

UNCERTIFIED/AMENDED FISCAL REPORTS

For Fiscal Years:

Uncertified Amended - July 1, 2019 to June 30, 2020

Uncertified Amended - July 1, 2020 to June 30, 2021

Amended - July 1, 2021 to June 30, 2022

Montgomery County Children and Youth Agency

June 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Montgomery County
Montgomery County Courthouse
P.O. Box 311
Norristown, PA 19404-0311

Dear Commissioners:

We attempted to fulfill the requirements pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)) for the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of Montgomery County Office of Children and Youth (agency) for the fiscal years July 1, 2019 to June 30, 2020 and July 1, 2020 to June 30, 2021 and fulfilled the requirements for the fiscal year July 1, 2021 to June 30, 2022. Those fiscal years are herein referred to as the 2019-2020 fiscal year, 2020-2021 fiscal year, and 2021-2022 fiscal year. The purpose of this engagement is to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the county for the 2021-2022 fiscal year. The scope of our engagement was limited to the 2019-2020, 2020-2021, and 2021-2022 fiscal reports submitted to the Pennsylvania Department of Human Services (DHS) as part of the Act 148 Invoice Packages.

Agency management is responsible for the preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations. Our engagement procedures included a review of selected agency records and other procedures we deemed necessary, to enable us to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county. We also performed procedures to determine the county's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 et seq. and 3170.1 et seq.). The engagement was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. For the 2021-2022 fiscal year, we believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Montgomery County.

Opinion for the 2019-2020 and 2020-2021 fiscal years

The agency could not provide a list of transactions supporting the total Operating object of expenditure category (operating expenditures) reported on the agency's submitted CY-370 Expenditure Report for the 2019-2020 and 2020-2021 fiscal years. As a result, we could not determine which transactions comprised the reported expenditure amounts, and therefore we could not perform procedures to conclude on the accuracy of the reported operating expenditures. Because the reported expenditure amounts affect the Act 148 state share amount reported on the agency's CY-348 fiscal summary, we also could not determine the accuracy of the reported Act 148 state share amount for those fiscal years.

Because of the significance of the matter described in the preceding paragraph, we could not conclude on the accuracy of the enclosed uncertified fiscal reports for the 2019-2020 and 2020-2021 fiscal years. Therefore, we could not achieve our objective of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the county for the 2019-2020 and 2020-2021 fiscal years.

Despite the matters described above, we did perform procedures using the documentation available to us, and the results of those procedures are described in the bulleted items below.¹ The results described below, however, may have been affected by the matter described in the third paragraph, and the assurance provided is limited by that matter.

Opinion for the 2021-2022 fiscal year

We certify that the enclosed amended fiscal reports fairly present, in all material aspects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2021-2022 fiscal year based on the accrual basis of accounting.²

Adjustments to the agency's submitted fiscal reports resulting from the procedures we performed during this engagement are as follows:

- For the **2019-2020 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Net State Share by increasing agency expenditures by \$277,999 and decreasing revenue by \$1,308. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the county totaling \$168,576.

¹ We obtained documentation from the county that provided evidence of an operating expense related to the cost allocation plan (indirect costs allocated to the agency) for the fourth quarter which was not include in the fiscal reports submitted to DHS. Our testing of operating expenses related to indirect costs was not affected by the agency's inability to provide all documentation to support the operating expenditures reported in the fiscal reports. We included an adjustment in fiscal year 2019-2020 related to operating expenses from the cost allocation plan in the enclosed, uncertified fiscal report.

² In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures made from other appropriations or grant funds.

- For the **2020-2021 fiscal year**, our engagement resulted in three adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Net State Share by increasing agency expenditures by \$403,717 and increasing revenue by \$1,206. Based on the application of the state participation rates, the three adjustments resulted in an amount due to the county totaling \$203,416.
- For the **2021-2022 fiscal year**, our engagement resulted in an adjustment made to the agency's submitted fiscal reports. This adjustment affected the agency's Net State Share by increasing revenue by \$5,835. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$3,501.

This report includes the following finding:

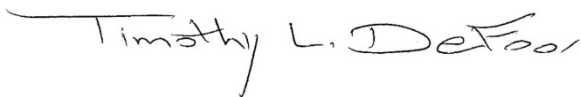
Finding – Failure to Perform an Adequate Reconciliation of Agency Records to County Records

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on May 28, 2025.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of any recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of any recommended adjustment amounts and the final reconciliation of federal revenues not included in the scope of our engagement during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and agency staff. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,



Timothy L. DeFoor
Auditor General
June 10, 2025

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BACKGROUND

The Department of the Auditor General (department) is responsible for reviewing the fiscal reports known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies. The department determines proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” The Children and Youth Social Services Program is county-administered and state-supervised by DHS, with shared responsibility for achieving the commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), DHS is responsible for making and enforcing all rules and regulations necessary and appropriate to the proper accomplishment of the child welfare duties and functions vested by law in the county institution districts or their successors. Title 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, outlines the rules and regulations relative to the county administration of the Children and Youth Social Service Programs. Specifically, in compliance with 55 Pa. Code § 3140.31, the counties must report their cumulative actual expenditures incurred for the provision of children and youth social services on a quarterly basis to DHS through the Act 148 invoice package, which includes the fiscal reports. The expenditures reported in the Act 148 invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by DHS.

We reviewed the final, cumulative 4th quarter fiscal reports submitted to DHS, the agency’s related financial records, and other supporting documentation. This was done to determine whether the agency’s actual, cumulative expenditures and revenues were properly reported to DHS for the respective fiscal years. The amended fiscal reports below include any adjustments we considered necessary to reflect the agency’s actual related revenue, expenditures, and net state share for each fiscal year in our engagement period.

We did not evaluate the agency’s provision of services or compliance with requirements in the Child Protective Services Law (CPSL). The Commonwealth of Pennsylvania Department of Human Services monitors each county’s provision of children and youth services and requires auditors who conduct the [Single Audit](#) of a county to evaluate the county’s monitoring of contracted providers of prevention, reunification, and aftercare services (services coded as in-home) for compliance with CPSL background check requirements.

