

**City of Philadelphia,
Pennsylvania**



Fairmount Park at Schuylkill River

**Schedule of Financial Assistance
Fiscal Year Ended
June 30, 2014
Office of the Director of Finance**



**City of Philadelphia,
Pennsylvania**

**Schedule of
Financial Assistance**

Fiscal Year Ended June 30, 2014

**CITY OF PHILADELPHIA
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	2-4
-----------------------	-----

FINANCIAL SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

American Recovery & Reinvestment Act	7
--------------------------------------	---

Federal Agencies:

U.S. Department of Agriculture	7-8
U.S. Department of Commerce	8
U.S. Housing and Urban Development	8-11
U.S. Department of the Interior	11
U.S. Department of Justice	11-13
U.S. Department of Labor	13
U.S. Department of Transportation	13-15
U.S. Equal Employment Opportunity Commission	15
U.S. Library of Congress	16
U.S. Environmental Protection Agency	16
U.S. Department of Education	16

**CITY OF PHILADELPHIA
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

U.S. Elections Assistance Commission	17
U.S. Department of Health and Human Services	17-22
U.S. Corporation for National and Community Services	22
U.S. Social Security Administration	22
U.S. Department of Homeland Security	22-23
<i>Notes to the Schedule of Expenditures of Federal Awards</i>	25-29

**SCHEDULE OF EXPENDITURES OF PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES**

Mental Health/Intellectual Dissabilities Program	31
Children and Youth Program	32-33
Combined Homeless Assistance Program	33
Human Services Development Fund	33-34
Child Support Enforcement Program	34
Other PaDHS Assistance	34-35
<i>Notes to the Schedule of Expenditures of DHS Awards</i>	37

INDEPENDENT AUDITOR'S SECTION

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	39-41
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**CITY OF PHILADELPHIA
SCHEDULE OF FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**REPORTS ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM, ON INTERNAL CONTROL
OVER COMPLIANCE AND ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR
A-133 AND THE PADHS SINGLE AUDIT SUPPLEMENT** 42-45

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 47-85

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 88-100

SUPPLEMENTARY FINANCIAL INFORMATION SECTION

PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES FOR THE
PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES 103-105

Title IV-D Child Support Program 106-109

County Children and Youth Social Services 110

Mental Health/Intellectual Disabilities Program 111-116

Homeless Assistance Program 117

**PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC
DEVELOPMENT**

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES FOR THE
PENNSYLVANIA DEPARTMENT OF COMMUNITY AND
ECONOMIC DEVELOPMENT 118-119

Federal Cash Receipts Passed Through PaDCED 120

INTRODUCTORY SECTION

Letter of Transmittal



CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE

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ROB DUBOW

Director of Finance

Honorable Michael Nutter
Mayor, City of Philadelphia
Room 215 City Hall
Philadelphia, PA 19102

October 21, 2015

Dear Mayor Nutter:

The Schedule of Financial Assistance (SFA) of the City of Philadelphia for the fiscal year ended June 30, 2014, comprised of the Schedule of Expenditures of Federal Awards (SEFA), the Schedule of Expenditures of Pennsylvania Department of Human Services (PaDHS) Awards, and the Schedule of Federal Cash Receipts passed through the Pennsylvania Department of Community and Economic Development (PaDCED) is submitted herewith. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the Federal, PaDHS and PaDCED financial activity of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial assistance have been included.

THE FEDERAL SINGLE AUDIT REQUIREMENT

The United States Congress enacted the Single Audit Act Amendments of 1996 (the Act), which the President signed into law on July 5, 1996. The Office of Management and Budget (OMB) issued Circular A-133, in accordance with the Act, to clarify and establish audit requirements for States, Local Governments and Non-Profit Organizations. The City is required by the Act to have an annual audit performed on its entire operations, including a separate reporting on its Federal financial activity, the SEFA.

The City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014, presents the entire operations of the City. The CAFR was issued under separate cover on February 23, 2015. The SFA is issued in conjunction with the CAFR in order to

comply with the reporting provisions of the Act. The report of the independent auditor on the SEFA, dated October 21, 2015, is reported in conjunction with the Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133. The financial presentations in each report are derived from the same financial activity in the City's various funds. Copies of the reporting package (CAFR and SFA) and Data Collection Form must be forwarded to the Federal Audit Clearinghouse (The U.S. Bureau of the Census). In addition, a reporting package must be issued to each grantor agency (federal, state or other government) affected by an audit finding on the Schedule of Findings and Questioned Costs or the Summary Schedule of Prior Year Findings. The report must be forwarded within 30 days of our receipt, but no later than nine months year after our fiscal year end of June 30, 2014. In accordance with the Act, the SEFA will be made available for public inspection.

The Federal financial activity of the City of Philadelphia is presented in the Financial Section of the SFA.

AGREED UPON PROCEDURES REPORTS

In July 2014, the PaDHS reissued the Single Audit Supplement as an aid to local government entities and their independent auditors in the specific auditing and performance of the Single Audit. This supplement provides program specific auditing and reporting requirements which are applied in conjunction with the Single Audit Act's required standards and guidelines for programs funded through the PaDHS.

The Schedule of Expenditures of Pennsylvania Department of Human Services Awards, and associated Supplementary Schedules, are presented in the Financial and Supplementary Financial Information Sections, respectively.

On January 3, 2003, the PaDCED requested specific auditing and reporting requirements for all federal cash receipts passing through the department. The Schedule of Federal Cash Receipts Passed through PaDCED is presented in the Financial Section.

OTHER REPORTING ENTITIES

For Single Audit purposes, other quasi-governmental organizations included in the CAFR, as required by the Governmental Accounting Standards Board, are treated as subrecipients of the City. Only those Federal funds passed on to these agencies by the City are included in the SEFA. Each quasi-governmental agency is required to perform its own Single Audit, which would include Federal financial assistance received directly by the agency from all sources.

COGNIZANT AGENCY

The OMB, in accordance with the Act, assigned the U.S. Department of Housing and Urban Development as the City's Cognizant Agency.

INDEPENDENT AUDITOR

The Philadelphia Home Rule Charter establishes the City Controller, a separately elected official, as the independent auditor of the City of Philadelphia. Our Cognizant Agency has recognized the independence of the City Controller, and the Single Audit was conducted through his appointed Certified Public Accountant in charge of auditing, in accordance with the Home Rule Charter.

AUDITOR REPORTS

The Single Audit Act Amendments of 1996, in conjunction with the American Institute of Certified Public Accountants, requires that the auditor issue four reports in connection with the examination of the SEFA: The Independent Auditor's Report on (1) the Schedule of Expenditures of Federal Awards; (2) Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements; and on (3) Compliance with Requirements Applicable to Each Major Program, and on (4) Internal Control Over Compliance. Additionally, the state departments of Human Services and Community and Economic Development require that the Auditor issue a report on the Application of certain agreed upon procedures. These Federal and State requirements have been met and the reports are included herein.

PLAN FOR CORRECTIVE ACTION

The Act requires that the City submit its Plan for Corrective Action to eliminate such cases of material non-compliance cited in the Independent Auditor's Report on Compliance and Internal Controls. The City's Plan for Corrective Action to eliminate those cases of non-compliance and material weaknesses in the systems of internal control, is included as part of each individual grantee's response.

ACKNOWLEDGMENTS

The preparation of this report has been accomplished with the efficient and dedicated service of the Office of the Director of Finance. We would like to express our appreciation to all the members of the Grants Accounting and Administration Unit, and to the several City Agencies involved in the management of Federal assistance funds, who assisted and contributed to the report's preparation, and enabled the City to successfully complete this Single Audit. We would also like to thank the Mayor, who continues to support our efforts to establish strong, centralized accounting and administrative internal control systems for the effective and efficient management of grant-funded programs City-wide.

Respectfully submitted,



Rob Dubow,
Director of Finance

FINANCIAL SECTION

Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Pennsylvania Department of Human Services Awards

**Schedule of Expenditures
of Federal Awards**

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
<u>American Recovery & Reinvestment Act</u>					
Direct- American Recovery & Reinvestment Act:					
ARRA - PCC - Phila. Freedom Rings	040101	11.557	42-41-B10517	6,362,129	506,316
ARRA - Neighborhood Stabilization Pgm 2	062112	14.256	B-09-LN-PA-0013	39,542,532	780,932
ARRA- NSO 2 Program Income	062145	14.256	Program Income	2,312,098	2,312,098
ARRA - Local Energy Assurance Plan (LEAP)	100595	81.122	DE-OE0000338	300,000	1,375
ARRA - EECBG- Retrofit Loans	062119	81.128	DE-EE0003568	8,131,564	231,228
ARRA- EECBG- Enrgy Efficiency Retrofits	100590	81.128	DE-EE0003568	3,176,343	610,073
ARRA- EECBG- Retrofit Loans	420348	81.128	DE-EE0003568	13,692,093	2,267,444
ARRA-CBIS Sector 23 & Term A-EAST	C42593	97.117	HSTS04-09-H-REC136	19,550,422	2,005,948
Subtotal: Direct American Recovery & Reinvestment Act				93,067,181	8,715,413
Passed-Through- PA Department of Transportation:					
ARRA - CityWide 102	C12215	20.205	067555	4,442,300	52,889
ARRA - TIGER - 58th St. Connector	C12243	20.205	068531A	984,960	9,096
ARRA - TIGER - N. Delaware Ave Greenway	C12251	20.205	068575A	1,760,000	111,663
ARRA - TIGER - Schuylkill River Park Brdwalk	C12245	20.205	068547A	6,200,000	854,967
ARRA - TIGER - Schuylkill Rvr Tr at Bartram G	C12248	20.205	068554	877,701	30,962
ARRA - TIGER -Schuylkill River Tr at Shawm'n	C12246	20.205	068528A	996,025	12,627
Center City Resurfacing	C12230	20.205	067542B	3,222,000	1,453,836
Subtotal: Passed-Through PA Department of Transportation				18,482,986	2,526,040
Passed-Through- PA Commission on Crime & Delinquency:					
ARRA JAG-Phila Cty Re-Entry Strategic Plan	100636	16.803	2009-AJ-04-23547	20,000	9,900
Subtotal: Passed-Through PA Commission on Crime & Delinquency				20,000	9,900
Passed-Through- PENNVEST:					
ARRA - Federal Drinking Water	280034	66.468	51001240902-CW	57,268,193	143,857
ARRA - Federal Drinking Water	280122	66.468	5100090902-CW	42,886,030	965,779
Subtotal: Passed-Through PENNVEST				100,154,223	1,109,635
Total American Recovery & Reinvestment Act:				211,724,390	12,360,989
<u>U.S. Department of Agriculture</u>					
Cluster- PA Department of Education:					
School Lunch Breakfast and Milk	221391	10.555	Receipts	168,931	131,755
Summer Food Program	160388	10.559	Budget	5,459,706	82,397

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
Summer Food Program	160400	10.559	300-51-726-0	5,791,989	5,282,350
Summer Food Program	160640	10.559	300-51-726-0	5,986,911	343,740
Summer Food Program Inspection	143970	10.559	receipts	50,080	50,080
Subtotal: Cluster PA Department of Education				17,457,617	5,890,322
Passed-Through- PA Department of Education:					
After School Snack Program	160641	10.558	300517260	2,086,788	1,087,200
Child & Adult Care Food Prg	240900	10.558	Agreement #300-51-653-0	1,085,652	734,357
Subtotal: Passed-Through PA Department of Education				3,172,440	1,821,557
Total U.S. Department of Agriculture:				20,630,057	7,711,879
<u>U.S Department of Commerce</u>					
Passed-Through- PA Department of Environmental Protection:					
Tech Assistance for CNPP Impl & Comp Proj	280197	11.419	ME# 100061885	20,000	20,000
Subtotal: Passed-Through PA Department of Environmental Protection				20,000	20,000
Total U.S Department of Commerce:				20,000	20,000
<u>U.S. Department of Housing & Urban Development</u>					
Direct- U.S. Department of Housing & Urban Development:					
HUD Homes Inspection Services	143010	14.000	HO3C94023800000 / C-PHI-00'	365,520	30
HUD Homes Inspection Services	143241	14.000	HO3C94023800000 / C-PHI-00'	268,209	180,369
CDBG YEAR 27	6986	14.218	B-01-MC-42-0012	71,676,000	5,250
CDBG YEAR 30	6986	14.218	B-04-MC-42-0012	63,067,000	457,023
CDBG YEAR 32	6986	14.218	B-06-MC-42-0012	53,718,163	241,510
CDBG YEAR 33	6986	14.218	B-07-MC-42-0012	53,642,987	36,823
CDBG YEAR 34	6986	14.218	B-08-MC-42-0012	51,734,740	334,641
CDBG YEAR 35	6986	14.218	B-09-MC-42-0012	52,379,922	250,515
CDBG YEAR 36	6986	14.218	B-10-MC-42-0012	55,325,903	1,437,482
CDBG YEAR 37	6986	14.218	B-11-MC-42-0012	46,186,638	1,558,629
CDBG YEAR 38	6986	14.218	B-12-MC-42-0012	38,344,629	6,628,074
CDBG YEAR 39	6986	14.218	B-13-MC-42-0012	40,049,151	28,322,775
CDBG YEAR 39 PROGRAM INCOME	6986	14.218	B-13-MC-42-0012	5,599,295	5,599,295
Neighborhood Stabilization Pgm(NSP)-01	06NSP01	14.218	B-08-MN-42-0002	16,832,873	68,610
SECTION 108 LOAN REPAYMENT YR 39	6986	14.218	B-13-MC-42-0012	1,303,365	1,303,365
Section 108-Interest-FY05	062064	14.218	Interest	333,430	129,780

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
McKinney Emergency Solutions	241015	14.231	E-12-MC-42-0001	3,999,642	831,047
McKinney Shelter Program (S-11)	240970	14.231	E-11-MC-42-0001	3,502,323	576,483
McKinney Shelter Program (S-13)	241061	14.231	E-13-MC-42-0001	2,797,355	2,513,169
CoC - HMIS (consolidated)	241103	14.235	PA-0036L-3T001205	156,197	112,823
CoC - HMIS (consolidated)	241120	14.235	PA-0036 L3 T00 1306	247,196	243
Homeless Alcoholic Men Grant	150437	14.235	No. DACA-31-1-84-204 #63	163,300	88,510
Homeless Alcoholic Men Grant	150481	14.235	No. DACA-31-1-84-204 #65	150,000	150,000
SHP - CATCH - Patriot House (434B3T000900)	240951	14.235	PA0434B3T000900	880,696	74,823
SHP - HMIS Expansion	241033	14.235	PA-0037B-3T001104	99,272	44,532
SHP - Northern Children Services - New Generat	241051	14.235	PA-0566B-3T001100	485,150	400,000
SHP - PEC - Jannie's Place (3B3T000800)	240932	14.235	PA0003B3T000800	584,199	34,998
SHP - PEC-Fattah Homes (700002)	240872	14.235	PA01B700002	753,395	130,218
SHP- Project Home - Fairmount Gardens	240678	14.235	PA-0502B-3T00-1000	381,000	38,100
SHP- Raise Hope- Belfield Avenue Townhouses	241045	14.235	PA-0546B-3T001101	78,604	11,071
CoC - 1260 Housing Development Corp - Arch (241089	14.238	PA-0334L-3T001204	111,480	45,411
CoC - 1260 Housing Development Corp - CTT	241090	14.238	PA-0468L-3T00-1203	222,960	156,220
CoC - 1260 Housing Development Corp - Hopin	241106	14.238	PA-00040L-3T00 1205	899,940	420,114
CoC - 1260 Housing Development Corp - Hopin	241102	14.238	PA0041L3T001205	713,964	567,796
CoC - 1260 Housing Development Corp - Hopin	241077	14.238	PA-0336L-3T001204	445,920	394,925
CoC - 1260 Housing Development Corp - New K	241092	14.238	PA-0337L-3T001204	390,180	280,158
CoC - 1260 Housing Development Corp -SAFE	241101	14.238	PA-0339L-3T001204	463,836	360,066
CoC- APM - Escalera	241081	14.238	Pa-0023L-3T001205	85,104	41,231
CoC- APM - Esperanza	241082	14.238	PA 0466L3 T001203	120,600	87,029
CoC- APM - Proyecto Hogareno	241083	14.238	PA-0033L-3T001205	309,144	156,856
CoC- Bethesda - Brainbridge Consolidated	241078	14.238	PA-0013L3T-001205	167,172	122,390
CoC- Calcutta House - Independence Place I	241084	14.238	PA-0051L-3T001205	28,368	15,172
CoC- Calcutta House - Independence Place II	241085	14.238	PA-0052L-3T001205	14,184	7,199
CoC- Calcutta House - Serenity Court	241086	14.238	PA-0077L-3T001205	63,828	33,855
CoC- Friends Rehabilitation Program - Assisted	241093	14.238	PA-0467L-3T00-1203	135,060	64,007
CoC- Friends Rehabilitation Program - Assisted	241094	14.238	PA-0012L-3T00-1205	230,040	131,993
CoC- PCRC - D&A/ Efficiencies/ MH	241114	14.238	PA-0058 L3 T00 1306	748,740	40,554
CoC- PCRC - D&A/Efficiencies/MH	241095	14.238	PA-0058-L3-T001205	833,100	600,412
CoC- PCRC - Pathways/Reunification	241115	14.238	PA-0072 L3 T00 1306	959,076	131,673
CoC- PCRC- Pathways/Reunification	241096	14.238	PA-0072L-3T001205	1,010,508	799,824
CoC- Phila Veterns Multi Service - Freedom's Ga	241105	14.238	PA-0027L-3T00-1205	325,980	242,531
CoC Planning Grant	241112	14.238	PA 0618 L3 T00 1200	250,000	25,000
CoC- Project Home - Fairmount (1523)	241109	14.238	PA-0007 L3-T00 1205	42,552	16,596
CoC- Project Home - Hope Haven I	241108	14.238	PA-0338 L3-T00 1205	70,920	46,788

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
CoC- Project Home - Hope Haven II	241097	14.238	PA-0039L-3T00-1205		70,920	53,170
CoC- Project Home - In Community/In Communi	241098	14.238	PA-0049L-3T00-1205		380,604	354,136
CoC- Project Home - Kairos House	241107	14.238	PA-0055 L3-T00 1204		255,312	166,060
CoC- Project Home - Kate's Place	241087	14.238	PA-0469L-3T00-1203		106,380	77,380
CoC- Project Home - Kate's Place II	241079	14.238	PA-0547C-3T00-1202		189,120	125,977
CoC- Project Home - Rowan Diamond	241099	14.238	PA-0470 L3 T001203		125,664	80,829
CoC- Project Home - Rowan Judson	241100	14.238	PA-0338 L3-T00 1204		452,340	397,394
CoC- Project Home - St. John the Evangelist Hou	241088	14.238	PA-0607L-3T001201		330,960	244,616
CoC- Raise of Hope - Belfield Avenue Townhou	241111	14.238	PA-0546 L3 T00 1202		78,604	46,991
CoC- Salvation Army - Apartments Consolidated	241080	14.238	PA-0059L-3T00-1205		325,068	309,124
SPC - 1260 Housing Development Corp - Hopin	241044	14.238	PA-00040C-3T00 1104		872,400	288,572
SPC - APM - Escalera (23C3T1104)	241024	14.238	PA0023C3T001104		85,014	12,352
SPC - APM - Proyecto Hogareno (33C3T1104)	241025	14.238	PA0033C3T001104		295,740	65,689
SPC - Calcutta House - Serenity Court	241028	14.238	PA-0077C-3T001104		63,828	9,386
SPC - Calcutta Hse Apts (2C3T)	240891	14.238	PA0002C3T000800		202,080	32,757
SPC - Friends Rehab Prm-Asst Lvg I (467C3T11	241029	14.238	PA0467C3T001102		129,192	43,540
SPC - Gaudenzia-Tioga Arms (40-0001)	240735	14.238	PA01C40-0001		2,471,364	284,755
SPC - Pathways to Housing (04C3T)	240892	14.238	PA0004C3T000800		2,879,640	366,362
SPC - Project Home - Hope Haven II	241038	14.238	PA-0039C-3T001104		70,920	19,880
SPC - Project Home - Integrated Supportive Hou	240676	14.238	PA-0501C-3T000 1000		1,183,500	85,213
SPC - Project Home - Rowan Diamond	241036	14.238	PA-0470C-3T00 1102		133,224	39,801
SPC - Project Home - Rowan Judson	241037	14.238	PA-0338 C3-T00 1103		430,200	30,995
SPC - Project Home - St. John II (06C3T000800)	240953	14.238	PA0006C3T000800		441,600	41,548
SPC- Calcutta Hse-Independ Plc I (51C3T1104)	241026	14.238	PA0051C3T001104		28,368	2,908
SPC- Friends Rehab Pgm-Asst Lvg II(12C3T110	241030	14.238	PA0012C3T001104		182,136	11,222
SPC- Gaudenzia - Shelton Court	240677	14.238	PA-0568C-3T000 1100		451,500	82,284
SPC-Calcutta Hse-Independence Pl2 (52C3T110	241027	14.238	PA0052C3T001104		14,184	5,356
SPC-Prj Home-St John E. Hse Bonus (01C70)	240871	14.238	PA01C70001		2,701,680	208,828
Home - Payroll - FY13	062126	14.239	M-12-MC-42_0203		233,000	13,287
HOME Investment Partnership - FY07	06HM07	14.239	M-06-MC-42-0203		15,363,342	90,000
HOME Investment Partnership - FY10	06HM10	14.239	M-09-MC-42-0203		16,365,392	614,791
HOME Investment Partnership - FY11	06HM11	14.239	M-10-MC-42-0203		16,275,816	3,393,573
HOME Investment Partnership - FY11	06HM12	14.239	M-11-MC-42-0203		13,855,331	1,933,459
HOME Investment Partnerships - FY12	06HM13	14.239	M-12-MC-42_0203		8,258,796	657,327
HOME Investment Partnerships - FY14	06HM14	14.239	M-13-MC-42_0203		8,356,000	2,114,374
HOME- Payroll	062131	14.239	M-13-MC-10-0203		244,409	244,409
Hopwa - Payroll - FY13	062127	14.241	PAH12F001		231,000	2,351
HOPWA- Payroll	062132	14.241	PAH13F001		213,000	213,000

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
Housing Opp For Persons With AIDS - FY03	06HW03	14.241	PA-H02-F-001		7,125,000	500,000
Housing Opp For Persons With AIDS - FY05	06HW05	14.241	PA-H-04-F001		7,632,000	805,000
Housing Opp For Persons With AIDS - FY06	06HW06	14.241	PA-H-05-F001		7,336,000	434,189
Housing Opp For Persons With AIDS - FY07	06HW07	14.241	PA-H-06-F-001		6,903,000	250,000
Housing Opp For Persons With AIDS - FY11	06HW11	14.241	PA-H-10-F-001		8,536,271	40,011
Housing Opp For Persons With AIDS - FY12	06HW12	14.241	PA-H-11-F-001		7,163,175	19,526
Housing Opport. for People w/ AIDS - FY02	06HW02	14.241	PA-H01-F001		6,224,000	250,000
Housing Opportunities for Persons with AIDS - F	06HW13	14.241	PAH12F001		7,470,943	292,999
Housing Opportunities for Persons with AIDS - F	06HW14	14.241	PAH13F001		7,305,686	6,862,123
Brownfields Economic Development- 9th Street	420364	14.246	B-09-BD-42-0011		1,848,971	1,848,971
Brownfields Economic Development- 9th Street	420365	14.246	B-09-BD-42-8011		151,029	151,029
HUD Lead Hazard Demo (S.H.) - Part 5	143191	14.905	PALHD0230-11		3,000,000	848,477
Project A.I.R.	143166	14.913	LHH10-05		1,000,000	226,215
Subtotal: Direct U.S. Department of Housing & Urban Development					739,792,513	81,640,224
Passed-Through- PA Department of Community and Economic Development:						
Neighborhood Stabilization Pgm (NSP)-02	06NSP02	14.225	C000045739		7,100,000	166,899
Shelter Project (DCED 13)	241076	14.231	C000053476		200,000	174,904
Subtotal: Passed-Through PA Department of Community and Economic Devel					7,300,000	341,803
Passed-Through- U.S. Department of the Army:						
Homeless Alcoholic Men	150394	14.235	No. DACA-31-1-84-204 #63		83,004	83,004
Subtotal: Passed-Through U.S. Department of the Army					83,004	83,004
Total U.S. Department of Housing & Urban Development:					747,175,517	82,065,031
<u>U.S. Department of the Interior</u>						
Direct- U.S. Department of the Interior:						
Tinicum Wildlife Preserve	360124	15.608	P.L. 95-469		4,938	4,938
Subtotal: Direct U.S. Department of the Interior					4,938	4,938
Total U.S. Department of the Interior:					4,938	4,938
<u>U.S. Department of Justice</u>						
Direct- U.S. Department of Justice:						
Domestic Violence Arrests & Enforcement	690398	16.525	2011-WE-AX-0007		141,629	26,124
Domestic Violence Arrests & Enforcement	100626	16.525	2011-WE-AX-0007		899,990	174,808

