pennsylvania
September 30, 2016

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

SCHEDULE OF COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015

GRANT/PROGRAM TITLE	COMBINED FEDERAL AND STATE EXPENDITURES
Children and Youth	\$ 7,788,199
Combined Homeless Assistance Program	29,772
Domestic Relations	820,067
Drug & Alcohol (Act 152 & BHSI)	117,694
Human Services Development Fund	56,154
Mental Health	3,339,607
Intellectual Disabilities	2,614,542
Early Intervention	653,694
	\$ 15,419,729

Note: This schedule includes selected Pennsylvania Department of Human Services (DHS) Assistance received by the County of Northumberland, Pennsylvania and is presented using the full accrual method of accounting.

See Notes to Schedule of Expenditures of Federal Awards and Department of Human Services Expenditures.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

TITLE IV-D CHILD SUPPORT PROGRAM
SUMMARY OF EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015
EXHIBIT A-1(a)

	Single Audit Expenditures					Reported Expenditures					Single Audit Over (Under) Reported			
	Total	Unallowable	Incentive Paid Costs	Net	Amount Paid	Total	Unallowable	Incentive Paid Costs	Net	Amount Paid	Total	Unallowable	Net	Amount Paid
QUARTER ENDED														
MARCH 31, 2015														
Salary/overhead	\$ 336,590	\$ 15,497	\$ 30,506	\$ 290,587	\$ 191,788	\$ 336,590	\$ 15,497	\$ 30,506	\$ 290,587	\$ 191,788	\$ -	\$ -	\$ -	\$ -
Fees/costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest/program income	26,129	1,208	-	24,921	16,448	26,129	1,208	-	24,921	16,448	-	-	-	-
Genetic testing fees	462	-	-	462	305	462	-	-	462	305	-	-	-	-
Genetic testing costs	227	-	-	227	150	227	-	-	227	150	-	-	-	-
ADP	986	44	-	942	622	986	44	-	942	622	-	-	-	-
Total	\$ 311,212	\$ 14,333	\$ 30,506	\$ 266,373	\$ 175,807	\$ 311,212	\$ 14,333	\$ 30,506	\$ 266,373	\$ 175,807	\$ -	\$ -	\$ -	\$ -
QUARTER ENDED														
JUNE 30, 2015														
Salary/overhead	\$ 322,273	\$ 14,461	\$ 69,411	\$ 238,401	\$ 157,345	\$ 322,273	\$ 14,461	\$ 69,411	\$ 238,401	\$ 157,345	\$ -	\$ -	\$ -	\$ -
Fees/costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest/program income	27,902	1,254	-	26,648	17,587	27,902	1,254	-	26,648	17,587	-	-	-	-
Genetic testing fees	972	-	-	972	642	972	-	-	972	642	-	-	-	-
Genetic testing costs	95	-	-	95	63	95	-	-	95	63	-	-	-	-
ADP	250	11	-	239	159	250	11	-	239	159	-	-	-	-
Total	\$ 293,744	\$ 13,218	\$ 69,411	\$ 211,115	\$ 139,338	\$ 293,744	\$ 13,218	\$ 69,411	\$ 211,115	\$ 139,338	\$ -	\$ -	\$ -	\$ -
QUARTER ENDED														
SEPTEMBER 30, 2015														
Salary/overhead	\$ 313,770	\$ 14,228	\$ 27,822	\$ 271,720	\$ 179,335	\$ 313,770	\$ 14,228	\$ 27,822	\$ 271,720	\$ 179,335	\$ -	\$ -	\$ -	\$ -
Fees/costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest/program income	30,280	1,375	-	28,905	19,077	30,280	1,375	-	28,905	19,077	-	-	-	-
Genetic testing fees	689	-	-	689	455	689	-	-	689	455	-	-	-	-
Genetic testing costs	550	-	-	550	363	550	-	-	550	363	-	-	-	-
ADP	70	3	-	67	45	70	3	-	67	45	-	-	-	-
Total	\$ 283,421	\$ 12,856	\$ 27,822	\$ 242,743	\$ 160,211	\$ 283,421	\$ 12,856	\$ 27,822	\$ 242,743	\$ 160,211	\$ -	\$ -	\$ -	\$ -
QUARTER ENDED														
DECEMBER 31, 2015														
Salary/overhead	\$ 329,363	\$ 14,279	\$ -	\$ 315,084	\$ 207,955	\$ 329,363	\$ 14,279	\$ -	\$ 315,084	\$ 207,955	\$ -	\$ -	\$ -	\$ -
Fees/costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest/program income	29,184	1,261	-	27,923	18,430	29,184	1,261	-	27,923	18,430	-	-	-	-
Genetic testing fees	1,328	-	-	1,328	877	1,328	-	-	1,328	877	-	-	-	-
Genetic testing costs	929	-	-	929	613	929	-	-	929	613	-	-	-	-
ADP	147	5	-	142	94	147	5	-	142	94	-	-	-	-
Total	\$ 299,927	\$ 13,023	\$ -	\$ 286,904	\$ 189,355	\$ 299,927	\$ 13,023	\$ -	\$ 286,904	\$ 189,355	\$ -	\$ -	\$ -	\$ -

