

**COUNTY OF LEHIGH,  
PENNSYLVANIA**

**SINGLE AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2012**

COUNTY OF LEHIGH, PENNSYLVANIA  
SINGLE AUDIT REPORT  
YEAR ENDED DECEMBER 31, 2012

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# Zelenkofske Axelrod LLC

## INDEPENDENT AUDITORS' 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 County Commissioners  
County of Lehigh  
Allentown, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of COUNTY OF LEHIGH, PENNSYLVANIA, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise COUNTY OF LEHIGH, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated June 26, 2013.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Allentown, Pennsylvania  
June 26, 2013

# Zelenkofske Axelrod LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND  
THE PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE SINGLE AUDIT SUPPLEMENT,  
AND ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AND PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE AWARDS

Board of County Commissioners  
County of Lehigh  
Allentown, Pennsylvania

### **Report on Compliance for Each Major Federal and DPW Program**

We have audited COUNTY OF LEHIGH, PENNSYLVANIA's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the Pennsylvania Department of Public Welfare (DPW) Single Audit Supplement that could have direct and material effect on each COUNTY OF LEHIGH, PENNSYLVANIA's major federal and DPW programs for the year ended December 31, 2012. COUNTY OF LEHIGH, PENNSYLVANIA's major federal and DPW 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 DPW programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of COUNTY OF LEHIGH, PENNSYLVANIA's major federal and DPW 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and DPW Single Audit Supplement. Those standards, OMB Circular A-133, and DPW Single Audit Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and DPW program occurred. An audit includes examining, on a test basis, evidence about COUNTY OF LEHIGH, PENNSYLVANIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and DPW program. However, our audit does not provide a legal determination of COUNTY OF LEHIGH, PENNSYLVANIA's compliance.

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# Zelenkofske Axelrod LLC

## ***Basis for Qualified Opinions on Second Chance Act Prisoner Reentry Initiative Program and Emergency Management Performance Grant***

As described in the accompanying schedule of findings and questioned costs COUNTY OF LEHIGH, PENNSYLVANIA did not comply with requirements regarding, CFDA #97.042 Emergency Management Performance Grant and CFDA #16.812 Second Chance Act Prisoner Reentry Initiative Program as described in finding numbers 2012-1 for Reporting and 2012-2 for Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for COUNTY OF LEHIGH, PENNSYLVANIA to comply with the requirements applicable to that program.

## ***Qualified Opinions on Second Chance Act Prisoner Reentry Initiative Program and Emergency Management Performance Grant***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, COUNTY OF LEHIGH, PENNSYLVANIA, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Second Chance Act Prisoner Reentry Initiative Program and Emergency Management Performance Grant for the year ended December 31, 2012.

## ***Unmodified Opinion on Each of the Other Major Federal and DPW Programs***

In our opinion, COUNTY OF LEHIGH, PENNSYLVANIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal and DPW programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

## ***Other Matters***

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

## ***Report on Internal Control Over Compliance***

Management of COUNTY OF LEHIGH, PENNSYLVANIA, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered COUNTY OF LEHIGH, PENNSYLVANIA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and DPW program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and DPW program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and DPW Single Audit Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of COUNTY OF LEHIGH, PENNSYLVANIA 's internal control over compliance.

# Zelenkofske Axelrod LLC

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-2 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and DPW Single Audit Supplement. Accordingly, this report is not suitable for any other purpose.

# Zelenkofske Axelrod LLC

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Board of County Commissioners  
County of Lehigh  
Allentown, Pennsylvania

## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 and DPW Single Audit Supplement**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of COUNTY OF LEHIGH, PENNSYLVANIA's as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise COUNTY OF LEHIGH, PENNSYLVANIA's basic financial statements. We issued our report thereon dated June 26, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and DPW awards is presented for purposes of additional analysis as required by OMB Circular A-133 and DPW Single Audit Supplement and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and DPW awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Zelenkofske Axelrod LLC*  
ZELENKOFKSKE AXELROD LLC