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
Forensic Casework D.N.A. Backlog Reduction	111017	16.564	2010-DN-BX-K114	968,799	53,159
Forensic Casework D.N.A. Backlog Reduction	111029	16.564	2011-DN-BX-K425	1,146,517	623,567
Forensic Casework DNA Backlog Reduction Pro	111043	16.564	2012-DN-BX-0109	1,000,761	57,766
FY 2013 Forensic casework DNA Backlog Redu	111053	16.564	2013-DN-BX-0114	1,069,271	9,394
REIMB-SCAAP Program (All Years)	230112	16.579	2010-AP-BX-0576	72,065	72,065
State Criminal Alien Assist (SCAAP)	230111	16.579	Receipts	16,904	16,904
Drug Violence Intelligence Initiatives - HIDTA 2	111023	16.580	G11PC0003A	203,200	54,566
Drug Violence Intelligence Initiatives - HIDTA 2	111040	16.580	G12PC0003A	203,200	131,483
Drug Violence Intelligence Initiatives - HIDTA 2	111049	16.580	G13PC0003A	203,201	21,530
Philadelphia Smart Policing Initiative II	111030	16.580	2011-DG-BX-0025	646,211	84,186
2012 Bulletproof Vest Partnership Program	111061	16.607	NIJ # BA-2000S-FX01	142,726	89,803
Edward Byrne Justice Assistance Grant (JAG) - P	111054	16.738	2013-DJ-BX-1040	1,522,507	49,432
JAG IX	690435	16.738	2013-DJ-BX-1040	237,000	32,958
JAG VI	111015	16.738	2010-DJ-BX-0877	2,370,890	449,181
JAG VI - Interest	111016	16.738	2010-DJ-BX-0877	3,818	1,818
JAG VI - Veterans Court	840651	16.738	2010-DJ-BX-0877	65,000	32,959
JAG VII	690396	16.738	2011-DJ-BX-3490	653,639	1,988
JAG VII	111027	16.738	2011-DJ-BX-3490	1,442,100	414,086
JAG VII - Interest	111028	16.738	2011-DJ-BX-3490	1,201	995
JAG VII - Treatment Court	840674	16.738	2011-DJ-BX-3490	88,094	56,536
JAG VIII	111041	16.738	2012-DJ-BX-0175	811,483	147,832
JAG VIII - Mental Health	840697	16.738	2012-DJ-BX-0175	266,631	98,326
JAG VIII - Project DAWN	840696	16.738	2012-DJ-BX-0175	169,784	33,338
Philadelphia Forensic Reentry Master Leasing	150493	16.738	2010/2011-JG/MH-04/ST-2343	103,306	88,438
2010 Philadelphia Responds Pre-Trial Team	150615	16.745	2010-MO-BX-0050	349,752	231,670
Project DAWN Court	840678	16.745	2011-MO-BX-0015	250,000	61,177
SMART Probation	840716	16.745	2013-SM-BX-0004	749,972	33,301
Performance-Based Prosecution Project	690370	16.751	2010-DB-BX-K083	641,695	286,545
National Forum on Youth Violence Prevention	100661	16.819	2012-NY-FX-K007	20,000	12,883
Federal Forfeiture	110993	16.922	Receipts	7,492,003	1,667,161
Subtotal: Direct U.S. Department of Justice				23,953,349	5,115,979
Passed-Through- PA Commission on Crime and Delinquency:					
JABG XIV	690413	16.523	2011-JB-11-22784	356,186	95,364
JABG XV	690433	16.523	2012-JB-11-23971; 2012-JB-FX	245,598	175,371
JABG XVI	690437	16.523	2013-JB-11-24981	162,107	4,407
Youth Aid Panel (YAP) Enhancement - 2010	690392	16.540	2009-2010-J-04-22433	62,145	45,870
PhillyRising and Philadelphia Ceasefire	100628	16.541	2012-PB-FX-K004	1,497,479	207,458

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
Don't Shoot	690434	16.738	2011-JG-01-24350	237,445	118,123
DUI Treatment Court Expansion	840715	16.738	2011/12 -JG-02-24210	249,955	42,133
E. Byrne JAG Pgm - CJAB - Search	690388	16.738	2009-JG-04-22143	100,000	5,771
E. Byrne JAG Pgm - Family Justice Center	690387	16.738	2009-JG-02-22204	204,000	100,136
Elder Victim/ Witness - Year 3	690406	16.738	2010-JG-07-21337-3; fed # 2010	11,327	3,465
JAG VIII	690415	16.738	2012-DJ-BX-0175	513,639	96,260
JAG VIII - Warrant Court	690416	16.738	2012-DJ-BX-0175	122,000	31,707
JJSES Implementation	840695	16.738	2010-JG-06-23544	22,000	14,371
Treatment Court Expansion	840694	16.738	2010-JG05-23112	221,406	103,753
Subtotal: Passed-Through PA Commission on Crime and Delinquency				4,005,287	1,044,189
Total U.S. Department of Justice:				27,958,636	6,160,168
 <u>U.S. Department of Labor</u>					
Passed-Through- Private Industry Council:					
Phil-A-Job II - Work Experience	160408	17.250	10088/S124	166,800	129,409
Phil-A-Job II - Work Experience	160646	17.250	10181/S124	460,000	12,333
Subtotal: Passed-Through Private Industry Council				626,800	141,742
 Passed-Through- Philadelphia Corporation for the Aging:					
Senior Community Service Employment Program	050291	17.235	1-0301-00	992,303	10,221
Senior Community Service Employment Program	050295	17.235	1030100	894,342	831,084
Subtotal: Passed-Through Philadelphia Corporation for the Aging				1,886,645	841,305
Total U.S. Department of Labor:				2,513,445	983,047
 <u>U.S. Department of Transportation</u>					
Direct- U.S. Department of Transportation:					
Acquire Land P9 & P13, Const TW K East	C42600	20.106	3-42-0076-101-13	21,099,126	4,776,873
Extend Taxiway K-Phase II	C42603	20.106	3-42-76-103-2014	9,271,384	3,959,531
High Speed Exit TWK & TWK Ext	C42599	20.106	3-42-0076-097-2011	1,328,415	199,262
Improve Runway 9R/27L Safety Area	C42586	20.106	3-42-0076-076-06	4,575,000	140,658
Noise Mitigation - PH 8	C42573	20.106	3-42-0076-099-11	5,156,983	773,547
Rehab Runway 9L/27R	C42597	20.106	3-42-0076-095-2010	2,092,409	53,266
Rehab Runway 9L/27R-Phase 3	C42597	20.106	3-42-76-100-2012	12,970,104	2,726,497
Rehab Taxiway A & L - PH 2	C42590	20.106	3-42-0074-016-09	2,219,200	94,161
Rehab Taxiway S - PH 2	C42588	20.106	3-42-0076-085-08	11,782,900	49,721

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
Subtotal: Direct U.S. Department of Transportation				<u>70,495,521</u>	<u>12,773,517</u>
Passed-Through- PA Department of Transportation:					
40th St/AMTRAK	C12112	20.205	065282F	3,034,267	679,362
41st St/AMTRAK	C12207	20.205	065467C	3,622,400	85,231
52nd St & Lancaster Ave	C12214	20.205	067539A	1,789,610	407,858
American Cities/Safe Rts Schools	C12250	20.205	068551	320,000	134,349
Avenue of the Arts North Broad	C12259	20.205	069508	377,119	136,855
Bridge Design/Inspection-CY	120251	20.205	receipts	12,974	12,974
Bustleton Avenue North (Tiger)	C12256	20.205	068599	7,307,692	4,185,723
Bustleton Avenue South Trans Signal	C12258	20.205	069511A	1,884,383	682,921
Center City Resurfacing	C12230	20.205	067542B	3,067,133	1,072,578
Chinatown Streetscape	C12232	20.205	067588A	860,000	8,147
Citywide 103B	C12240	20.205	068520B	90,800	31,175
Cresheim Valley Drive Demo 1	C12225	20.205	066595C	1,112,120	40,010
CSX Pedestrian Bridge	C12242	20.205	068529A	2,552,877	3,225
Delaware Ave (Lewis-Orthodox)	C12169	20.205	068581A	8,349,127	1,667,530
Delaware Ave (Lewis-Orthodox)	C12169	20.205	068581A	870,400	24,675
Delaware Ave (Lewis-Orthodox)	C12169	20.205	065697B	5,141,600	312,964
Delaware River Heritage Trail	C17046	20.205	066582	375,000	75,466
Federal Highways-CY	120241	20.205	receipts	19,074	19,074
Fox Chase Phase 3 Streetscape	C12263	20.205	069504	434,783	414,783
Lehigh Ave East (Broad - Richmond)	C12190	20.205	068538	5,266,102	41,097
Lehigh Ave West (Broad-Ridge)	C12199	20.205	065702A	3,759,304	2,917,345
Lincoln Drive	C12194	20.205	065695C	348,880	74,680
Market St Signals (46th to 63rd)	C12124	20.205	067583A	9,217,264	1,502,788
MidEast Girard Ave Streetscape	C12233	20.205	067589A	881,000	78,065
Montgomery Avenue/Amtrak	C12182	20.205	065595D	2,275,200	25,733
N. Delaware Ave Greenway (TIGER)	C12251	20.205	068575A	1,225,435	1,006,571
National Bridge Inspection System	120364	20.205	068559	175,732	84,410
Passyunk Ave (Broad - 63rd St)	C12188	20.205	067537A	5,642,712	260,220
Penn's Landing/Waterfront Imps	C12245	20.205	068547A	10,564,557	5,273,009
Roxborough Streetscape (Ridge Ave)	C12241	20.205	067590B	1,762,880	11,000
Schuylkill River Trail (Shawmount-MC Line)	C12246	20.205	068528A	692,147	28,708
Schuylkill River Trail at Bartram Gdn	C12248	20.205	068554	1,364,103	2,806
Signal Retiming Grant	120371	20.205	068513A	350,000	206,756
Stenton & Godfrey Signal Improvement	C12254	20.205	068584	8,243,200	4,891,753
Temple Univ Station Access Enhancement	C12238	20.205	068502	2,323,728	27,167

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
TMA Assistance Pgm FY 2012-13	460114	20.205	520920	153,600	25,586
Torresdale Avenue Streetscape	C12257	20.205	069501	2,692,587	27,691
Traffic Operations Center	C12249	20.205	068553	1,200,000	592,391
Vine St Expressway Enhancement	C12239	20.205	068503	1,616,954	14,964
Willow Grove Avenue/Septa	C12227	20.205	067525E	432,000	278,493
Woodland Avenue	C12261	20.205	069512	837,607	627,643
FY13 High Visibility Enforcement and Outreach	111050	20.218	Prj # FM-MHP-0133-13-01-00	242,313	92,601
Motor Carrier Safety Assist Pgm	111048	20.218	Prj # FM-MHP-0089-12-01-00	30,800	12,956
2014 Buckle Up PA -Seat Belt Enforce Pgm	111058	20.600	2003-001	21,000	20,990
Comprehensive Highway Safety Program	150482	20.600	CTSP-2013-PHIL-00011	302,219	100,740
Comprehensive Highway Safety Program	150510	20.600	CP-2014-01-00-0	371,889	278,917
Highway Safety Corridor - Roosevelt Blvd.	111046	20.600	HSGP-G-2013-Philadelphia-000	119,603	13,620
Highway Safety Project - Roosevelt Blvd	111056	20.600	HSGP-G-2014-Philadelphia-000	100,564	37,451
Sobriety CKPT & Expand DUI Enforcement	111045	20.600	IDP-G-2013-Philadelphia-0037	129,970	12,513
Sobriety Checkpoint & Expanded DUI Program	111057	20.600	IDP-G-2014-Philadelphia-0004	129,459	50,875
Subtotal: Passed-Through PA Department of Transportation				103,694,167	28,614,439
Passed-Through- Delaware Valley Regional Planning Commission:					
2035 District Plans & Zoning Maps Revision	510156	20.205	Award Letter	100,000	3,057
Market/JFK Cycle Track Signal Retiming	120400	20.205	12-67-124	76,000	3,008
Regional GIS Implementation and Coordination	120369	20.205	14-53-305	25,000	22,881
Short Range Planning	510170	20.205	14-63-006	109,472	107,929
Transit Planning and Programming	460115	20.205	14-63-005	90,104	57,512
Washington Avenue Streetscape & Design Prj	510157	20.205	12-67-122	75,000	75,000
Subtotal: Passed-Through Delaware Valley Regional Planning Commission				475,576	269,386
Total U.S.. Department of Transportation:				174,665,264	41,657,342
U.S. Equal Employment Opportunity Commission					
Direct- U.S. Equal Employment Opportunity Commission:					
Deferred Cases- EEOC	540029	30.002	8/5010/37	93,250	93,250
Subtotal: Direct U.S. Equal Employment Opportunity Commission				93,250	93,250
Total U.S. Equal Employment Opportunity Commission:				93,250	93,250

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
<u>U.S. Library of Congress</u>					
Direct- U.S. Library of Congress:					
National Library Service Material	520998	42.001	Donated Books	68,388	68,388
Subtotal: Direct U.S. Library of Congress				68,388	68,388
Total U.S. Library of Congress:				68,388	68,388
<u>U.S. Environmental Protection Agency</u>					
Direct- U.S. Environmental Protection Agency:					
Air Pollution Control Program	143233	66.001	A-00304511-4	1,834,092	784,591
Air Pollution Control Program	143441	66.001	A-00304514-0	1,797,763	552,944
Air Pollution Control Program - FED	143117	66.001	A-00304511-3	1,817,716	34
Air Pollution Control Program - FED - Supl	143184	66.001	A-00304511-3	82,545	136
National Air Toxics Trends Stations (NATTS)	143702	66.034	XA-97333003.2	39,000	32,225
Near Road Monitoring Station	143332	66.034	XA-96313801-0	200,000	16,058
Near Road Monitoring Station	143375	66.034	XA-963264-01-0	200,000	2,626
South Philadelphia Community Scale Monitoring	143193	66.034	XA-96311601-0	363,291	115,036
Particle Matter 2.5 Air Monitoring Program	143218	66.606	PM-97311803-2	163,387	119,656
Particle Matter 2.5 Air Monitoring Program	143424	66.606	PM-97311803-3	163,387	14,292
Lower Frankford Creek Watershed - Brownfields	510171	66.814	Award Letter	200,000	19,875
Subtotal: Direct U.S. Environmental Protection Agency				6,861,181	1,657,473
Passed-Through- PENNVEST:					
Green Infrastructure at Phila. Rec. Ctrs	160384	66.458	51001021005-CN	528,644	22,590
Green Infrastructure Tree Planting	C17056	66.458	51001021005-CN	1,825,375	27,335
Green Infrastructure Tree Planting	C17056	66.458	51001021005-CN	1,825,375	10,895
Subtotal: Passed-Through PENNVEST				4,179,394	60,821
Total U.S. Environmental Protection Agency:				11,040,575	1,718,294
<u>U.S. Department of Education</u>					
Passed-Through- PA Department of Human Services:					
ID- Early Intervention (70170)	150560	84.181	Allocation Letter	2,595,110	2,595,110
Subtotal: Passed-Through PA Department of Human Services				2,595,110	2,595,110
Total U.S. Department of Education:				2,595,110	2,595,110

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
<u>U.S. Elections Assistance Commission</u>					
Passed-Through- PA Department of State:					
HAVA - Title II - Title III Requirements	730026	90.401	4100029051	1,907,709	17,269
PA HAVA Interest - Section 251	730033	90.401	4100029051	2,267,745	25,287
Subtotal: Passed-Through PA Department of State				4,175,454	42,557
Total U.S. Elections Assistance Commission:				4,175,454	42,557
<u>U.S. Department of Health & Human Services</u>					
Direct- U.S. Department of Health & Human Services:					
GHP- Sodium Reduction	143365	93.082	1U58DP004940-01	240,982	65,940
Federal Tuberculosis Control	143222	93.116	5U52PS300451-32	838,609	328,982
Federal Tuberculosis Control	143428	93.116	5U52PS300451-33 Revised	717,808	373,143
Women, Infant, Children and Youth HIV Service	146630	93.153	5H12HA24868-02-00	331,902	256,329
Women, Infant, Children, Youth HIV Services	143341	93.153	1 H12HA24868-01-00	350,000	126,725
Enhanced Integrated Sub Abuse Vet Treatment	150490	93.243	1H79TI024209-01	250,000	250,000
Enhanced Integrated Sub Abuse Vet Treatment	150591	93.243	1H79TI024209-01	250,000	187,500
Homeless 2 Home Behavioral Health Project	150593	93.243	1H79TI025346-01	473,345	473,345
Phila Homeless Engagement Intensive Case Mgmt	150590	93.243	5H79TI021471-04	349,752	349,696
Philadelphia Alliance for Child Trauma Services	150491	93.243	1U79SM061087-01	400,000	12,914
Philadelphia Alliance for Child Trauma Services	150592	93.243	5U79SM061087- 02 Revised	391,273	293,455
Philadelphia Integrative Health Initiative	143243	93.243	5U79SM060705-02	1,394,327	295,574
Philadelphia Integratve Health Initiative	143490	93.243	5U79SM060705-03S1	1,527,117	708,085
Immunization Program - Donated Vaccines	149999	93.268	Donations	25,587,178	25,587,178
Philadelphia Viral Hepatitis Prevention	143242	93.270	1U51PS004045-01	78,488	17,863
Philadelphia Viral Hepatitis Prevention	143710	93.270	5U51PS004045-02	80,834	40,417
Philadelphia Viral Hepatitis Surveillnce	143335	93.270	1U51PS004045-01	380,693	215,638
Philadelphia Viral Hepatitis Surveillnce	143711	93.270	5U51PS004045-02	391,176	155,565
ELC: Non-PPHF	143429	93.283	3U50CI000930-02S5	363,137	295,739
Epidemiology and Laboratory Capacity	143223	93.283	5U50CK000228-02 Revised	109,572	60,577
Health Infrastructure for Improved Health Outco	143845	93.507	5U58CD001249-04	579,977	393,139
Strengthening Health Infrastructure/ Imp Outcom	143334	93.507	5U58cd001249-03	1,541,464	675,803
Building Epidemiology Laboratory Capacity	143203	93.521	3U50CI000930-02S3	107,401	1,575
Epidemiology Laboratory Capacity - Supplement	143204	93.521	3U50CK000228-01S1	63,343	10,341
PPHF- Building EPID Lab Cap	143205	93.521	3U50CI000930-02S2 Revised	507,767	322,732
PPHF Building Epidemiology Laboratory Capaci	143430	93.521	3U50CI000930-02S4	348,874	161,171
Community Transformation Grant	143505	93.531	5U58DP003557-03	1,547,297	1,216,348

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City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
Community Transformation Grant	143333	93.531	5U58DP003557-02	1,824,004	273,632
PPHF- Increasing Human Papillomavirus Vaccinat	143367	93.539	3H23IP000735-01S1	536,095	154,005
Teamwork to Enhance Early Childhood (TEECH	221158	93.652	Award No. 90CO1094/01	250,000	8,434
Teamwork to Enhance Early Childhood (TEECH	221379	93.652	90CO1094/02	404,267	121,750
Pipeline Up to Stable Housing (PUSH)	221381	93.670	Award No. 90CA1805-01-00	345,852	33,211
HIV Emergency Relief	143270	93.914	H89HA00013-23-01	1,379,835	1,227,821
HIV Emergency Relief	143624	93.914	H89HA00013-24-00	1,579,835	205,620
HIV Emergency Relief - UA/CMI	143285	93.914	H89HA00013-23-01	680,416	325,414
HIV Emergency Relief - UA/CMI	143625	93.914	H89HA00013-24-00	431,325	145,325
HIV Emergency Relief Project	143269	93.914	H89HA00013-23-01	20,252,115	14,539,053
HIV Emergency Relief Project	143623	93.914	H89HA00013-24-00	21,451,093	5,358,799
HIV Emergency Relief-CQI	143268	93.914	H89HA00013-23-01	558,312	344,944
HIV Emergency Relief-CQI	143622	93.914	H89HA00013-24-00	540,674	170,535
Outpatient HIV Early Intervention	143208	93.918	H76HA00077	812,416	337,107
Outpatient HIV Early Intervention	143414	93.918	6H76HA00077-23-02	812,415	251,584
Healthy Start Initiative - Perinatal Health	143226	93.926	H40MC24119-02-03	923,325	646,147
Healthy Start Initiative (West)	143207	93.926	H49MC00135-13-04	2,617,130	1,957,069
AIDS Prevention Project - AACO Education	143566	93.940	5U62PS003645-03 Revised	167,263	40,020
AIDS Prevention Project	143248	93.940	5U62PS003645-02	3,658,736	2,162,051
AIDS Prevention Project	143563	93.940	5U62PS003645-03 Revised	4,321,253	1,252,526
AIDS Prevention Project - AACO Education	143251	93.940	5U62PS003645-02	86,135	43,320
AIDS Prevention Project - C&T Health Centers	143250	93.940	5U62PS003645-02	556,615	227,982
AIDS Prevention Project - C&T Health Centers	143565	93.940	5U62PS003645-03 Revised	555,366	297,928
AIDS Prevention Project - City Jails	143254	93.940	5U62PS003645-02	1,672,438	567,171
AIDS Prevention Project - City Jails	143569	93.940	5U62PS003645-03 Revised	1,486,856	529,316
AIDS Prevention Project - Evaluation	143252	93.940	5U62PS003645-02	50,670	20,630
AIDS Prevention Project - Evaluation	143567	93.940	5U62PS003645-03 Revised	46,261	16,086
AIDS Prevention Project - Prison HE/RR	143253	93.940	5U62PS003645-02	212,039	84,660
AIDS Prevention Project - Prison HE/RR	143568	93.940	5U62PS003645-03 Revised	216,019	98,054
Development & Implement of HIV Prevention	143245	93.940	5U65PS003624-02	227,317	94,645
Development & Implement of HIV Prevention	143246	93.940	5U65PS003624-02	795,883	380,778
National HIV Behavioral Surveillance	143363	93.940	5U1BPS003253-03	817,026	111,582
National HIV Behavioral Surveillance	143364	93.940	5U1BPS003253-04 Revised	1,025,425	261,169
Program Collaboration and Service Integration	143249	93.940	5U38PS003152-03	672,108	355,545
HIV/Aids Surveillance - Incidence	143227	93.944	1U62PS003959-01 Revised	232,617	125,485
HIV/Aids Surveillance - Incidence	143434	93.944	5U62PS003959-02 Revised	936,726	404,063
HIV/Aids Surveillance - Incidence	143433	93.944	5U62PS003959-02 Revised	232,615	95,202
HIV/Aids Surveillance & Seroprevalence	143228	93.944	1U62PS003959-01 Revised	936,726	305,347

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
Medical Monitoring Project (MMP)	143346	93.944	5U62PS001608-05	411,694	365,660
Medical Monitoring Project (MMP)	143852	93.944	5U62PS001608-06	438,273	9,388
Sexually Transmitted Disease	143088	93.977	5H25PS0001351-04	2,079,548	30,567
Sexually Transmitted Disease	143212	93.977	5H25PS001351-05 Revised	1,968,151	1,213,238
Sexually Transmitted Disease Infertility	143211	93.977	5H25PS001351-05 Revised	452,546	337,060
Sexually Transmitted Disease Infertility	143418	93.977	1H25PS004355-01	2,315,284	597,832
STD Surveillance Network	143213	93.977	5H25PS001237-05	212,161	207,454
STD Surveillance Network	143419	93.977	1H25PS004248-01 Revised	160,000	63,269
Subtotal: Direct U.S. Department of Health & Human Services				121,545,174	69,274,252
Passed-Through- PA Department of Health:					
Bioterrorism Grant- Cities Readiness Initiative	143259	93.069	SAP# 4100059103	900,000	4,190
Bioterrorism Grant- Cities Readiness Initiative	143681	93.069	SAP# 4100062883	623,613	619,360
Bioterrorism Grant- Core	143680	93.069	SAP# 4100062883	596,208	595,358
Immunization and Vaccines for Children	143209	93.268	1H23IP000735-01 Revised	2,634,574	1,965,451
Immunization and Vaccines for Children	143415	93.268	5H23IP000735-02	2,685,998	461,257
Access to Recovery - SAMHSA - FY 14	150605	93.275	SAP 410053214	3,736,462	3,736,462
Colorectal Cancer Screening Program	143220	93.283	SAP#4100051395	324,419	150,587
MSA Tobacco	143556	93.520	4000017773	57,713	57,665
Refugee Healthcare Program	143770	93.566	SAP# 4100056164	78,564	58,959
MSA Tobacco	143553	93.724	SAP# 4000015245	19,285	19,285
Capacity Building Asst to Strengthen Public Heal	143318	93.733	1H2319000697-01	1,310,274	1,012,674
Bioterrorism Grant Hosp Prepare Program MRC	143682	93.889	SAP# 4100062883	15,000	15,000
Ryan White Title II - Federal	143620	93.917	SAP 4100062912	2,789,828	2,789,828
Ryan White Title II - Federal (RW Part B)	143720	93.917	SAP 4100062912	1,018,285	997,698
SAPT - Alcohol Intvn/Trmt	150435	93.959	ME #00136 /SAP 4100027188	2,263,533	205,077
SAPT - Alcohol Prevention	150434	93.959	ME #00136 /SAP 4100027188	637,838	591
SAPT - Drug Intvn/Trmt	150433	93.959	ME #00136 /SAP 4100027188	7,141,390	567,973
SAPT- Alcohol Intvn/Trmt	150477	93.959	ME #00136/SAP 4100053214	2,263,533	50
SAPT- Alcohol Intvn/Trmt	150653	93.959	ME #00136/SAP 4100053214	2,554,696	2,209,442
SAPT- Alcohol Prevention	150652	93.959	ME #00136/SAP 4100053214	649,119	587,299
SAPT- Drug Intvn/Trmt	150651	93.959	ME #00136/SAP 4100053214	8,499,402	6,471,226
SAPT- Drug Prevention	150650	93.959	ME #00136/SAP 4100053214	1,877,579	1,739,061
Child & Adolescent Services	143750	93.994	SAP# 4100058603	887,487	739,405
Childhood Lead Poisoning Prevention Program	143275	93.994	SAP# 4100050692-R1	336,198	4,591
Children W/Special Hlth Care Needs	143439	93.994	SAP# 4100058603	789,600	710,491
MCFH Primary Preventive Svcs	143435	93.994	SAP# 4100058603	998,148	761,519
Subtotal: Passed-Through PA Department of Health				45,688,746	26,480,500