SECTION 1

UNCERTIFIED AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020
UNCERTIFIED AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	26,283,084
Supplemental Act 148			<u>0</u>
Total State Allocation			26,283,084
State Share (CY348) ²	\$	21,715,383	
Less: Major Service Category Adjustment		<u>0</u>	
Net State Share	\$	21,715,383	
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>	
Final Net State Share Payable ³	\$	21,715,383	
Actual Act 148 Revenues Received ⁴		<u>21,546,807</u>	
Net Amount Due County/(State) ⁵	\$	<u><u>168,576</u></u>	

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020
UNCERTIFIED AMENDED CY348
FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	852,063	0	132,449	0	0	0	0	0	719,614	719,614	0
02. 90% REIMBURSEMENT	1,068,534	4,172	192,499	0	0	0	0	0	871,863	784,676	87,187
03. 80% REIMBURSEMENT	27,207,374	445,207	5,628,616	1,273,533	0	0	0	0	19,860,018	15,888,015	3,972,003
04. 60% REIMBURSEMENT	6,617,388	242,370	807,492	0	483,979	236,098	0	9,760	4,837,689	2,902,613	1,935,076
05. 50% REIMBURSEMENT	2,850,097	7,199	1,970	0	0	0	0	0	2,840,928	1,420,465	1,420,463
06. TOTAL NET CHILD WELFARE EXPEND.	38,595,456	698,948	6,763,026	1,273,533	483,979	236,098	0	9,760	29,130,112	21,715,383	7,414,729

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,484,640	19,811							1,464,829	878,897	585,932

08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0
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09. TOTAL EXPENDITURES	40,080,096	718,759	6,763,026	1,273,533	483,979	236,098	0	9,760	30,594,941	22,594,280	8,000,661
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10. TOTAL TITLE IV-D COLLECTIONS 478,354

11. TITLE IV-D Collections for IV-E Children 56,122

12. STATE ACT 148 - line 6 21,715,383

13. STATE ACT 148 ALLOCATION 26,283,084

14. ADJUSTED STATE SHARE (lower of 12 or 13) 21,715,383

INVOICE	
AMENDED STATE SHARE (ACT 148)	21,715,383
ACT 148 AMOUNT RECEIVED	21,546,807
ADJUSTMENT TO STATE SHARE	168,576

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020
UNCERTIFIED AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS												
REVENUE SOURCES												

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020
UNCERTIFIED AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		OBJECTS OF EXPENDITURE											
		1	2	3	4	5	6	7	8	9	10	11	12
		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME		522,313	236,061		93,689	0	0	852,063	76	0	0	0	0
1-A ADOPTION SERVICE		0	0	3,448,675	0	0	0	3,448,675	0	492	0	0	0
1-B ADOPTION ASSISTANCE		0	0	877,456	0	0	0	877,456	0	123	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP		361,523	163,165		71,335	278,084	0	874,107	283	64	0	0	0
1-D COUNSELING - DEPENDENT		0	0		0	232,664	0	232,664	0	56	0	0	0
1-E COUNSELING - DELINQUENT		0	0		0	129,443	0	129,443	0	28	0	0	0
1-F DAY CARE		0	0		0	98,270	0	98,270	0	7	0	0	0
1-G DAY TREATMENT - DEPENDENT		0	0		109	58,759	0	58,868	0	8	0	0	0
1-H DAY TREATMENT - DELINQUENT		0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE		787,792	355,513		121,464	0	0	1,264,769	5,681	0	0	0	0
1-J INTAKE & REFERRAL		424,278	191,472		85,849	1,377,154	0	2,078,753	391	156	0	0	0
1-K LIFE SKILLS - DEPENDENT		0	0		0	2,711,089	0	2,711,089	0	302	0	0	0
1-L LIFE SKILLS - DELINQUENT		920,402	415,404		177,564	162,690	0	1,676,060	5,761	195	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE		1,403,093	633,265		280,982	38,984	0	2,356,324	13,657	139	0	0	0
1-N PROTECTIVE SERVICE - GENERAL		186,891	84,342		28,887	0	0	300,120	141	0	0	0	0
1-O SERVICE PLANNING					0	133,143		133,143	0	311	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					141,336	0		141,336	517	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT		4,606,292	2,079,222	4,326,131	1,001,215	5,220,280	0	17,233,140			0	0	0
SUBTOTAL IN-HOME		Number of Children receiving only NON-PURCHASED IN-Home Services 30,868											
COMMUNITY BASED PLACEMENT		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT		0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT		0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT		352,931	159,283	0	141,147	1,701,424	0	2,354,785	8,049	55	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT		0	0	0	17,540	990,490	0	1,008,030	4,818	32	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT		130,998	59,104	0	35,821	747,044	0	972,967	2,829	83	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT		0	0	0	0	95,567	0	95,567	240	14	0	0	0
2-G FOSTER FAMILY - DEPENDENT		731,759	331,719	0	450,504	3,613,564	0	5,127,546	67,649	254	0	0	0
2-H FOSTER FAMILY - DELINQUENT		0	0	0	378	148,828	0	149,206	1,157	9	0	0	0
2-I KINSHIP CARE - DEPENDENT		250,248	110,985	0	306,481	1,005,830	0	1,673,544	33,888	141	0	0	0
2-J KINSHIP CARE - DELINQUENT		0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT		0	0	0	0	787,665	0	787,665	4,493	15	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT		0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP		1,465,936	661,091	0	951,871	9,090,412	0	12,169,310	123,123	603	0	0	0
INSTITUTIONAL PLACEMENT		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A JUVENILE DETENTION SERVICE		0	0	0	0	2,575,618	0	2,575,618	5,411	179	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT		0	0	0	32,422	1,245,684	0	1,278,106	8,020	23	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)		0	0	0	5,417	1,978,229	0	1,983,646	9,428	49	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)		0	0	0	0	70,322	0	70,322	204	1	0	0	0
3-E YDC SECURE		0	0	0	0	1,484,640	0	1,484,640	2,895	10	0	0	0
SUBTOTAL INSTITUTIONAL		0	0	0	37,839	7,354,493	0	7,392,332	25,958	262	0	0	0
ADMINISTRATION		1,430,046	645,698	0	1,209,570	0	0	3,285,314			0	0	0
TOTAL EXPENDITURES		7,502,274	3,386,011	4,326,131	3,200,495	21,665,185	0	40,080,096			0	0	0
		County Indirect Costs = \$ 738,819											