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT
 COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015
 EXHIBIT A-1(c)

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
January 1	-	-	
March 31	-	-	() Separate Bank Account
June 30	-	-	(X) Restricted Fund - General Ledger
September 30	-	-	() Other: _____
December 31	-	-	

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT
 COMPARISON OF SINGLE AUDIT TITLE IV-D ACCOUNT WITH REPORTED TITLE IV-D ACCOUNT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015
 EXHIBIT A-1(d)

	Single Audit TITLE IV- D Account	Reported TITLE IV-D Account	Single Audit Over/(Under) Reported
Balance at January 1	\$ (231,054)	\$ (231,054)	\$ -
Receipts:			
Reimbursements	738,915	738,915	-
Incentives	127,738	127,738	-
Title XIX Incentives	1,738	1,738	-
Interest	-	-	-
Program Income	106,036	106,036	-
Genetic Testing Costs	3,684	3,684	-
Maintenance of Effort (MOE)	393,980	393,980	-
Other: _____	-	-	-
	-	-	-
Total Receipts	\$ 1,372,091	\$ 1,372,091	\$ -
Intra-fund Transfers - In	-	-	-
Fund Available	\$ 1,141,037	\$ 1,141,037	\$ -
Disbursements:			
Incentive Paid Costs	127,738	127,738	-
Transfers to General Fund	656	656	-
Vendor Payments	1,219,142	1,219,142	-
Bank Charges	-	-	-
Other: _____	-	-	-
	-	-	-
Total Disbursements	\$ 1,347,536	\$ 1,347,536	\$ -
Intra-fund Transfers - out	-	-	-
Balance at December 31	\$ (206,500)	\$ (206,500)	\$ -

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - MENTAL HEALTH SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
EXHIBIT IV(a)MH