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
Passed-Through- PA Department of State:					
HAVA - Section 261 - Title III Reqmt's	730027	93.617	4100030268	318,934	16,313
Subtotal: Passed-Through PA Department of State				318,934	16,313
Passed-Through- PA Department of Human Services:					
Title IV-E Subsidized Perm. Legal Custodianship	221302	93.090	Certification Letter	6,049,319	225
Title IV-E Subsidized Perm. Legal Custodianship	221361	93.090	Certification Letter	2,448,410	2,448,410
MH- Homeless Grant (70154)	150415	93.150	Allocation Letter	847,468	847,468
MH- Jail Diversion & Trauma Rec (70747)	150544	93.243	Allocation Letter	256,254	115,932
Supported Work Program (Workwise)	080308	93.558	Contract # 4100065378	7,546,034	5,129,371
Supported Work Program (Workwise) -F	080301	93.558	Contract # 4100045783	1,295,301	319,300
Temporary Assistance for Needy Families	221298	93.558	Certification Letter	26,033,804	124,467
Temporary Assistance for Needy Families	221348	93.558	Certification Letter	26,033,804	22,568,838
Child Support Enforcement	690420	93.563	Title IV-D Program	1,180,260	1,180,260
Child Support Program(MOE)	840701	93.563	Title IV-D Program	17,886,938	17,886,938
Unallocated IV-D Payments	840008	93.563	ME 4513321800	6,269,813	4,371,773
Information Technology Grant (ITG)	221338	93.658	Certification Letter	1,849,893	180,281
Information Technology Grant (ITG)	221365	93.658	Certification Letter	957,812	957,812
Title IV-E Program Income	229995	93.658	Child Support SSI	3,926,393	3,926,393
Title IV-E Demonstration Project	221375	93.658	Certification Letter	76,839,463	76,839,463
Title IV-E Foster Care	221299	93.658	Certification Letter	45,059,365	725,429
Title IV-E Foster Care	221349	93.658	Certification Letter	1,487,539	1,487,539
Title IV-E Adoption Assistance	221300	93.659	Certification Letter	24,649,603	44,121
Title IV-E Adoption Assistance	221353	93.659	Certification Letter	24,649,603	8,431,911
Child Protective Services	221390	93.667	Award Letter	2,888,308	2,888,308
Family Preservation Funds- Title XX	150492	93.667	Award Letter	605,304	605,204
HAP - Administration	241053	93.667	Award Letter	136,327	136,327
HAP - Bridge Housing	241066	93.667	Award Letter	2,583,144	2,583,144
HAP - Case Management	241064	93.667	Award Letter	1,463,520	1,463,520
HAP - Program Income	241056	93.667	Award Letter	1,236	1,236
ID- SSBG (70177)	150561	93.667	Allocation Letter	1,422,353	1,422,353
MH- SSBG (70135)	150540	93.667	Allocation Letter	5,532,135	5,532,135
Title IV-E Independent Living Grant (Chafee)	221397	93.674	Certification Letter	1,044,895	1,044,895
ID - Program Income	150999	93.778	Allocation Letter	5,619,237	5,619,237
ID- TSM Administration Federal(70175)	150564	93.778	Allocation Letter	612,998	612,998
ID- Waiver Admin (70175)	150562	93.778	Allocation Letter	7,303,643	6,862,723
ID- Waiver EI (70184)	150563	93.778	Allocation Letter	478,452	417,227
Medicare Part D - Retirees	350430	93.778	Receipts	180,685	180,685

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
MH- Intensive Case Mgmt (717/956)	150541	93.778	Allocation Letter	9,298	9,298
Title IV-E Medical Assistance	221301	93.778	Certification Letter	254,508	327
Title IV-E Medical Assistance	221357	93.778	Certification Letter	277,459	277,459
MH- CMHSBG (70167)	150543	93.958	Allocation Letter	2,203,831	2,203,831
HAP - Bridge Housing Pennfree	241054	93.959	Award Letter	1,251,804	1,251,804
HAP - Program Income (PENNFREE)	241055	93.959	Award Letter	110	110
Subtotal: Passed-Through PA Department of Human Services				309,136,322	180,698,752
Passed-Through- PA Department of Community & Economic Development:					
Fatherhood Enrichment Program	100651	93.086	MOU	185,530	134,907
Community Service Block Grant	160406	93.569	MOU	531,989	128,288
Community Service Block Grant	160645	93.569	MOU	253,495	194,437
Community Service Block Grant	080311	93.569	C000057053	4,572,080	381,030
Community Service Block Grant - LEAD	143221	93.569	MOU	263,275	259,872
Community Services Block Grant -LEAD	143427	93.569	MOU	222,000	190,000
CSBG - Administration	080292	93.569	C000052543	780,403	6,875
CSBG - Case Management	240919	93.569	MOU	250,000	250,000
CSBG - CSP	080293	93.569	C000052543	4,035,939	106,631
CSBG - CSP	080303	93.569	C000052543	4,028,991	1,487,308
CSBG - Emergency Assistance	240920	93.569	MOU	337,500	310,071
CSBG- Administration	080304	93.569	C000052543	858,651	762,428
CSBG- Administration	080310	93.569	C000057053	1,043,316	76,614
Philly Rising Collaborative	100653	93.569	MOU	152,224	98,420
Subtotal: Passed-Through PA Department of Community & Economic Develo				17,515,393	4,386,881
Passed-Through- PA Commission on Crime and Delinquency:					
Welfare Fraud FY14	690424	93.560	FC# 4000017050 line 2	485,000	485,000
Subtotal: Passed-Through PA Commission on Crime and Delinquency				485,000	485,000
Passed-Through- Family Planning Council:					
Family Planning Services	143416	93.217	#144101	541,475	271,801
C & B Cancer Prevention - FY12	143144	93.919	120304	285,791	285,791
C & B Cancer Prevention - FY13	143265	93.919	130304	558,300	89,910
Subtotal: Passed-Through Family Planning Council				1,385,566	647,502
Passed-Through- Phila Corporation for the Aging:					
Older Adult Program	160404	93.044	PCA Allocation	1,304,467	409
Older Adult Program	160644	93.044	PCA Allocation	1,316,484	750,553

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
Commission on Aging- Apprise	050296	93.779	1030125	39,019	36,430
Medical Improvements for Patients & Prov	050299	93.779	#1030127	10,354	8,955
Subtotal: Passed-Through Phila Corporation for the Aging				<u>2,670,324</u>	<u>796,347</u>
Passed-Through- Phila Health Management Corp.:					
Mentally Ill Homeless Services	150483	93.224	Award Letter	45,072	45,072
Subtotal: Passed-Through Phila Health Management Corp.				<u>45,072</u>	<u>45,072</u>
Passed-Through- Miscellaneous Program Income:					
STD - Program Income	143214	93.977	5H25PS001351.-05 Revised	157,033	157,033
Subtotal: Passed-Through Miscellaneous Program Income				<u>157,033</u>	<u>157,033</u>
Total U.S. Department of Health & Human Services:				<u>498,947,564</u>	<u>282,987,651</u>
<u>U.S. Corporation of National and Community Services</u>					
Direct- U.S. Corporation of National and Community Services:					
Foster Grandparents	080299	94.011	11SFAPA001 2013-OPEI-P71	463,166	219,043
Foster Grandparents	100641	94.011	14SFAPA001	463,166	231,232
Foster Grandparents Program Coordinator	100642	94.013	10VSAPA001	30,000	30,000
Subtotal: Direct U.S. Corporation of National and Community Services				<u>956,332</u>	<u>480,276</u>
Passed-Through- PA Department of Labor & Industry:					
AmeriCorps Competitive Award	100640	94.003	Award Notice 4100064853	631,750	487,466
Subtotal: Passed-Through PA Department of Labor & Industry				<u>631,750</u>	<u>487,466</u>
Total U.S. Corporation of National and Community Services:				<u>1,588,082</u>	<u>967,742</u>
<u>U.S. Social Security Administration</u>					
Direct- U.S. Social Security Administration:					
SSA Prisoner Incentive Payments	230051	96.006	Receipt	466,000	466,000
Subtotal: Direct U.S. Social Security Administration				<u>466,000</u>	<u>466,000</u>
Total U.S. Social Security Administration:				<u>466,000</u>	<u>466,000</u>
<u>U.S. Department of Homeland Security</u>					
Direct- U.S. Department of Homeland Security:					
Nat - US&R - Readiness - Hurricane Sandy	130139	97.025	Cooperative Agreement EMW-2	1,580,200	311

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID	CFDA	Contract Number	Federal Awards	Federal Expenditures
PA Task Force I- 2013 Grant	130143	97.025	EMW-2013-CA-K00020	1,227,154	651,278
PA Task Force I - 2011 Grant	130135	97.025	EMW-2011-CA-K0089-S01	1,143,078	22,997
PA Task Force I - 2012 Grant	130047	97.025	EMW2008CA1516	1,529,400	784,468
Response Cooperative Agreement	130320	97.025	EMW-2013-CA-USR-0022	33,000	32,039
Assistance to Firefighters FY'12	130155	97.044	EMW-2012-FO-05537	2,131,830	1,635,938
Explosive Detection Canine Team	422189	97.072	HSTS0208-H-CAN442	3,714,878	665,500
Phila Critical Infrastructure Protection	110798	97.080	2009-PD-080-000001	5,000,000	750,173
Safer - FEMA Grant	130350	97.083	EMW-2012-FH-00524	16,301,696	7,232,322
Law Enforcement Grant-OTA	422191	97.090	HSTS02-13-H-SLR-201	2,419,520	1,816,440
Homeland Security- Bio Watch Security	143260	97.091	2006-ST-091-000007-07	398,118	504
Homeland Security- Bio Watch Security	143401	97.091	2006-ST-091-000007-08	434,941	343,916
Design Svcs for Check Bag Recapitalization	C42602	97.100	HSTS04-13-H-CT1039	577,545	78,994
Closed Circuit Television System (CCTS), (PC.1	C42595	97.118	HSTS04-09-H-CT7018	5,961,646	165,337
Subtotal: Direct U.S. Department of Homeland Security				42,453,006	14,180,218
Passed-Through- PA Emergency Management:					
Hurricane Sandy- FEMA	160396	97.036	MED-060	376,711	376,711
Hurricane Sandy-FEMA	232020	97.036	Receipts	52,022	52,022
Hurricane Sandy-FEMA	110965	97.036	PW#RMB-027	69,695	69,695
Hurricane Sandy-FEMA	120248	97.036	receipts	403,536	403,536
Emergency Mgt Performance Grant	100371	97.042	Emergency Mgmt S & FB	183,312	183,312
EWS Tidal & Mapping Tool	280207	97.056	2008-GB-T8-K003	295,200	76,762
2011 Homeland Security Grant Program	100670	97.067	2011-SS-00092	1,074,620	914,763
2012 Homeland Security Grant	100671	97.067	EMW-2012-SS-00038	164,000	88,908
Public Health Preparedness Planner	143676	97.067	2011 Urban Areas Security Initi:	77,500	75,544
Urban Area Security Initiative	100637	97.067	201-SS-T0-0037	1,452,156	39,439
Subtotal: Passed-Through PA Emergency Management				4,148,752	2,280,692
Passed-Through- Maritime Exchange for Delaware River & Bay:					
DVIC- Port Security Program	110942	97.056	2009-PU-T9-K005	926,687	356,890
Maritime CBRNE Resp-Repower Proj	C11000	97.056	2009-PU-T9-K005	3,327,500	3,327,500
Port Security CBRNE Emergency Response Boat	111044	97.056	2009-PU-T9-K005 Project # 09-	739,000	634,131
Port Security Grant - Delaware Valley	110943	97.056	2009-PU-T9-K005 Project # 09-	749,289	211,932
Subtotal: Passed-Through Maritime Exchange for Delaware River & Bay				5,742,476	4,530,454
Total U.S. Department of Homeland Security:				52,344,234	20,991,363

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Federal Awards
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID Number	CFDA	Contract Number	Federal Awards	Federal Expenditures
Total Schedule of Expenditures of Federal Awards:				<u>1,756,010,904</u>	<u>460,893,748</u>

The accompanying notes are an integral part of this schedule.

**CITY OF PHILADELPHIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

CONTENTS

<u>Note</u>		<u>Page</u>
1	Basis of Presentation	26
2	Component Units	26
3	Notes to Specific Programs	27
4	Major Programs	27
5	City ID Number	27
6	Governmental Funding Awarded by the City	28

**CITY OF PHILADELPHIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the City of Philadelphia (City). The City’s reporting entity is defined in Note 1 to the City’s annual financial statements. All federal financial assistance received directly by the primary government from federal agencies as well as federal financial assistance passed through other governmental agencies is included on this schedule. Federal financial assistance, if any, relating to the City’s component units is reported separately by other auditors. Except for the programs listed in note 3 A and 3 B below, federal program expenditures included in the accompanying schedule are presented on the modified accrual basis of accounting. The U.S. Department of Housing and Urban Development has been designated the cognizant agency of the City of Philadelphia’s single audit. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. COMPONENT UNITS

The City of Philadelphia’s annual financial statements include the operations of the following entities and their expenditures of federal awards. Amounts listed include funds provided directly by the federal government and, in some cases, significant funds received first by the City of Philadelphia and passed on to the respective entities. Only funds received first by the City, and then passed on, have been included in the accompanying Schedule of Expenditures of Federal Awards. These entities have had separately performed financial statement audits conducted in accordance with the *U.S. Office of Management and Budget Circular A-133*:

<u>Entity</u>	<u>Expenditures of Federal Awards</u>
School District of Philadelphia	\$ 311,723,007
Community College of Philadelphia	\$ 99,901,823
Philadelphia Redevelopment Authority	\$ 319,132,128
Philadelphia Authority for Industrial Development	\$ 6,359,471

**CITY OF PHILADELPHIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

3. NOTES TO SPECIFIC PROGRAMS

The following explanatory notes relate to specific grant programs of the City, as indicated by CFDA Number.

- A. HUD Section 108 Loans (14.218) – The Federal Department of Housing and Urban Development (HUD) awards Section 108 Loans to the City for the purposes of Housing and Economic Development. The Housing portion is received by the primary government and disclosed on the Schedule of Expenditures of Federal Awards under CFDA 14.218 (City ID Numbers: 06986). The Economic Development portion is received by the Philadelphia Industrial Development Corporation (PIDC), a quasi-governmental agency. During fiscal year 2014 the City, through PIDC, loaned \$4,708,365 under contract B-08-MC-420012. Loan repayments and investment proceeds from unloaned funds are used to repay HUD. Collateral for repayment of the funds includes future Community Development Block Grant entitlements due to the City from HUD.
- B. Department of Homeland Security – Personal Property (97.000) – The City received property and equipment indirectly, under three U.S. Department of Homeland Security (DHS) programs, valued at \$2,776,361 during fiscal year 2014. The federal programs providing DHS funding are:

CFDA	Program	Value
97.008	Urban Areas Security Initiative	\$ 1,522,651
97.067	Homeland Security Grant	988,217
97.071	Metropolitan Medical Response System	94,898
97.073	State Homeland Security Program	170,595

The state is the prime recipient, and the sole procurement agent. The Southeastern Pa. Counter-Terrorism Task Force (Task Force) is the sub-grantee. Property and equipment purchased by the state ultimately becomes the property of the counties included in the Task Force.

4. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor’s Results section of the Schedule of Findings and Questioned Costs.

5. CITY ID NUMBER

Number used by the Grants Accounting and Administration Unit (GAAU) to track grant activity in the City’s accounting system.

**CITY OF PHILADELPHIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

6. GOVERNMENTAL FUNDING AWARDED BY THE CITY

The following table identifies federal funds awarded to the city's subrecipient organizations:

<u>Source</u>	<u>Program</u>	<u>FY2014 Federal Funding</u>
10.558	Child and Adult Care Food Program	\$ 337,642
11.557	Broadband Technology Opportunites Program	248,493
14.218	Community Development Block Grant	27,779,466
14.231	Emergency Solutions Grants Program	3,051,058
14.235	Supportive Housing Program	807,839
14.238	Shelter Plus Care	8,216,019
14.239	HOME Investment Partnerships Program	8,058,162
14.241	Housing Opportunities for Persons with AIDS	9,341,986
14.246	Community Development Block Grants/Brownfields Economic Development Initiative	2,000,000
16.738	Edward Byrne Memorial Justice Assistance Grant Program	88,438
66.601	Air Pollution Control Progream Support	101,409
81.128	ARRA- Energy Efficiency and Conservation Block Grant	546,845
93.116	Project grants and Cooperative Agreements for TB Control	66,810
93.153	Coordnated Services and Access to Research for Women, Infants , and Children	43,306
93.243	Substance Abuse and Mental Health Services Projects of	1,895,341
93.268	Immunization Grants	1,749,549
93.270	Adult Virus Hepititas Prevention and Control	332,941
93.275	Substance Abuse and Mental Health Services Access to Recovery	3,572,507
93.283	Center for Disease Control	1,188,923
93.507	Strengthening Public Health Infrastructure	310,283
93.520	PPHF 2012 National Public Health Improvement Initiative	31,675
93.521	Affordable Care Act Building Epidemiology. Laboratory , and Health Information Systems	339,502
93.531	PPHF 2012: Community Transportation Grants and National Dissemination and Support for Community Transformation Grants	1,046,894
93.539	Prevention and Public Health Fund Affordable Care Act	85,875
93.558	Temporaty Assistance for Needy Families	20,152,377
93.566	Refugee and Entrant Assistance State Administered Programs	58,476
93.569	Community Service Block Gran	699,500

**CITY OF PHILADELPHIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Source</u>	<u>Program</u>	FY2014 Federal Funding
93.652	Adoption Opportunities	102,679
93.658	Foster Care Title IV-E	32,170,336
93.667	Social Services Block Grant	7,352,207
93.724	ARRA - Prevention and Wellnes	19,285
93.733	Health & Other Capacity-Building Activities	952,455
93.889	National Bioterrorism Hospital Preparedness Program	15,000
93.914	HIV Emergency Relief Project	17,898,080
93.917	HIV Care Formula Grants	3,519,226
93.926	Healthy Start Initiative	2,261,814
93.940	HIV Prevention Activities - Health Department Based	4,739,756
93.944	HIV/AIDS Surveillance	564,385
93.958	Block Grant for Community Health Services	2,203,831
93.959	Block Grants for Prevention & Treatment of Substance Abuse	11,030,505
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	1,875,897
93.994	Maternal and Child Health Services Block Grant	1,785,009
99.000	Homeless Alcoholic Men	<u>83,005</u>
	Total Subrecipient Funding	<u><u>178,724,786</u></u>

**Schedule of Expenditures
of
Pennsylvania Department of
Human Services Awards**

City of Philadelphia
Schedule of Expenditures of Pennsylvania Department of Human Services Awards
July 1, 2013 to June 30, 2014

<u>Pa. DHS Program</u>	City ID	CFDA	Contract Number	Grant Awards	Grant Expenditures	Federal Cash Received
Project Title	Number					
<u>Mental Health / Intellectual Disabilities</u>						
ID - Program Income	150999	93.778	Allocation Letter	5,619,237	5,619,237	5,619,237
ID- Community Services (10255)	150565	00.000	Allocation Letter	24,871,564	24,871,009	0
ID- Early Intervention (10235)	150567	00.000	Allocation Letter	16,457,134	15,715,296	0
ID- SSBG (70177)	150561	93.667	Allocation Letter	1,422,353	1,422,353	1,422,353
ID -TSM Admin(70175)	150564	93.778	Allocation Letter	612,998	612,998	0
ID- TSM Admin (70175)	150465	93.778	Allocation Letter	459,446	0	283,826
ID- Waiver Admin (70175)	150463	93.778	Allocation Letter	6,930,873	0	1,052
ID- Waiver Admin (70175)	150562	93.778	Allocation Letter	7,303,643	6,862,723	6,862,723
ID- Waiver EI (70184)	150563	93.778	Allocation Letter	478,452	417,227	393,625
MH - Program Income	150998	00.000	Program Income	26,267,089	26,267,089	0
MH- Behavioral MH SV (10262)	150546	00.000	Allocation Letter	4,016,773	4,016,773	0
MH- CMHSBG (70167)	150543	93.958	Allocation Letter	2,203,831	2,203,831	2,203,831
MH- Homeless Grant (70154)	150542	93.150	Allocation Letter	847,468	847,468	847,468
MH- Intensive Case Mgmt (717/956)	150488	93.778	Allocation Letter	22,777	0	22,777
MH- Intensive Case Mgmt (717/956)	150541	93.778	Allocation letter	9,298	9,298	0
MH- Jail Diversion & Trauma Rec (70747)	150544	93.243	Allocation Letter	256,254	115,932	200,000
MH- Program Maintenance (10248)	150545	00.000	Allocation Letter	120,483,834	120,483,834	0
MH- Specialized Residences (10258)	150547	00.000	Allocation Letter	930,058	930,058	0
MH- SSBG (70135)	150540	93.667	Allocation Letter	5,532,135	5,532,135	5,532,135
Total Mental Health / Intellectual Disabilities:				<u>224,725,217</u>	<u>215,927,260</u>	<u>23,389,027</u>

City of Philadelphia
Schedule of Expenditures of Pennsylvania Department of Human Services Awards
July 1, 2013 to June 30, 2014

<u>Pa. DHS Program</u>	City ID			Grant Awards	Grant Expenditures	Federal Cash Received
Project Title	Number	CFDA	Contract Number			
<u>Children and Youth</u>						
Family Preservation Funds- Title XX	150492	93.667	Award Letter	605,304	605,204	605,304
Child & Youth Act 148- YDC Costs	229999	00.000	Certification Letter	9,180,765	9,180,765	0
Child Protective Services	221390	93.667	Award Letter	2,888,308	2,888,308	2,888,308
Child Welfare for Education and Leadership - FY	221392	00.000	Award Letter	1,026,992	1,026,992	0
Child Welfare Services - Act 148 - FY12	221279	00.000	Children & Youth Program	321,643,005	582,438	0
Child Welfare Services - Act 148 - FY13	221297	00.000	Award Letter	402,468,863	7,403,328	0
Child Welfare Services - Act 148 - FY14	221341	00.000	Award Letter	351,276,814	329,669,746	0
Temporary Assistance for Needy Families - FY1	221298	93.558	Award Letter	26,033,804	124,467	14,414,979
Temporary Assistance for Needy Families - FY1	221345	93.558	Award Letter	26,033,804	22,568,838	2,990,707
Title IV-B	221367	93.645	Award Letter	2,734,197	0	2,575,773
Title IV-E Adoption Assistance - FY12	221282	93.659	Certification Letter	24,649,603	0	149,874
Title IV-E Adoption Assistance - FY13	221300	93.659	Certification Letter	24,649,603	44,121	6,303,381
Title IV-E Adoption Assistance - FY14	221353	93.659	Certification Letter	24,649,603	8,431,911	3,892,528
Title IV-E Demonstration Project	221375	93.658	Award Letter	76,839,463	76,839,463	4,948,598
Title IV-E Foster Care - FY12	221281	93.658	Certification Letter	64,388,671	0	8,034,763
Title IV-E Foster Care - FY13	221299	93.658	Certification Letter	45,059,365	725,429	24,838,092
Title IV-E Foster Care - FY14	221349	93.658	Certification Letter	1,487,539	1,487,539	0
Title IV-E Independent Living - Interest	221398	93.674	Award Letter	172	0	172
Title IV-E Independent Living Grant (Chafee)	221305	93.674	Award Letter	1,060,068	0	397,525
Title IV-E Independent Living Grant (Chafee)	221397	93.674	Award Letter	1,044,895	1,044,895	522,448
Title IV-E Medical Assistance	221357	93.778	Award Letter	277,459	277,459	0

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Pennsylvania Department of Human Services Awards
July 1, 2013 to June 30, 2014

<u>Pa. DPW Program</u>	City ID			Grant Awards	Grant Expenditures	Federal Cash Received
Project Title	Number	CFDA	Contract Number			
Title IV-E Medical Assistance Div 44	221301	93.778	Award Letter	254,508	327	123,454
Title IV-E Program Income	229995	93.658	Child Support SSI	3,926,393	3,926,393	3,926,393
Title IV-E SPLC	221287	93.090	Certification Letter	5,804,370	0	63,623
Title IV-E Subsidized Permanent Legal Custodia	221361	93.090	Certification letter	2,448,410	2,448,410	1,203,859
Title IV-E Subsidized Permanent Legal Custodia	221302	93.090	Award Letter	6,049,318	225	1,305,201
Total Children and Youth:				1,426,481,297	469,276,260	79,184,981
<u>Combined Homeless Assistance Program</u>						
HAP - Administration	241053	93.667	Award Letter	136,327	136,327	136,327
HAP - Bridge Housing	241066	93.667	Award Letter	2,583,144	2,583,144	2,583,144
HAP - Bridge Housing Pennfree	241054	93.959	Award Letter	1,251,804	1,251,804	1,251,804
HAP - Case Management	241057	00.000	Award Letter	2,535,576	2,535,576	0
HAP - Case Management	241064	93.667	Award Letter	1,463,520	1,463,520	1,463,520
HAP - Program Income	241056	93.667	Award Letter	1,236	1,236	1,236
HAP - Program Income	241059	00.000	Award Letter	467	467	0
HAP - Program Income (PENNFREE)	241055	93.959	Award Letter	110	110	110
Total Combined Homeless Assistance Program:				7,972,183	7,972,183	5,436,140
<u>Human Services Development Fund</u>						
HSDF - Financial Administration	143466	00.000	Allocation Letter	1,555,597	1,555,597	0
HSDF - Health and Opportunity	143470	00.000	Allocation Letter	150,000	150,000	0
HSDF- AHS Translation Service	143468	00.000	Allocation Letter	150,000	150,000	0
HSDF- Case Management Group A	241060	00.000	Allocation Letter	411,573	411,573	0

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Pennsylvania Department of Human Services Awards
July 1, 2013 to June 30, 2014

<u>Pa. DHS Program</u>	City ID			Grant Awards	Grant Expenditures	Federal Cash Received
Project Title	Number	CFDA	Contract Number			
HSDF- Children & Youth	221393	00.000	Allocation Letter	220,000	220,000	0
HSDF- Homeless Adult Services	150721	00.000	Allocation Letter	100,000	100,000	0
HSDF- Program Income	143471	00.000	Allocation letter	1,328	1,328	0
HSDF- Violence Reduction	160642	00.000	Allocation Letter	612,800	612,800	0
Human Services Development Fund	080307	00.000	Allocation Letter	92,017	92,017	0
Total Human Services Development Fund:				3,293,315	3,293,315	0
 <u>Child Support Enforcement</u>						
Domestic Relations Division (DRD)	840658	00.000	Title IV-D	7,900,000	15,324	0
Domestic Relations Division (DRD)	840683	00.000	Title IV-D	7,900,000	5,661,259	0
Domestic Relations Division (DRD)	840703	00.000	Title IV-D	7,900,000	3,055,948	0
Unallocated IV-D Payments	840008	93.563	ME 4513321800	6,269,813	4,371,773	4,785,197
Child Support Enforcement	690401	93.563	Title IV-D	1,261,879	0	425,370
Child Support Enforcement	690420	93.563	Title IV-D	1,180,260	1,180,260	855,622
Child Support Program	840681	93.563	Title IV-D	19,560,189	0	5,658,207
Child Support Program	840701	93.563	Title IV-D	17,886,938	17,886,938	13,107,941
Total Child Support Enforcement:				69,859,079	32,171,503	24,832,336
 <u>Other PaDHS Assistance</u>						
Act 152 (APP 120)	150440	00.000	Award Letter 02/23/12	2,150,418	3,008	0
Act 1992-24 Reimb Lawyer Fees	840689	00.000	receipts	81,873	81,873	0
Additional SIL Services	221399	00.000	Award Letter	1,658,884	1,645,837	0
Behavioral Health Services/ IGT (173)	150520	00.000	Award Letter	7,933,283	7,933,283	0

The accompanying notes are an integral part of this schedule.