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020
UNCERTIFIED AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 852,063	\$ 0	\$ 852,063
Adoption Assistance	3,440,174	8,501	3,448,675
Subsidized Permanent Legal Custodianship	877,456	0	877,456
Counseling	1,109,929	(3,158)	1,106,771
Day Care	130,243	(800)	129,443
Day Treatment	158,109	(971)	157,138
Homemaker Service	0	0	0
Intake and Referral	1,264,769	0	1,264,769
Life Skills	4,765,622	24,220	4,789,842
Protective Service - Child Abuse	1,677,066	(1,006)	1,676,060
Protective Service - General	2,356,565	(241)	2,356,324
Service Planning	300,120	0	300,120
Juvenile Act Proceedings	275,302	(823)	274,479
Alternative Treatment	0	0	0
Community Residential	3,379,461	(16,646)	3,362,815
Emergency Shelter	1,073,744	(5,210)	1,068,534
Foster Family	5,300,016	(23,264)	5,276,752
Kinship Care	1,679,764	(6,220)	1,673,544
Supervised Independent Living	792,536	(4,871)	787,665
Juvenile Detention Service	2,591,544	(15,926)	2,575,618
Residential Service	3,281,687	(19,935)	3,261,752
Secure Residential Service (Except YDC)	70,757	(435)	70,322
YDC Secure	1,493,820	(9,180)	1,484,640
Administration	2,931,350	353,964	3,285,314
Combined Total Expense	<u>39,802,097</u>	<u>277,999</u>	<u>40,080,096</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 39,802,097</u>	<u>\$ 277,999</u>	<u>\$ 40,080,096</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,502,274	\$ 0	\$ 7,502,274
Employee Benefits	3,336,511	49,500	3,386,011
Subsidies	4,317,630	8,501	4,326,131
Operating	2,846,531	353,964	3,200,495
Purchased Services	21,799,151	(133,966)	21,665,185
Fixed Assets	0	0	0
Combined Total Expense	<u>39,802,097</u>	<u>277,999</u>	<u>40,080,096</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 39,802,097</u>	<u>\$ 277,999</u>	<u>\$ 40,080,096</u>

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FSICAL YEAR JULY 1, 2019 TO JUNE 30, 2020
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370				CY-370 Adjustment			
	1-K	2	1	Life Skills (Dependent) - Employee Benefits	\$ 141,972	\$ 49,500	\$ 191,472
	1-B	3		Adoption Assistance - Subsidies	\$ 3,440,174	\$ 8,501	\$ 3,448,675
	4	4		Administration - Operating	\$ 855,606	\$ 353,964	\$ 1,209,570
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 279,803	\$ (1,719)	\$ 278,084
	1-E	5		Counseling (Delinquent) - Purchased Services	\$ 234,103	\$ (1,439)	\$ 232,664
	1-F	5		Day Care - Purchased Services	\$ 130,243	\$ (800)	\$ 129,443
	1-G	5		Day Treatment (Dependent) - Purchased Services	\$ 98,878	\$ (608)	\$ 98,270
	1-H	5		Day Treatment (Delinquent) - Purchased Services	\$ 59,122	\$ (363)	\$ 58,759
	1-K	5		Life Skills (Dependent) - Purchased Services	\$ 1,385,670	\$ (8,516)	\$ 1,377,154
	1-L	5		Life Skills (Delinquent) - Purchased Services	\$ 2,727,853	\$ (16,764)	\$ 2,711,089
	1-M	5		Protective Service (Child Abuse) - Purchased Services	\$ 163,696	\$ (1,006)	\$ 162,690
	1-N	5		Protective Service (General) - Purchased Services	\$ 39,225	\$ (241)	\$ 38,984
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 133,966	\$ (823)	\$ 133,143
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 1,711,945	\$ (10,521)	\$ 1,701,424
	2-D	5		Community Residential (Delinquent) - Purchased Services	\$ 996,615	\$ (6,125)	\$ 990,490
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 751,663	\$ (4,619)	\$ 747,044
	2-F	5		Emergency Shelter (Delinquent) - Purchased Services	\$ 96,158	\$ (591)	\$ 95,567
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 3,635,908	\$ (22,344)	\$ 3,613,564
	2-H	5		Foster Family (Delinquent) - Purchased Services	\$ 149,748	\$ (920)	\$ 148,828
	2-I	5		Kinship Care (Dependent) - Purchased Services	\$ 1,012,050	\$ (6,220)	\$ 1,005,830
	2-K	5		Supervised Independent Living (Dependent) - Purchased Services	\$ 792,536	\$ (4,871)	\$ 787,665
	3-A	5		Juvenile Detention Service - Purchased Services	\$ 2,591,544	\$ (15,926)	\$ 2,575,618
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 1,253,387	\$ (7,703)	\$ 1,245,684
	3-C	5		Residential Service (Delinquent) - Purchased Services	\$ 1,990,461	\$ (12,232)	\$ 1,978,229
	3-D	5		Secure Residential Service - Purchased Services	\$ 70,757	\$ (435)	\$ 70,322
	3-E	5		YDC Secure - Purchased Services	\$ 1,493,820	\$ (9,180)	\$ 1,484,640
				Total Adjustment Amount		\$ 277,999	
				To increase expenditures by \$277,999 to include revisions made to the agency's expenditures ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to the Commonwealth DHS. Employee Benefits were increased by \$49,500; Subsidies were increased by \$8,501; Operating costs were increased by \$353,964; and Purchased Services were decreased by \$133,966.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A				CY-370A Adjustment			
	1-N	2	2	Protective Service (General) - Program Income	\$ 1,708	\$ (1,308)	\$ 400
				To decrease Program Income by \$1,308 to include revisions made to the Program Income ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to the Commonwealth DHS.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

UNCERTIFIED AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 26,329,253
Supplemental Act 148		<u>0</u>
Total State Allocation		26,329,253
State Share (CY348) ²	\$ 20,249,139	
Less: Major Service Category Adjustment		<u>0</u>
Net State Share		\$ 20,249,139
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 20,249,139
Actual Act 148 Revenues Received ⁴		<u>20,045,723</u>
Net Amount Due County/(State) ⁵		\$ <u>203,416</u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED AMENDED CY348
FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	828,298	0	134,054	0	0	0	0	0	694,244	694,244	0
02. 90% REIMBURSEMENT	1,607,439	17,190	170,116	0	0	0	0	0	1,420,133	1,278,119	142,014
03. 80% REIMBURSEMENT	24,948,973	294,233	5,632,838	1,273,533	0	0	0	0	17,748,369	14,198,696	3,549,673
04. 60% REIMBURSEMENT	6,722,966	53,798	794,907	0	483,979	236,098	0	12,791	5,141,393	3,084,835	2,056,558
05. 50% REIMBURSEMENT	1,988,157	1,668	0	0	0	0	0	0	1,986,489	993,245	993,244
06. TOTAL NET CHILD WELFARE EXPEND.	36,095,833	366,889	6,731,915	1,273,533	483,979	236,098	0	12,791	26,990,628	20,249,139	6,741,489

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	612,496	2,129							610,367	366,220	244,147

08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0
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09. TOTAL EXPENDITURES	36,708,329	369,018	6,731,915	1,273,533	483,979	236,098	0	12,791	27,600,995	20,615,359	6,985,636
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10. TOTAL TITLE IV-D COLLECTIONS 197,409