Allentown, Pennsylvania  
June 26, 2013



COUNTY OF LEHIGH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	(Accrued/ Deferred Revenue at December 31, 2011	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at December 31, 2012
<b>U.S. Department of Agriculture</b>					
Pass-through Commonwealth of Pennsylvania Department of Public Welfare:					
State Admin Matching Grants for Food Stamp Program	10.561	\$ -	\$ 75,415	\$ 75,415	\$ -
Pass-through Commonwealth of Pennsylvania Department of Agriculture:					
Emergency Food Assistance Program Administrative Costs	10.568	(9,873)	26,785	35,530	18,818
Emergency Food Assistance Program Commodities	10.569	-	234,207	234,207	-
Total Emergency Food Assistance Cluster		(9,873)	260,992	269,737	18,818
Total U.S. Department of Agriculture		(9,873)	336,407	345,152	18,618
<b>U.S. Department of Housing and Urban Development</b>					
CDBG 2007 - Direct Federal Funding ME# B-07-UC-42-0011	14.228	-	1,180	1,180	-
CDBG 2008 - Direct Federal Funding ME# B-08-UC-42-0011	14.228	(129,772)	226,555	96,783	-
CDBG 2009 - Direct Federal Funding ME# B-09-UC-42-0011	14.228	(96,981)	460,800	377,004	(6,615)
CDBG 2010 - Direct Federal Funding ME# B-10-UC-42-0011	14.228	(256,153)	751,339	441,059	(54,127)
CDBG 2011 - Direct Federal Funding ME# B-11-UC-42-0011	14.228	(2,520)	977,854	837,824	(137,510)
CDBG 2012 - Direct Federal Funding ME# B-12-UC-42-0011	14.228	-	-	(82,054)	(82,054)
Pass-through Pennsylvania Department of Community and Economic Development:					
Community Development Block Grants/State's Program					
Community Development Block Grant - Neighborhood Stabilization Program	14.228	(3,363)	319,445	234,028	5,534
Total CDBG - State-Administered Small Cities Program		(488,789)	2,756,973	1,905,824	(274,772)
Homelessness Prevention & Rapid Re-Housing Program ME# S-09-UY-42-0015 - ARRA	14.257	-	96,091	96,091	-
Homelessness Prevention & Rapid Re-Housing Program - ARRA	14.257	-	9,838	9,838	-
Total Homeless Prevention & Rapid Re-Housing Program- ARRA		-	105,929	105,929	-
Total U.S. Department of Housing and Urban Development		(488,789)	2,862,902	2,011,753	(274,772)
<b>U.S. Department of Justice</b>					
State Criminal Alien Assistance Program	16.606	-	91,771	91,771	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories -ARRA - JAG Cluster	16.803	(59,282)	59,282	-	*
Second Chance Act Prisoner Reentry Initiative	16.812	(32,585)	228,662	233,043	*
Pass-through Commonwealth of Pennsylvania Commission on Crime and Delinquency:					
Juvenile Accountability Block Grants	16.523	(10,578)	26,140	23,261	7,899
Violence Against Women Formula Grants	16.588	(43,524)	119,668	76,144	-
Public Safety Partnership and Community Policing Grants	16.710	(92,883)	962,757	956,054	*
Edward Byrne Memorial Justice Assistance Grant Program - JAG Cluster	16.738	(18,046)	75,053	57,007	*
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories -ARRA - JAG Cluster	16.803	(22,119)	74,849	52,530	*
Subtotal Commonwealth of Pennsylvania Commission on Crime and Delinquency		(187,150)	1,258,267	1,164,996	93,879
Total U.S. Department of Justice		(279,017)	1,637,982	1,489,810	130,845
<b>U.S. Department of Labor</b>					
Pass-through Commonwealth of Pennsylvania Department of Aging:					
Senior Community Service Employment Program	17.235	(27,018)	91,130	87,540	23,426
Total U.S. Department of Labor		(27,018)	91,130	87,540	23,426
<b>U.S. Department of Transportation</b>					
Pass-through Commonwealth of Pennsylvania Department of Transportation:					
Highway Planning and Construction - Cluster	20.205	(323,154)	3,155,695	2,832,541	*
Pass-through Commonwealth of Pennsylvania Emergency Management Agency:					
Interagency Hazardous Materials Public Sector Training and Planning	20.703	-	8,861	8,861	-
Pass-through Commonwealth of Pennsylvania Department of Transportation:					
Recreational Trails Program - Highway Planning and Construction Cluster	20.219	-	32,000	32,000	*
Total U.S. Department of Transportation		(323,154)	3,196,556	2,873,402	-
<b>U.S. Election Assistance Commission</b>					
Pass-through Commonwealth of Pennsylvania Department of State:					
HAVA - Title II, Section 102	39.011	(395)	395	-	-
Voting Access for Individuals with Disabilities	93.817	-	2,241	7,296	5,055
Total U.S. Election Assistance Commission		(395)	2,636	7,296	5,055
<b>Environmental Protection Agency</b>					
Capitalization Grants for Clean Water State Revolving Funds	66.458	-	2,000	2,000	-
Total Environmental Protection Agency		-	2,000	2,000	-

\* Denotes tested as a major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF LEHIGH  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	(Accrued/ Deferred Revenue at December 31, 2011	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at December 31, 2012
<b>U.S. Department of Education</b>					
Pass-through Commonwealth of Pennsylvania Department of Public Welfare:					
Special Education - Grants for Infants and Families with Disabilities	84.181	-	182,322	182,322	-
Total Early Intervention Services (IDEA) Cluster		-	182,322	182,322	-
Total U.S. Department of Education		-	182,322	182,322	-
<b>U.S. Department of Health and Human Services</b>					
Pass-through Commonwealth of Pennsylvania Department of Aging:					
Special Programs for Aging-					
Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	-	2,404	2,404	-
Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042	-	161,712	161,712	-
Title III, Part F-Disease Prevention and Health Promotion Services	93.043	-	13,357	13,357	-
Title III, Part B-Grants for Supportive Services and Senior Centers - Aging Cluster	93.044	-	614,793	614,793	-
Title III, Part C-Nutrition Services - Aging Cluster	93.045	-	503,255	503,255	-
Nutritional Services Incentive Program - Aging Cluster	93.053	-	86,867	86,867	-
Total Aging Cluster		-	1,204,915	1,204,915	-
National Family Caregiver	93.052	-	116,778	116,778	-
Affordable Care Act- Medicare Improvements for Patients and Providers	93.518	-	18,849	18,849	-
Medical Assistance Program-Title XIX-60+Waiver	93.778	(41,852)	713,173	671,321	-
Health Care Financing Research, Evaluations-Options-Level II Assessments	93.779	-	36,183	36,183	-
Subtotal Pennsylvania Department of Aging		(41,852)	2,267,371	2,225,519	-
Pass-through Commonwealth of Pennsylvania Department of Public Welfare:					
Guardianship Assistance	93.090	(20,916)	111,001	90,085	-
Projects for Assistance in Transition for Homelessness	93.150	-	34,842	34,842	-
Temporary Assistance for Needy Families	93.558	(718,389)	1,530,990	1,379,194 *	566,593
Child Support Enforcement-Title IV-D and Incentives ME# 4100030095	93.563	(1,258,687)	3,726,276	3,895,876	1,428,287
Grants to States for Access and Visitation Programs	93.597	(5,937)	11,172	5,821	586
Child Care Cluster	93.575	-	3,707,961	3,707,961	-
Child Care Cluster	93.596	-	3,504,879	3,504,879	-
Total Child Care Cluster		-	7,212,840	7,212,840 *	-
Child Welfare Services-Title IV-B	93.845	-	128,170	128,170	-
Foster Care-Title IV-E	93.658	(55,806)	3,500,368	3,480,673 *	36,111
Adoption Assistance - Title IV-E	93.659	(400,120)	1,675,453	1,680,610 *	405,277
Social Services Block Grant	93.667	-	793,532	793,532	-
Title XX	93.867	-	229,495	229,495	-
Independent Living	93.674	(48,321)	130,633	82,312	-
Medical Assistance Program-Attendant Care Waiver	93.778	(13,565)	77,227	69,699	6,037
Medical Assistance Waiver Program	93.778	-	372,153	372,153	-
Medical Assistance TSM Admin	93.778	-	13,436	13,436	-
Medical Assistance Program-Case Management Administration	93.778	(4,889)	18,117	13,228	-
Medical Assistance Transportation Program	93.778	(39,426)	1,369,842	1,330,416	-
Block Grants for Community Mental Health Services	93.958	-	122,462	122,462	-
Subtotal Pennsylvania Department of Public Welfare		(2,566,056)	21,058,009	20,934,844	2,442,891
Pass-through Commonwealth of Pennsylvania Department of Health:					
Block Grants for the Prev. and Treat. of Substance Abuse	93.959	(113,446)	1,397,707	1,284,261	-
Total U.S. Department of Health and Human Services		(2,721,354)	24,723,087	24,444,624	2,442,891
<b>U.S. Department of Homeland Security</b>					
Pass-through Commonwealth of Pennsylvania Emergency Management Agency:					
Emergency Management Performance Grants	97.042	-	155,220	155,220 *	-
Homeland Security Grant Program	97.067	-	12,707	12,707	-
Total U.S. Department of Homeland Security		-	167,927	167,927	-
<b>TOTAL FEDERAL AWARDS</b>		<b>\$ (3,849,598)</b>	<b>\$ 33,202,949</b>	<b>\$ 31,611,826</b>	<b>\$ 2,346,063</b>