City of Philadelphia
Schedule of Expenditures of Pennsylvania Department of Human Services Awards
July 1, 2013 to June 30, 2014

<u>Pa. DHS Program</u>	City ID			Grant Awards	Grant Expenditures	Federal Cash Received
Project Title	Number	CFDA	Contract Number			
Behavioral Health Services/IGT (173)	150412	00.000	Award Letter 02/23/2012	8,321,973	6,439	0
Family Group Decision Making (FGDM)	221396	00.000	Award Letter	3,371,947	2,620,673	0
Functional Family Therapy (FFT)	221395	00.000	Award Letter	142,500	25,447	0
Gambling Addiction Assess & Treat Funds	150445	00.000	ME #00136 /SAP 4100027188	1,677,724	95,507	0
Gambling Addiction Assess & Treat Funds - CO	150656	00.000	Award Letter	598,847	479,078	0
Housing Initiative	221292	00.000	Award Letter	1,167,612	22,792	0
Housing Initiative	221394	00.000	Award Letter	1,740,503	786,104	0
Information Technology Grant (ITG)	221337	00.000	Award Letter	2,482,633	156,464	0
Information Technology Grant (ITG)	221366	00.000	Award Letter	3,493,215	3,493,215	0
Information Technology Grant (ITG)	221338	93.658	Award Letter	1,849,893	180,281	799,269
Information Technology Grant (ITG)	221365	93.658	Award Letter	957,812	957,812	0
Information Technology Grant (ITG) - Federal	220472	93.658	Award Letter	908,280	0	1,246
Medically Fragile Infants	220031	93.670	3-G032372	107,951	0	600
Medically Fragile Infants	220114	93.670	3-G032372	104,960	0	850
MEDICARE PART D-RETIREEES	350430	93.778	receipts	180,685	180,685	180,685
Supported Work Program (Workwise) -F	080301	93.558	Contract # 4100045783	1,295,301	319,300	0
Supported Work Program (Workwise) -F	080308	93.558	Contract # 4100065378	7,546,034	5,129,371	3,557,791
Time Limited Family Reunification	221400	00.000	Agreement SAP # 4100044433	184,340	134,136	0
Act 152 (APP 120)	150660	00.000	Award Letter	2,032,084	1,935,318	0
Total Other PaDHS Assistance:				49,988,752	26,186,624	4,540,441

City of Philadelphia
Schedule of Expenditures of Pennsylvania Department of Human Services Awards
July 1, 2013 to June 30, 2014

<u>Pa. DHS Program</u>	City ID	CFDA	Contract Number	Grant Awards	Grant Expenditures	Federal Cash Received
Project Title	Number					
Total Schedule of Expenditures of PaDHS Awards:				1,782,319,843	754,827,145	137,382,926

**CITY OF PHILADELPHIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

1. BASIS OF ACCOUNTING

The modified accrual basis of accounting was used to prepare this schedule. All federal and state financial assistance received from the Pennsylvania Department of Human Services is included.

2. DEPARTMENT OF HUMAN SERVICES MAJOR PROGRAMS

The following represent major programs from the Pennsylvania Department of Human Services as defined in their **Single Audit Supplement** :

Child Support Enforcement

3. GOVERNMENTAL FUNDING AWARDED BY THE CITY

The following table identifies funding received from the Pennsylvania Department of Human Services that the city awarded to its subrecipient organizations:

<u>Source</u>	<u>Program</u>	<u>Funding</u>
State - DHS	Mental Health/Intellectual Disabilities	\$ 128,156,487
State – DHS	Behavioral Health Services Initiative	7,933,283
State – DHS	Children and Youth Program	70,295,007
State - DHS	Combined Homeless Assistance Programs	2,805,084
Total Pa. DHS Awards to Subrecipients:		\$209,189,861

INDEPENDENT AUDITOR'S SECTION

Auditor's Reports

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings



CITY OF PHILADELPHIA

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ALAN BUTKOVITZ
City Controller

GERALD V. MICCIULLA
Deputy City Controller

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Honorable Members
of the Council of the City of Philadelphia

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Philadelphia, Pennsylvania as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Philadelphia, Pennsylvania's basic financial statements, and have issued our report thereon dated February 23, 2015. Our report includes a reference to other auditors. Other auditors audited the financial statements of the following entities, as described in our report on the City of Philadelphia, Pennsylvania's financial statements.

Primary Government

Municipal Pension Fund
Philadelphia Gas Works Retirement Reserve Fund
Fairmount Park Commission Departmental and Permanent Funds
Philadelphia Municipal Authority
Pennsylvania Intergovernmental Cooperation Authority

Component Units

Community College of Philadelphia
Delaware River Waterfront Corporation
Philadelphia Parking Authority
Philadelphia Redevelopment Authority
Community Behavioral Health
Philadelphia Authority for Industrial Development
Philadelphia Gas Works

C I T Y O F P H I L A D E L P H I A
O F F I C E O F T H E C O N T R O L L E R

This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Delaware River Waterfront Corporation, Philadelphia Authority for Industrial Development, and Philadelphia Parking Authority were not audited in accordance with *Government Auditing Standards*.

We have also audited the basic financial statements of the School District of Philadelphia, a component unit of the City of Philadelphia, in accordance with *Government Auditing Standards* and issued a separate report on the School District's internal control over financial reporting and on compliance and other matters.

Internal Control Over Financial Reporting

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

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

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. We consider the combination of deficiencies, which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002 to 2014-009 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Philadelphia, 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

C I T Y O F P H I L A D E L P H I A
OFFICE OF THE CONTROLLER

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*.

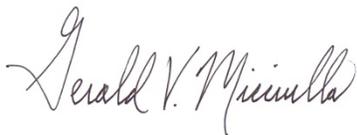
We noted certain other conditions that represent deficiencies in internal control over financial reporting that were communicated to management of the City of Philadelphia in separate correspondence. We also identified other internal control deficiencies during our annual examination of the financial affairs of city agencies which have been communicated to management in a separate report.

City of Philadelphia, Pennsylvania's Response to Findings

The City of Philadelphia, Pennsylvania's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Philadelphia, Pennsylvania's written response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



GERALD V. MICCIULLA, CPA
Deputy City Controller
Philadelphia, Pennsylvania
February 23, 2015



CITY OF PHILADELPHIA

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ALAN BUTKOVITZ
City Controller

GERALD V. MICCIULLA
Deputy City Controller

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

To the Honorable Mayor and Honorable Members
of the Council of the City of Philadelphia

Report on Compliance for Each Major Federal Program

We have audited the City of Philadelphia, Pennsylvania's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Pennsylvania Department of Human Services (DHS) Single Audit Supplement* that could have a direct and material effect on each of the City of Philadelphia, Pennsylvania's major federal and DHS programs for the year ended June 30, 2014. The City of Philadelphia, Pennsylvania's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs and major DHS programs are identified in the notes to the Schedule of Expenditures of DHS Awards.

The City of Philadelphia's basic financial statements include the operations of component units and their respective expenditures of federal awards as described in note 2 of the Schedule of Expenditures of Federal Awards (Schedule). Only funds received by the City of Philadelphia and passed on to these agencies are included in the Schedule. Our audit, described below, did not include the operations of these component units because they had separate audits performed in accordance with *OMB Circular A-133*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Philadelphia, Pennsylvania's major federal and DHS programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the DHS Single Audit Supplement. Those standards, OMB Circular A-133, and the DHS Single Audit Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or DHS program occurred. An audit includes examining, on a test basis, evidence about the City of Philadelphia, 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 DHS program. However, our audit does not provide a legal determination of the City of Philadelphia, Pennsylvania's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Philadelphia, 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 major federal and DHS programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and the DHS Single Audit Supplement and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-010 and 2014-012. Our opinion on each major federal and DHS program is not modified with respect to these matters.

The City of Philadelphia, Pennsylvania's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Philadelphia, 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 the City of Philadelphia, 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 the City of Philadelphia, Pennsylvania's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or DHS

program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the City of Philadelphia, Pennsylvania's internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the City of Philadelphia, Pennsylvania's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2014-011 that we consider to be a significant deficiency.

The City of Philadelphia, Pennsylvania's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Philadelphia, 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.

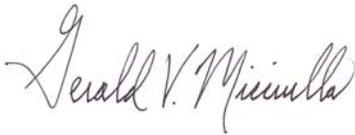
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Philadelphia, Pennsylvania, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Philadelphia, Pennsylvania's basic financial statements. We issued our

CITY OF PHILADELPHIA
OFFICE OF THE CONTROLLER

report thereon dated February 23, 2015, 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 Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



GERALD V. MICCIULLA, CPA
Deputy City Controller
Philadelphia, Pennsylvania
October 21, 2015

**Schedule of Findings
And Questioned Costs**

Section I – Summary of Auditor’s Results:

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified not considered to be material weakness(es)?
 yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified not considered to be material weakness(es)?
 yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
14.218	Community Development Block Grant / Entitlement Grants
14.231	Emergency Solutions Grant Program
14.238	Shelter Plus Care
14.239	Home Investment Partnerships Program
14.241	Housing Opportunities for Persons with AIDS
20.205	Highway Planning and Construction
93.268	Immunization Cooperative Agreements
93.275	Substance Abuse & Mental Health Services – Access to Recovery
93.563	Child Support Enforcement
93.569	Community Services Block Grant
93.914	HIV Emergency Relief Project Grants
93.917	HIV Care Formula Grants
93.940	HIV Prevention Activities _ Health Department Based
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.056	Port Security Grant Program
97.067	Homeland Security Grant Program
97.083	Staffing for Adequate Fire & Emergency Response (SAFER)

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? yes no

<u>Finding No.</u>		<u>Page</u>	<u>Questioned Cost</u>
<u>Section II - Financial Audit Material Weakness:</u>			
2014-001	Inadequate Financial Reporting Oversight Has Led to Undetected Material Misstatements	49	
<u>Section III - Financial Audit Significant Deficiencies:</u>			
2014-002	Unauthorized Individuals Are Approving Bi-Weekly Payrolls	59	
2014-003	Expenditures Are Being Improperly Authorized	61	
2014-004	Capital Asset Deficiencies Require Corrective Action	63	
2014-005	Segregation of Duties Not Enforced for the Automated Payroll System	66	
2014-006	Treasurer’s Controls Over Cash Accounts Require Strengthening	68	
2014-007	Water Customer Account Balances Could Be Inappropriately Reduced	72	
2014-008	Better Training and Enforcement of Existing Policies and Procedures Are Required to Improve Grant Accounting by City Agencies	74	
2014-009	Standard Accounting Procedures Need to Be Updated	78	
<u>Section IV – Federal and PA Department of Human Services Findings and Questioned Costs</u>			
2014-010	Special Tests – Rent Reasonableness Requirement Shelter Plus Care – CDA #14.238	80	
2014-011	Subrecipient Monitoring Immunization Cooperative Agreements – CFDA #93.268 HIV Emergency Relief Project Grants – CFDA #93.914 HIV Care Formula Grants – CFDA #93.917 HIV Prevention Activities_Health Department Based Grants – CFDA #93.940	82	
2014-012	Eligibility Child Support Enforcement – CFDA #93.563	84	

**2014-001. INADEQUATE FINANCIAL REPORTING OVERSIGHT
HAS LED TO UNDETECTED MATERIAL MISSTATEMENTS**

Philadelphia's Home Rule Charter places responsibility for the City of Philadelphia's (city) accounting and financial reporting functions with the Office of the Director of Finance (Finance Office). In that capacity, the Finance Office prepares the city's Comprehensive Annual Financial Report (CAFR). To complete these tasks, Finance Office accountants collect, analyze, and summarize enormous amounts of financial data and grant data, as well as other information obtained from the city's accounting system, numerous city agencies, and assorted quasi-government units, such as the Philadelphia Gas Works and the Philadelphia Redevelopment Authority.¹ Our current audit again disclosed a number of conditions, which collectively we consider to be a material weakness, that impede the ability of accountants to prepare a timely, accurate, and a completed CAFR without significant adjustments recommended by the City Controller's audit staff. More specifically, we observed that:

- Reductions in the number of accountants in the Finance Office and other city agencies compromised timely and accurate preparation of the CAFR;
- Inadequate management oversight by the Revenue and Fire Departments resulted in misstated receivables reported in the financial statements presented for audit;
- Untimely review of Water and Sewer Fund financial statements increased the risk of errors;
- Deficient year-end receivable procedures resulted in misstated Water and Sewer Fund accounts receivable; and,
- Late submission of financial reports for some component units hampered preparation of the CAFR.

Each of these conditions is discussed in more detail below.

Staff Reductions Continue to Compromise CAFR Preparation Process

Over the last several years, we have commented that continual staff reductions in the Finance Office, and other city agencies, have made the task of preparing the CAFR more difficult to complete and compromised the ability of accountants to perform adequate reviews and approvals of the financial statements and related footnote disclosures.

During our current audit, we observed this condition continued to exist. Ongoing inadequate staffing in the Finance Office and other city agencies, such as the Department of Revenue (Revenue Department), still contributed to errors in the financial statements presented for audit. Our audit work revealed several large undetected errors in the agency receivables, allowance for doubtful

¹ These quasi-government units are considered component units for purposes of the city's CAFR.

accounts, indemnity claims liability, and component unit amounts that were submitted to the Finance Office for inclusion in the CAFR.

We also found numerous significant errors in financial statement amounts prepared by Finance Office accountants that were not detected by accounting managers. While these errors had no net effect on the financial statements, if they had remained uncorrected, reported CAFR activity would have been inaccurate. Examples of these errors included:

- A \$506 million misclassification error between restricted cash and restricted other assets for the business-type activities, which created a \$506 million inconsistency in reported cash between the statement of net position and statement of cash flows.
- \$191 million of misclassification errors in reported component unit activity.
- An unrecorded \$117.3 million debt refunding.
- A \$71.8 million overstatement in the governmental activities' net position category of net investment in capital assets, along with a corresponding \$71.8 million understatement in unrestricted net position.

In total, we proposed \$1.8 billion in adjustments to correct errors we found in the draft financial statements presented for audit. These misstatements occurred primarily because the Finance Office lacked adequate staff to timely identify all errors in the draft financial statements.

Since fiscal year 2000, we have noted that the number of Finance Office accountants has declined by nearly 25 percent (from 64 full-time employees in fiscal year 2000 to 48 in fiscal year 2014). Likewise, since fiscal year 2008, the Collections Division of the Revenue Department, responsible for processing revenue receipts and preparing financial reports on all revenue and receivable activity, lost 21 percent of its accounting positions. Without sufficient staff to prepare and review the CAFR, the risk increases that significant errors can occur and not be timely discovered and corrected.

In a related issue to staffing, we previously commented that the Revenue Department and the Office of Innovation and Technology (OIT) did not have a succession plan to replace an OIT technical program manager, who performed key duties such as maintaining the Revenue Department's Taxpayer Inquiry and Payment System (TIPS) and producing daily revenue/receivable reports used by the department. The manager planned to retire in April 2014, and his replacement was hired only two months before his planned departure. Our current audit noted that, while the manager deferred his retirement until July 2014, his replacement left ten days later, leaving the manager position vacant. Our discussions with OIT management disclosed that only in December 2014 was another individual hired to assume some of the duties previously performed by the retired manager.

Recommendations:

To ensure an accurate, complete, and timely prepared CAFR, we recommend that Finance Office management:

- Either hire more accountants, or invest in new information technology that will reduce the current labor-intensive procedures needed to prepare the city’s financial reports.
- Provide adequate funding to all city agencies currently experiencing difficulty in accumulating and providing timely, accurate, and complete financial data to the Finance Office for inclusion in the CAFR.
- Require a succession plan from agencies with key employees essential to the complete and accurate presentation of information in the city’s CAFR.

Grantee Response:

The Accounting Bureau (Accounting) is committed to producing an accurate and well-prepared CAFR. As noted in your report, staff reductions have made the task of completing the CAFR more difficult. Despite the loss of experience, Finance believes we have a core of dedicated individuals presently in place to accomplish our mission, and we have made progress in our succession planning efforts. Additionally, we will continue to work with other departments within the Finance group on succession planning efforts.

Accounting recently re-organized to address succession planning and to improve and balance the responsibilities between its Grants Accounting and Administration Unit (GAAU) and General Accounting Unit. The Procedures Unit has been moved to the GAAU, now renamed the Grants Accounting and Procedures Unit, and a permanent supervisor position is being added in this unit. This realignment will result in cross training of key staff and enable Accounting to better manage the workload with existing resources. Further, to address management challenges resulting from employee retirements, Accounting is currently documenting staff functions and duties to assist managers in supervising staff accountants. This should strengthen internal controls and ensure duties are being completed in a timely fashion. By thoroughly understanding all of the functions and duties to be performed, Accounting managers and supervisors will be able to assign more tasks to the appropriate staff accountants, ultimately including them more in the year end process and facilitating better CAFR production. We will continue to critique the errors and adjustments resulting from the FY2014 CAFR audit with the entire accounting staff and fully expect to produce improved financial statements in the upcoming fiscal year.

Inadequate Management Oversight Resulted in Misstated Year-End Receivables

Section 6-200 of the Philadelphia Home Rule Charter specifies that the Revenue Department is responsible for the collection of all monies payable and due to the city. When revenue is collected by other city agencies with regularity and in sufficient volume, employees of those agencies are to act as agents for the Revenue Department² to facilitate accountability. The Revenue Department is then responsible for the accurate accounting of city revenue and receivables, and estimating amounts deemed uncollectible at year-end, for inclusion in the CAFRs of the School District of Philadelphia and the city.

² The Philadelphia Home Rule Charter, Section 6-204.

In prior reports, we have commented about the Revenue Department’s need for better oversight of city receivables. We found misstatements of accounts receivable balances, as well as discrepancies in estimates of the uncollectible portion of the receivables. This lack of oversight appeared largely due to an inadequate managerial review, insufficient guidance provided to accountants in other agencies generating significant revenue, and outdated procedures regarding how to account for estimated uncollectible amounts. Also, we noted too little oversight within the Fire Department acting as Revenue’s agent for the billing and collection of Emergency Medical Services (EMS) fees.³ For example, the responsible Fire Department accountant appeared to have no understanding of the procedures utilized by the contracted vendor handling EMS fee billing and collection and could not explain why he wrote-off \$389 million in receivables without the Accounts Review Panel’s approval.⁴

During our current audit, we continued to observe evidence of inadequate oversight within the Revenue Department as well as with the Fire Department’s accounting for EMS receivables. Once again, the Fire Department accountant wrote-off EMS receivables without obtaining the Accounts Review Panel’s approval, this time \$275 million. The Revenue Department’s review of the Fire Department’s EMS receivables calculation failed to detect this error. Additionally, after the Fire Department’s accountant retired in November 2014, our discussions with the new accountant clearly suggested a lack of adequate succession training in the area of EMS fees and related receivables. The new accountant, who started in August 2014, informed us that he was not yet familiar with accounting procedures for EMS receivables.

We also observed that the Revenue Department’s written procedures regarding how to account for estimated uncollectible accounts remained outdated and failed to provide adequate instruction on how to calculate estimated uncollectible amounts. As a result, there was an increased risk of financial statement errors. For example, we again found that the Revenue Department miscalculated the allowance for doubtful accounts associated with taxes receivable because it applied an uncollectible rate that was inconsistent with established methodology. Consequently, we had to propose \$13.6 million of adjustments to correct both the city and school district’s financial statements presented for audit.

Recommendations:

To ensure an accurate CAFR, we continue to recommend that the Revenue Department:

- Develop detailed written procedures to guide their accountants on: (1) accurately establishing year-end receivable balances; (2) performing an independent review of related activity; and (3) annually updating the estimated basis for determining uncollectible accounts receivable amounts.
- Provide adequate training to employees performing new duties.
- Provide better guidance to accountants in other agencies, especially those generating significant revenue.

³ EMS fees are charged for ambulance transport and other medical services provided to citizens and visitors of the city.

⁴ The Accounts Review Panel, which was established in 1966 by Bill No. 1938, is responsible for approving all write-offs of city receivables. No receivables are to be written off without first being approved by the Accounts Review Panel.

We recommend that Fire Department management make certain that the new accountant responsible for EMS fees and related receivables receive training to obtain an understanding of the accounting procedures used by the agency's contracted billing/collection vendor. Also, management should ensure that the accountant:

- Analyzes the EMS receivables to identify the portion determined to be uncollectible for appropriate disposition by the Accounts Review Panel.
- Collaborates with the Revenue Department to accurately report the Fire Department's year-end EMS receivables and allowance for doubtful accounts.

Grantee Response:

Revenue is committed to working closely with departments that manage large agency receivables to provide better guidance and to ensure uncollectible receivables are calculated accurately. In order to improve oversight and provide guidance to accountants, Revenue has restructured its Financial Reporting Unit. The unit will be managed by a Financial Reporting Director who is a CPA, and this unit will provide improved guidance through enhanced training and updated documentation. In addition, the department has been working more closely with other departments including the Fire Department concerning their receivables. The Fire Department is committed to working on improving their processes around EMS collections and is working closely with Revenue to train their accountants and improve the reporting of EMS fees and receivables.

Untimely Review Procedures in the Philadelphia Water Department Hampered CAFR Preparation

As one of the city's business-type activities, the Philadelphia Water Department (PWD) is responsible for preparing the full accrual financial statements of the Water and Sewer Fund (Water Fund) and submitting those statements to the Finance Office for inclusion in the city's CAFR. Since our fiscal year 2005 report, we have commented on deficiencies and inconsistencies in the review process for these financial statements. The PWD's procedure checklist for its financial statements appeared ineffective as it did not show detailed and meaningful information with regard to procedures that PWD accountants performed to ensure the accuracy of the Water Fund financial statements. Moreover, this checklist was never provided to the Finance Office. Additionally, the PWD submitted the Water Fund financial statements to the Finance Office without any supporting documentation, which, in our opinion, increased the risk for undetected errors in reported Water Fund amounts.

The current audit revealed that the PWD procured the services of an accounting firm to prepare a compilation package with detailed documentation supporting the Water Fund financial statements, similar to the compilation submitted by the Division of Aviation (DOA), also reported as a business-type activity. The PWD's compilation package contained a more comprehensive checklist detailing the procedures performed to check the accuracy of the Water

Fund financial statements and also included a certification signed by management asserting that the statements were reviewed and approved and met accepted standards of presentation and disclosure. Unfortunately, the compilation package was not completed and submitted to the Finance Office until February 23, 2015, when the CAFR was finalized and we issued our audit opinion. While we commend the PWD for taking this action, we believe that, given the untimely submission, the PWD's compilation package and its associated checklist were not effective in the preparation of the fiscal year 2014 Water Fund financial statements. For instance, we found two errors totaling \$5.5 million in the financial statements presented for audit, consisting of a failure to record the change in fair value of a derivative instrument and an error in the calculation of the net position, net investment in capital assets account. In our opinion, if the compilation package and review checklist had been completed by the PWD much earlier and submitted to the Finance Office accountants to allow them sufficient review time, the PWD or Finance Office accountants could have detected and corrected these errors.