11. TITLE IV-D Collections for IV-E Children 29,958

12. STATE ACT 148 - line 6 20,249,139

13. STATE ACT 148 ALLOCATION 26,329,253

14. ADJUSTED STATE SHARE (lower of 12 or 13) 20,249,139

INVOICE	
AMENDED STATE SHARE (ACT 148)	20,249,139
ACT 148 AMOUNT RECEIVED	20,045,723
ADJUSTMENT TO STATE SHARE	203,416

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES										
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	828,298	0		134,054	0			0	0	694,244	694,244	0
I-B ADOPTION ASSISTANCE	3,400,573	0	1,703,988	34,805				0	0	1,661,780	1,329,424	332,356
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	830,136	0	359,247	0				0	0	470,889	376,711	94,178
I-D COUNSELING - DEPENDENT	927,689	0		98,482	54,864	0	0	0	0	774,343	619,474	154,869
I-E COUNSELING - DELINQUENT	177,581	0		0	32,356	0	0	0	0	145,225	116,180	29,045
I-F DAY CARE	129,747	0			77,616	0	0	0	0	52,131	41,705	10,426
I-G DAY TREATMENT - DEPENDENT	31,235	0			0	0	0	0	0	31,235	24,988	6,247
I-H DAY TREATMENT - DELINQUENT	1,459	0			0	0	0	0	0	(41)	(33)	(8)
I-I HOMEMAKER SERVICE	0	0		0	1,500	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	1,394,131	0		225,735	0	0	0	0	0	1,168,396	934,717	233,679
I-K LIFE SKILLS - DEPENDENT	2,231,337	0		116,085	444,885	0	0	0	0	1,670,367	1,336,294	334,073
I-L LIFE SKILLS - DELINQUENT	1,654,699	0			602,912	0	0	0	0	1,051,787	841,430	210,357
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,863,962	0		263,863	59,400	0	0	0	0	1,540,699	1,232,559	308,140
I-N PROTECTIVE SERVICE - GENERAL	2,468,959	0		396,710	0	0	0	0	0	2,072,249	1,657,799	414,450
I-O SERVICE PLANNING	307,619	0		49,813	0	0	0	0	0	257,806	206,245	51,561
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	388,786	0			0	0	0	0	0	388,786	194,393	194,393
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	100,811	0		0	0		0	0	0	100,811	50,406	50,405
I-R SUBTOTAL IN-HOME	16,737,022	0	2,063,235	1,319,547	1,273,533	0	0	0	0	12,080,707	9,656,536	2,424,171
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0		0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,952,759	23,192	348,851	165,497		0	0	0	0	1,415,219	1,132,175	283,044
2-D COMMUNITY RESIDENTIAL - DELINQUENT	696,901	14,622	15,285	3,897		0	0	0	0	663,097	530,478	132,619
2-E EMERGENCY SHELTER - DEPENDENT	1,582,893	17,190	126,211	43,905	0	0	0	0	0	1,395,587	1,256,028	139,559
2-F EMERGENCY SHELTER - DELINQUENT	24,546	0	0	0	0	0	0	0	0	24,546	22,091	2,455
2-G FOSTER FAMILY - DEPENDENT	4,357,491	164,781	786,866	609,825		0	0	0	0	2,796,019	2,236,815	559,204
2-H FOSTER FAMILY - DELINQUENT	87,230	6,478	0	0		0	0	0	0	80,752	64,602	16,150
2-I KINSHIP CARE - DEPENDENT	1,691,057	54,436	193,905	174,067		0	0	0	0	1,268,649	1,014,919	253,730
2-J KINSHIP CARE - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	722,742	30,724	68,400	17,517		0	0	0	0	606,101	484,881	121,220
2-L SUP. INDEPENDENT LIVING - DELINQUENT	21,666	0	0	0		0	0	0	0	21,666	17,333	4,333
2-M SUBTOTAL CBP	11,137,285	311,423	1,539,518	1,014,708	0	0	0	0	0	8,271,636	6,759,322	1,512,314
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,498,560	1,668						0	0	1,496,892	748,446	748,446
3-B RESIDENTIAL SERVICE - DEPENDENT	1,961,155	26,398	228,029	27,854		241,991	118,051	0	0	1,318,832	791,299	527,533
3-C RES. SERVICE - DELINQUENT (NON YDC/FC)	832,559	27,400	35,133	5,157		241,988	118,047	0	0	404,834	242,900	161,934
3-D SECURE RES. SERVICE (EXCEPT YDC)	40,198	0							0	40,198	24,119	16,079
3-E YDC SECURE	612,496	2,129								610,367	366,220	244,147
3-F SUBTOTAL INSTITUTIONAL	4,944,968	57,595	263,162	33,011	0	483,979	236,098	0	0	3,871,123	2,172,984	1,698,139
ADMINISTRATION	3,889,054	0		498,734		0	0	0	12,791	3,377,529	2,026,517	1,351,012
TOTAL REVENUES	36,708,329	369,018	3,865,915	2,866,000	1,273,533	483,979	236,098	0	12,791	27,600,995	20,615,359	6,985,636