	DHS Funds Available			Costs Eligible for DHS Participation	Balance of Funds	Grant Fund Adjustments	Total Fund Balance
	Carryover	Allotment	Total Allocation				
MH Services	\$ 8,190	\$ 3,195,983	3,204,173	\$ 3,032,263	\$171,910	\$ -	\$ 171,910
OTHER STATE FUNDS:							
Specialized Residences	-	-	-	-	-	-	-
Behavioral Health Svs Initiative	-	60,363	60,363	60,363	-	-	-
Reserved	-	-	-	-	-	-	-
Total Other State Funds	-	60,363	60,363	60,363	-	-	-
SSBG	-	10,234	10,234	10,234	-	-	-
CMHSBG	-	113,063	113,063	113,063	-	-	-
OTHER FEDERAL FUNDS:							
PATH Homeless Grant	-	-	-	-	-	-	-
Capitalization of POMS	-	-	-	-	-	-	-
Youth Suicide Prevention	-	-	-	-	-	-	-
Jail Diversion & Trauma Recovery	-	-	-	-	-	-	-
Child Mental Health Initiative	-	-	-	-	-	-	-
PA System of Care Expansion Implementati	-	-	-	-	-	-	-
Hospital Prep Prog - Crisis Counseling	-	-	-	-	-	-	-
Biotersm Hosp Prop/Pub Hth Prep Resp	-	-	-	-	-	-	-
Adult Health Quality Measures	-	-	-	-	-	-	-
Infusing Peer Specialist into Crisis Services-	-	-	-	-	-	-	-
Self Directed Care-TTI	-	-	-	-	-	-	-
Project Launch	-	-	-	-	-	-	-
Suicide Preventon in Schools and Colleges	-	-	-	-	-	-	-
PA Healthy Transitions Partnership	-	-	-	-	-	-	-
Total Other Federal Funds	-	-	-	-	-	-	-
TOTAL	\$ 8,190	\$ 3,379,643	\$ 3,387,833	\$ 3,215,923	\$ 171,910	\$ -	\$ 171,910

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

REPORT OF INCOME AND EXPENDITURES -
MENTAL HEALTH PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
Exhibit IV(b)MH

TOTAL ALLOCATION	\$ 3,387,833
TOTAL EXPENDITURES	\$ 5,452,300
COSTS OVER ALLOCATION	
County Funded Eligible	\$ -
County Funded Ineligible	-
Other Eligible	-
Other Ineligible	-
Total Costs Over Allocation	-
REVENUES:	
Program Service Fees	570,318
Private Insurance	-
Medical Assistance	1,260,933
Medical Assistance - Administrative Claims	78,320
Room and Board	24,880
Earned Interest	2,616
Other	97,332
Total Revenues	2,034,399
DHS REIMBURSEMENT:	
Base Allocation 90%	1,702,512
Base Allocation 100%	81,452
DHS Categorical Funding 90%	-
DHS Categorical Funding 100%	1,308,662
SSBG 90%	10,234
SSBG 100%	-
CMHSBG Non-Categorical Funding 90%	105,063
CMHSBG Non-Categorical Funding 100%	-
CMHSBG Categorical Funding	8,000
10% COUNTY MATCH	201,978
TOTAL DHS REIMBURSEMENT AND COUNTY MATCH	3,417,901
TOTAL CARRYOVER	\$ 171,910

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - INTELLECTUAL DISABILITIES SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
EXHIBIT IV(c.) ID

	DHS Funds Available			Costs Eligible for DHS Participation	Balance of Funds	Grant Fund Adjustments	Total Fund Balance
	Carryover	Allotment	Total Allocation				
ID Services							
Community (NR/Res)	\$ 141,742	\$ 1,325,255	\$ 1,466,997	\$ 1,307,180	\$ 159,817	\$ -	\$ 159,817
SSBG	-	61,009	61,009	61,009	-	-	-
Subtotal ID Services	<u>141,742</u>	<u>1,386,264</u>	<u>1,528,006</u>	<u>1,368,189</u>	<u>159,817</u>	<u>-</u>	<u>159,817</u>
Waiver:							
Waiver administration	-	1,169,508	1,169,508	1,169,508	-	-	-
Subtotal Waiver	<u>-</u>	<u>1,169,508</u>	<u>1,169,508</u>	<u>1,169,508</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other:							
Reserved	-	-	-	-	-	-	-
Subtotal Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	\$ 141,742	\$ 2,555,772	\$ 2,697,514	\$ 2,537,697	\$ 159,817	\$ -	\$ 159,817

See Agreed-Upon Procedures Report.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**REPORT OF INCOME AND EXPENDITURES -
INTELLECTUAL DISABILITIES PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
Exhibit IV(d) ID**