In a related matter, we observed that the Finance Office and the PWD were not utilizing the full accrual Water Fund established in the city's accounting system (FAMIS)⁵ to post year-end journal entries to prepare the financial statements. Posting these adjusting entries into FAMIS could provide a clear trail of adjustments between the modified and full accrual statements, and decrease the risk of errors in the city's CAFR. Finance Office management informed us that they had not required the PWD to use the FAMIS full accrual fund until the PWD had developed its compilation package. Given the PWD's late submission of its compilation, the full accrual Water Fund was not used for fiscal year 2014. However, for fiscal year 2015, Finance Office management plans to require that the PWD accountants utilize the fund to post its year-end accrual adjustments.

Recommendations:

To improve review procedures for the financial statements of the Water Fund, we recommend that PWD and Finance Office management work together to establish an earlier deadline for the completion of the Water Fund compilation and checklist, as well as the submission of those items to the Finance Office.

Management and accountants of the PWD must ensure that the following actions are completed by the established deadline:

- Perform the procedures, now detailed in the compilation checklist, to ensure the accuracy and completeness of the Water Fund financial statements. The checklist should be submitted to the Finance Office along with the Water Fund financial statements. It should include an assertion by management that the statements have been reviewed and approved, and that to the best of management's knowledge, are complete and free from material misstatements.
- Review and approve the Water Fund financial statements for accuracy and completeness.

⁵ Financial Accounting and Management Information System.

- Provide detailed and organized supporting documentation for the Water Fund financial statements to the Finance Office.

Additionally, once the Finance Office has incorporated the Water Fund financial statements into the CAFR, a responsible PWD official should review the CAFR for accurate inclusion of the statements.

Lastly, we recommend that Finance Office management require that the PWD accountants utilize the FAMIS full accrual Water Fund to post its year-end accrual adjustments.

Grantee Response:

PWD appreciates the acknowledgement regarding improvements in the preparation of its FY2014 financial statement documentation. As noted in the report, PWD procured the services of an accounting firm to prepare the compilation package, including the procedures checklist and detailed documentation supporting the Water Fund financial statements. This was PWD's first attempt to provide the compilation package, and efforts to provide a complete product caused the submission to be untimely. However, PWD is confident that they will be able to submit the FY2015 financial statement compilation in a timely manner. As was included in the 2014 compilation, PWD will include a certification from management asserting that the statements are reviewed, approved, and free of material misstatement to the best of their knowledge.

Additionally, PWD will work closely with Finance personnel to ensure that the Water statements included in the CAFR are complete and accurate and will consult with Finance on utilizing FAMIS to post the year-end accrual adjustments to the Water Fund, providing a clear audit trail between the modified and full accrual statements.

Deficient Year-End Receivable Procedures Resulted in Misstated Water Fund Accounts Receivables

In our prior year report, we commented that the Water Revenue Bureau (WRB) and the PWD did not accurately calculate their revenues, the year-end Water Fund accounts receivable balance, or the related allowance for doubtful accounts, associated with water services to their customers. Amounts for these accounts were significantly overstated in the draft financial statements, primarily due to PWD accountants failing to record a \$129 million write-off of accounts receivable and neglecting to timely post a prior year \$5.3 million adjusting entry into the city's accounting system. Neglecting to update the methodology for estimating the uncollectible portion of the receivable balance and an apparent lack of communication between the WRB and PWD accountants also contributed to the misstatements.

Our current year audit noted that certain corrective actions were taken. The WRB updated its methodology for estimating uncollectible receivables, and the PWD accurately recorded write-off amounts approved by the Accounts Review Panel. We, therefore, considered these findings resolved.

Despite those corrective actions, our audit this year revealed that other problems affecting the calculation of Water Fund revenues and receivables continued to exist. The reported Water Fund accounts receivable is primarily based upon the WRB's statement of activity in accounts receivable (SAAR), a monthly report which summarizes the beginning receivable balance, activity such as billings, payment postings, and billing adjustments, and the resulting ending balance. A critical procedure to check the SAAR's accuracy is reconciling the report's ending receivable balance to the total receivable amount in the city's water billing system, BASIS2. However, we found that WRB accountants did not perform this step until we requested that it be done. Once WRB accountants completed the reconciliation on January 30, 2015, it was revealed that the amounts reported for revenues and accounts receivable in the draft financial statements were overstated by \$7.1 million and \$1.4 million, respectively, while the allowance for doubtful accounts was understated by \$5.7 million. This condition hindered the PWD's ability to timely post adjusting entries into the city's accounting system, and subsequently, finalize the Water Fund financial statements for the city's CAFR. They also highlight the need for better communication between accountants in the WRB and the PWD. Without detailed, complete, and timely information, the PWD has no assurance that the year-end accounts receivable balances are valid, accurate, and complete.

Recommendations:

To ensure accurate, consistent, and timely CAFR reporting, we recommend that:

- WRB accountants perform a detailed and timely reconciliation between the SAAR and BASIS2 system receivable balances at the end of the fiscal year and communicate the results immediately to the PWD.
- All financial statement adjustments be posted into the city's accounting system in a timely manner.
- PWD and WRB accountants should establish communication channels to improve the financial statement preparation process.

Grantee Response:

WRB appreciates the acknowledgement regarding corrective actions taken to accurately estimate Water Fund uncollectible receivables, allowing for PWD to accurately record write-off amounts approved by the Accounts Review Panel. WRB accountants have continued to perform a reconciliation of the SAAR to the current billing system (BASIS2), as they have done since the migration in 2008 from the prior billing system (WATER1). This is a reconciliation of the SAAR with the fiscal year end Accounts Receivable Aging by Routes Report produced by the BASIS2 billing system. During this year's audit, the Controller's office requested that the WRB accountants perform a reconciliation of SAAR to the General Ledger Code report that is also produced by the Basis2 billing system, a reconciliation unable to be performed previously due to general code migration issues that occurred when transitioning from the prior billing system (Water1) to the existing billing system (BASIS2). Going forward, WRB will continue the reconciliation of SAAR to the General Ledger Code report and does not expect future code migration issues.

Late Receipt of Component Unit Financial Reports Still Delayed Preparation and Audit of CAFR

For several years, we have commented about the late submission of financial reports by some of the city’s component units. These late submissions have resulted in considerable delays in timely completing the financial reporting and auditing processes for the city’s CAFR. While this condition improved slightly for fiscal year 2014, six of the city’s ten component units still did not submit their reports by the due dates requested by Finance Office accountants, as shown in Table 1 below.

Table 1: Late Submission of Component Unit Financial Reports

<u>COMPONENT UNIT</u>	<u>DUE DATE</u>	<u>DATE RECEIVED</u>	<u>DAYS LATE</u>
Delaware River Waterfront Corporation	9/30/2014	12/30/2014	91
Pennsylvania Intergovernmental Cooperation Authority	9/30/2014	12/16/2014	77
Philadelphia Gas Works	11/30/2014	1/6/2015	37
Philadelphia Municipal Authority	9/30/2014	12/10/2014	71
Philadelphia Redevelopment Authority	9/30/2014	2/6/2015	129
School District of Philadelphia	11/30/2014	2/13/2015	75

Note: Community Behavioral Health, the Community College of Philadelphia, the Philadelphia Authority for Industrial Development, and the Philadelphia Parking Authority submitted their financial reports timely.

Source: Prepared by the Office of the City Controller

As in the prior year, the Philadelphia Redevelopment Authority (PRA) continued to submit its final financial report much later than other component units. PRA’s fiscal year 2014 report was submitted to the Finance Office on February 6, 2015, only two weeks before our audit opinion date, 129 days past the requested due date and, on the average, 50 days later than other component units with a similar June 30th fiscal year-end date.

Failure to receive component unit financial statements on time increases the chances for errors or omissions, as Finance Office accountants become limited in the amount of time available to adequately review the reports. This became evident when we found the following undetected errors in component unit financial statements:

- In the Philadelphia Municipal Authority’s report, the schedule reconciling the modified accrual and full accrual income statements, which was incorporated into the city’s CAFR, contained \$162 million of errors in reconciling items.
- While governmental accounting standards⁶ require that a component unit’s reported amounts also include the activity of its own component units, PRA’s report did not contain a schedule combining its financial activity with that of its own component unit. Consequently, the PRA amounts reported in the city’s CAFR were misstated because they did not include the financial activity of PRA’s component unit.

⁶ Governmental Accounting Standards Board Statement (GASB) No. 14, *The Financial Reporting Entity*.

The risk of error also increases as accountants must make significant changes to the financial statements and footnote disclosures each time a component unit's financial information is added to the report. Additionally, each series of changes requires considerable audit time to ensure that accountants have correctly changed previous amounts and footnotes presented for audit.

In an attempt to provide more timely information, some component units submitted draft versions of their financial statements. However, this practice was not always helpful.

Recommendation:

We again recommend that early in the CAFR preparation process, Finance Office accountants solicit the assistance of the mayor and/or other administrative officials, to secure the cooperation of all component unit management in the timely submission of their respective final financial reports to the city's Finance Office.

Grantee Response:

We agree that the timely submission of all component unit reports is critical to the timely issuance and accuracy of the City's CAFR. Despite meeting with management and auditors of various component units last year concerning timely audit submission, we still experienced difficulty expediting the receipt of final audit reports. On an individual basis, Accounting has had additional meetings with units that experienced difficulties to provide guidance and assist with problems that may be delaying submission of component unit reports. Accounting will continue to communicate the required timelines to the component units and emphasize the importance of timely submissions.

**2014-002. UNAUTHORIZED INDIVIDUALS ARE APPROVING
BI-WEEKLY PAYROLLS**

Previously, we reported that unauthorized employees were approving the city's bi-weekly payrolls. The city's on-line payroll procedures include a three-step process whereby an agency employee posts payroll transactions to the system, a responsible administrative employee performs a supervisory-level review and approval, and a commissioner, deputy, executive administrative officer or an employee of similar rank reviews the postings and applies an executive-level approval. City standard accounting procedures (SAPs)⁷ require the Finance Office to maintain a current signature file of employees authorized to enter executive-level approvals for their respective agency's payroll. However, the prior audit found that, for a large percentage of city agencies, the official signature files maintained by the Finance Office did not agree with the approval privileges assigned within the on-line payroll system. As a result, millions of dollars in payroll costs were approved by unauthorized employees.

Our current examination disclosed that this deficiency in the payroll approval process continued. During the current audit, we compared the payroll signature files for 55 city agencies to the individuals designated as authorized in the on-line payroll system to perform executive-level approvals for the bi-weekly payrolls. Our testing again revealed inconsistencies between the signature files and the on-line payroll system, as follows:

- Twenty-four agencies (44 percent) had employees designated in the payroll system as authorized executive-level approvers who were not listed as such on the official payroll signature files. For 6 of the 24 agencies, unauthorized employees approved more than \$65 million in payroll costs during fiscal year 2014.
- Thirty-six agencies (65 percent) had employees who were authorized as executive-level approvers, but not designated as such in the payroll system. Seventy-three of these individuals did not have access to the system.

Recommendation:

We continue to recommend Finance Office management review the executive-level approvers in the on-line payroll system to ensure that all individuals are properly authorized and have appropriate on-line access to the system.

Grantee Response:

Payroll will work with Office of Innovation and Technology (OIT) to explore a programmatic approach to remove authorized signers who have terminated or transferred to other departments. In the interim, Payroll will issue a reminder requesting that departments review employees currently on signature cards for accuracy and update where necessary. This will remind departments of their responsibility to notify the Payroll Unit of any changes to the existing signatures. Also, Payroll will conduct

⁷ See SAP No. E-0911, *Signature Authorization Cards*.

periodic audits to compare signature cards to the authorized signers in the system and notify departments of any inconsistencies in order for them to make changes.

2014-003. EXPENDITURES ARE BEING IMPROPERLY AUTHORIZED

The city’s Finance Office is responsible for the electronic accounting systems (i.e. FAMIS and ADPICS)⁸ used to record, track and approve all expenditures for goods and services. As such, they grant, change, and revoke access to these systems as required. The Finance Office and the individual city agencies share responsibility to ensure that only current and authorized employees provide the necessary approvals for expenditures processed through these systems. Moreover, it is the responsibility of the individual city agencies to originate the proper signature authorization cards⁹ that support the electronic approvals, when an employee separates from city service or an individual’s job duties change.

Our audit of expenditure approvals in both FAMIS and ADPICS revealed numerous instances of when the electronic authorization codes of retired employees were used to approve payment vouchers. Specifically, we observed a total of 282 payment vouchers amounting to \$8.7 million that were approved using the authorization codes of two employees who had previously retired – a Department of Behavioral Health and Intellectual Disabilities Services (DBH/IDS) accounting supervisor who retired in July 2013 and a Free Library of Philadelphia administrative services director who separated in September 2013. The access codes for these two employees continued to be used to approve payment vouchers in FAMIS and ADPICS for five to seven weeks after their retirement. Additionally, we noted that, after the DBH/IDS employee’s retirement, his authorization code was used as the first-level approver on three vouchers totaling \$38.5 million.

The improper authorization of payments causes concern since it challenges the integrity and authenticity of the approval process, eliminates the audit trail, removes accountability for taxpayer funds, and could lead to misappropriation of assets. While our sample testing of fiscal year 2014 expenditures did not reveal any significant irregularities, we question why other individuals were permitted to have access to these authorization codes, a significant deficiency in any electronic system of controls. We are also uncertain as to why higher ranking officials did not approve the expenditures themselves, or anticipate for the employees’ retirement by assigning this task to other qualifying individuals, each having their own unique authorization codes.

In a separate report we issued in November 2013 on our evaluation of OIT’s general information technology controls, we reported that system access rights for terminated employees were not being removed in a timely manner. The current audit disclosed that OIT had instituted a procedure whereby it produces a bi-weekly list of employees who have separated or changed city agencies. OIT now sends this list to the Finance Office personnel responsible for granting and removing user access in the FAMIS and ADPICS applications.

Recommendations:

To ensure that unauthorized individuals do not have access or approval capability within FAMIS or ADPICS, we recommend that Finance Office management:

⁸ **A**dvanced **P**urchasing **I**nventory **C**ontrol **S**ystem.

⁹ Signature authorization cards, as required by SAP # E-0911, are used to document who is authorized to approve payment vouchers for each city agency.

- Ensure that responsible personnel, using the OIT's bi-weekly list of terminated employees, timely revoke the FAMIS and ADPICS access codes for individuals separated from the city.
- Reinforce to all city agencies the requirement to prepare and submit new signature authorization cards to the Finance Office immediately upon authorized employees separating or changing job responsibilities.

Grantee Response:

To reinforce the process previously implemented, we will instruct responsible personnel who monitor FAMIS and ADPICS access and approval authority to utilize OIT's bi-weekly list of terminated employees to revoke access codes in a timely manner for individuals separated from the city. Also, we will reissue SAP E-0911 to reinforce to all city agencies the requirement to prepare and submit new signature authorization cards to Finance immediately when authorized employees separate or change job responsibilities.

2014-004. CAPITAL ASSET DEFICIENCIES REQUIRE CORRECTIVE ACTION

Management is required by Philadelphia’s Home Rule Charter to maintain current and comprehensive records of all real property belonging to the city; however, as we noted in our prior reports, the city does not have a comprehensive capital asset management system. For the past several years, we have emphasized the need for the city to acquire a comprehensive capital asset system to better manage and account for real property assets. Management has asserted that although it would be beneficial to have such a system, resources have not been identified to initially fund and continually maintain it.

Lack of a Comprehensive Capital Asset System Hampered Reporting Process

During our current year audit, we again noted no improvement in the capital asset reporting process. Finance Office accountants continue to maintain several Lotus 1-2-3 and Excel files that with FAMIS constitute the current fixed asset ledger. Various spreadsheet files accumulate the cost of capital assets and work in progress, while other spreadsheet files are used to calculate depreciation expense and accumulated depreciation reported in the CAFR. Real property addresses are only available in FAMIS by user code, which is identified in an Excel file called the “Proof”. The use of multiple files creates a burdensome and onerous process that can affect the accuracy and completeness of amounts reported in the CAFR and causes extensive audit effort. For example, we continued to note a \$1.0 million discrepancy between the “Proof” file and FAMIS for vehicle balances, and also found a \$5.4 million discrepancy between the “Proof” file and FAMIS in the accumulated depreciation balance for buildings. Additionally, our testing revealed \$10 million of misclassification errors in the CAFR’s capital asset footnote disclosures, which were subsequently corrected by Finance Office accountants.

A comprehensive capital asset system can provide the city with detailed asset information that would eliminate a significant amount of labor-intensive record keeping duties, and improve efficiency in accounting for these assets. Such a system could facilitate the annual depreciation expense calculation and aid in preventing or detecting errors in a timely manner.

Real Property Assets Were Not Subject to Physical Inventory

SAP No. E-7201 specifies that the Procurement Department shall physically inspect all city-owned real property on a cyclical basis and check against the inventory listing to determine actual existence, condition and propriety of use. In addition, the Government Finance Officers Association (GFOA) recommends that governments periodically inventory tangible capital assets, so that all assets are accounted for, at least on a test basis, no less often than once every five years. It also recommends governments periodically inventory the physical condition of all existing capital assets so that the listing of all assets and their condition is kept current. Furthermore, the GFOA recommends that a “plain language” report on the condition of the government’s capital assets be prepared, and that this report be made available to elected officials and the general public every one to three years.

Except for the PWD and the DOA, which both periodically check the physical existence and condition of their real property assets, our current year testing again disclosed no evidence that the city’s other real property assets had been recently inventoried. This continued failure to perform a

physical inventory increases the risk that the city’s recorded real property assets could be inaccurate and/or incomplete. For example, we found that the Love Park parking garage, which the city constructed in 1964 and sold during fiscal year 2014 for \$28.6 million, was not readily identifiable in the city’s fixed asset ledger.

In December 2013, the Mayor’s Facilities Task Force¹⁰ issued its report on city-owned facilities with recommendations on how to better manage city facilities. According to the report, “the single greatest finding is the lack of systematic and coordinated data tracking by the city with regard to facility management. The complete cost of facility operations is not recorded in a manner that provides for optimal allocation of funding or the maintenance, repair and the capital investment in city facilities.” As such, it hampers the city’s ability “to develop a true strategic plan for making informed facility decisions.” One of the report’s top ten recommendations was to “implement an integrated, citywide asset management program to manage all data on city-owned facilities in a uniform and consistent manner.” In our opinion, this report reinforces our belief that the benefits of a comprehensive capital asset system outweigh the costs of such a system.

To assist the Mayor’s Facilities Task Force in its analysis, the Philadelphia City Planning Commission created a master database of city-owned facilities. Previously, we recommended that the Finance Office obtain this list in order to compare it to the city’s fixed asset ledger to identify any discrepancies and update records accordingly. During the current audit, our inquiries of Finance Office accountants disclosed that this recommendation had not yet been implemented.

Recommendations:

To improve the accounting and reporting of the city’s capital assets, we continue to recommend that management:

- Design or purchase a computerized capital asset management system that will provide accurate and useful information such as the book value and related depreciation for each city owned asset.
- Periodically take physical inventories of all real property assets, ascertain their condition and use, and ensure that related records are timely and appropriately updated to reflect the results of this effort.
- Develop and provide a plain language report on the condition of capital assets for the use of elected officials every three years. This report should also be made available to the general public.
- Obtain the master list of city-owned facilities and compare it to Finance’s records to identify any discrepancies and ensure completion and accuracy.

¹⁰ The Facilities Task Force was established by Executive Order No. 8-11. Its mission was to make recommendations to the Administration related to ensuring that the city obtains the best financial terms for housing city operations in facilities and for leasing city facilities; that city facilities are clean, safe and code compliant; that facilities with complimentary uses are co-located; and that any underutilized facilities are merged.

Grantee Response:

We agree it would be beneficial for the City to have a capital asset system. Unfortunately, resources have not been identified to fund either the system or the ongoing operating costs for staff that may be required to maintain the system, including maintaining accurate cost history records, accurate depreciation history, and providing a detailed inventory of the major systems in all of the buildings that the City owns. In the meantime, the current system will continue to be used. It should be noted the current methodology used by Accounting provides financial information that is accurate and auditable, even though it does not provide the level of detail that a capital asset system might provide. The auditor's finding cited variances totaling \$6.4 million against total capital assets of \$2.2 billion, not a material variance. The footnote error of \$10 million was the result of a data entry error and not due to the capital asset inventory process.

We agree that there is no formal written process to document that a physical inventory is occurring and no one system/report where all of the data on property conditions is stored. However, we believe that a physical inventory of assets is being conducted as a matter of course by the departments and that information is the basis for their capital and maintenance budget requests. We will follow the Controller's recommendation and obtain City Planning's master list of city-owned facilities and compare to Finance's records to reveal any discrepancies. As you know, this will aid in ensuring the list is complete and accurate but will not assist in calculating depreciation and book value of the city owned capital assets.

**2014-005. SEGREGATION OF DUTIES NOT ENFORCED
FOR THE AUTOMATED PAYROLL SYSTEM**

In the last several reports, we have commented that the duties concerning the data entry, reviewing, and approving of bi-weekly payroll transactions were not adequately segregated. We found that the same individual performed data entry and reviewed the on-line payroll time records, completed both the supervisory review and executive-level approval, or performed all three functions. Effective control procedures require that these duties be performed by separate authorized employees.

Our current audit examined the electronic signatures for payroll entry, supervisory review and executive-level approval for all city agencies during fiscal year 2014. Our testing of 55 city agencies for 26 pay periods revealed 422 occasions during the fiscal year (30 percent) in which the same individual posted and approved the on-line payroll time records, applied both the supervisory and executive-level approvals, or performed all three duties. Thirty-five of the agencies showed employees performing duplicate functions for more than two pay periods, with the City Commissioners Office, City Council, and the District Attorney's Office being the most recurrent among the larger agencies. While these observations when compared to the previous year's findings¹¹ indicated some improvement in the condition, a significant number of city agencies were still not adequately segregating payroll duties. Consequently, there remains an increased risk of error or fraud occurring without being detected during the normal course of employees performing their assigned functions.

During previous discussions with Finance Office accountants, they agreed that duty segregation of the above payroll functions was both necessary and important, and therefore, they would continue to remind city agencies to maintain adequate separation of duties. The city is also in the process of modernizing its administrative systems, including human resources and payroll, and the Finance Office planned to review these control procedures for implementation as part of the project.

Recommendations:

We continue to recommend that the city's Finance Office remind city agencies of the importance of maintaining adequate segregation of duties for completing data entry, reviewing, and approving payroll each pay period. Additionally, we suggest the Finance Office ensure that any new system is designed to prevent one individual from performing two or more conflicting duties.

Grantee Response:

We agree that segregation of duties is an important internal control feature, and Accounting will remind the departments of the importance of good internal controls. The security in the current payroll systems lets a user with higher level do the work at their level, as well as the levels below them. This is intentional to ensure that employees are able to be paid in emergency situations that may occur when all employees at all levels are not available to sign off on payroll. The City's OnePhilly initiative to replace the HR and Payroll systems is

¹¹ The prior audit's testing disclosed 494 occasions during fiscal year 2013 (35 percent) in which these payroll functions were not separated. Also, we noted that, for 44 of 55 departments, employees performed duplicate functions for more than two pay periods.

underway, and these types of control features will be reviewed for implementation as part of that project.

**2014-006. TREASURER’S CONTROLS OVER CASH ACCOUNTS
REQUIRE STRENGTHENING**

Section 6-300 of the Philadelphia Home Rule Charter designates the City Treasurer as the official custodian of all city funds, and thereby charges the Treasurer’s Office with the responsibility for establishing controls to safeguard these assets and ensure the accuracy of reported cash balances. Our audit disclosed that the Treasurer’s Office was not preparing bank reconciliations on a timely basis, noting that the city’s two main checking accounts had not been reconciled for several years. Also, we again found that the Treasurer’s Office did not adequately monitor the collateralization of city funds. These weaknesses in the Treasurer’s controls over its cash accounts increased the risk for undetected errors or fraud and left the city vulnerable to loss.

Treasurer Bank Accounts Were Not Timely Reconciled; Some Not Reconciled for Years

SAP No. 7.1.3.b requires that book balances for city accounts be reconciled to the bank balances on a monthly basis. Monthly bank reconciliations are a key control in order to promptly detect errors in reported cash balances or irregularities in account activity. Our current year examination disclosed that the Treasurer’s Office did not timely prepare bank reconciliations. Specifically, we found that:

- For 42 of its 63 bank accounts (67 percent), the Treasurer’s Office did not complete the June 30, 2014 bank reconciliations until two or more months after June 30th. Three of these bank reconciliations were not prepared until approximately five months after fiscal year-end.
- The Treasurer’s Office had not prepared bank reconciliations for the city’s payroll and general disbursement accounts since September 2010 and April 2012, respectively. While the payroll and general disbursement accounts have zero book balances for CAFR reporting purposes (i.e. deposits equal disbursements), they are the city’s two main disbursement accounts so errors or irregularities may be occurring without detection.

This condition suggests that Treasurer’s Office management has either not made the completion of required bank reconciliations a priority or not allocated the necessary resources to perform this function effectively.

SAP No. 7.1.3.b also requires that a responsible supervisory employee review bank reconciliations to ensure their accuracy and identify any reconciling items requiring investigation. The reviewer should sign and date the reconciliation to provide evidence and affix responsibility for the performance of this task. However, we observed that three of the Treasurer’s fiscal year-end bank reconciliations contained no evidence of independent supervisory review.

Collateralization of City Funds Was Not Adequately Monitored

As further security for city deposits, Chapter 19-201(4)(a) of the Philadelphia Code specifies that

banks or other financial institutions holding city money must provide pledged collateral at amounts equal to or in excess of the deposited amounts. The pledged collateral must be held by the Federal Reserve Bank or the trust department of a commercial bank.