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS												
OBJECTS OF EXPENDITURE												
1	2	3	4	5	6	7	8	9	10	11	12	
WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable	
IN-HOME												
1-A ADOPTION SERVICE	528,891	224,732	73,297	0	1,378	828,298	70	0	0	0	0	
1-B ADOPTION ASSISTANCE	0	3,400,573	0	0	0	3,400,573	0	521	0	0	0	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	830,136	0	0	0	830,136	0	145	0	0	0	
1-D COUNSELING - DEPENDENT	384,410	163,400	59,662	319,096	1,121	927,689	970	122	0	0	0	
1-E COUNSELING - DELINQUENT	0	0	0	177,581	0	177,581	0	73	0	0	0	
1-F DAY CARE	0	0	0	129,747	0	129,747	0	84	0	0	0	
1-G DAY TREATMENT - DEPENDENT	0	0	0	31,235	0	31,235	0	10	0	0	0	
1-H DAY TREATMENT - DELINQUENT	0	0	0	1,459	0	1,459	0	1	0	0	0	
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	
1-J INTAKE & REFERRAL	903,954	384,310	103,914	0	1,953	1,394,131	5,463	0	0	0	0	
1-K LIFE SKILLS - DEPENDENT	451,916	192,078	72,075	1,513,913	1,355	2,231,337	1,020	317	0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0	0	1,654,699	0	1,654,699	0	249	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,037,603	441,207	148,474	233,887	2,791	1,863,962	2,140	327	0	0	0	
1-N PROTECTIVE SERVICE - GENERAL	1,554,083	660,773	231,985	17,758	4,360	2,468,959	7,229	23	0	0	0	
1-O SERVICE PLANNING	198,080	84,333	24,741	0	465	307,619	5	0	0	0	0	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	388,786	0	388,786	0	161	0	0	0	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	100,811	0	100,811	0	4	0	0	0	
1-R SUBTOTAL IN-HOME	5,058,937	2,150,833	4,230,709	714,148	4,568,972	13,423	16,737,022	16,108	0	0	0	
LCRP = Legal Representation for Children in Placement = \$ 0												
LCRNP = Legal Representation for Children Non-Placement = \$ 0												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	378,476	160,894	0	101,283	1,904	1,952,759	6,826	86	0	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	696,901	0	696,901	3,179	19	0	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	137,646	58,550	0	19,404	1,366,928	365	1,582,893	4,106	69	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	24,546	0	24,546	63	3	0	0	
2-G FOSTER FAMILY - DEPENDENT	672,437	285,835	0	260,941	3,133,374	4,904	4,357,491	58,064	230	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	87,230	0	87,230	575	4	0	0	0	
2-I KINSHIP CARE - DEPENDENT	362,793	154,270	0	212,036	957,973	3,985	1,691,057	34,163	174	0	0	
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	722,742	0	722,742	4,128	25	0	0	0	
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	21,666	0	21,666	94	2	0	0	
2-M SUBTOTAL CBP	1,551,352	659,549	0	593,664	8,321,562	11,158	11,137,285	111,198	612	0	0	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,498,560	0	1,498,560	3,223	115	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	19,358	1,941,433	364	1,961,155	10,678	33	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	832,559	0	832,559	3,672	27	0	0	0	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	40,198	0	40,198	115	1	0	0	0	
3-E YDC SECURE	0	0	0	0	612,496	0	612,496	1,162	9	0	0	
3-F SUBTOTAL INSTITUTIONAL	0	0	0	19,358	4,925,246	364	4,944,968	18,850	185	0	0	
ADMINISTRATION	1,429,636	607,912	0	1,831,955	0	19,551	3,889,054	0	0	0	0	
TOTAL EXPENDITURES	8,039,925	3,418,294	4,230,709	3,159,125	17,815,780	44,496	36,708,329	0	0	0	0	
County Indirect Costs = \$ 791,787												

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 826,920	\$ 1,378	\$ 828,298
Adoption Assistance	3,329,686	70,887	3,400,573
Subsidized Permanent Legal Custodianship	830,136	0	830,136
Counseling	1,118,184	(12,914)	1,105,270
Day Care	133,413	(3,666)	129,747
Day Treatment	33,618	(924)	32,694
Homemaker Service	0	0	0
Intake and Referral	1,392,178	1,953	1,394,131
Life Skills	3,974,222	(88,186)	3,886,036
Protective Service - Child Abuse	1,867,780	(3,818)	1,863,962
Protective Service - General	2,465,101	3,858	2,468,959
Service Planning	307,154	465	307,619
Juvenile Act Proceedings	503,433	(13,836)	489,597
Alternative Treatment	0	0	0
Community Residential	2,704,475	(54,815)	2,649,660
Emergency Shelter	1,646,396	(38,957)	1,607,439
Foster Family	4,530,827	(86,106)	4,444,721
Kinship Care	1,714,143	(23,086)	1,691,057
Supervised Independent Living	765,444	(21,036)	744,408
Juvenile Detention Service	1,540,908	(42,348)	1,498,560
Residential Service	2,871,740	(78,026)	2,793,714
Secure Residential Service (Except YDC)	41,334	(1,136)	40,198
YDC Secure	629,804	(17,308)	612,496
Administration	3,077,716	811,338	3,889,054
Combined Total Expense	36,304,612	403,717	36,708,329
Less Non-reimbursables	0	0	0
Total Net Expense	\$ 36,304,612	\$ 403,717	\$ 36,708,329

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 8,039,925	\$ 0	\$ 8,039,925
Employee Benefits	3,418,294	0	3,418,294
Subsidies	4,159,822	70,887	4,230,709
Operating	2,367,338	791,787	3,159,125
Purchased Services	18,319,233	(503,453)	17,815,780
Fixed Assets	0	44,496	44,496
Combined Total Expense	36,304,612	403,717	36,708,329
Less Non-reimbursables	0	0	0
Total Net Expense	\$ 36,304,612	\$ 403,717	\$ 36,708,329

