

COUNTY OF CENTRE, PENNSYLVANIA

**SINGLE AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2007
&
INDEPENDENT AUDITORS' REPORTS THEREON**

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COUNTY OF CENTRE, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 1/1/07	REVENUE RECOGNIZED	FEDERAL EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE AT 12/31/07
U.S. DEPARTMENT OF AGRICULTURE:							
Passed through Pennsylvania Department of Agriculture: Emergency Food Assistance Program (Administrative Costs)	10.568	ME441857	\$ 7,824	\$	\$ 7,824	\$ 7,824	
Emergency Food Assistance Program (Food Commodities)	10.569	ME441857	41,475		41,475	41,475	
TOTAL U.S. DEPARTMENT OF AGRICULTURE			49,299		49,299	49,299	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:							
Passed through Pennsylvania Department of Community and Economic Development: Community Development Block Grants/State's Program	14.228	C000003071	150,555	\$ 2,434	148,121	148,121	\$ 5,006
Community Development Block Grants/State's Program	14.228	C000007479	37,868		42,874	42,874	
Community Development Block Grants/State's Program	14.228	C000014498	147,443	1,349	157,025	157,025	10,931
Community Development Block Grants/State's Program	14.228	C000020781	61,688	13,300	220,490	220,490	172,102
Community Development Block Grants/State's Program	14.228	C000029819	19,932		59,932	59,932	40,000
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			417,486	17,083	628,442	628,442	228,039
U.S. DEPARTMENT OF JUSTICE:							
Passed through Pennsylvania Commission on Crime and Delinquency: Violence Against Women Formula Grants	16.588	2005/06-VA-06-16640	70,308	28,950	41,458	41,458	
Violence Against Women Formula Grants	16.588	2006/07-VA-06-17983	22,000		63,502	63,502	41,502
TOTAL U.S. DEPARTMENT OF JUSTICE			92,308	28,950	104,960	104,960	41,502
U.S. DEPARTMENT OF TRANSPORTATION:							
Passed through Pennsylvania Department of Transportation, Hazardous Materials Emergency Preparedness	20.703	N/A	5,120	5,120	2,672	2,672	2,672
ENVIRONMENTAL PROTECTION AGENCY:							
Passed through Pennsylvania Department of Environmental Protection: Nonpoint Source Implementation Grants	66.460	ME4100030051	9,891	(18,942)	28,218	28,218	(615)
Nonpoint Source Implementation Grants	66.460	ME410034232	8,451	(30,000)	32,571	32,571	(5,880)
Chesapeake Bay Program	66.466	ME4100035270	2,768		2,768	2,768	
Chesapeake Bay Program	66.466	ME4100040709	237		237	237	
Chesapeake Bay National Fish & Wildlife	66.606	2004-0001-028/2005-0001-068	16,000	(9,224)	25,224	25,224	
TOTAL ENVIRONMENTAL PROTECTION AGENCY			37,347	(58,166)	89,018	89,018	(6,495)
U.S. DEPARTMENT OF EDUCATION:							
Passed through Pennsylvania Department of Public Welfare, Special Education - Grants for Infants and Families with Disabilities	84.181	N/A	96,125		96,125	96,125	
Passed through Pennsylvania Department of Health, Safe and Drug-Free Schools and Communities - State Grants	84.186	ME000312	8,202	(1,500)	6,551	8,551	(1,151)
TOTAL U.S. DEPARTMENT OF EDUCATION			104,327	(1,500)	104,676	104,676	(1,151)
U.S. ELECTION ASSISTANCE COMMISSION:							
Passed through Department of State, HAVA Requirements Payments	90.401	4100030360/3568357	836,445	886,139			49,694