\* Denotes tested as a major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF LEHIGH, PENNSYLVANIA  
 SCHEDULE OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE EXPENDITURES  
 YEAR ENDED DECEMBER 31, 2012

<u>Program</u>	<u>Combined Federal and State Expenditures</u>
Child Support Enforcement	\$ 3,902,273
Children and Youth	22,312,247 *
Medical Assistance Transportation Program	2,806,200
Mental Health/Mental Retardation	20,916,392
Combined Homeless Assistance Programs	425,365
Waiver Attendant Care Program	139,398
Non-Waiver Attendant Care Program	122,136
Child Care Information Services	9,457,673 *
Human Services Development Fund	<u>265,766</u>
	<u>\$ 60,347,450</u>

\* Denotes a major program for Pennsylvania Department of Public Welfare purposes. The 2012 threshold for determining Type A and Type B programs under the Federal definition is \$948,355 (3% of \$31,611,826 in total Federal expenditures). The amount expended under major Pennsylvania Department of Public Welfare programs audited as major for the year ended December 31, 2012, totaled \$31,769,920 or 52.7% of total DPW financial assistance.

COUNTY OF LEHIGH, PENNSYLVANIA  
 NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
 YEAR ENDED DECEMBER 31, 2012

NOTE 1: REPORTING ENTITY

The County of Lehigh, Pennsylvania (the "County"), as the reporting entity for financial reporting purposes, is defined in Note 1 to the County's financial statements. For purposes of preparing the schedules of expenditures of awards, the County's reporting entity is the same as was used for financial purposes.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting, which is described in Note 1 to the County's financial statements.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2012 threshold for determining Type A and Type B programs is \$948,355.

The following low risk Type A programs were not audited as major programs for federal and DPW purposes:

<u>CFDA #</u>	<u>Program</u>
14.228	Community Development Block Grant
93.044/93.045/93.053	Aging Cluster
93.563	Child Support Enforcement
93.778	Medical Assistance Program
93.959	Substance Abuse Block Grant
PA DPW	MATP
PA DPW	MH/MR
PA DPW	Child Support Enforcement

The following high risk Type B programs were audited as major programs for federal and DPW purposes:

<u>CFDA #</u>	<u>Program</u>
16.738/16.803	JAG Cluster
16.812	Second Chance Act Prisoner Initiative
97.042	Emergency Management Performance Grant

The amount expended under programs audited as major federal programs for the year ended December 31, 2012, totaled \$18,071,712 or 57.17% of total federal awards expended.

COUNTY OF LEHIGH, PENNSYLVANIA  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS  
YEAR ENDED DECEMBER 31, 2012

## NOTE 4: PROGRAM CLUSTERS

The following program clusters, as defined by OMB Circular A-133, were treated as a single program for determining major programs:

	<u>CFDA #</u>	<u>Expenditures</u>
<u>Emergency Food Cluster</u>		
Emergency Food Assistance – Admin	10.568	\$ 35,530
Emergency Food Assistance – Commodities	10.569	<u>234,207</u>
Total Emergency Food Cluster		<u>\$ 269,737</u>
<u>JAG Cluster</u>		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 57,007
Edward Byrne Memorial Justice Assistance Grant Program - ARRA	16.803	<u>52,530</u>
Total JAG Cluster		<u>\$ 109,537</u>
<u>Highway Planning and Construction Cluster</u>		
Highway Planning and Construction	20.205	\$ 2,832,541
Recreational Trails Program	20.219	<u>32,000</u>
Total Highway Planning and Construction Cluster		<u>\$ 2,864,541</u>
<u>Aging Cluster</u>		
Aging – Title III, Part B	93.044	\$ 614,793
Aging – Title III, Part C	93.045	503,255
Aging – Nutritional Services Incentive Program	93.053	<u>86,867</u>
Total Aging Cluster		<u>\$ 1,204,915</u>
<u>Child Care Cluster</u>		
Child Care and Development Block Grants	93.575	\$ 3,707,961
Child Care Mandatory and Matching Fund	93.596	<u>3,504,879</u>
Total Child Care Cluster		<u>\$ 7,212,840</u>

# Zelenkofske Axelrod LLC

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE FINANCIAL SCHEDULES AND EXHIBITS REQUIRED BY THE PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE

Board of County Commissioners  
County of Lehigh  
Allentown, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Public Welfare ("DPW") and the COUNTY OF LEHIGH, PENNSYLVANIA, solely to assist you with respect to the financial schedules and exhibits required by the DPW Single Audit Supplement. We did not perform the agreed-upon procedures for the financial schedules and exhibits on the Child Care Information Services Program (Exhibits XVIII) or the Medical Assistance Transportation Program (Exhibit III). The procedures enumerated below for these programs were performed by other auditors whose reports thereon have been furnished to us and our report on those procedures, insofar as it relates to the schedules and exhibits of the Child Care Information Services Program and the Children and Youth Program, was based solely on the report of other auditors. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DPW and the management of the County of Lehigh. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a) We have verified by comparison the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for the fiscal year ended June 30, 2012, have been accurately compiled and reflect the audited books and records of the COUNTY OF LEHIGH, PENNSYLVANIA. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