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370				CY-370 Adjustments			
	1-B	3	1	Adoption Assistance - Subsidies	\$ 3,329,686	\$ 70,887	\$ 3,400,573
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 328,113	\$ (9,017)	\$ 319,096
	1-E	5		Counseling (Delinquent) - Purchased Services	\$ 182,599	\$ (5,018)	\$ 177,581
	1-F	5		Day Care - Purchased Services	\$ 133,413	\$ (3,666)	\$ 129,747
	1-G	5		Day Treatment (Dependent) - Purchased Services	\$ 32,118	\$ (883)	\$ 31,235
	1-H	5		Day Treatment (Delinquent) - Purchased Services	\$ 1,500	\$ (41)	\$ 1,459
	1-K	5		Life Skills (Dependent) - Purchased Services	\$ 1,556,694	\$ (42,781)	\$ 1,513,913
	1-L	5		Life Skills (Delinquent) - Purchased Services	\$ 1,701,459	\$ (46,760)	\$ 1,654,699
	1-M	5		Protective Service (Child Abuse) - Purchased Services	\$ 240,496	\$ (6,609)	\$ 233,887
	1-N	5		Protective Service (General) - Purchased Services	\$ 18,260	\$ (502)	\$ 17,758
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 399,773	\$ (10,987)	\$ 388,786
	1-Q	5		Juvenile Act Proceedings (Delinquent) - Purchased Services	\$ 103,660	\$ (2,849)	\$ 100,811
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 1,347,227	\$ (37,025)	\$ 1,310,202
	2-D	5		Community Residential (Delinquent) - Purchased Services	\$ 716,595	\$ (19,694)	\$ 696,901
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 1,405,556	\$ (38,628)	\$ 1,366,928
	2-F	5		Emergency Shelter (Delinquent) - Purchased Services	\$ 25,240	\$ (694)	\$ 24,546
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 3,221,919	\$ (88,545)	\$ 3,133,374
	2-H	5		Foster Family (Delinquent) - Purchased Services	\$ 89,695	\$ (2,465)	\$ 87,230
	2-I	5		Kinship Care (Dependent) - Purchased Services	\$ 985,044	\$ (27,071)	\$ 957,973
	2-K	5		Supervised Independent Living (Dependent) - Purchased Services	\$ 743,166	\$ (20,424)	\$ 722,742
	2-L	5		Supervised Independent Living (Delinquent) - Purchased Services	\$ 22,278	\$ (612)	\$ 21,666
	3-A	5		Juvenile Detention Service - Purchased Services	\$ 1,540,908	\$ (42,348)	\$ 1,498,560
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 1,996,296	\$ (54,863)	\$ 1,941,433
	3-C	5		Residential Service (Delinquent) - Purchased Services	\$ 856,086	\$ (23,527)	\$ 832,559
	3-D	5		Secure Residential Service - Purchased Services	\$ 41,334	\$ (1,136)	\$ 40,198
	3-E	5		YDC Secure - Purchased Services	\$ 629,804	\$ (17,308)	\$ 612,496
	1-A	6		Adoption Service - Fixed Assets	\$ -	\$ 1,378	\$ 1,378
	1-D	6		Counseling (Dependent) - Fixed Assets	\$ -	\$ 1,121	\$ 1,121
	1-J	6		Intake & Referral - Fixed Assets	\$ -	\$ 1,953	\$ 1,953
	1-K	6		Life Skills (Dependent) - Fixed Assets	\$ -	\$ 1,355	\$ 1,355
	1-M	6		Protective Service (Child Abuse) - Fixed Assets	\$ -	\$ 2,791	\$ 2,791
	1-N	6		Protective Service (General) - Fixed Assets	\$ -	\$ 4,360	\$ 4,360
	1-O	6		Service Planning - Fixed Assets	\$ -	\$ 465	\$ 465
	2-C	6		Community Residential (Dependent) - Fixed Assets	\$ -	\$ 1,904	\$ 1,904
	2-E	6		Emergency Shelter (Dependent) - Fixed Assets	\$ -	\$ 365	\$ 365
	2-G	6		Foster Family (Dependent) - Fixed Assets	\$ -	\$ 4,904	\$ 4,904
	2-I	6		Kinship Care (Dependent) - Fixed Assets	\$ -	\$ 3,985	\$ 3,985
	3-B	6		Residential Service (Dependent) - Fixed Assets	\$ -	\$ 364	\$ 364
	4	6		Administration - Fixed Assets	\$ -	\$ 19,551	\$ 19,551
				Total Adjustment Amount		\$ (388,070)	
				To decrease expenditures by \$388,070 to include revisions made to the agency's expenditures ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to the Commonwealth DHS. Subsidies were increased by \$70,887; Purchased Services were decreased by \$503,453; and Fixed Assets were increased by \$44,496.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	4	2	Administration - Operating	\$ 1,040,168	\$ 791,787	\$ 1,831,955
				To increase operating expenditures by \$791,787 to include indirect costs which were erroneously not reported on the agency's Act 148 Invoice Package submitted to the Commonwealth DHS.			
				OCYF Bulletin 00-95-12			
				Title 55 PA Code, Chapter 3170 & 3170.95(a)(b)			
CY-370A				CY-370A Adjustment			
	2-H	2	3	Foster Family (Delinquent) - Program Income	\$ 6,208	\$ 270	\$ 6,478
	3-A	2		Juvenile Detention Service - Program Income	\$ 1,695	\$ (27)	\$ 1,668
	3-E	2		YDC Secure - Program Income	\$ 1,166	\$ 963	\$ 2,129
				Total Adjustment Amount		\$ 1,206	
				To increase Program Income by \$1,206 to include revisions made to the Program Income ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to the Commonwealth DHS.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2021 to JUNE 30, 2022

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	24,304,078
Supplemental Act 148			<u>0</u>
Total State Allocation			24,304,078
State Share (CY348) ²	\$	20,241,984	
Less: Major Service Category Adjustment		<u>0</u>	
Net State Share	\$	20,241,984	
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>	
Final Net State Share Payable ³	\$	20,241,984	
Actual Act 148 Revenues Received ⁴			<u>20,245,485</u>
Net Amount Due County/(State) ⁵	\$		<u><u>(3,501)</u></u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022
AMENDED CY348
FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	FAMILY FIRST TRANSITION ACT	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	835,917	0	125,980	0	0	0	0	0	709,937	709,937	0
02. 90% REIMBURSEMENT	1,187,260	7,221	136,471	0	0	0	0	0	1,043,568	939,211	104,357
03. 80% REIMBURSEMENT	25,212,038	361,408	5,107,083	1,273,536	0	0	0	0	18,470,011	14,776,007	3,694,004
04. 60% REIMBURSEMENT	6,066,084	69,770	567,886	0	483,979	236,098	0	15,682	4,692,669	2,815,602	1,877,067
05. 50% REIMBURSEMENT	2,007,048	4,596	0	0	0	0	0	0	2,002,452	1,001,227	1,001,225
06. TOTAL NET CHILD WELFARE EXPEND.	35,308,347	442,995	5,937,420	1,273,536	483,979	236,098	0	15,682	26,918,637	20,241,984	6,676,653
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	513,750	4,380							509,370	305,622	203,748
08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0
09. TOTAL EXPENDITURES	35,822,097	447,375	5,937,420	1,273,536	483,979	236,098	0	15,682	27,428,007	20,547,606	6,880,401
10. TOTAL TITLE IV-D COLLECTIONS	208,447										
11. TITLE IV-D Collections for IV-E Children	45,751										
12. STATE ACT 148 - line 6	20,241,984										
13. STATE ACT 148 ALLOCATION	24,304,078										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	20,241,984										
INVOICE											
AMENDED STATE SHARE (ACT 148)	20,241,984										
ACT 148 AMOUNT RECEIVED	20,245,485										
ADJUSTMENT TO STATE SHARE	(3,501)										