COUNTY OF CENTRE, PENNSYLVANIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 1/1/07	REVENUE RECOGNIZED	FEDERAL EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE AT 12/31/07
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:							
Passed through Pennsylvania Department of Aging:							
Ombudsman	93.042	N/A	\$ 6,874	\$	\$ 8,973	\$ 8,973	\$ 2,089
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	20020413	5,523	572	5,523	5,523	572
Special Programs for the Aging - Title III, Part D	93.043	20020413	1,668	418	1,972	1,972	722
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	20020413	138,646		138,646	138,646	
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	20020413	91,669		91,669	91,669	
Special Programs for the Aging - Title IV, Discretionary Projects	93.048	20020413	10,000		10,000	10,000	
National Family Caregiver Support Program	93.052	20020413	41,866	(27,864)	16,634	16,634	(53,086)
Nutrition Program for the Elderly	93.053	20020413	46,415	(1,491)	44,885	44,885	(3,021)
Medical Assistance Program (LAMP/OBRA)	93.778	20020413	71,490	(2,236)	73,526	73,526	(200)
Medical Assistance Program (Title XIX)	93.778	4100008539	192,211	69,340	169,391	169,391	46,520
Medical Transportation Program (Title XIX)	93.778	N/A	224,387		191,966	191,966	(32,421)
Centers for Medicare and Medicaid Services Research: Demonstrations and Evaluations	93.779	4100002032	14,231	6,252	11,475	11,475	3,496
Total Passed through Pennsylvania Department of Aging							
			<u>844,980</u>	<u>44,991</u>	<u>764,860</u>	<u>764,860</u>	<u>(35,329)</u>
Passed through Pennsylvania Department of Public Welfare:							
Substance Abuse and Mental Health Services Projects of Regional and National Significance							
Centers for Disease Control and Prevention-Investigations & Technical Assistance	93.243	N/A	211,360	7,488	198,561	198,561	(5,311)
Temporary Assistance for Needy Families	93.283	N/A	3,000	4,959	8,583	8,583	10,542
Max Participation Project	93.558	N/A	353,165	125,636	351,217	351,217	123,668
Child Support Enforcement	93.558	N/A	32,861	(6,431)	32,861	32,861	(6,431)
Child Welfare Services - State Grants	93.563	ME5323114014	605,877	135,888	612,618	612,618	142,629
Foster Care - Title IV-E	93.645	N/A	26,932		26,932	26,932	
Social Services Block Grant	93.658	N/A	2,008,077	717,542	1,703,084	1,703,084	412,549
Independent Living	93.667	N/A	142,332	(7,859)	130,296	130,296	(19,895)
Medical Assistance Program	93.674	N/A	51,582	26,161	50,839	50,839	25,418
National Bioterrorism Hospital Preparedness Program	93.778	N/A	5,801,555	(5,944)	5,655,265	5,655,265	47,766
Block Grants for Community Mental Health Services	93.889	N/A	86,883	(11,905)	93,785	93,785	(6,500)
			<u>9,123,624</u>	<u>979,035</u>	<u>8,864,041</u>	<u>8,864,041</u>	<u>719,452</u>
Total Passed through Pennsylvania Department of Public Welfare							
			<u>12,417</u>	<u>23,448</u>	<u>381,771</u>	<u>381,771</u>	<u>11,031</u>
Passed through Pennsylvania Department of State, Voting Access for Individuals with Disabilities - Grants to States							
	93.617	4100030014					
Passed through Pennsylvania Department of Health, Block Grants for Prevention and Treatment of Substance Abuse							
	93.859	ME00312	371,871	(17,565)	381,771	381,771	(7,665)
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
			<u>10,352,892</u>	<u>1,029,909</u>	<u>10,010,472</u>	<u>10,010,472</u>	<u>687,489</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE, Passed through Pennsylvania Department of Corporation for National and Community Service, Retired and Senior Volunteer Program							
	94.002	035RAPA	68,819	12,416	70,141	70,141	13,738