<b>Harrisburg</b>	<b>Lehigh Valley</b>	<b>Philadelphia</b>	<b>Pittsburgh</b>
830 Sir Thomas Court, Suite 100 Harrisburg, PA 17109 717.561.9200 Fax 717.561.9202	1101 West Hamilton Street Allentown, PA 18101-1043 610.871.5077 Fax 717.561.9202	2370 York Road, Suite A-5 Jamison, PA 18929 215.918.2277 Fax 215.918.2302	3800 McKnight E. Drive, Suite 3805 Pittsburgh, PA 15237 412.367.7102 Fax 412.367.7103

# Zelenkofske Axelrod LLC

Board of County Commissioners  
County of Lehigh  
Allentown, Pennsylvania

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Title IV-D Child Support Enforcement Program	A-1	Summary of Expenditures
Medical Assistance Transportation	III	Schedule of Revenues and Expenditures
Mental Health/Mental Retardation (MH/MR)	IV(a)MH	Schedule of Revenues, Expenditures, and Carryover Funds – MH
	IV(b)MH	Report of Income and Expenditures – MH
	IV(c)ID	Schedule of Revenues, Expenditures, and Carryover Funds – ID
	IV(d)ID	Report of Income and Expenditures – ID
Early Intervention	V(a)EI	Schedule of Revenues, Expenditures, and Carryover Funds – EI
	V(b)EI	Report of Income and Expenditures – EI
Child Care Information Services	XVIII	CCIS Recap
Combined Homeless Assistance Program	XIX	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 DPW for the period in question.
- c) The processes detailed in paragraphs (a) and (b) above disclosed that no adjustments were necessary.

# Zelenkofske Axelrod LLC

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Board of County Commissioners  
County of Lehigh  
Allentown, Pennsylvania

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

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

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Allentown, Pennsylvania  
June 26, 2013



COUNTY OF LEHIGH, PENNSYLVANIA  
PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE  
SCHEDULES AND EXHIBITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

COUNTY OF LEHIGH  
SUMMARY OF EXPENDITURES - TITLE IV-D CHILD SUPPORT ENFORCEMENT PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Single Audit Expenditures						Reported Expenditures						Single Audit Over (Under) Reported					
	(A) Total	(B) Unallowable	(C) Incentive Paid Costs	(D) Net (A-B-C)	(E) FFP	Amount Paid (D x E)	(A) Total	(B) Unallowable	(C) Incentive Paid Costs	(D) Net (A-B-C)	(E) FFP	Amount Paid (D x E)	(A) Total	(B) Unallowable	(C) Incentive Paid Costs	(D) Net (A-B-C)	(E) FFP	Amount Paid (D x E)
<b>Calendar Quarter Ended 9/30/11</b>																		
Salary/Overhead (Exclude Blood Tests)	\$ 1,555,646	\$ 43,759	\$ 119,528	\$ 1,392,359	66%	\$ 918,956	\$ 1,555,646	\$ 43,759	\$ 119,528	\$ 1,392,359	66%	\$ 918,956	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Interest/Program Income	14,133	403	-	13,730	66%	9,061	14,133	403	-	13,730	66%	9,061	-	-	-	-	66%	-
Genetic Testing Fees	1,597	-	-	1,597	66%	1,054	1,597	-	-	1,597	66%	1,054	-	-	-	-	66%	-
Subtotal (1-2-3-4)	1,539,916	43,356	119,528	1,377,032	-	908,841	1,539,916	43,356	119,528	1,377,032	-	908,841	-	-	-	-	-	-
Genetic Testing Fees	4,338	-	-	4,338	66%	2,863	4,338	-	-	4,338	66%	2,863	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
<b>Net Total (5+6+7)</b>	<b>\$ 1,544,254</b>	<b>\$ 43,356</b>	<b>\$ 119,528</b>	<b>1,381,370</b>	-	<b>\$ 911,704</b>	<b>\$ 1,544,254</b>	<b>\$ 43,356</b>	<b>\$ 119,528</b>	<b>\$ 1,381,370</b>	-	<b>\$ 911,704</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	-	<b>\$ -</b>
<b>Calendar Quarter Ended 12/31/2011</b>																		
Salary/Overhead (Exclude Blood Tests)	\$ 1,468,751	\$ 42,234	\$ 119,341	\$ 1,307,176	66%	\$ 862,736	\$ 1,468,751	\$ 42,234	\$ 119,341	\$ 1,307,176	66%	\$ 862,736	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Interest/Program Income	14,682	425	-	14,257	66%	9,410	14,682	425	-	14,257	66%	9,410	-	-	-	-	66%	-
Genetic Testing Fees	938	-	-	938	66%	620	938	-	-	938	66%	620	-	-	-	-	66%	-
Subtotal (1-2-3-4)	1,453,131	41,809	119,341	1,291,981	-	852,706	1,453,131	41,809	119,341	1,291,981	-	852,706	-	-	-	-	-	-
Genetic Testing Fees	3,784	-	-	3,784	66%	2,498	3,784	-	-	3,784	66%	2,498	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
<b>Net Total (5+6+7)</b>	<b>\$ 1,456,915</b>	<b>\$ 41,809</b>	<b>\$ 119,341</b>	<b>1,295,765</b>	-	<b>\$ 855,204</b>	<b>\$ 1,456,915</b>	<b>\$ 41,809</b>	<b>\$ 119,341</b>	<b>\$ 1,295,765</b>	-	<b>\$ 855,204</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	-	<b>\$ -</b>
<b>Calendar Quarter Ended 3/31/2012</b>																		
Salary/Overhead (Exclude Blood Tests)	\$ 1,328,859	\$ 39,044	\$ 202,483	\$ 1,087,332	66%	\$ 717,639	\$ 1,328,859	\$ 39,044	\$ 202,483	\$ 1,087,332	66%	\$ 717,639	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Interest/Program Income	12,813	380	-	12,433	66%	8,207	12,813	380	-	12,433	66%	8,207	-	-	-	-	66%	-
Genetic Testing Fees	2,149	-	-	2,149	66%	1,418	2,149	-	-	2,149	66%	1,418	-	-	-	-	66%	-
Subtotal (1-2-3-4)	1,313,897	38,664	202,483	1,072,750	-	708,014	1,313,897	38,664	202,483	1,072,750	-	708,014	-	-	-	-	-	-
Genetic Testing Fees	3,584	-	-	3,584	66%	2,366	3,584	-	-	3,584	66%	2,366	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
<b>Net Total (5+6+7)</b>	<b>\$ 1,317,481</b>	<b>\$ 38,664</b>	<b>\$ 202,483</b>	<b>1,076,334</b>	-	<b>\$ 710,380</b>	<b>1,317,481</b>	<b>\$ 38,664</b>	<b>\$ 202,483</b>	<b>\$ 1,076,334</b>	-	<b>\$ 710,380</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	-	<b>\$ -</b>
<b>Calendar Quarter Ended 6/30/2012</b>																		
Salary/Overhead (Exclude Blood Tests)	\$ 1,501,654	\$ 44,307	\$ 117,499	\$ 1,339,848	66%	\$ 884,300	\$ 1,501,654	\$ 44,307	\$ 117,499	\$ 1,339,848	66%	\$ 884,300	\$ -	\$ -	\$ -	\$ -	66%	\$ -
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
Interest/Program Income	15,250	454	-	14,796	66%	9,766	15,250	454	-	14,796	66%	9,766	-	-	-	-	66%	-
Genetic Testing Fees	2,128	-	-	2,128	66%	1,405	2,128	-	-	2,128	66%	1,405	-	-	-	-	66%	-
Subtotal (1-2-3-4)	1,484,276	43,853	117,499	1,322,924	-	873,129	1,484,276	43,853	117,499	1,322,924	-	873,129	-	-	-	-	-	-
Genetic Testing Fees	4,007	-	-	4,007	66%	2,645	4,007	-	-	4,007	66%	2,645	-	-	-	-	66%	-
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-
<b>Net Total (5+6+7)</b>	<b>\$ 1,488,283</b>	<b>\$ 43,853</b>	<b>\$ 117,499</b>	<b>1,326,931</b>	-	<b>\$ 875,774</b>	<b>1,488,283</b>	<b>\$ 43,853</b>	<b>\$ 117,499</b>	<b>\$ 1,326,931</b>	-	<b>\$ 875,774</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	-	<b>\$ -</b>