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022
AMENDED CY370A
REVENUE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES											
		1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Family First Transition Act	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A	ADOPTION SERVICE	835,917	0		125,980	0		0	0	0	709,937	709,937	0
1-B	ADOPTION ASSISTANCE	3,482,025	0	1,764,907	24,412			0	0	0	1,692,706	1,354,165	338,541
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	836,321	0	354,287	0			0	0	0	482,034	385,627	96,407
1-D	COUNSELING - DEPENDENT	1,064,497	0		93,804	45,387	0	0	0	0	925,306	740,245	185,061
1-E	COUNSELING - DELINQUENT	190,019	0			72,336	0	0	0	0	117,683	94,146	23,537
1-F	DAY CARE	70,836	0		0	21,438	0	0	0	0	49,398	39,518	9,880
1-G	DAY TREATMENT - DEPENDENT	26,613	0		0	0	0	0	0	0	26,613	21,290	5,323
1-H	DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I	HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J	INTAKE & REFERRAL	1,476,504	0		222,758	0	0	0	0	0	1,253,746	1,002,997	250,749
1-K	LIFE SKILLS - DEPENDENT	2,404,456	0		109,522	516,546	0	0	0	0	1,778,388	1,422,710	355,678
1-L	LIFE SKILLS - DELINQUENT	1,225,457	0		0	564,429	0	0	0	0	661,028	528,822	132,206
1-M	PROTECTIVE SERVICE - CHILD ABUSE	1,933,425	0		260,830	53,400	0	0	0	0	1,619,195	1,295,356	323,839
1-N	PROTECTIVE SERVICE - GENERAL	2,583,708	0		386,340	0	0	0	0	0	2,197,368	1,757,894	439,474
1-O	SERVICE PLANNING	430,742	0		64,867	0	0	0	0	0	365,875	292,700	73,175
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	551,069	0		0	0	0	0	0	0	551,069	275,535	275,534
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-R	SUBTOTAL IN-HOME	17,111,589	0	2,119,194	1,288,513	1,273,536	0	0	0	0	12,430,346	9,920,942	2,509,404
COMMUNITY BASED PLACEMENT		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	2,481,814	14,034	214,353	142,571	0	0	0	0	0	2,110,856	1,688,685	422,171
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	568,842	31,179	6,417	470	0	0	0	0	0	530,776	424,621	106,155
2-E	EMERGENCY SHELTER - DEPENDENT	1,156,019	7,221	90,200	46,271	0	0	0	0	0	1,012,327	911,094	101,233
2-F	EMERGENCY SHELTER - DELINQUENT	31,241	0	0	0	0	0	0	0	0	31,241	28,117	3,124
2-G	FOSTER FAMILY - DEPENDENT	3,374,419	115,965	540,297	444,898	0	0	0	0	0	2,273,259	1,818,607	454,652
2-H	FOSTER FAMILY - DELINQUENT	110,603	34,018	0	0	0	0	0	0	0	76,585	61,268	15,317
2-I	KINSHIP CARE - DEPENDENT	1,470,543	128,460	201,749	154,660	0	0	0	0	0	985,674	788,539	197,135
2-J	KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K	SUP. INDEPENDENT LIVING - DEPENDENT	1,381,989	35,439	77,692	42,249	0	0	0	0	0	1,226,609	981,287	245,322
2-L	SUP. INDEPENDENT LIVING - DELINQUENT	99,225	2,313	0	0	0	0	0	0	0	96,912	77,530	19,382
2-M	SUBTOTAL CBP	10,674,695	368,629	1,130,708	831,119	0	0	0	0	0	8,344,239	6,779,748	1,564,491
INSTITUTIONAL PLACEMENT		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A	JUVENILE DETENTION SERVICE	1,455,979	4,596	52,484	23,755	0	241,989	118,049	0	0	1,451,383	725,692	725,691
3-B	RESIDENTIAL SERVICE - DEPENDENT	2,151,087	54,809	0	0	0	241,990	118,049	0	0	1,660,001	996,001	664,000
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	617,840	14,664	0	0	0	0	0	0	0	243,137	145,882	97,255
3-D	SECURE RES. SERVICE (EXCEPT YDC)	37,020	297	0	0	0	0	0	0	0	36,723	22,034	14,689
3-E	YDC SECURE	513,750	4,380	52,484	23,755	0	0	0	0	0	509,370	305,622	203,748
3-F	SUBTOTAL INSTITUTIONAL	4,775,676	78,746	52,484	23,755	0	483,979	236,098	0	0	3,900,614	2,195,231	1,705,383
4	ADMINISTRATION	3,260,137	0		491,647		0	0	0	15,682	2,752,808	1,651,685	1,101,123
5	TOTAL REVENUES	35,822,097	447,375	3,302,386	2,635,034	1,273,536	483,979	236,098	0	15,682	27,428,007	20,547,606	6,880,401

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
	539,527	226,049		70,341	0	0	835,917	46	0	0	0	0
	0	0	3,482,025	0	0	0	3,482,025	0	549	0	0	0
	0	0	836,321	0	0	0	836,321	0	134	0	0	0
	401,533	168,194		52,122	442,648	0	1,064,497	756	160	0	0	0
	0	0			190,019	0	190,019	0	83	0	0	0
	0	0		0	70,836	0	70,836	0	68	0	0	0
	0	0		0	26,613	0	26,613	0	14	0	0	0
	0	0		0	0	0	0	0	0	0	0	0
	0	0		0	0	0	0	0	0	0	0	0
	952,803	399,370		124,331	0	0	1,476,504	4,274	0	0	0	0
	468,641	196,314		61,042	1,678,459	0	2,404,456	661	353	0	0	0
	0	0		0	1,225,457	0	1,225,457	0	190	0	0	0
	1,115,719	467,684		145,526	204,496	0	1,933,425	2,513	224	0	0	0
	1,652,849	692,611		215,488	22,760	0	2,583,708	6,873	6	0	0	0
	277,787	116,059		36,896	0	0	430,742	4	0	0	0	0
					551,069		551,069	0	158	0	0	0
	5,408,859	2,266,281	4,318,346	705,746	4,412,357	0	17,111,589			0	0	0
	LRCNP = Legal Representation for Children in Placement = \$											
	LRCNP = Legal Representation for Children Non-Placement = \$											
	Number of Children receiving only NON-PURCHASED III Services											
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	386,316	161,720	0	50,425	1,883,353	0	2,481,814	6,249	44	0	0	0
	0	0	0	0	568,842	0	568,842	2,266	18	0	0	0
	153,960	64,479	0	20,069	917,511	0	1,156,019	2,621	66	0	0	0
	0	0	0	0	31,241	0	31,241	81	5	0	0	0
	704,392	294,908	0	91,837	2,283,282	0	3,374,419	47,565	211	0	0	0
	0	0	0	0	110,603	0	110,603	673	6	0	0	0
	385,813	161,542	0	50,151	873,037	0	1,470,543	27,554	163	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	1,381,989	0	1,381,989	5,426	37	0	0	0
	0	0	0	0	99,225	0	99,225	324	2	0	0	0
	1,630,481	682,649	0	212,482	8,149,083	0	10,674,695	92,759	552	0	0	0
	SUBTOTAL CRP											
	0	0	0	0	4,775,676	0	4,775,676	15,657	176	0	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
	0	0	0	0	1,455,979	0	1,455,979	3,040	120	0	0	0
	0	0	0	0	2,151,087	0	2,151,087	9,842	29	0	0	0
	0	0	0	0	617,840	0	617,840	1,853	19	0	0	0
	0	0	0	0	37,020	0	37,020	100	1	0	0	0
	0	0	0	0	513,750	0	513,750	822	7	0	0	0
	SUBTOTAL INSTITUTIONAL											
	0	0	0	0	4,775,676	0	4,775,676	15,657	176	0	0	0
ADMINISTRATION	1,509,672	630,799	0	1,119,666	0	0	3,260,137			0	0	0
	8,549,012	3,579,729	4,318,346	2,037,894	17,337,116	0	35,822,097			0	0	0
TOTAL EXPENDITURES												
County Indirect Costs = \$ 922,938												

**MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2021 TO JUNE 30, 2022
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 835,917	\$ 0	\$ 835,917
Adoption Assistance	3,482,025	0	3,482,025
Subsidized Permanent Legal Custodianship	836,321	0	836,321
Counseling	1,254,516	0	1,254,516
Day Care	70,836	0	70,836
Day Treatment	26,613	0	26,613
Homemaker Service	0	0	0
Intake and Referral	1,476,504	0	1,476,504
Life Skills	3,629,913	0	3,629,913
Protective Service - Child Abuse	1,933,425	0	1,933,425
Protective Service - General	2,583,708	0	2,583,708
Service Planning	430,742	0	430,742
Juvenile Act Proceedings	551,069	0	551,069
Alternative Treatment	0	0	0
Community Residential	3,050,656	0	3,050,656
Emergency Shelter	1,187,260	0	1,187,260
Foster Family	3,485,022	0	3,485,022
Kinship Care	1,470,543	0	1,470,543
Supervised Independent Living	1,481,214	0	1,481,214
Juvenile Detention Service	1,455,979	0	1,455,979
Residential Service	2,768,927	0	2,768,927
Secure Residential Service (Except YDC)	37,020	0	37,020
YDC Secure	513,750	0	513,750
Administration	3,260,137	0	3,260,137
Combined Total Expense	35,822,097	0	35,822,097
Less Non-reimbursables	0	0	0
Total Net Expense	\$ <u>35,822,097</u>	\$ <u>0</u>	\$ <u>35,822,097</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 8,549,012	\$ 0	\$ 8,549,012
Employee Benefits	3,579,729	0	3,579,729
Subsidies	4,318,346	0	4,318,346
Operating	2,037,894	0	2,037,894
Purchased Services	17,337,116	0	17,337,116
Fixed Assets	0	0	0
Combined Total Expense	35,822,097	0	35,822,097
Less Non-reimbursables	0	0	0
Total Net Expense	\$ <u>35,822,097</u>	\$ <u>0</u>	\$ <u>35,822,097</u>

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FSICAL YEAR JULY 1, 2021 TO JUNE 30, 2022
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370A	3-B	2	1	<p style="text-align: center;">CY-370A Adjustment</p> <p>Residential Service (Dependent) - Program Income</p> <p>To increase Program Income by \$5,835 to include revisions made to the Program Income ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to the Commonwealth DHS.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 48,974	\$ 5,835	\$ 54,809

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

The prior report included the following findings:

Finding No. 1 - Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings Submitted by Contracted In-Home Purchased Service Providers (Resolved)

In our prior engagement report, for the fiscal years July 1, 2017 to June 30, 2019, we cited the agency for failing to develop and implement internal control policies and procedures to require adequate supporting documentation evidencing that services related to fees invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms.

The Montgomery County Juvenile Probation Office (JPO) did not develop and implement In-Home Purchased Service policy and procedures for invoices for the Purchased Services – Delinquent cost center during the engagement period. However, we verified that the agency implemented fiscal-related policy and procedures in May 2024. Although the risks related to the lack of internal controls existed during the engagement period, we concluded the issuance of a repeat finding is not warranted due to the implementation of procedures after the engagement period.

Finding No. 2 – Failure to Report Expenditures on an Accrual Basis (Resolved)

In our prior engagement report, for the fiscal years July 1, 2017 to June 30, 2019, we cited the agency for failing to report expenditures on an accrual basis. Amounts included on the CY370 Expenditure Report and submitted to the Commonwealth DHS were reported by the date recorded in the accounting system instead of the date services were provided.

During the conduct of our current engagement, we determined that the agency developed and implemented a new accounting procedure and reported expenditures using the accrual basis. Although we could not test whether transactions within the operating category of expenditures were recorded on the accrual basis due to the issues described in the letter from the Auditor General above, we concluded that a repeat of the finding is not warranted based on the testing we were able to perform.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding - Failure to Perform an Adequate Reconciliation of Agency Records to County Records

Condition: The Montgomery County Children and Youth Agency (agency) did not reconcile the agency's Purchased Services and Subsidy expenditures presented on the quarterly fiscal reports to the related expenditures recorded in the county's general ledger for the 2019-2020, 2020-2021, and 2021-2022 fiscal years. The agency uses the same ledgers as the county for recording Wages & Salaries, Employee Benefits, Operating, Fixed Assets and Program Income, but the agency records Purchased Services and Subsidies on separate ledgers. The agency planned to address this issue with the installation of a new accounting system in May 2021, but the agency was unable to provide evidence that the Purchased Services and Subsidies categories of expenditures were reconciled to the County's general ledger.

Criteria: The Department of Human Services, Office of Children, Youth and Families (DHS, OCYF) issues bulletins related to the Act 148 Invoicing Procedures for County Child Social Services and requires the submission of a CY-376 Certification Statement with the fiscal reports included in the quarterly Act 148 Invoice Package. The bulletin numbers for the fiscal years in the engagement period are Bulletin 3140-20-02 for the 2019-2020 fiscal year, Bulletin 3140-21-01 for the 2020-2021 fiscal year, and Bulletin 3140-22-01 for the 2021-2022 fiscal year.

- The CY-376 Certification Statement submitted by the agency with its quarterly fiscal reports of the expenditures and revenues and signed by the county commissioners states, in part, that *"We certify that we are the authorized official(s) of the above-named county, and that this statement of receipts and expenditures for the period shown is true and correct to the best of our knowledge and belief; that the expenditures and income shown on these forms have been reconciled with the related balances of the books of this County...."*

Cause: Agency staff stated that due to lack of staffing and significant staffing turnover, they could not provide evidence that the agency reconciled Purchased Services and Subsidies to the County's general ledger. Therefore, we could not determine the reason why the agency either did not perform or did not maintain documentation of reconciliations.

Effect: Reconciling to the county's records may identify errors in the agency's records, and failure to reconcile increases the risk of errors occurring and not being detected. This may lead to the agency's inaccurate invoicing of their net costs to the Commonwealth DHS and, in turn, the agency's receipt of Act 148 funds to which it may not be entitled.

Recommendation: We recommend that the agency ensure it reconciles its financial records with the related financial records of the County prior to submitting its quarterly Act 148 fiscal reports

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
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to DHS. The agency should maintain evidence of these reconciliations, along with the documentation utilized in the preparation of the reconciliations.

Agency Response: Montgomery County Health and Human Services disagrees with the finding and considers this a recommendation. The County reports under the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 1 year of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Auditor's Conclusion: The use of the modified accrual basis of accounting does not absolve counties from the DHS requirement to reconcile the expenditures and income reported on the fiscal reports to the related balances of the books of the county. Therefore, the finding remains as presented.

MONTGOMERY COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

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