Previously, we reported that the Treasurer's Office did not adequately monitor its banks to ensure that these institutions were in compliance with the above legal requirements. The Treasurer's Office lacked written procedures to instruct staff on how and when to perform monitoring procedures, and, while Treasurer's personnel asserted they compared bank collateral reports to deposits at the end of each month, they provided no support to document these reviews. Prior audit testing disclosed instances where deposits exceeded pledged collateral, sometimes significantly.

Our current audit found no improvement in this condition. The Treasurer's Office had still not developed written procedures for monitoring of collateral. Also, when we requested copies of the fiscal 2014 monthly bank collateral reports, Treasurer's personnel were unable to locate many of the reports and actually had to contact the banks to obtain them. It took approximately four months from the date of our initial request for the Treasurer's Office to supply all of the reports.

Additionally, our testing revealed that deposits at two of the banks used by the city were not adequately collateralized for five months during fiscal year 2014. In total for these five months, deposits exceeded collateral for the two banks by \$81 million, with the most significant occurrence in April 2014 when deposits were under-collateralized by \$28 million. Consequently, the Treasurer's Office did not know, from month to month, if its bank deposits were fully and properly secured, nor did the Finance Office, which is required to report on collateralized funds in the city's CAFR. Although these shortfalls were corrected in the next month, the Treasurer's Office should not rely on the banks to monitor themselves. Untimely review of the banks' monthly collateral reports could leave the city vulnerable to loss if market conditions decline.

Recommendations:

To comply with the city's SAP and enable timely detection of errors and irregularities, we recommend that Treasurer's Office management:

- Devote the necessary time and/or resources to ensure that all required bank reconciliations are timely prepared on a monthly basis. In particular, bank reconciliations for the payroll and general disbursement accounts must be brought up-to-date.
- Require that the responsible supervisor timely review all bank reconciliations and sign and date the reconciliations to evidence performance of this task.

To ensure that city deposits are adequately protected, we continue to recommend that the Treasurer's Office prepare monthly collateralization reports timely. Once prepared, the reports should be submitted to the Finance Office where they should then be promptly reviewed to identify any collateral shortages. Also, the Treasurer's Office

should develop written procedures to direct staff on how and when to perform collateral monitoring procedures.

Grantee Response:

The City Treasurer's Office (CTO) acknowledges the City Controller's findings regarding bank account reconciliations and since your review, has addressed staffing shortages and improved processes that have contributed to this delay.

Prior to discussing the staffing changes and process improvements, it is important to state that CTO believes the risk of fraud and vulnerability to loss noted in your report is minimal. CTO has controls on the City's main accounts, mainly in the form of Positive Pay and ACH Fraud Filters, to ensure that funds are not unknowingly withdrawn. The Positive Pay feature is a validation process for paper checks presented to the bank for payment. This service reviews all of the checks presented for payment and validates that the check number, payee name and dollar amount of the check match an electronic file that is sent via a secure process from the City to our banking partner on a weekly basis as paper checks are printed. If any of the three items on the check do not match the electronic file, an exception is created, which is then audited on a daily basis by CTO staff to determine if the check should be paid. The ACH Fraud Filter assists in preventing electronic fraud. This service blocks all attempts from outside parties to complete an ACH transaction without CTO's knowledge. The service is a firewall that only allows the completion of City-authorized ACH payments.

The CTO recently added a Deputy City Treasurer position and since the close of FY2014, has filled most of its vacancies and redesigned the job specifications of the Accounting Manager. CTO has been making improvements to processes around bank reconciliations, is working to develop staff knowledge of those individuals tasked with bank account reconciliation, and anticipates developing documentation for the reconciliation of approximately 80 bank and investment accounts. In addition, CTO is rebalancing the workload for the accountants responsible for bank reconciliations to ensure that current reconciliations are kept up to date. With new individuals working on the bank reconciliation process, there has been a renewed perspective on the priority of the bank reconciliations and a focus on improving the controls and efficiency of the process. CTO has developed a new Excel-based tracking spreadsheet that provides a summary of the Treasury Account Groups (TAG) to bank balance reconciliations and a record of which accountant is responsible for each reconciliation. As an additional control, an individual outside the Treasury Accounting Group will be assigned to spot audit the reconciliations to ensure completion and to confirm that review has occurred and has the sign-off of the appropriate individuals.

The Payroll and General Disbursement accounts reconciliation delay has been a long standing issue which will require a significant effort to address given the nature of these accounts and the number of transactions that occur in each. CTO is anticipating that it will take upwards of a year to catch up on the balancing of these accounts and that additional time will be needed to rectify any open reconciling items that are identified

during the account balancing process. Aside from this catch-up process, CTO anticipates that the majority of reconciliations will be completed and reviewed in a timely manner.

We agree that it is important to review and monitor bank collateral reports on a timely basis. The CTO believes the discrepancies cited in your report were related to timing issues. Collateral levels change daily based on the account balances. Collateral reports are compared to deposits at the end of each month. On certain days, matching of the deposit to collateral may be distorted as larger wires or deposits may come in later in the work day. In these cases, banks do not always have sufficient time to cover these deposits as financial markets where they purchase securities to collateralize deposits close before the banking day closes.

As previously stated, CTO hired several new employees to backfill vacant positions, including those that have responsibility for the collateralization review/reporting, and there is currently a Deputy Treasurer-Banking & Investments and Manager-Treasury Operations that are tasked with reviewing the collateralization processes. The objective of this review is to propose and implement efficiencies in the bank deposit collateral process. To better manage the process as well, CTO is hoping for authorization to implement a Treasury Management System, which would assist in building a portfolio of the collateral-backing deposits that can be market valued on demand, as well as display current bank account balances for the City's accounts to ensure the accounts are adequately collateralized at any point during a given period.

**2014-007. WATER CUSTOMER ACCOUNT BALANCES
COULD BE INAPPROPRIATELY REDUCED**

In our last several reports, we commented that users¹² of the city’s water billing system, BASIS2, had the ability to make inappropriate credit adjustments to customer accounts without detection. Despite restrictions on the amount of the credit adjustments users could make – from a minimum of \$200 to a maximum of \$75,000 – users could make unauthorized adjustments without detection because the \$200 lower limit exceeded the \$75 average customer bill. Additionally, an electronic authorization path for the supervisory approval of adjustments had not been implemented. While the WRB had instituted a procedure requiring review of quarterly credit adjustment reports to identify errors or improprieties, these reports were not always generated or reviewed in a timely manner. Furthermore, this review was limited in that only one type of credit adjustment was checked even though the quarterly report included several other credit adjustment types. Consequently, errors or irregularities in water customer account balances could occur without detection.

Our current audit disclosed there had been no improvement in this condition. While BASIS2 continued to lack an electronic authorization path for supervisory review of adjustments, WRB management indicated that implementing such a feature was not feasible so they have instituted alternative controls such as the adjustment dollar limits. However, while the WRB has established dollar limits for certain credit adjustment types, there was a significant amount of adjustment activity with no such restrictions on users. Adjustment types with no dollar limits on users included bill reversals (i.e. cancelled bills), rebills (i.e. replacement bills), and transfers of balances and payments between customer accounts. Out of \$177.7 million in total fiscal year 2014 adjustment activity,¹³ \$110.2 million, or 62 percent, were adjustment types for which users had no dollar restrictions on the adjustment amounts they could make.

Additionally, the WRB was still unable to demonstrate that the quarterly reviews of adjustment activity were regularly performed. While the first two quarterly credit adjustment reports for fiscal year 2014 showed indications of supervisory review, the third and fourth quarter reports contained no evidence of review. Furthermore, the review of quarterly adjustment reports still only encompassed one adjustment type – credit billing adjustments, which amounted to only \$10.9 million, or 6 percent, of total fiscal year 2014 adjustment activity.

Recommendations:

To improve controls over the adjustments process in the BASIS2 billing system, we recommend that WRB management:

- Incorporate into its quarterly review process significant adjustment types, such as bill reversals, rebills, as well as balance and payment transfers.

¹² Users are defined by employee title and authorization level.

¹³ The figure of \$177.7 million is the total absolute value of all fiscal year 2014 adjustment transactions. The figure of \$110.2 million represents the total absolute value of all fiscal year 2014 transactions for adjustment types with no dollar limits.

- Ensure that the quarterly review pays particular attention to large dollar adjustments and instances of accountants performing multiple adjustments on the same customer account.
- Require that accountants perform the review of quarterly adjustment reports on a timely basis. The reports should be initialed and dated by the reviewer to affix accountability for the task.

Grantee Response:

WRB has worked diligently to identify and correct weaknesses in the BASIS2 system. The quarterly report was put in place initially to reflect large dollar adjustments and instances of accountants performing multiple adjustments on the same customer account. The Department has modified the review process for this quarterly credit adjustment report in several ways. Paper reports that were previously circulated have been replaced with electronic reporting and review to all responsible parties. Reviewing staff will make a notation in the billing system (BASIS2) of the accounts that have been reviewed during this quality review process, and the Accounting Manager has been added as an additional required signoff of the compiled report. Additionally, the quarterly review will be modified to include bill reversals, rebills, balance transfers, and payment transfers. In response to dollar limits, the system currently creates a strong audit trail because all adjustments include the name of those users completing the adjustments. We believe this establishes ample controls and provides additional approval protocols for such adjustments while not impeding the production of timely and accurate bills.

**2014-008. BETTER TRAINING AND ENFORCEMENT
OF EXISTING POLICIES AND PROCEDURES ARE REQUIRED
TO IMPROVE GRANT ACCOUNTING BY CITY AGENCIES**

The United States Office of Management and Budget (OMB) Circular A-133 sets forth the city's grant responsibilities, which include maintaining a record of all federal awards received, expended, and identified by the federal program under which grant amounts were received. Moreover, the circular requires preparation of a schedule of expenditures of federal awards (commonly referred to as the Schedule of Financial Assistance or SFA) for the same period covered by the city's financial statements. The impact of an unreliable SFA at the time of audit can impede the timely completion of the audit due to misidentified and/or unidentified major programs, as well as other types of grant accounting errors. In turn, the city may jeopardize future federal and state funding.

The Finance Office has established a dedicated grants accounting and administrative unit (GAAU) to co-ordinate the accounting for all federal and state grants received by the city. This unit has responsibility for preparing the city's annual SFA, which is submitted through a federal clearinghouse website for viewing by each of the city's grantor agencies.

To permit the GAAU to operate effectively, the Director of Finance has compiled and issued various policies and procedures that delineate duties and responsibilities for each city agency receiving grants. For example, grantee agencies must formally notify the GAAU of any new grant awards. They do this by submitting grant profile documentation to the GAAU, which then assigns the grant award a unique identifier number. This unique number enables the GAAU to keep track of receipts and disbursements relevant to the grant in the city's accounting system. Among other control procedures, the GAAU requests that city grantee agencies identify all grants within their administrative control and provide the GAAU with reconciliations of all grant expenditure activities from the city's accounting system to the reimbursement requests that agencies submit to grantors. Administrative control exercised by the GAAU is ongoing and comprehensive; however, the controls are dependent upon information received from grantee agencies. In particular, the GAAU's reliance on the grant profile documentation and annual reconciliations from city grantee agencies are critical to the GAAU's ability to compile and issue a reliable SFA.

Despite the above procedures, for the past several years, the GAAU has provided an inaccurate SFA for audit, because staff of city agencies responsible for the grants frequently:

- Failed to identify all federal financial assistance received;
- Misidentified federal awards by incorrectly recording the federal programs' Catalogue of Federal Domestic Assistance (CFDA) numbers, which the federal government uses to identify programs and the related compliance requirements;
- Failed to include all expenditures invoiced to federal awards in the grant accounting records; and / or
- Recorded erroneous accruals or ineligible expenditures.

Each of these deficiencies is discussed more fully below.

Federal Financial Assistance Not Always Identified

All too frequently city agencies do not follow required procedure for notifying the GAAU of their grant awards. In one instance, occurring late during the audit of fiscal year 2013 grant activities, the Commonwealth of Pennsylvania notified the city's GAAU that federal funds subgranted to the city had not been reported in the city's SFA for the fiscal years 2010 to 2012. Our inquiries revealed that this situation occurred because the grantee agency, the PWD, failed to properly notify the GAAU of the award. Consequently, the program was never properly identified in the city's accounting system and the GAAU did not include the program on the SFA for those years. Subsequently, the Commonwealth requested a separate audit of the program for fiscal years 2011 and 2012. In planning for the audit of the fiscal year 2013 SFA, we found that the program had again been left out of the SFA and revised our audit scope to properly include the program for audit during the engagement.

In addition, we also discovered other federal financial assistance mistakenly identified in the city's records as unaffiliated with any federal grant award. Subsequent research determined that the individual awards, when combined, exceeded the single audit's threshold for programs subject to audit. As such, the program had to be subsequently included within the scope of the fiscal year 2013 single audit.

Programs Misidentified with Improper CFDA Numbers

During the fiscal year 2013 single audit work, our examination of grant profiles submitted by city grantee agencies noted various profiles with CFDA numbers frequently changed by the GAAU subsequent to its review of the documentation. While in most instances the GAAU has been effective in detecting misidentified grants, its review was not fail proof. In one instance involving the Airport Improvement Program at Philadelphia International Airport which was a grant selected for audit, expenditures relevant to the program had been incorrectly recorded under another CFDA number. Airport management brought this misidentification to the attention of the independent public accountants (IPA) we had engaged to audit the program at the conclusion of the firm's fieldwork. Consequently, the contract with the IPA firm had to be amended so the firm could perform additional procedures necessary to satisfy the federal audit requirements.

As part of our fiscal year 2014 single audit, we again observed that the same Airport expenditures had been identified with an incorrect CFDA number. Although the GAAU had timely detected the error, our inquiry to the grant manager indicated a lack of knowledge concerning the importance of correctly identifying CFDA numbers associated with grant programs.

Invoiced Expenditures Not Always Included in Grant Accounting Records

As part of our fiscal year 2013 single audit procedures, we observed that the DBH/IDS invoiced expenditures to the Pennsylvania Department of Health for the Substance Abuse & Mental Health Care Services – Access to Recovery (ATR) Program which were not properly identified in the supporting grant accounting records. Instead, the agency had recorded the expenditures in an account associated with the city's Coordinating Office for Drug and Alcohol Abuse Program, comprised of state funded grants, although the underlying expenditure appeared to be otherwise

eligible for reimbursement under the ATR program. For fiscal year 2014, DBH/IDS had again recorded the expenditures in the same manner.

In a related matter, the Office of Supportive Housing (OSH) has continually recorded ineligible costs in the accounting records for the Emergency Solutions Grant (ESG) and the Homeless Prevention and Rapid Re-Housing Programs. Time after time, the agency has responded that it made “off the book adjustments” to identify eligible reimbursement costs to substitute for those previously determined by the grantor agency to be ineligible. The “replacement” costs were previously identified with other program appropriations on the city’s books and records and, in some instances even costs from prior fiscal years.

Erroneous Accruals or Ineligible Expenditures Recorded as Grant Related

DBH/IDS routinely and erroneously accrued expenditures in each of its grants to ensure that the budgeted expenditure amount was fully exhausted in each fiscal year. In one multiyear program with two grants totaling \$6 million for the ATR program, for example, the department over reported the cumulative program expenditures by nearly \$1.8 million covering the three-year period of the program term. DBH/IDS management justified the over accrual by indicating it was necessary because of uncertainty surrounding program expenditures by subrecipient agencies participating in the program.

Additionally, our review of the preliminary fiscal year 2014 SFA provided for audit found that reported expenditures for the Police Department’s Port Security Grant (PSG) were overstated by \$3.3 million. The overstatement occurred because reported PSG expenditures erroneously included an interfund transfer from the grants revenue fund to the capital improvement fund. This accounting error remained undetected until audit procedures noted the improper inclusion of the interfund transfer. Once notified of the error, Finance Office accountants corrected the SFA.

We believe that many city agencies are unaware or lack the understanding of the importance of sharing and providing their grant information to the GAAU for the SFA. The lack of accurate and timely information from the grantee agencies in conjunction with the lack of compliance with existing control procedures weakens the GAAU’s ability to issue a reliable SFA on a timely basis. As a result, the GAAU cannot provide reasonable assurance that the SFA is fairly presented at the time of audit.

Recommendations:

We recommend that the Finance Office:

- Establish and maintain an aggressive continuing education program for all grant managers.
- Aggressively enforce existing grant-related policies and procedures, especially those involving the correct identification of grants and the reconciliation of grant accounting records to grant reimbursement requests.

Grantee Response:

We agree it is important that departments are aware of recording/reporting requirements and the need to keep GAAU informed on all grant activity. GAAU will enforce its existing policies in compiling the grant profiles submitted by the Departments to ensure that complete and accurate grant profiles are being established, including proper identification of CFDA numbers and the reconciliation of grant accounting records to grant reimbursement requests.

Additionally, GAAU will fully collaborate in any training which may be necessary from the Finance/Accounting perspective. Many grantors assist grant recipients by offering training and helpdesk support in administering grant programs, and we will encourage City agencies to take advantage of any special training offered by Federal and State agencies.

In regard to the specific examples you cite, there were instances where a department submitted incorrect information (Water) or did not submit expenditures in a timely manner (OSH) in order for the SFA to capture the grant information accurately. The Water issue was corrected and is being properly reported beginning with the FY2013 Schedule of Expenditures of Federal Awards (SEFA) and the OSH issue was addressed in the response to your audit of the 2013 SFA. As for the overstatement of Police expenditures, this was initially recorded on the SFA incorrectly as both a Grants expenditure and a Capital expenditure, while it should have shown only once under Capital. As you stated, this has been corrected. GAUU will be more diligent in their review process to ensure proper expenditure recording.

2014-009. STANDARD ACCOUNTING PROCEDURES NEED TO BE UPDATED

In accordance with the Philadelphia Home Rule Charter, the city’s Finance Office is required to establish, maintain, and supervise an adequate and modern accounting system to safeguard city finances.¹⁴ As such, the Finance Office has established over two hundred (200) SAPs to provide city departments and agencies with guidance on how to handle various accounting related activities, including the proper procedures for ensuring the accuracy of transactions and the safekeeping of assets. Over the years, as new technologies were adopted and daily practices were enhanced, the existing SAPs have not been updated accordingly, causing over 50 percent of them to be over half a century old.

Since these accounting procedures are an integral element of the daily transaction activities that affect financial reporting in each city agency, we have commented repeatedly over the past decade about the importance of updating them. Although numerous Finance Directors have previously agreed with our finding, limited staffing capacity has made corrective action difficult to implement. During our current year audit, Finance Office management stated that, while they were in the process of revising certain SAPs pertaining to the maintenance of cash accounts, no updates had been made to the SAPs as of March 2015. Therefore, the Controller’s Office is now in its 13th year of reporting this condition.

In our opinion, the SAPs are essential to ensuring the accuracy of the various accounting related transactions and maintaining the safekeeping of assets for every city department and agency. In its best practices, the GFOA recommends that governments perform an on-going review, evaluation, and update of accounting procedures. This practice is essential to maintaining consistency and accountability among the numerous city agencies that account for transactions daily throughout the fiscal year.

Recommendation:

We continue to recommend that the Finance Office perform a thorough review of its SAPs. Accounting procedures need to be technically accurate and understandable to all employees and must be compliant with current rules and regulations. SAPs that are no longer pertinent should be rescinded. Those that are out-of-date should be revised to reflect the automated processes and practices in use today. Once this initial update is completed, the Finance Office should develop a schedule for periodically updating SAPs on a regular basis in the future.

Grantee Response:

Accounting is committed to continual review and updating of its SAPs. On a limited basis, and to ensure that we are in compliance with any changes in accounting regulations, these procedures are updated, especially in areas that have been cited in audit reports. In addition to those limited updates, we are currently working on updates to the SAPs related to Cash Accounts, which we believe are important for proper internal controls. These include the procedures for Petty Cash (4.1.1.d), Imprest Funds 4.1.1.e), Establishment of Agency Bank

¹⁴ City Charter Section 6-101, Accounts.

Accounts (Outside of the City Treasury) (4.1.1.g), Fund Reconciliation for Petty Cash and Imprest (7.1.3.a), Reconciliation of all Bank Accounts in all City Agencies (7.1.3.b), and Unclaimed Money (4.1.2.). We also expect to update the SAP related to Personal Property (E-72-002). We anticipate issuing these updates to City departments in summer of 2015. Going forward, Accounting will continue to update the SAPs as much as time and resources permit.

**2014-010. SPECIAL TESTS – RENT REASONABLENESS REQUIREMENT
Shelter Plus Care – CFDA #14.238**

<u>Condition</u>	As in fiscal years 2012 and 2013, the Office of Supportive Housing (OSH) could not fully provide rent reasonableness documentation to certify that each tenant-landlord agreement provided for a monthly rent payment that was no more than the amount permitted by federal regulation. Of 44 random files selected for observation in fiscal 2014, management could only provide 30.
<u>Criteria</u>	Grant regulations assign responsibility to the city as the grant recipient for the overall administration of the program, and specifically state that it is the responsibility of the city as the grant applicant to determine whether rent charged for a unit receiving rental assistance is appropriate. HUD program guidance states that some form of documentation must be kept in project files for the full period program assistance is provided.
<u>Cause</u>	OSH performs a rent reasonableness test only at the initiation of the lease. When leases are more than three years old, OSH does not retain the records. Because OSH had delegated responsibility for the retention of rent reasonableness certifications to its subrecipient agencies, management believed maintenance of the duplicate records in city files was unnecessary.
<u>Effect</u>	Because file documentation was incomplete, OSH could not support or document the reasonableness of the rents paid to landlords on behalf of program participants. Accordingly, OSH could not verify it had complied with requirements of federal regulations.
<u>Recommendation</u>	OSH management should revise its record retention policies and procedures to ensure that all documentation prepared for compliance with federal regulations is maintained in city files until the final close-out of all grant related funding.
<u>Grantee's Response</u>	In October 2013, OSH updated its rent reasonableness certification database with the ability to save an electronic copy of all signed rent reasonableness certifications performed. Rent certifications performed beginning October 2013 onward will have an electronic copy saved within the database that can be retrieved by address or certification number. OSH is unable to add electronic copies of rent certifications performed prior to October 2013 to the existing database. All electronic rent certifications will be kept on file in accordance with the recordkeeping requirements as stipulated in Section 578.103(c) of the Continuum of Care Program Interim Rule for a period of 5 years. OSH will perform rent reasonableness

certifications for all new lease agreements and when a change in the amount of the monthly rent occurs.

Contact Person

Roberta Cancellier, Deputy Director, Office of Supportive Housing,
215-686-7105

2014-011. SUBRECIPIENT MONITORING
Immunization Cooperative Agreements – CFDA #93.268
HIV Emergency Relief Project Grants – CFDA #93.914
HIV Care Formula Grants – CFDA #93.917
HIV Prevention Activities_Health Department Based Grants – CFDA #93.940

<u>Condition</u>	Monitoring procedures of the Department of Public Health (DPH) over subrecipients failed to ensure that Federal awards were used for authorized purposes. We observed that monitoring procedures directed by DPH and performed by the Health & Opportunity Audit Unit (H&O) were not effective when they did not adequately account for differences between expenditures reported in subrecipient audit reports and cash disbursement activity recorded in the city’s books and records.
<u>Criteria</u>	OMB Circular A-133, subpart D, paragraph .400 (d) establishes pass-through entity responsibilities including appropriately identifying Federal awards and ensuring awards are used for authorized purposes.
<u>Cause</u>	Differences between expenditure amounts shown in subrecipient audit reports and grant expenditures recorded in the city’s books and records were left unresolved because the DPH had not provided data to the H&O on the appropriate basis of accounting to facilitate reconciliation of these amounts.
<u>Effect</u>	Failure to effectively monitor grant subrecipients can result in noncompliance with terms and conditions of grants. Management’s failure to facilitate a match of amounts funded to amounts audited resulted in the inability to identify the nature of all reconciling items. Over a period of time unidentified differences could become significant enough to warrant intervention.
<u>Recommendation</u>	DPH should reevaluate its procedures regarding the identification of differences between expenditure amounts reported in subrecipient audit reports and expenditure amounts recorded on the books and records of the city. Providing total authorized grant expenditures to the H&O would help identify any variance between the subrecipients’ audited expenditures and the amounts of DPH grant funded expenditures. Subsequently, the H&O can reconcile each award to the grant expenditure activity reported on each subrecipient’s Schedule of Expenditures of Federal Award and efficiently identify variances for follow-up.

Grantee's Response

The DPH acknowledges the finding and accepts the recommendation. DPH will work with H&O to determine specific needs so as to resolve this issue.