COUNTY OF LEHIGH, PENNSYLVANIA  
SCHEDULE OF REVENUES AND EXPENDITURES  
MEDICAL ASSISTANCE TRANSPORTATION PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Reported</u>	<u>Actual</u>
<u>Service Data:</u>		
Consumers		
Group I Clients	\$ 2,524,521	\$ 2,524,521
Group II Clients	<u>-</u>	<u>-</u>
Total Consumers	<u>\$ 2,524,521</u>	<u>\$ 2,524,521</u>
 <u>Allocation Data:</u>		
Revenues		
Department of Public Welfare	\$ 2,524,521	\$ 2,524,521
Interest Income	<u>-</u>	<u>-</u>
Total Revenues	<u>2,524,521</u>	<u>2,524,521</u>
Funds Expended		
Operating costs	2,310,436	2,310,436
Administrative Costs	<u>214,085</u>	<u>214,085</u>
Total Funds Expended	<u>2,524,521</u>	<u>2,524,521</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF LEHIGH, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - MENTAL HEALTH PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Source of DPW Funds		DPW Funds Available			Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjs. (6A)	CSR State Grant Fund Adjs. (6B)	CSR-Promise Adjs. (6C)	Total Fund Balance (7)	
		Carryover Funds (1)	Allotment (2)	Total Allocation (3)							
A.	MH Services	10248	\$3,280,571	\$12,312,967	\$15,593,538	\$11,965,546	\$3,627,992	\$ -	\$ -	\$ -	\$3,627,992
B. OTHER STATE FUNDS											
	1. Spec. Residence	10258	-	-	-	-	-	-	-	-	-
	2. BH Initiative	10262	27,000	258,822	285,822	285,822	-	-	-	-	-
	3. New Directions	10244	-	-	-	-	-	-	-	-	-
	4. Personal Care Homes	10252	-	-	-	-	-	-	-	-	-
	5. County Assistance Offices	10264	-	-	-	-	-	-	-	-	-
	6. Autism Intervention Services	10741	-	-	-	-	-	-	-	-	-
	7. Facility & Services Ehan.	10942	-	-	-	-	-	-	-	-	-
	8. Reserved	00001	-	-	-	-	-	-	-	-	-
	9. Total Other State		27,000	258,822	285,822	285,822	-	-	-	-	-
C.	SSBG	70135	-	65,348	65,348	65,348	-	-	-	-	-
D.	CMHSBG	70167	-	162,732	162,732	162,732	-	-	-	-	-
E. OTHER FEDERAL FUNDS											
	1. Max. Part. Project	70121	-	-	-	-	-	-	-	-	-
	2. Medical Asst/TTI	70127	-	-	-	-	-	-	-	-	-
	3. PATH Homeless	70154	-	46,456	46,456	46,456	-	-	-	-	-
	4. Capit. Of POMS	70522	-	-	-	-	-	-	-	-	-
	5. MH Systems Transformation	70589	-	-	-	-	-	-	-	-	-
	6. Youth Suicide Prevention	70651	-	-	-	-	-	-	-	-	-
	7. Jail Diversion & Trauma Rec.	70747	-	-	-	-	-	-	-	-	-
	8. Terrorism Disaster Relief	80168	-	-	-	-	-	-	-	-	-
	9. Hosp. Prep-Crisis Counseling	80222	-	-	-	-	-	-	-	-	-
	10. Biotersm Hop Prep/Resp	80343	-	-	-	-	-	-	-	-	-
	12. Reserved	00002	-	-	-	-	-	-	-	-	-
	13. Total Other Federal		-	46,456	46,456	46,456	-	-	-	-	-
F.	TOTAL		\$3,307,571	\$12,846,325	\$16,153,896	\$12,525,904	\$3,627,992	\$ -	\$ -	\$ -	\$3,627,992