TOTAL ALLOCATION	<u>\$ 2,697,514</u>
TOTAL EXPENDITURES	<u>\$ 2,850,970</u>
COSTS OVER ALLOCATION	
County Funded Eligible	\$ -
County Funded Ineligible	-
Other Eligible	-
Other Ineligible	<u>-</u>
Total Costs Over Allocation	-
REVENUES:	
Program Service Fees	24,114
Private Insurance Fees	-
Medical Assistance	-
Medical Assistance - Administrative Claims	14,581
Room and Board	163,071
Earned Interest	824
Other	<u>-</u>
Total Revenues	<u>202,590</u>
DHS REIMBURSEMENT:	
Base Allocation 90%	763,327
Base Allocation 100%	299,686
DHS Categorical Funding 90%	171,807
DHS Categorical Funding 100%	1,241,868
SSBG 90%	61,009
SSBG 100%	<u>-</u>
10% COUNTY MATCH	<u>110,683</u>
TOTAL DHS REIMBURSEMENT AND COUNTY MATCH	<u>2,648,380</u>
TOTAL CARRYOVER	<u>\$ 159,817</u>

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - EARLY INTERVENTION SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
Exhibit V(a)EI

	DHS Funds Available			Costs Eligible for DHS Participation	Balance of Funds	Grant Fund Adjustments	Total Fund Balance
	Carryover	Allotment	Total Allocation				
Early Intervention							
Early Intervention - Services	\$ 5,296	\$ 440,956	\$ 446,252	\$ 390,807	\$ 55,445	\$ -	\$ 55,445
Early Intervention - Training	-	6,990	6,990	6,990	-	-	-
Early Intervention - Administration	-	76,697	76,697	76,697	-	-	-
Infant & Toddlers w/Disabilities (Part C)	-	84,390	84,390	84,390	-	-	-
Infants, Toddlers & Families Waiver Admin	-	59,248	59,248	59,248	-	-	-
Reserved	-	-	-	-	-	-	-
TOTAL	\$ 5,296	\$ 668,281	\$ 673,577	\$ 618,132	\$ 55,445	\$ -	\$ 55,445

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**REPORT OF INCOME AND EXPENDITURES -
EARLY INTERVENTION SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
Exhibit V(b)EI**

TOTAL ALLOCATION	<u>\$ 673,577</u>
TOTAL EXPENDITURES	<u>\$ 803,136</u>
COSTS OVER ALLOCATION:	
County Funded Eligible	\$ -
County Funded Ineligible	-
Other Eligible	-
Other Ineligible	<u>-</u>
Total Coss Over Allocation	<u>-</u>
REVENUES:	
Program Service Fees	-
Private Insurance Fees	-
Medical Assistance	122,906
Earned Interest	-
Other	<u>-</u>
Total Revenues	<u>122,906</u>
DHS REIMBURSEMENT:	
DHS Categorical Funding 90%	558,884
DHS Categorical Funding 100%	59,248
10% COUNTY MATCH	<u>62,098</u>
TOTAL DHS REIMBURSEMENT AND COUNTY MATCH	<u>680,230</u>
TOTAL CARRYOVER	<u>\$ 55,445</u>

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

COMBINED HOMELESS ASSISTANCE REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
EXHIBIT XIX(a)

County: Northumberland
Fiscal Year: 2014-2015

	Administration	Bridge Housing	Case Management	Rental Assistance	Emergency Shelter	Other Housing Supports	Total
I. TOTAL ALLOCATION							44,571
II. TOTAL EXPENDITURES							
A. Personnel	-	-	26,396	26,396	-	-	52,792
B. Operating	2,269	-	412	412	-	-	3,093
C. Purchased Services	-	-	-	7,373	358	-	7,731
Subtotal of Total Expenditures	2,269	-	26,808	34,181	358	-	63,616
III. REVENUES							
A. Client Fees	-	-	-	-	-	-	-
B. Other	-	-	-	-	-	-	-
Subtotal Revenues	-	-	-	-	-	-	-
IV. DHS REIMBURSEMENT							
A. State HAP Funding	2,269	-	26,808	34,181	358	-	63,616
B. SSBG	-	-	-	-	-	-	-
C. SABG	-	-	-	-	-	-	-
Subtotal DHS Reimbursement	2,269	-	26,808	34,181	358	-	63,616
V. UNSPENT ALLOCATION							(19,045)