Contact Person

Andrea Jordan, Fiscal Officer, Department of Public Health, (215) 685-5338

2014-012. ELIGIBILITY
Child Support Enforcement - CFDA #93.563

<u>Condition</u>	Our initial testing found that Family Court did not establish child support case records within the required 20-day period for 6 out of 40 clients tested. All of the six delinquent cases had been referred from the Philadelphia Department of Human Services (DHS). The delay in creating these cases ranged between 99 and 143 days after receipt of applications for child support services. We extended our testing and selected an additional 60 DHS referred cases. Our additional testing found that 56 of those 60 child support cases (93.3%) were not established timely. Funding for this program is received through the Pennsylvania Department of Human Services.
<u>Criteria</u>	Title 45 CFR 303.2 (b) requires IV-D agencies (Family Court) to open case records within 20 calendar days of receiving child support applications or referral.
<u>Cause</u>	Family Court’s Intake Unit is primarily responsible for processing applications for child support. Delays in opening DHS cases within the specified time period are a result of having only one employee assigned to work on cases referred from DHS. Per Family Court Administration, as of July 2015 there are 97,966 child support cases, of which 3,256 (3.3%) represent DHS referred cases.
<u>Effect</u>	Family Court is not in compliance with the 20-day requirement of Title 45 CFR 303.2 (b). Delays in establishing cases result in untimely processing of child support cases and delayed payments of child support benefits.
<u>Recommendation</u>	To ensure that DHS referred cases are established timely, Family Court should review staff assignments and assign staff so that all child support cases are established within the 20 calendar day timeline.
<u>Grantee's Response</u>	During the time period of this audit, the Pennsylvania Automated Child Support Enforcement System (PACSES) implemented a new innovative on-line internet filing process to provide clients with a more efficient method to file support petitions from the comfort of their home, workplace or library. There were some initial setbacks with the process which required the Domestic Relations Division (DRD) attention. These setbacks lead to the temporary delay in the processing of DHS cases. DHS cases only account for 3% of the total county caseload and the delay was for a short period of time. The DRD has addressed this issue and is now in compliance with the 20-day requirement of Title 45 CFR 303.2(b).

Contact Person

Joseph Kamnik, Director, Bureau of Accounts, (215) 686-8950

Summary Schedule of Prior Years Audit Findings

**CITY OF PHILADELPHIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2014**

CONTENTS

	Page
<u>STATE AGENCIES:</u>	
PA Department of Health	88
PA Department of Human Services	89-91
<u>FEDERAL AGENCIIES</u>	
U.S. Department of Health & Human Services	92-93
U.S. Department of Housing & Urban Development	94-98
U.S. Department of Labor	99
U.S. Department of Transportation	100

City of Philadelphia
 Summary Schedule of Prior Audit Findings
 Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
PA Department of Health		
Substance Abuse Treatment Block Grant		
2011-019	Unresolved	\$326,925
<p>Condition : The Department of Behavioral Health and Intellectual Disabilities Services (DBHIDS) improperly reported \$780,997 of encumbrances as expenditures in its fiscal 2011 final expenditure report "SCA Drug and Alcohol Program Expense Distribution". The encumbrances were composed of \$326,925 that was unsupported and not obligated, and \$454,072 in properly encumbered amounts that were paid more than sixty days after the end of the grant period. The programs were funded through the Pennsylvania Department of Health.</p> <p>2014 Update : The State has continued to grant the department waivers around this issue. The Department has received waivers for FY2014 and FY2015</p> <p>Contact : James Hoefler, Chief Financial Officer (215) 685-5516</p>		
Total PA Department of Health Questioned Costs:		\$326,925

City of Philadelphia
 Summary Schedule of Prior Audit Findings
 Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
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PA Department of Human Services

Children and Youth Program

2013-018	Resolved	\$0
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Condition : The Domestic Relations Division (DRD) of the First Judicial District (FJD) did not comply with the Commonwealth’s annual reporting requirements, as it failed to prepare and timely submit an Annual IV-D Account Statement to the Bureau of Child Support Enforcement (BCSE), which is a division of the PA Department of Human Services(PaDHS). The Child Support Enforcement grant was funded by the U.S. Department of Health and Human Services and passed through the PaDHS

2014 Update : The Domestic Relations Division (DRD) is now in compliance with the Commonwealth’s annual reporting requirements, and has submitted an Annual IV-D Account Statement to the Bureau of Child Support Enforcement (BCSE) for fiscal years ended June 30, 2013 and 2014. The pertinent information regarding this report was provided to BCSE on other reports.

Contact : Joseph C. Kamnick, Director, Financial Services (215) 686-8950

2011-016	Resolved	\$0
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Condition : The Department of Human Services (DHS) did not clarify the nature of its relationship with service providers in its standard contract terms and conditions for professional services. One subrecipient, Woods Services, Inc., selected for testing failed to report over \$3.4 million in federal and state funding due to a misinterpretation of its relationship with DHS. The programs were funded through the Pennsylvania Department of Human Services (PaDHS).

2014 Update : Questioned costs will be considered for adjustment by the PaDHS at Audit.

Contact : Marcia Dixon, Fiscal Officer (215) 683-6063

City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
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2010-008	Resolved	\$257,371
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Condition : The Department of Human Services (DHS) did not have adequate internal control procedures in place to ensure accurate, complete, and timely preparation of the Act 148 Invoice filed with Pennsylvania Department of Human Services(PaDHS) for the Children and Youth Programs. Our review of DHS’s procedures noted that one individual was responsible for preparing the Act 148 Invoice and assembling the related supporting documentation. There was no independent review of the accuracy or completeness of the Invoice or documentation. Our tests of the 2010 Act 148 Invoice noted instances of unsupported and unreconciled costs that are more fully explained in the “Effects” section of this comment. The Children and Youth programs are funded through PaDHS

2014 Update : Questioned costs will be considered for adjustment by the PaDHS at Audit.

Contact : Marcia Dixon, Fiscal Officer (215) 683-6063

2010-011	Resolved	\$941,609
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Condition : The Department of Human Services (DHS) improperly reported \$1,220,591 of unspent (encumbered) funds as expenditures in its fiscal 2010 County Children and Youth Social Service Programs' Fiscal Summary. The programs are funded through the Pennsylvania Department of Human Services(PaDHS).

2014 Update : Questioned costs will be considered for adjustment by the PaDHS at Audit.

Contact : Marcia Dixon, Fiscal Officer (215) 683-6063

2009-008	Resolved	\$522,772
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Condition : The Department of Human Services (DHS) did not have adequate internal control procedures in place to ensure accurate, complete, and timely preparation of the Act 148 Invoice filed with Pennsylvania Department of Human Services(PaDPW) for the Children and Youth Programs. Our review of DHS’s procedures noted that one individual was responsible for preparing the Act 148 Invoice and assembling the related supporting documentation. There was no independent review of the accuracy or completeness of the invoice or documentation. In addition, procedures were not in place to capture information from the newly implemented Title IV-E billing system so that an audit trail is created at the point in time when the Act 148 Invoice is prepared.

The Children and Youth programs are funded through the PaDHS.

2014 Update : Questioned costs will be considered for adjustment by the PaDHS at Audit.

Contact : Marcia Dixon, Fiscal Officer (215) 683-6063

**City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014**

Reference Number	Status	Questioned Costs
2009-010	Resolved	\$2,212,070
<p><u>Condition :</u> The Department of Human Services (DHS) improperly reported \$2,839,280 of unspent (encumbered) funds as expenditures in its 2009 County Children and Youth Social Service Programs' Fiscal Summary. The programs are funded through the Pennsylvania Department of Human Services(PaDHS).</p> <p>2014 Update : Questioned costs will be considered for adjustment by the PaDHS at Audit.</p> <p>Contact : Marcia Dixon, Fiscal Officer (215) 683-6063</p>		
Total PA Department of Human Services Questioned Costs:		\$3,933,822

City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
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U.S. Department of Health and Human Services

HIV Prevention

2013-014	Unresolved	\$0
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Condition : Monitoring procedures of the Department of Public Health (DPH) over subrecipients failed to ensure that Federal awards were used for authorized purposes. We observed that DPH did not adequately account for differences between expenditures reported in subrecipient audit reports and cash disbursement activity recorded in the city’s books and records.

2014 Update : Since the Fiscal 2013 finding noted was after the cycle ended, the Contracts Audit Unit plans to implement the new revised approach for financial audit reports received for the Fiscal 2014 cycle. They now investigate any variance of expenditure amounts per SEFA vs. expenditure amounts per City records, regardless of the size of the variance. A letter is written to the subrecipient agency noting the issue. The subrecipient is required to respond and provide supporting documentation. The Contracts Audit Unit reviews the documentation to determine whether it is adequate. The Subrecipient’s response and documentation is then included with the desk review package.

Contact : Andrea Jordan, Fiscal Officer (215) 685-5338

2013-015	Resolved	\$0
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Condition : The Department of Public Health (DPH) did not comply with reporting requirements set forth in the Federal Funding Accountability and Transparency Act (FFATA) for grants to subrecipients awarded after October 1, 2010. DPH subgranted \$33,060,241 to sixty-nine subrecipient agencies during fiscal year 2013 and did not report any activities under sub-awards on the Federal government’s website.

2014 Update : The Department of Public Health- AIDS Activities Coordinating Office has developed a process to ensure that FFATA reports have been registered with USAspending.gov for all of its qualifying expenditures and this has been completed. DPH AACO understands that FFATA reporting by DPH is required for HIV Emergency Relief Project CFDA# 93.914 and HIV Prevention Activities Health Department Based CFDA# 93.940. DPH is not the prime awardee for HIV Care Formula Grants CFDA# 93.917 and thus cannot submit sub-awardee reports. The prime awardee for HIV Care Formula CFDA# 93.917 is the Pennsylvania Department of Health which would be responsible for reporting DPH as a sub-awardee.

Contact : Jane Baker, AACO Program Director (215) 685-5667

Substance Abuse & Mental Health Care

**City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014**

Reference Number	Status	Questioned Costs
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2013-016	Resolved	\$98,250
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Condition : The Department of Behavioral Health and Intellectual Disability Services (DBHIDS) drew down \$98,250 of funds for payroll costs not identified with the grant in the city’s books and records. These costs were budgeted and recorded under an account established for the state’s allocation of CODAAP funding, which was not within the scope of our audit. Accordingly, we did not establish whether these costs were reimbursed by other grants. In addition, the Schedule of Expenditures of Federal Awards was overstated by \$125,224 due to recognizing encumbered amounts as expenditures. The program was funded through the Pennsylvania Department of Health.

2014 Update : The DBHIDS has completed the reconciliation of grant expenditures as per the controllers recommendations and the adjustments are being made to the SEFA.

Contact : James Hoefler, Chief Financial Officer (215) 685-5516

Substance Abuse Treatment Block Grant

2012-013	Unresolved	\$0
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Condition : Because it incorrectly included encumbered amounts as expenditures, the Department of Behavioral Health and Intellectual Disability Services (DBHIDS) over reported grant expenditures on the city’s Schedule of Expenditures of Federal Awards (SEFA) by \$184,464 and \$1,344,043 for fiscal years 2012 and 2011, respectively, for its Substance Abuse & Mental Health Services – Access to Recovery program. The program was funded through the Pennsylvania Department of Health.

2014 Update : The amounts identified as over encumbered in the above referenced fiscal years have been reduced to match the actual expenses as reported on the city’s FAMIS system and should be adjusted on the SEFA.

Contact : James Hoefler, Chief Financial Officer (215) 685-5516

Total U.S. Department of Health and Human Services Questioned Costs:	\$98,250
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City of Philadelphia
 Summary Schedule of Prior Audit Findings
 Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
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U.S. Department of Housing and Urban Development

Brownsville Economic Development Init

2013-012	Resolved	\$0
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Condition : The Commerce Department could not provide evidence that it submitted performance reports required by grant terms and conditions. Performance reports are required under the grant to quantify program outputs and outcomes achieved against those proposed in the grant application. The BEDI grant was funded by the U.S. Department of Housing and Urban Development.

2014 Update : The Commerce Department and PIDC contacted a HUD Representative who explained that HUD had determined that a particular reporting requirement , The Logic Model matrix which led to the finding is no longer in use. The performance information is reported in the City of Philadelphia's Annual Performance report and the accomplishments report in the Integrated Disbursement Information System. Therefore, this issue has been resolved.

Contact : Yvonne A. Boye-Agyeman, Director of Grants (215) 683-2026

Community Development Block Grant

2013-011	Resolved	\$0
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Condition : The Office of Housing and Community Development (OHCD) did not comply with reporting requirements set forth in the Federal Funding Accountability and Transparency Act (FFATA) for grants to subrecipients awarded after October 1, 2010. OHDC subgranted \$25.9 million from the Community Development Block Grant (CDBG) to thirty-six subrecipients during fiscal year 2013 and did not report any activities under sub-awards on the Federal government's website.

2014 Update : OHCD has entered the required FFATA information on the Federal government's website for its subrecipient agencies who received Community Development Block Grant (CDBG) funds in excess of \$25,000 after October 1, 2010, including fiscal years 2012, 2013, 2014 and 2015.

Contact : Wayne Stokes, Director of Monitoring (215) 686-9784

City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
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2012-007	Resolved	\$0
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Condition : The Office of Housing and Community Development (OHCD) did not comply with the reporting requirements set forth in the Federal Funding Accountability and Transparency Act (FFATA) for grants to subrecipients awarded after October 1, 2010. OHDC subgranted over \$33.4 million dollars during fiscal year 2012 from the Community Development Block Grant (CDBG).

2014 Update : OHCD has entered the required FFATA information on the Federal government’s website for its subrecipient agencies who received Community Development Block Grant (CDBG) funds in excess of \$25,000 after October 1, 2010, including fiscal years 2012, 2013, 2014 and 2015.

Contact : Wayne Stokes, Director of Monitoring (215) 686-9784

Emergency Solutions Grant

2013-008	Unresolved	\$195,767
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Condition : The Office of Supportive Housing (OSH) inappropriately expended and recorded \$195,767 in grant funds for unallowable renovation costs incurred by a subrecipient. OSH deemed the renovations as not beneficial to the program goals and objectives of the Emergency Solution Grant, but failed to recoup the funds. The program was funded by the Department of Housing and Urban Development (HUD) under grant E-11-MC-42-0001

2014 Update : OSH now completes a line item year-end review of all grants to ensure that expenditures and encumbrances are properly recorded. OSH also responded to this finding in an April 2015 letter to HUD.

Contact : Rodney Cherry, Fiscal Officer (215) 686-7180

Homeless Prevention and Rapid Re-Housing

2012-015	Unresolved	\$55,072
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Condition : Four of twenty five housing payment vouchers tested did not meet grant compliance requirements for allowable costs. Of \$40,432 in housing payment vouchers randomly drawn from a population of \$361,415, we found that the Office of Supportive Housing (OSH) expended \$6,161 in grant funds for program housing without documenting the eligibility of the program participants. One of the expenditures had no case file available to substantiate the expenditure. The program was funded by the Department of Housing and Urban Development (HUD)

2014 Update : OSH selected a new vendor to incorporate the use of scanning documents into HMIS. This will strengthen our management of case files. It will lessen the dependency on paper records and ensure that file documentation is readily available.

Contact : Rodney Cherry, Fiscal Officer (215) 686-7180

**City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014**

Reference Number	Status	Questioned Costs
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2011-017	Resolved	\$0
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Condition : Of \$97,386 in housing payment vouchers randomly drawn from a population of \$415,268, we found that the Office of Supportive Housing (OSH) expended \$2,745 in grant funds to a hotel for shelter facilities without identifying the individuals sheltered or documenting that grant qualifying criteria was met. In addition, OSH was not able to provide supporting detail to reconcile individual reimbursement requests, suggesting that requests for draw downs were not properly controlled. The program was funded by the Department of Housing and Urban Development.

2014 Update : OSH has performed a reconciliation of the expenditures billed to the grantor. It has been determined that there were duplicate drawdown requests submitted to the grantor. The duplicate cash reimbursements were netted out of subsequent drawdown request. Per OMB Circular A-133 Section 315(b)(4), this finding no longer warrants further action

Contact : Rodney Cherry, Fiscal Officer (215) 686-7180

Shelter Plus Care

2013-007	Unresolved	\$0
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Condition : The Office of Supportive Housing (OSH) could not fully provide rent reasonableness documentation to certify that each tenant-landlord agreement provided for a monthly rent payment that was no more than the amount permitted by federal regulation. Of 40 random files selected for observation, management could only provide 15.

2014 Update : Since the inception of this plan in October 2013, OSH has maintained electronic copies of all rent reasonableness certifications required after October 2013. In the spring of 2014, OSH included a file check for current rent reasonableness certifications as part of its annual program monitoring efforts. All providers were advised to ensure that each unit has a current rent reasonableness certification on file. Those providers who were found to be delinquent were instructed to request rent reasonable certifications and update client files. All delinquent providers made the necessary updates by June 30, 2014.

Contact : Joe N. Savage, PhD, Director of Housing Unit (215) 686-7176

**City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014**

Reference Number	Status	Questioned Costs
2013-009	Unresolved	\$0
<p>Condition : Monitoring procedures of the Office of Supportive Housing (OSH) over subrecipients failed to ensure compliance with audit requirements. Contracts with the agencies did not identify the federal program title and CFDA number. OSH did not appropriately contact subrecipients to advise them of whether they were required to provide audit reports done in accordance with OMB Circular A-133. Reconciliations between subrecipient audit reports to the city’s books and records did not adequately account for differences in the basis of accounting</p> <p>2014 Update : OSH provides all grant identification information on the Annual Notice of Intent to Contract letter to each subrecipient agency. The Health and Opportunity Audit Unit performs all reviews of subrecipient audit reports. OSH received the audit from Philadelphia Veterans Multi-Service & Education. The audit was reviewed. There were no questioned cost pertaining to programs funded by OSH.</p> <p>Contact : Rodney Cherry, Fiscal Officer (215) 686-7180</p> <hr/>		
2013-010	Unresolved	\$0
<p>Condition : The Office of Supportive Housing (OSH) did not comply with reporting requirements set forth in the Federal Funding Accountability and Transparency Act (FFATA) for grants to subrecipients awarded after October 1, 2010. OSH subgranted \$4,161,782 from the Emergency Solutions Grant and \$6,378,720 from the Shelter Plus Grant during fiscal year 2013</p> <p>2014 Update : OSH continues to work towards fulfilling this requirement. It is expected that the process will be completed in FY16.</p> <p>Contact : Rodney Cherry, Fiscal Officer (215) 686-7180</p> <hr/>		

City of Philadelphia
 Summary Schedule of Prior Audit Findings
 Fiscal Year Ended June 30, 2014

Reference Number	Status	Questioned Costs
U.S. Department of Labor		
Davis Bacon		
2013-017	Resolved	\$0
<p>Condition : Three contractors tested as part of the Airport Improvement Program, the Capitalization Grants for Drinking Water State Revolving Fund, and the TSA Airport Inspect Baggage Inspection System Program submitted twenty four of thirty required certified statements regarding weekly payroll to the city’s Labor Standards Unit (LSU) well past their required due dates. In one other instance, the LSU failed to time stamp a submitted certification so the timeliness of its receipt was not clearly evident. The LSU uses these certifications to aid in the enforcement of the minimum wage provisions of the Davis-Bacon Act.</p> <p>2014 Update : Starting January, 2014 the LSU went live with the LCP tracking system. All contractors working on contracts awarded after that date at the Philadelphia International Airport are being required to submit their certified payrolls electronically through that system. This will allow the LSU to track that information more efficiently.</p> <p>Contact : Perritti DiVirgilio, Director of Labor Standards (215) 686-2132</p>		
Total U.S. Department of Labor Questioned Costs:		\$0

**City of Philadelphia
Summary Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2014**

Reference Number	Status	Questioned Costs
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U.S. Department of Transportation

Airport Improvement Program

2013-019	Resolved	\$0
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Condition : The Division of Aviation (DOA) could not verify it complied with grant terms and conditions that equipment acquired with grant funds be maintained. An airline with operations that used the equipment was identified by airport personnel as in charge of maintenance responsibilities; however no written agreement specifying the airline’s duties and responsibilities was located. Responsible airline personnel indicated that no maintenance work had been performed on the equipment. The grant was funded by the U.S. Department of Transportation as project #3-42-0076-096-2010.

2014 Update : The Division of Aviation concurs with the finding. A Memorandum of Understanding or License Agreement was executed with the airline to specify maintenance responsibilities for all equipment acquired under the grant.

Contact : Janice Mirarchi, Contract Auditor Supervisor (215) 937-6982

Highway Planning and Construction

2013-013	Resolved	\$14,167
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Condition : The city’s Department of Parks and Recreation erroneously authorized a grant expenditure of \$14,167 under an expired vendor contract. Although never paid with grant funds, the expenditure was included in the Schedule of Expenditures of Federal Awards, as the agency failed to void the expenditure after the city’s Office of the Director of Finance gave notification that the chargeable appropriation was no longer available. Funding for the program was received from the U.S. Department of Transportation.

2014 Update : The department continues to stress with staff the requirement to follow all accounting procedures for processing expenditures and ensure invoices and encumbrances match. This is being reinforced to experienced staff and explained to new fiscal staff.

Contact : Levi Chasten, Fiscal Officer (215) 683-3688

Total U.S. Department of Transportation Questioned Costs:	\$14,167
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SUPPLEMENTARY FINANCIAL INFORMATION SECTION

Pennsylvania Department of Human Services

**Pennsylvania Department of Community and
Economic Development**



CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER
1230 Municipal Services Building
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102-1679
(215) 686-6680 FAX (215) 686-3832

ALAN BUTKOVITZ
City Controller

GERALD V. MICCIULLA
Deputy City Controller

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

To the Honorable Mayor and Honorable Members
of the Council of the City of Philadelphia

To the Commonwealth of Pennsylvania,
Department of Human Services

We have performed the procedures enumerated below, which were agreed to by the management of the City of Philadelphia, Pennsylvania and the Commonwealth of Pennsylvania, Department of Human Services (DHS) solely to assist you in evaluating the financial schedules and exhibits required by the DHS Single Audit Supplement for the year ended June 30, 2014. Management of the City of Philadelphia, Pennsylvania is responsible for the preparation of these financial schedules and exhibits. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. 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 compared the amounts and classifications on the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2014, to the corresponding amounts in the books and records of the City of Philadelphia, Pennsylvania used to prepare the financial statements audited by us. We also compared the example schedules in the DHS Single Audit Supplement to these schedules to determine that they are presented, at a minimum, at the level of detail and in the format required by the DHS Single Audit Supplement pertaining to this period.

C I T Y O F P H I L A D E L P H I A
OFFICE OF THE CONTROLLER

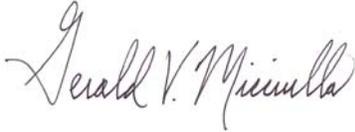
<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Child Support Enforcement	A 1 (a)	Summary of Expenditures
	A 1 (b)	PACSES OCSE Data Reliability Verification
	A 1 (c)	Summary of Incentives
	A 1 (d)	Summary of Title IV-D Account
Children & Youth Social Service Program	I	Fiscal Summary
Mental Health/Intellectual Disabilities	IV (a) MH NBG	Income and Expenditures – MH 15
	IV (b) MH NBG	Income and Expenditures – MH
	IV (c) ID NBG	Revenues, Expenditures and Carryover Funds – ID
	IV (d) ID NBG	Income and Expenditures – ID
Early Intervention Services	V (a) EI	Revenue, Expenditures and Carryover Funds
	V (b) EI	Income and Expenditures
Combined Homeless Assistance Program	XIX (a) NBG	Income and Expenditures Report

- (b) We have inquired of management as to whether there were any adjustments to reported revenues or expenditures which were not reflected on reports submitted to DHS for the period in question.
- (c) The procedures detailed in the two preceding paragraphs, (a) and (b) above, disclosed no adjustments or findings which have not been reflected on reports submitted to DHS for the period in question.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying financial schedules and exhibits required by the DHS Single Audit Supplement. 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.

C I T Y O F P H I L A D E L P H I A
O F F I C E O F T H E C O N T R O L L E R

This report is intended solely for the information and use of the management of the City of Philadelphia, Pennsylvania, City Council, and DHS and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gerald V. Micciulla". The signature is written in black ink and is positioned above the printed name.