COUNTY OF LEHIGH, PENNSYLVANIA  
REPORT OF INCOME AND EXPENDITURES - MENTAL HEALTH PROGRAM (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Housing Sup. Svcs.	Intensive Case Mgmt.	Psych. Inpt Hosp.	Outpatient	Community Res. Svcs.	Resource Coordn.	Soc. Rehab Services	Psychiatric Rehab	Vocational Rehab.	Total
I. TOTAL ALLOCATION										<u>\$ 16,153,896</u>
II. TOTAL EXPENDITURES	<u>\$ 308,091</u>	<u>\$ 636,854</u>	<u>\$ 15,420</u>	<u>\$ 368,193</u>	<u>\$ 7,371,446</u>	<u>\$ 271,623</u>	<u>\$ 367,429</u>	<u>\$ 321,727</u>	<u>\$ 50,219</u>	<u>\$ 14,344,591</u>
III. COSTS OVER ALLOCATION										
A. County Funded Eligible	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. County Funded Ineligible	-	-	-	-	-	-	-	-	-	15,653
C. Other Eligible	-	-	-	-	-	-	-	-	-	-
D. Other Ineligible	-	130,272	-	-	-	-	-	-	-	455,874
E. Total Costs Over Allocation	<u>\$ -</u>	<u>\$ 130,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,527</u>
IV. REVENUES										
A. Program Service Fees	\$ 1,356	\$ 130	\$ -	\$ 8,172	\$ 1,302	\$ 4,164	\$ -	\$ 1,570	\$ -	\$ 23,282
B. Private Insurance Fees	-	-	-	-	-	-	-	-	-	2,097
C. Medical Assistance - Gen.	-	6,417	-	-	540	-	-	-	-	16,097
D. Medical Assistance - MA 325	-	-	-	14	-	-	-	-	-	1,428
E. Medical Assistance - Admin.	-	-	-	-	-	-	-	-	-	-
F. Room and Board	61,003	-	-	-	874,800	-	-	-	-	935,603
G. Earned Interest	-	-	-	-	-	-	-	-	-	18,065
H. Other	-	-	-	-	-	-	-	-	-	669
I. Total Revenues	<u>\$ 62,359</u>	<u>\$ 6,547</u>	<u>\$ -</u>	<u>\$ 8,186</u>	<u>\$ 876,442</u>	<u>\$ 4,164</u>	<u>\$ -</u>	<u>\$ 1,570</u>	<u>\$ -</u>	<u>\$ 997,241</u>
V. DPW Reimbursement										
A. Base Allocation 90%	\$ 43,419	\$ -	\$ -	\$ 144,523	\$ 747,815	\$ -	\$ 256,514	\$ -	\$ -	\$ 3,057,293
B. Base Allocation 100%	-	357,010	-	-	-	104,873	-	13,437	-	648,132
C. DPW Cat. Funding 90%	24,379	-	-	-	-	-	-	-	-	24,379
D. DPW Cat. Funding 100%	170,401	143,025	15,420	199,426	5,591,490	162,586	82,413	306,720	50,219	8,568,020
E. SSBG 90% Adult	-	-	-	-	65,348	-	-	-	-	65,348
SSBG 90% Child	-	-	-	-	-	-	-	-	-	-
SSBG 100% Adult	-	-	-	-	-	-	-	-	-	-
SSBG 100% Child	-	-	-	-	-	-	-	-	-	-
F. CMHSBG Non-Categorical 90%	-	-	-	-	-	-	-	-	-	-
CMHSBG Non-Categorical 100%	-	-	-	-	-	-	-	-	-	162,732
CMHSMB Categorical	-	-	-	-	-	-	-	-	-	-
VI. COUNTY MATCH										
10% County Match	7,533	-	-	16,058	90,351	-	28,502	-	-	349,669
VII. TOTAL DPW REIMB. AND COUNTY MATCH	<u>\$ 245,732</u>	<u>\$ 500,035</u>	<u>\$ 15,420</u>	<u>\$ 360,007</u>	<u>\$ 6,495,004</u>	<u>\$ 267,459</u>	<u>\$ 367,429</u>	<u>\$ 320,157</u>	<u>\$ 50,219</u>	<u>\$ 12,875,573</u>
VIII. TOTAL CARRYOVER										<u>\$ 3,627,992</u>

COUNTY OF LEHIGH, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - INTELLECTUAL DISABILITIES PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Source: Sources of DPW Funding	APP	DPW Funds Available			Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6A)	CSR State Grant Fund Adjustments (6B)	CSR-Promise Adjustments (6C)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)						
A. <u>MR</u> A. ID Services										
1. 1. Community (NR/Res)	10255	\$ 929,985	\$ 1,434,581	\$ 2,364,566	\$ 2,013,703	\$ 350,863	\$ -	\$ -	\$ -	\$ 350,863
2. 2. SSBG	70177	-	143,714	143,714	143,714	-	-	-	-	-
2. 3. Reserved	10255	-	-	-	-	-	-	-	-	-
3. Subtotal ID Services		<u>929,985</u>	<u>1,578,295</u>	<u>2,508,280</u>	<u>2,157,417</u>	<u>350,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,863</u>
B. <u>Wa</u> B. Waiver										
1. 1. Waiver Admin	10255/70175	-	706,148	706,148	706,148	-	-	-	-	-
3. 2. Reserved	00002	-	-	-	-	-	-	-	-	-
4. Subtotal Waiver		<u>-</u>	<u>706,148</u>	<u>706,148</u>	<u>706,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
D. <u>Oth</u> C. Other										
1. 1. Elwyn	10236	-	-	-	-	-	-	-	-	-
2. 2. Money Follows the Person	10263	-	-	-	-	-	-	-	-	-
3. 3. Services for Individuals w Autism	10741/70711	-	-	-	-	-	-	-	-	-
3. 4. Reserved	00003	-	-	-	-	-	-	-	-	-
4. Subtotal Other		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
F Tot: D. Total		<u>\$ 929,985</u>	<u>\$ 2,284,443</u>	<u>\$ 3,214,428</u>	<u>\$ 2,863,565</u>	<u>\$ 350,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,863</u>