COUNTY OF CENTRE, PENNSYLVANIA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFICATION NUMBER	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 1/1/07	REVENUE RECOGNIZED	FEDERAL EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE AT 12/31/07
U.S. DEPARTMENT OF HOMELAND SECURITY: Passed through Pennsylvania Emergency Management Agency: State Domestic Preparedness Equipment Support Program	16.007	N/A	\$ 216	\$ 216	\$ 216	\$ 216	
State Domestic Preparedness Equipment Support Program	97.004	N/A	882	882	882	882	
State Domestic Preparedness Equipment Support Program	97.042	N/A	58,218	25,816	63,640	63,640	\$ 31,238
Emergency Management Performance Grants	97.067	N/A	455,079	96,636	348,653	348,653	(9,590)
			<u>514,395</u>	<u>122,652</u>	<u>413,391</u>	<u>413,391</u>	<u>21,648</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ 12,478,438	\$ 2,042,503	\$ 11,473,071	\$ 11,473,071	\$ 1,037,136
TOTAL							

** The County's calendar year spans two program years; therefore, two pass-through entity identification numbers are provided.

See Note to Schedule of Expenditures of Federal Awards

COUNTY OF CENTRE, PENNSYLVANIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Centre, Pennsylvania (the "County") presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Amounts reported in this schedule agree with the amounts included in the County's basic financial statements

COUNTY OF CENTRE, PENNSYLVANIA

SCHEDULE OF SELECTED COMMONWEALTH OF
PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>GRANTOR/PROGRAM TITLE</u>	<u>COMBINED FEDERAL AND STATE EXPENDITURES</u>
PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE:	
Mental Health/Mental Retardation	\$ 16,943,782 *
Children and Youth	7,854,009
Child Support Enforcement	612,618
Combined Homeless Assistance Program	486,257 *
Medical Assistance Transportation Program	412,055
Human Services Development Fund	<u>278,573</u>
TOTAL SELECTED PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE ASSISTANCE	<u>\$ 26,587,294</u>

* Denotes a major DPW program.

Note: This schedule includes selected Pennsylvania Department of Public Welfare (DPW) Assistance received by the County of Centre, Pennsylvania and is presented using the full accrual method of accounting. Amounts reported in this schedule agree with the amounts included in the County's basic financial statements.

**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 Commissioners
County of Centre, Pennsylvania:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Centre, Pennsylvania (the "County"), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 16, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 07-4 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Parante Randolph, LLC". The signature is written in a cursive, flowing style.

State College, Pennsylvania
June 16, 2008

**INDEPENDENT AUDITORS' REPORT ON: COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133
AND THE PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE
SINGLE AUDIT SUPPLEMENT; SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS, AND; SELECTED COMMONWEALTH
OF PENNSYLVANIA FINANCIAL ASSISTANCE**

Board of Commissioners
County of Centre, Pennsylvania:

COMPLIANCE

We have audited the compliance of the County of Centre, Pennsylvania (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* and the Department of Public Welfare ("DPW") *Single Audit Supplement* that are applicable to each of its major federal and DPW programs for the year ended December 31, 2007. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. The County's major DPW programs are identified in the Schedule of Selected Commonwealth of Pennsylvania Department of Public Welfare Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and DPW programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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; the Commonwealth of Pennsylvania, Department of Public Welfare *Single Audit Supplement*. Those standards, OMB Circular A-133 and the 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 or DPW program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and DPW programs for the year ended December 31, 2007. However, the results of our auditing procedures disclosed four instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the DPW Single Audit Supplement and which are described in the accompanying schedule of findings and questioned costs as items 07-1, 07-2, 07-3, and 07-4.

INTERNAL CONTROL OVER COMPLIANCE

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and DPW programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal or DPW program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or DPW program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or DPW program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or DPW program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-1, 07-2, 07-3, and 07-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or DPW program will not be prevented or detected by the entity's internal control. We did not consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

**SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND SELECTED
PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE ASSISTANCE**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 16, 2008. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and Selected Commonwealth of Pennsylvania, Department of Public Welfare Assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and the Commonwealth of Pennsylvania, Department of Public Welfare, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Parente Randolph, LLC

State College, Pennsylvania
August 14, 2008

COUNTY OF CENTRE, PENNSYLVANIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: UNQUALIFIED

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

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

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:

CFDA Number(s)

Name of Federal Program or Cluster

14.228

Community Development Block Grant/State's Program

93.778

Medical Assistance Program

93.959

Prevention And Treatment Of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs: \$344,192

Auditee qualified as low-risk auditee? X yes _____ no

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

See finding 07-4 in Section C; this matter is also considered a finding for the financial statements.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

**07-1 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE
PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

CFDA # 14.228 COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM

CRITERIA: Federal awards may specify a time period during which a non-Federal entity may use Federal funds. In this case, the period of availability was 06/05/02 through 06/06/05. Each award has an additional two years for finalization of the paperwork for the grants.