See Agreed-Upon Procedures Report

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA
SUPPLEMENTAL SCHEDULE - Exhibit XX
RECONCILIATION
 Federal Awards Passed through the Pennsylvania Department of Human Services
 Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the audit confirmation reply from Pennsylvania	Difference	% Difference	Detailed Explanation of the Differences
Community Early Intervention - Part C Disable	84.181	\$ 84,390	\$ 69,542	\$ 14,848	21.35%	County received and reported payment in 2015 of \$14,848 that the State reported in 2014. The County accrued additional expenditures of \$14,848 in the current year (CY).
Guardianship Assistance	93.090	71,709	57,845	13,864	23.97%	The County accrued additional expenditures of \$25,904 in the prior year (PY) and \$39,819 in the CY. There are additional miscellaneous items of \$52.
Caseworker Visitation Grant	93.556	7,879	7,879	-	-	
Temporary Assistance for Needy Families (TANF)	93.558	58,351	41,488	16,863	40.65%	State reported payment of \$11,934 in 2014, but County received and reported payment in 2015. The County accrued additional expenditures of \$30,667 in the PY and \$35,596 in the CY.
Child Support Enforcement (Title IV-D)	93.563	665,938	681,916	(15,978)	-2.34%	County received and reported payment of \$137,462 in 2015 that the State reported in 2014. State reported \$80,463 in 2015 that the County reported in 2016. The County accrued additional expenditures of \$263,086 in the PY and \$190,109 in the CY.
Title IV-B Child Welfare Services - State Grants	93.645	22,609	22,609	-	-	
Title IV-E Admin. Claim	93.658	1,316,407	1,193,735	122,671	10.28%	State reported \$228,622.76 in 2014 but County reported in 2015. State confirmation reports deferred revenue amounts of \$13,563.21 not received by the County in 2015. State reported \$51,387.19 in 2015 but County reported in 2016. Miscellaneous reconciling items of \$16,492.79. The County accrued additional expenditures of \$627,365 in the PY and \$602,857 in the CY.
Title IV-E Adoption Assistance	93.659	567,745	544,670	23,075	4.24%	County received payment of \$7,390 in 2015 that the State reported in 2014. State reported \$4,839.42 that County did not receive. The County accrued additional expenditures of \$266,334 in the PY and \$286,858 in the CY.
Community Mental Retardation - SSBG	93.667	165,322	147,511	17,811	12.07%	State reported \$17,812 in 2015 but County received and reported in 2016.
Chafee Title IV-E Independent Living Grant	93.674	44,019	40,642	3,377	8.31%	County received and reported payment of \$11,979 in 2015 that the State reported in 2014. County received and reported payment of \$23,958 in 2016 that the State reported in 2015. The County accrued additional expenditures of \$1,557 in the PY and \$16,913 in the CY.
Medical Assistance Program	93.778	723,215	566,677	156,538	27.62%	State reported payment of \$153,595 in 2014 but County received and reported payment in 2015. State reported \$328,236 in 2015 but County reported in 2016. The County accrued additional expenditures of \$30,286 in the PY and \$361,366 in the CY. Miscellaneous reconciling items of \$99.
Mental Health - Block Grant Service	93.958	109,063	80,798	28,265	34.98%	County received and reported \$28,265 in 2015 that the State reported in 2014.
TOTAL		\$ 3,836,647	\$ 3,455,314	\$ 381,333		