COUNTY OF LEHIGH, PENNSYLVANIA  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS - EARLY INTERVENTION SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Sources of DPW Funds	APP	DPW Funds Available			Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6A)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A, Early Intervention								
1. Early Intervention Services	10235	\$ -	\$ 3,504,875	\$ 3,504,875	\$ 3,504,875	\$ -	\$ -	\$ -
2. Early Intervention Training	10235	-	12,699	12,699	11,102	1,597	-	1,597
3. EI Administration	10235	-	187,475	187,475	187,250	225	-	225
4. Infants and Toddlers w/ Disab. Part C	70170	-	251,257	251,257	251,257	-	-	-
5. ITF Waiver Admin.	10235/70184	-	98,158	98,158	98,158	-	-	-
6. Infants & Tod. w/ Disab. Part C (ARRA)	77875	-	598,936	598,936	598,936	-	-	-
7. Pelican Read. Admin Part C (ARRA)	77875	-	-	-	-	-	-	-
8. Reserved	00001	-	-	-	-	-	-	-
8. Total Early Intervention		\$ -	\$ 4,653,400	\$ 4,653,400	\$ 4,651,578	\$ 1,822	\$ -	\$ 1,822

COUNTY OF LEHIGH, PENNSYLVANIA  
 REPORT OF INCOME AND EXPENDITURES - EARLY INTERVENTION SERVICES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Admin Office	Early Intervention	Other	Supports Coordination	Total
I. TOTAL ALLOCATION					<u>\$ 4,653,400</u>
II. TOTAL EXPENDITURES	<u>\$ 306,544</u>	<u>\$ 5,598,804</u>	<u>\$ -</u>	<u>\$ 1,592,897</u>	<u>\$ 7,498,245</u>
III. COSTS OVER ALLOCATION					
A. County Funded Eligible	\$ -	\$ 13,363	\$ -	\$ -	\$ 13,363
B. County Funded Ineligible	330	-	-	2,015	2,345
C. Other Eligible	-	-	-	-	-
D. Other Ineligible	-	-	-	-	-
E. Total Costs Over Allocation	<u>\$ 330</u>	<u>\$ 13,363</u>	<u>\$ -</u>	<u>\$ 2,015</u>	<u>\$ 15,708</u>
IV. REVENUES					
A. Program Service Fees	\$ -	\$ -	\$ -	\$ -	\$ -
B. Private Insurance Fees	-	-	-	-	-
C. Medical Assistance - MA EI	-	2,119,218	-	262,617	2,381,835
D. Medical Assistance - Admin.	-	-	-	-	-
E. Earned Interest	-	7,462	-	-	7,462
F. Other	-	-	-	2,275	2,275
G. Total Revenues	<u>\$ -</u>	<u>\$ 2,126,680</u>	<u>\$ -</u>	<u>\$ 264,892</u>	<u>\$ 2,391,572</u>
V. DPW Reimbursement					
A. Base Allocation 90%	\$ -	\$ -	\$ -	\$ -	\$ -
B. Base Allocation 100%	-	-	-	-	-
C. DPW Cat. Funding 90%	187,250	3,112,885	-	654,349	3,954,484
D. DPW Cat. Funding 100%	98,158	-	-	598,936	697,094
VI. COUNTY MATCH					
10% County Match	<u>20,806</u>	<u>345,876</u>	<u>-</u>	<u>72,705</u>	<u>439,387</u>
VII. TOTAL DPW REIMB. AND COUNTY MATCH	<u>\$ 306,214</u>	<u>\$ 3,458,761</u>	<u>\$ -</u>	<u>\$ 1,325,990</u>	<u>\$ 5,090,965</u>
VIII. TOTAL CARRYOVER					<u>\$ 1,822</u>

COUNTY OF LEHIGH  
FINAL CCIS RECAP  
CHILD CARE INFORMATION SERVICES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	LOW INCOME		FORMER TANF		Total
	Admin.	Service	Admin.	Service	
<b>REVENUE</b>					
DPW Funds	\$ 931,954	\$ 10,552,676	\$ 393,133	\$ 4,710,429	\$ 16,588,192
Interest	-	2,007	-	-	2,007
Audit Adjustments	-	-	-	-	-
Penalties	-	-	-	-	-
PY Recoupment	-	49	-	50	99
<b>TOTAL REVENUE</b>	<b>931,954</b>	<b>10,554,732</b>	<b>393,133</b>	<b>4,710,479</b>	<b>16,590,298</b>
<b>EXPENDITURES</b>					
Final Report Totals	925,660	10,521,239	392,654	4,717,383	16,556,936
Penalties	-	-	-	-	-
Prior Year Overpmt return	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>925,660</b>	<b>10,521,239</b>	<b>392,654</b>	<b>4,717,383</b>	<b>16,556,936</b>
<b>TOTAL DUE TO DPW</b>	<b>\$ 6,294</b>	<b>\$ 33,493</b>	<b>\$ 479</b>	<b>\$ (6,904)</b>	<b>\$ 33,362</b>

	TANF TRAINING	TANF WS- TRAINING	TANF WORKING	TANF WS- WORKING	TANF STATE MOE	FOOD STAMPS	GENERAL ASSISTANCE	TANF TOTAL
<b>REVENUE</b>								
TANF/FS/GA Service								
DPW Funds	\$ 1,209,905	\$ -	\$ 757,929	\$ -	\$ 405,189	\$ 276,725	\$ 26,336	\$ 2,676,084
Interest	-	-	-	-	-	-	-	-
PY Recoupment	-	-	-	-	-	-	-	-
Total Service	1,209,905	-	757,929	-	405,189	276,725	26,336	2,676,084
TANF/FS FSS								
DPW Funds	96,042	-	63,213	-	39,486	23,232	-	221,973
Interest	-	-	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-	-	-
Other (e.g., Penalties)	-	-	-	-	-	-	-	-
Total FSS	96,042	-	63,213	-	39,486	23,232	-	221,973
<b>TOTAL REVENUE</b>	<b>1,305,947</b>	<b>-</b>	<b>821,142</b>	<b>-</b>	<b>444,675</b>	<b>299,957</b>	<b>26,336</b>	<b>2,898,057</b>
<b>EXPENDITURES</b>								
TANF/FS/GA Service								
Final Report Totals	1,223,710	-	766,592	-	398,940	276,782	27,677	2,693,701
CarryForward	-	-	-	-	-	-	-	-
Total Service	1,223,710	-	766,592	-	398,940	276,782	27,677	2,693,701
TANF/FS FSS								
Final Report Totals	96,873	-	63,760	-	39,828	23,434	-	223,895
CarryForward	-	-	-	-	-	-	-	-
Total FSS	96,873	-	63,760	-	39,828	23,434	-	223,895
<b>TOTAL EXPENDITURES</b>	<b>1,320,583</b>	<b>-</b>	<b>830,352</b>	<b>-</b>	<b>438,768</b>	<b>300,216</b>	<b>27,677</b>	<b>2,917,596</b>
<b>SUBTOTAL - TANF/FS/GA</b>	<b>\$ (14,636)</b>	<b>\$ -</b>	<b>\$ (9,210)</b>	<b>\$ -</b>	<b>\$ 5,907</b>	<b>\$ (259)</b>	<b>\$ (1,341)</b>	<b>\$ (19,539)</b>