CONDITION: Expenditures were made outside of the period of availability.

CONTEXT: Six out of twenty-five expenditures examined were made outside the period of availability.

CAUSE: County management was not aware of the limitation of the period of availability of three years for the five year grant period.

EFFECT: The expenditures were not spent within the period of availability.

RECOMMENDATION: We recommend that the County get extensions for projects that will be in progress longer than the period of availability.

MANAGEMENT RESPONSE: Management concurs with this finding.

RESOLUTION: Management received extensions for the grant with funds that were used outside of the period of availability and will implement a process to receive extensions for grants with projects that are not going to be completed by the end of the period of availability.

**07-2 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE
PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

CFDA # 14.228 COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM

- CRITERIA:** The Pennsylvania Department of Community and Economic Development (DCED) requires reports to be filed on an annual and semi-annual basis. These reports are due 15-30 days after the reporting period, which is established by the Pennsylvania DCED.
- CONDITION:** Reports were not timely filed.
- CONTEXT:** None of the required reports were timely filed during 2007.
- CAUSE:** County management was not aware of the filing requirements due to being excluded from an email to recipients of the grant funding by the Pennsylvania DCED.
- EFFECT:** The reports were not completed by the due date specified by the Pennsylvania DCED.
- RECOMMENDATION:** We recommend that management implement controls that would remind the responsible personnel as due dates approach based on requirements of the current year. If an email regarding the filing requirements is not received from the state, county personnel should inquire about the reporting requirements from the state.
- MANAGEMENT RESPONSE:** Management concurs with this finding.
- RESOLUTION:** Management completed the reports and submitted the items to the Pennsylvania DCED.

COUNTY OF CENTRE, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007

07-3 PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE HOMELESS ASSISTANCE PROGRAM

CRITERIA: OMB Circular A-87 states that charges to Federal funding streams whether treated as direct or indirect costs should be based on payrolls documented in accordance with the generally accepted practice of the governmental unit as approved by reasonable official(s) of the governmental unit. The Pennsylvania DPW requires the same documentation as the federal government.

CONDITION: Payroll is not allocated in accordance with A-87.

CONTEXT: There is no payroll documentation for the amounts charged to the program. Estimates were developed but not consistently applied.

CAUSE: County management was not aware of the requirement.

EFFECT: Payroll may not be properly allocated to the program.

RECOMMENDATION: We recommend that the County document payroll charges in accordance with A-87.

MANAGEMENT RESPONSE: Management concurs with this finding.

RESOLUTION: Management began allocating its payroll charges in accordance with A-87.

COUNTY OF CENTRE, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007

07-4 PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE HOMELESS ASSISTANCE PROGRAM

CRITERIA: Revenues should be recognized in accordance with generally accepted accounting principles.

CONDITION: Current year revenues were not matched to the expenditures for the grant.

CONTEXT: Revenues may not be recognized in the correct accounting period and deferred revenue may be improperly recorded on the balance sheet.

CAUSE: Adjustments to expenditures were not provided to the controller's office, resulting in improper revenue recognition.

EFFECT: Potential overstatement or understatement of revenue.

RECOMMENDATION: We recommend that the County reconcile revenue to expenditures on a minimum of a quarterly basis.

MANAGEMENT RESPONSE: Management concurs with this finding.

RESOLUTION: Management will reconcile revenue with expenditures for the grant.

COUNTY OF CENTRE, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2007

See current year finding 07-1; this matter was also listed as a finding in the 2006 Single Audit.