GERALD V. MICCIULLA, CPA
Deputy City Controller
Philadelphia, Pennsylvania
October 21, 2015

CITY OF PHILADELPHIA
SUMMARY OF EXPENDITURES
TITLE IV-D CHILD SUPPORT PROGRAM
FYE JUNE 30, 2014

EXHIBIT A-1(A)

COMPARISON OF CHILD SUPPORT PROGRAM INDEX NO. 840701 & 840703 SINGLE AUDIT EXPENDITURES WITH THE REPORTED EXPENDITURES

County: Philadelphia		Year Ended: Fiscal Year 2014															
Single Audit Expenditures						Reported Expenditures						Single Audit Over/Under Reported					
Quarter Ending: 09/30/13	Total	Unallowable	Incentive Paid Costs	Net	Amt Paid	Total	Unallowable	Incentive Paid Costs	Net	Amt Paid	Total	Unallowable	Incentive Paid Costs	Net	Amt Paid		
1. Salary/Overhead	9,170,332.00	484,111.00	(543,570.00)	8,142,651.00	5,374,150.00	9,170,332.00	484,111.00	(543,570.00)	8,142,651.00	5,374,150.00	0.00	0.00	0.00	0.00	0.00		
2. Fee/Costs	38.00			38.00	25.00	38.00			38.00	25.00	0.00	0.00	0.00	0.00	0.00		
3. Interest & Program Income	18,067.00	301.00		17,766.00	11,726.00	18,067.00	301.00		17,766.00	11,726.00	0.00	0.00	0.00	0.00	0.00		
4. Blood Testing Fee	0.00			0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00		
5. Blood Testing Costs	35,400.00			35,400.00	23,364.00	35,400.00			35,400.00	23,364.00	0.00	0.00	0.00	0.00	0.00		
6. ADP	9,062.00	107.00	0.00	8,955.00	5,910.00	9,062.00	107.00	0.00	8,955.00	5,910.00	0.00	0.00	0.00	0.00	0.00		
Net Total (1-2-3-4+5+6)	9,196,689.00	483,917.00	(543,570.00)	8,169,202.00	5,391,673.00	9,196,689.00	483,917.00	(543,570.00)	8,169,202.00	5,391,673.00	0.00	0.00	0.00	0.00	0.00		
Quarter Ending: 12/31/13																	
1. Salary/Overhead	8,303,754.00	365,419.00	(2,512,393.00)	5,425,942.00	3,581,122.00	8,303,754.00	365,419.00	(2,512,393.00)	5,425,942.00	3,581,122.00	0.00	0.00	0.00	0.00	0.00		
2. Fee/Costs	35.00			35.00	23.00	35.00			35.00	23.00	0.00	0.00	0.00	0.00	0.00		
3. Interest & Program Income	16,878.00	244.00		16,634.00	10,978.00	16,878.00	244.00		16,634.00	10,978.00	0.00	0.00	0.00	0.00	0.00		
4. Blood Testing Fee	0.00			0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00		
5. Blood Testing Costs	39,300.00			39,300.00	25,938.00	39,300.00			39,300.00	25,938.00	0.00	0.00	0.00	0.00	0.00		
6. ADP	3,869.00	27.00	0.00	3,842.00	2,536.00	3,869.00	27.00	0.00	3,842.00	2,536.00	0.00	0.00	0.00	0.00	0.00		
Net Total (1-2-3-4+5+6)	8,330,010.00	365,202.00	(2,512,393.00)	5,452,415.00	3,598,595.00	8,330,010.00	365,202.00	(2,512,393.00)	5,452,415.00	3,598,595.00	0.00	0.00	0.00	0.00	0.00		
Quarter Ending: 03/31/14																	
1. Salary/Overhead	9,026,732.00	379,923.00	(1,140,273.00)	7,506,536.00	4,954,314.00	9,026,732.00	379,923.00	(1,140,273.00)	7,506,536.00	4,954,314.00	0.00	0.00	0.00	0.00	0.00		
2. Fee/Costs	36.00			36.00	24.00	36.00			36.00	24.00	0.00	0.00	0.00	0.00	0.00		
3. Interest & Program Income	14,516.00	227.00		14,289.00	9,431.00	14,516.00	227.00		14,289.00	9,431.00	0.00	0.00	0.00	0.00	0.00		
4. Blood Testing Fee	0.00			0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00		
5. Blood Testing Costs	31,890.00			31,890.00	21,047.00	31,890.00			31,890.00	21,047.00	0.00	0.00	0.00	0.00	0.00		
6. ADP	11,338.00	143.00	0.00	11,195.00	7,389.00	11,338.00	143.00	0.00	11,195.00	7,389.00	0.00	0.00	0.00	0.00	0.00		
Net Total (1-2-3-4+5+6)	9,055,408.00	379,839.00	(1,140,273.00)	7,535,296.00	4,973,295.00	9,055,408.00	379,839.00	(1,140,273.00)	7,535,296.00	4,973,295.00	0.00	0.00	0.00	0.00	0.00		
Quarter Ending: 06/30/14																	
1. Salary/Overhead	8,570,578.00	386,313.00	(486,658.00)	7,697,607.00	5,080,421.00	8,570,578.00	386,313.00	(486,658.00)	7,697,607.00	5,080,421.00	0.00	0.00	0.00	0.00	0.00		
2. Fee/Costs	42.00			42.00	28.00	42.00			42.00	28.00	0.00	0.00	0.00	0.00	0.00		
3. Interest & Program Income	20,019.00	328.00		19,691.00	12,996.00	20,019.00	328.00		19,691.00	12,996.00	0.00	0.00	0.00	0.00	0.00		
4. Blood Testing Fee	15,128.00			15,128.00	9,984.00	15,128.00			15,128.00	9,984.00	0.00	0.00	0.00	0.00	0.00		
5. Blood Testing Costs	40,110.00			40,110.00	26,473.00	40,110.00			40,110.00	26,473.00	0.00	0.00	0.00	0.00	0.00		
6. ADP	4,448.00	40.00	0.00	4,408.00	2,909.00	4,448.00	40.00	0.00	4,408.00	2,909.00	0.00	0.00	0.00	0.00	0.00		
Net Total (1-2-3-4+5+6)	8,579,947.00	386,025.00	(486,658.00)	7,707,264.00	5,086,795.00	8,579,947.00	386,025.00	(486,658.00)	7,707,264.00	5,086,795.00	0.00	0.00	0.00	0.00	0.00		

**CHILD SUPPORT ENFORCEMENT
PACES OCSE 157 Data Reliability Validation**

EXHIBIT A-1(B)

County Philadelphia Year Ended June 30, 2014

OCSE 157 Report Line Number	Number of Cases Reviewed	Case Problems Found
Line #1 IV-D Cases Open at the end of the fiscal year	5	None
Line #2 IV-D cases open at the end of the fiscal year with support orders established.	5	None
Line #5 Children in IV-D cases open at the end of the fiscal who were born out of wedlock.	5	None
Line #6 Children in IV-D cases open at the end of the fiscal year who were born out of wedlock with paternity resolved.	5	None
Line #21 IV-D Cases open at the end of the fiscal year with medical support is ordered.	5	None
Line #23 IV-D Cases open at the end of the fiscal year with health insurance is provided as ordered.	7	None
Line #24 Total Amount of current support due for the fiscal year for IV-D cases, excluding emancipated children.	5	None
Line #25 Total amount of support disbursed as current support during the fiscal year for IV-D cases, excluding emancipated children.	5	None
Line #28 Case with arrears due during the fiscal year (10/01/13-09/30/14)	5	None
Line #29 Cases with Disbursements on arrears during the fiscal year(10/01/13 - 09/30/14)	5	None

**CHILD SUPPORT ENFORCEMENT
COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT**

EXHIBIT A-1 (c)

County - PHILADELPHIA

Year Ended June 30, 2014

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
January 1	\$0.00	\$0.00	
March 31	\$0.00	\$0.00	(X) Separate Bank Account
June 30	\$0.00	\$0.00	() Restricted Fund - General Ledger
September 30	\$0.00	\$0.00	() Other: _____
December 31	\$0.00	\$0.00	

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

EXHIBIT A-1 (d)

**CHILD SUPPORT ENFORCEMENT
COMPARISON OF SINGLE AUDIT TITLE IV-D ACCOUNT WITH REPORTED TITLE IV-D ACCOUNT**

County - Philadelphia		Fiscal Year Ended - June 30, 2014		
	Single Audit TITLE IV-D Account	Reported TITLE IV-D Account	Single Audit Over/(Under) Reported	
Balance at July 1, 2013	\$ 10,523,570.52	\$ 10,460,749.74	\$ 62,820.78	B
Receipts:				
Reimbursements	17,870,109.00	17,870,109.00	-	
Incentives	4,682,893.51	4,682,894.00	(0.49)	
Title XIX Incentives	841.00	841.00	-	
Interest	2,062.18	2,062.18	-	
Program Income	101,462.00	101,462.00	-	
Genetic Testing Costs	15,128.00	15,128.00	-	
Maintenance of Effort (MOE)	3,300,000.00	-	3,300,000.00	A
Other: Special Grant	7,900,000.00	7,900,000.00	-	
General Fund for DA	608,006.00	378,734.00	229,272.00	A
Prior year MOE	500,000.00	500,000.00	-	
DA Reimbursement	1,180,250.00	1,180,250.00	-	
Total Receipts	\$ 36,160,751.69	\$ 32,631,480.18	\$ 3,529,271.51	
Intra-fund Transfers - In	5,261,408.00	5,261,408.00	-	
Funds Available	\$ 51,945,730.21	\$ 48,353,637.92	\$ 3,592,092.29	
Disbursements:				
Incentive Paid Cost - Salaries and Overhead	4,682,893.51	4,682,894.00	(0.49)	
Transfers to General Fund	-	-	-	
Vendor Payments	4,585,313.09	4,585,313.09	-	
Bank Charges	4,048.97	4,048.97	-	
Other: Salaries and Fringes	21,327,413.00	21,327,413.00	-	
Indirect Costs(MOE)	2,839,187.00	-	2,839,187.00	A
Vendor Payments(DA)	166,798.00	166,798.00	-	
Salaries and Fringes(DA)	1,392,186.00	1,392,186.00	-	
Unfunded MOE	460,813.00	-	460,813.00	A
Indirect Costs(DA)	229,272.00	-	229,272.00	A
Total Disbursements	\$ 35,687,924.57	\$ 32,158,653.06	\$ 3,529,271.51	
Intra-fund Transfers - Out	5,261,408.00	5,261,408.00	-	
Balance at June 30, 2014	\$ 10,996,397.64	\$ 10,933,576.86	\$ 62,820.78	B

The Title IV-D account consists of 3 account.

The Title IV-D account is comprised of 1 checking, 0 savings, 0 CD and 2 trust fund accounts

A: City did not report MOE because it represented a receivable

B: Represents timing difference between cash and modified accrual reporting. Courts is working on a roll-up of prior years

**County Children & Youth Social Service Programs
FISCAL SUMMARY**

Exhibit I

FY: 2011/12

(Capturing all expenditures paid through June 30, 2014)

ORIGINAL SUBMISSION DATE: August 10, 2012
 REVISED SUBMISSION DATE: February 15, 2013
 REVISION # 2

COUNTY NAME: Philadelphia
 REPORT PERIOD: July 1, 2011 to June 30, 2012

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPEND.											
01. 100% REIMBURSEMENT	6,591,494	0	829,771	0	0	0	0	0	5,761,723	5,761,723	0
02. 90% REIMBURSEMENT	11,016,514	158,264	436,456	0	0	0	0	0	10,421,794	9,379,614	1,042,180
03. 80% REIMBURSEMENT	387,902,419	2,607,664	73,130,414	26,033,804	3,493,612	2,735,197	0	0	279,901,728	223,921,385	55,980,343
04. 60% REIMBURSEMENT	140,113,066	1,709,945	13,747,241	0	0	0	0	225,262	124,430,618	74,658,370	49,772,248
05. 50% REIMBURSEMENT	34,401,986	0	0	0	0	0	0	0	34,401,986	17,200,996	17,200,990
06. TOTAL CHILD WELFARE EXP.	580,025,479	4,475,873	88,143,882	26,033,804	3,493,612	2,735,197	0	225,262	454,917,849	330,922,088	123,995,761

YDC/YFC PLACEMENT COSTS											
07. 60% DPW PARTICIPATION	23,313,281	0							23,313,281	13,987,969	9,325,312

08. NON-Reimbursable Expend.	377,606	0							377,606	0	377,606
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09. TOTAL EXPENDITURES	603,716,366	4,475,873	88,143,882	26,033,804	3,493,612	2,735,197	0	225,262	478,608,736	344,910,057	133,698,679
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10. TOTAL TITLE IV-D COLLECTIONS 4,130,695

11. TITLE IV-D Collections for IV-E Eligible Children 1,888,824

12. STATE ACT 148 - Line 6 330,922,088

13. STATE ACT 148 ALLOCATION 351,875,938

14. ADJUSTED STATE SHARE 330,922,088

(lower of 12. or 13.)

Commonwealth of Pennsylvania
DHS - Bureau of Financial Operations
County Mental Health Report of Income and Expenditures
MH15 - Mental Health Services
Fiscal Year 2013 - 2014
MH Program

EXHIBIT IV(a) MH NBG

	Sources of DHS Funding	App	DHS Funds Available			Cost Eligible for DHS Participation (4)	Balance Of Funds (5)	Grant Fund Adjs. (6)	Total Fund Balance (7)
			Carryover (1)	Allotment (2)	Total Allocation (3)				
A.	MH Services	10248	\$0	\$120,483,834	\$120,483,834	\$120,483,834	\$0	\$0	\$0
B.	OTHER STATE FUNDS								
1	Specialized Residences for the Mentally Ill	10258	\$0	\$930,058	\$930,058	\$930,058	\$0	\$0	\$0
2	Behavioral Health Services Initiative	10262	\$0	\$4,016,773	\$4,016,773	\$4,016,773	\$0	\$0	\$0
3	Reserved – 100%	00001	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal Other State		\$0	\$4,946,831	\$4,946,831	\$4,946,831	\$0	\$0	\$0
C.	SSBG	70135	\$0	\$5,532,135	\$5,532,135	\$5,532,135	\$0	\$0	\$0
D.	CMHSBG	70167	\$0	\$2,203,831	\$2,203,831	\$2,203,831	\$0	\$0	\$0
E.	OTHER FEDERAL FUNDS								
1	PATH Homeless Grant (Federal)	70154	\$0	\$847,468	\$847,468	\$847,468	\$0	\$0	\$0
2	Capitalization of POMS	70522	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Mental Health Systems Transformation Grant	70589	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Youth Suicide Prevention	70651	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Jail Diversion & Trauma Recovery	70747	\$56,254	\$200,000	\$256,254	\$115,932	\$140,322	\$0	\$140,322
6	Child Mental Health Initiative	70766	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Hospital Preparedness Program – Crisis Counseling	80222	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Bio-Terrorism Hospital Preparedness Program	80343	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	CDC Bioterrorism – Pandemic Flu	80343	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Intermediate Services Crisis Counseling Program Grant	82822	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	Wellness & Older Adult Peer Support Service Grant	70127	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Reserved	00002	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	Reserved	00003	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal Other Federal Funds		\$56,254	\$1,047,468	\$1,103,722	\$963,400	\$140,322	\$0	\$140,322
F.	TOTAL		\$56,254	\$134,214,099	\$134,270,353	\$134,130,031	\$140,322	\$0	\$140,322

**PHILADELPHIA COUNTY
MENTAL HEALTH SERVICES
REPORT OF INCOME AND EXPENDITURES
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2014**

Exhibit IV-(b) MH NBG

	Total
I. TOTAL ALLOCATION	\$134,270,353
II. TOTAL EXPENDITURES	\$168,020,104
III. COSTS OVER ALLOCATION	
A. County Funded Eligible	\$397,174
B. County Funded Ineligible	\$2,120,145
C. Other Eligible	\$0
D. Other Ineligible	\$0
Subtotal Costs over Allocation	\$2,517,319
IV. REVENUES	
A. Program Service Fees	\$815,203
B. Private Insurance	\$2,368,982
C. Medical Assistance	\$243,167
D. Medical Assistance - Admin Claims	\$9,298
E. Room and Board	\$5,352,387
F. Earned Interest	\$339,491
G. Other	\$17,147,859
Subtotal Revenues	\$26,276,387
V. DHS REIMBURSEMENT	
A. Base Allocation 90%	\$43,828,466
B. Base Allocation 100%	\$11,179,480
C. DHS Categorical Funding 90%	\$2,038,850
D. DHS Categorical Funding 100%	\$69,347,269
E. SSBG 90%	\$0
F. SSBG 100%	\$5,532,135
G. CMHSBG Non-Categorical Funding 90%	\$0
H. CMHSBG Non-Categorical Funding 100%	\$2,203,831
I. CMHSBG Categorical Funding	
Subtotal DHS Reimbursement	\$134,130,031
VI. COUNTY MATCH	
10% County Match	\$5,096,367
Subtotal County Match	\$5,096,367
VII. TOTAL DHS REIMB & COUNTY MATCH	\$139,226,398
VIII. TOTAL CARRYOVER	\$140,322

PHILADELPHIA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CARRYOVER FUND
INTELLECTUAL DISABILITIES SERVICES
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2014

EXHIBIT IV-(c) ID NBG

Sources of DHS Funding	Appropriation	DHS Funds Available			Cost Eligible for DHSParticipation (4)	Balance Of Funds (5)	Grant Fund Adjs. (6)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A. ID Services								
(Non-Residential/Residential)	10255	\$0	\$18,007,789	\$18,007,789	\$18,007,789	\$0	\$0	\$0
2. SSBG	70177	\$0	\$1,422,353	\$1,422,353	\$1,422,353	\$0	\$0	\$0
Subtotal ID Services		\$0	\$19,430,142	\$19,430,142	\$19,430,142	\$0	\$0	\$0
B. Waiver								
1. Waiver Administration	10255/70175	\$2,103	\$13,725,447	\$13,727,550	\$13,726,440	\$1,110	\$0	\$1,110
Subtotal Waiver		\$2,103	\$13,725,447	\$13,727,550	\$13,726,440	\$1,110	\$0	\$1,110
C. Other								
Autism	10741/70711	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. TOTAL		\$2,103	\$33,155,589	\$33,157,692	\$33,156,582	\$1,110	\$0	\$1,110

**PHILADELPHIA COUNTY
INTELLECTUAL DISABILITIES SERVICES
REPORT OF INCOME AND EXPENDITURES
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2014**

EXHIBIT IV-(D) ID NBG

	Total
I. TOTAL ALLOCATION	\$33,157,692
II. TOTAL EXPENDITURES	\$38,149,571
III. COSTS OVER ALLOCATION	
A. County Funded Eligible	\$582,455
B. County Funded Ineligible	\$2,756,915
C. Other Eligible	\$0
D. Other Ineligible	\$0
Subtotal Costs over Allocation	\$3,339,370
IV. REVENUES	
A. Program Service Fees	\$50,221
B. Private Insurance	\$90
C. Medical Assistance	\$122,788
D. Medical Assistance - Admin Claims	\$612,998
E. Room and Board	\$0
F. Earned Interest	\$490
G. Other	\$18,983
Subtotal Revenues	\$805,570
V. DHS REIMBURSEMENT	
A. Base Allocation 90%	\$6,493,494
B. Base Allocation 100%	\$9,364,935
C. DHS Categorical Funding 90%	\$912,045
D. DHS Categorical Funding 100%	\$14,963,755
E. SSBG 90%	\$226,897
F. SSBG 100%	\$1,195,456
Subtotal Reimbursement	\$33,156,582
VI. COUNTY MATCH	
10% County Match	\$848,049
Subtotal County Match	\$848,049
VII. TOTAL DHS REIMB & COUNTY MATCH	\$34,004,631
VIII. TOTAL CARRYOVER	\$1,110

PHILADELPHIA COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CARRYOVER FUNDS
 EARLY INTERVENTION SERVICES
 FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2014

EXHIBIT V-(A) EI

Sources of DHS Funding	App	DHS Funds Available			Cost Eligible for DHS Participation (4)	Balance Of Funds (5)	Grant Fund Adjustments (6)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention Services								
1. Early Intervention Services	10235	\$192,736	\$12,947,900	\$13,140,636	\$12,514,702	\$625,934	\$5,306	\$631,240
2. Early Intervention Training	10235	\$4,531	\$277,241	\$281,772	\$227,093	\$54,679	\$0	\$54,679
3. Early Intervention Administration	10235	\$0	\$2,556,274	\$2,556,274	\$2,556,274	\$0	\$0	\$0
4. Infants & Toddlers w/Disabilities (Part C)	70170	\$0	\$2,269,662	\$2,269,662	\$2,269,662	\$0	\$0	\$0
5. IT&F Waiver Administration	10235/70184	\$169,654	\$787,250	\$956,904	\$834,453	\$122,451	\$0	\$122,451
Total Early Intervention Services		\$366,921	\$18,838,327	\$19,205,248	\$18,402,184	\$803,064	\$5,306	\$808,370

**PHILADELPHIA COUNTY
 REPORT OF INCOME AND EXPENDITURES
 EARLY INTERVENTION SERVICES
 COUNTY PROGRAM CODE(CAU): PHI
 FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2014**

EXHIBIT V-(b) EI

	Admin Office	Early Intervention	Supports Coordination	Total
I. TOTAL ALLOCATION				\$19,205,248
II. TOTAL EXPENDITURES	\$4,566,325	\$14,721,450	\$7,381,612	\$26,669,387
III. COSTS OVER ALLOCATION				
A. County Funded Eligible	\$653,943	\$0	\$0	\$653,943
B. County Funded Ineligible	\$237,625	\$0	\$0	\$237,625
C. Other Eligible	\$0	\$0	\$0	\$0
D. Other Ineligible	\$0	\$0	\$0	\$0
Subtotal Costs Over Allocation	\$891,568	\$0	\$0	\$891,568
IV. REVENUES				
A. Program Service Fees	\$0	\$0	\$0	\$0
B. Private Insurance	\$0	\$0	\$0	\$0
C. Medical Assistance	\$0	\$0	\$5,423,665	\$5,423,665
D. Earned Interest	\$0	\$0	\$0	\$0
E. Other	\$0	\$0	\$0	\$0
Subtotal Revenues	\$0	\$0	\$5,423,665	\$5,423,665
V. DHS REIMBURSEMENT				
A. DHS Categorical Funding 90%	\$2,556,274	\$13,249,305	\$1,762,152	\$17,567,731
B. DHS Categorical Funding 100%	\$834,453	\$0	\$0	\$834,453
Subtotal DHS Reimbursement	\$3,390,727	\$13,249,305	\$1,762,152	\$18,402,184
VI. COUNTY MATCH				
10% County Match	\$284,030	\$1,472,145	\$195,795	\$1,951,970
Subtotal County Match	\$284,030	\$1,472,145	\$195,795	\$1,951,970
VII. TOTAL DHS REIMB & COUNTY MATCH	\$3,674,757	\$14,721,450	\$1,957,947	\$20,354,154
VIII. TOTAL CARRYOVER				\$803,064

**Commonwealth of Pennsylvania
DHS - Bureau of Financial Operations
County Report of Income and Expenditures
Fiscal Year 2013 - 2014
Philadelphia County Homeless Assistance Services**

Exhibit XIX(a) NBG

	Administration	Bridge Housing	Case Management	Rental Assistance	Emergency Shelter	Other Housing Supports	Total
I. TOTAL ALLOCATION							\$7,970,371
II. TOTAL EXPENDITURES							
A. Personnel	\$83,640	\$0	\$0	\$0	\$0	\$0	\$83,640
B. Operating	\$76,501	\$0	\$0	\$0	\$0	\$0	\$76,501
C. Purchased Services	\$0	\$4,577,154	\$3,234,888	\$0	\$0	\$0	\$7,812,042
Subtotal of Total Expenditures	\$160,141	\$4,577,154	\$3,234,888	\$0	\$0	\$0	\$7,972,183
III. REVENUES							
A. Client Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. Other	\$1,812	\$0	\$0	\$0	\$0	\$0	\$1,812
Subtotal Revenues	\$1,812	\$0	\$0	\$0	\$0	\$0	\$1,812
IV. DHS REIMBURSEMENT							
A. State HAP Funding	\$20,916	\$261,710	\$2,252,945	\$0	\$0	\$0	\$2,535,571
B. SSBG	\$137,413	\$3,063,644	\$981,943	\$0	\$0	\$0	\$4,183,000
C. SABG		\$1,251,800	\$0	\$0	\$0	\$0	\$1,251,800
Subtotal DHS Reimbursement	\$158,329	\$4,577,154	\$3,234,888	\$0	\$0	\$0	\$7,970,371
V. UNSPENT ALLOCATION							\$0



CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER
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ALAN BUTKOVITZ
City Controller

GERALD V. MICCIULLA
Deputy City Controller

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

To the Honorable Mayor and Honorable Members
of the Council of the City of Philadelphia

To the Commonwealth of Pennsylvania,
Department of Community and Economic Development

We have performed the procedures enumerated below, which were agreed to by the management of the City of Philadelphia, Pennsylvania and the Commonwealth of Pennsylvania, Department of Community and Economic Development (DCED) solely to assist you in evaluating the financial schedule required by DCED for the year ended June 30, 2014. Management of the City of Philadelphia, Pennsylvania is responsible for the preparation of this financial schedule. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. 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 compared the amounts and classifications on the supplemental financial schedule titled Federal Cash Receipts Passed through DCED for the fiscal year ended June 30, 2014 to the corresponding amounts in the books and records of the City of Philadelphia, Pennsylvania used to prepare financial statements audited by us. We also compared the example schedule required by DCED to this schedule to determine that it is presented, at a minimum, at the level of detail and in the format required by DCED.

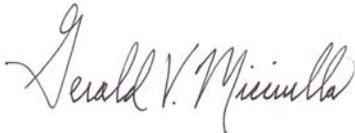
C I T Y O F P H I L A D E L P H I A
O F F I C E O F T H E C O N T R O L L E R

- (b) We have inquired of management as to whether there were any adjustments to reported revenues or expenditures, which were not reflected on reports submitted to DCED for the period in question.

The procedures detailed in the two preceding paragraphs, (a) and (b) above, disclosed no adjustments or findings which have not been reflected on the corresponding schedule of Federal Cash Receipts Passed through the DCED.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying financial schedule required by DCED. 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 management of the City of Philadelphia, Pennsylvania, City Council, and DCED and is not intended to be and should not be used by anyone other than these specified parties.



GERALD V. MICCIULLA, CPA
Deputy City Controller
Philadelphia, Pennsylvania
October 21, 2015

City of Philadelphia
Schedule of Federal Cash Receipts Passed Through the Pennsylvania
Department of Community and Economic Development
July 1, 2013 to June 30, 2014

<u>Grantor Agency/</u> Project Title	City ID Number	CFDA Number	Contract Number	Federal Awards	Federal Receipts
<u>U.S. Department of Housing & Urban Development</u>					
Passed-Through - Pa Department of Community & Economic Development:					
Neighborhood Stabilization Pgm Funds	06NSP02	14.228	C000045739	7,100,000	26,401
Subtotal:				7,100,000	26,401
Shelter Project (DCED 12)	241040	14.231	C000052019	389,574	182,438
Subtotal:				389,574	182,438
Total U.S. Department of Housing & Urban Development:				7,489,574	208,839
<u>U.S. Department of Health & Human Services</u>					
Passed-Through - Pa Department of Community & Economic Development:					
CSBG - Administration	080292	93.569	C000052543	780,403	1,720
CSBG - CSP	080303	93.569	C000052543	4,028,991	1,722,755
CSBG - CSP	080293	93.569	C000052543	4,107,239	9,053
CSBG- Administration	080304	93.569	C000052543	858,651	376,571
Subtotal:				9,775,284	2,110,099
Total U.S. Department of Health & Human Services:				9,775,284	2,110,099
Total Federal Cash Receipts Passed Through PaDCED:				17,264,858	2,318,938