COUNTY OF LEHIGH, PENNSYLVANIA  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 COMBINED HOMELESS ASSISTANCE PROGRAM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Sources of Funding

DPW Allocation (Must Equal Total County HAP Supplemental Allocation)	A	\$ 465,246
Client Contributions	B	-
Other	C	-
Interest Earned	D	<u>-</u>
Total HAP Funding (A + B + C + D = E)		E <u>\$ 465,246</u>

Expenses

	<u>Bridge Housing</u>	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Emergency Shelter</u>	<u>Innovative Supportive Housing</u>	<u>Total Available Funds</u>
On Behalf of Clients	\$ -	\$ -	\$ 224,029	\$ -	\$ -	F \$ 224,029
Personnel	-	166,543	41,038	-	-	G 207,581
Operating	-	-	1,650	-	-	H 1,650
Fixed Assets/Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	I <u>-</u>
Subtotal	<u>\$ -</u>	<u>\$ 166,543</u>	<u>\$ 266,717</u>	<u>\$ -</u>	<u>\$ -</u>	J <u>433,260</u>
County Administration (Max 10% Total TANF Funding)						<u>31,986</u>
Total HAP Expenses (J + K = L)						<u>\$ 465,246</u>
Total Unexpended Funds (E - L)						<u>\$ -</u>

COUNTY OF LEHIGH, PENNSYLVANIA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Section I - Summary of Auditors' Findings

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?      Yes   X   No
- Significant deficiency(s) identified not considered to be material weaknesses?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

Federal and Pennsylvania Department of Public Welfare Awards

Internal control over major programs:

- Material weaknesses identified?   X   Yes      No
- Significant deficiency(s) identified not considered to be material weaknesses?   X   Yes      None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   X   Yes      No

Identification of major programs

Federal:	
Public Safety Partnership and Community Policing Grant	16.710
JAG Cluster	16.738/16.803
Second Chance Act Prisoner Initiative	16.812
Highway Planning and Construction	20.205/20.219
Temporary Assistance for Needy Families	93.558
Child Care Cluster	93.575/93.596
Foster Care	93.658
Adoption Assistance	93.659
Emergency Management Performance Grant	97.042

Pennsylvania Department of Public Welfare:	
Child Care Information Systems	DPW
Children and Youth	DPW

Dollar threshold used to distinguish between Type A and Type B programs \$948,355

Auditee qualified as low-risk auditee?      Yes   X   No

COUNTY OF LEHIGH, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

Section II - Financial Statement Findings and Questioned Costs

None noted.

COUNTY OF LEHIGH, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

Section III - Federal and Pennsylvania Department of Public Welfare Awards' Findings and Questioned Costs

Finding 2012-1 Reporting

CFDA #97.042 Emergency Management Performance Grant

Criteria:	The County is required to file with the Pennsylvania Emergency Management Agency quarterly reports according to deadline dates listed in the grant agreement.
Condition:	As a result of our testing, we noted the County did not file any of the quarterly reports according to the deadline dates listed in the grant agreement.
Cause:	The Pennsylvania Emergency Management Agency did not issue the County a grant award letter with the associated deadline dates until the fourth quarter of the grant, which caused the first three quarter's reports to be filed late. The fourth quarter's report was not filed timely due to an oversight by management.
Effect:	The internal controls over OMB A-133 Compliance Supplement Reporting requirements were not operating effectively.
Question Costs:	None noted.
Recommendation:	Procedures should be established to ensure that reports submitted to the Pennsylvania Emergency Management Agency are filed in a timely manner.
County's Response:	The County agrees with the finding and will file grant reports according to the deadline dates in the grant agreement. However, until the grant award agreement is received, those dates have not been determined.

COUNTY OF LEHIGH, PENNSYLVANIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2012

Section III - Federal and Pennsylvania Department of Public Welfare Awards' Findings and Questioned Costs (Continued)

Finding 2012-2 Subrecipient Monitoring

CFDA #16.812 Second Chance Act Prisoner Reentry Initiative

Criteria:	The County is required to obtain and review the audit report for the subrecipient that is required to have an audit completed. The County is required to review the report for findings and questioned costs. This procedure is to ensure that the County meets the requirements of the Single Audit Act and OMB A-133 and ensure appropriate corrective action is taken on finding and questioned costs, if any.
Condition:	The County did not receive the required audit report for the major program in a timely manner and there was no evidence of review of the report.
Cause:	The County was unaware that the audit compliance requirement over subrecipient monitoring applied to the program's vendor. However, the audit report was reviewed, noting no findings or questioned costs in the audit report.
Effect:	The internal controls over OMB A-133 Compliance Supplement Reporting requirements were not operating effectively and the County is not in compliance with subrecipient monitoring requirements.
Question Costs:	None noted.
Recommendation:	We recommend that the County implement procedures to ensure subrecipient audit reports are filed and reviewed in a timely manner.
County's Response:	The County is in agreement with this finding and this grant has been discontinued in future years.



COUNTY OF LEHIGH, PENNSYLVANIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012

<u>County Program</u>	<u>Prior Year Finding</u>	<u>Brief Description of Finding and County Program</u>	<u>Current Year Status</u>
81.128 16.738/ 16.803	11-1	Reporting	Resolved