

**NORTHERN TIER REGIONAL PLANNING
AND DEVELOPMENT COMMISSION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2020

Northern Tier Regional Planning and Development Commission
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Independent Auditors' Report

Board of Directors
Northern Tier Regional Planning and Development Commission
Towanda, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Northern Tier Regional Planning and Development Commission (the "Commission") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditors' Report
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Northern Tier Regional Planning and Development Commission as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4a through 4k be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining schedule of revenues and expenses-governmental funds on pages 26-27 and the accompanying Schedule of Expenditures of Federal Awards on pages 28-31, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Independent Auditors' Report
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Handwritten signature in cursive script: J. H. Williams, & Co., LLC

March 22, 2021

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2020
(Unaudited)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Northern Tier Regional Planning and Development Commission (the "Commission") for the year ended June 30, 2020 as compared to June 30, 2019. The Commission's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the Commission's financial performance as a whole; readers should also review the basic financial statements and the notes thereto to enhance their understanding of the Commission's financial performance.

Financial Highlights

The overall net assets were \$5,424,584 as of June 30, 2020, an increase of \$116,028 from June 30, 2019.

Governmental Activities

The governmental activities net assets increased by \$24,814 which includes the activities of Workforce Development and Community and Economic Development.

Workforce Development

Workforce Innovation and Opportunity Act (WIOA) formula funding decreased slightly, by approximately 0.5% from the prior program year. The Employment, Advancement and Retention Network (EARN) funding through the Department of Human Services (DHS) remained status quo from the previous year. A majority of WIOA and DHS funding continues to be subcontracted to Bradford County Action and Trehab, Inc. to provide workforce related services to residents of the Northern Tier region.

In addition, the Workforce Development division secured or continued operations in several competitive grants during fiscal year 2020.

- The Business Education Partnership (BEP) program completed its fifth year of providing career exploration and education services to schools in the Northern Tier. In total, 19 schools (K-12) participated and NTRPDC Career Coaches served over 8,417 students during the school year with 85 businesses participating in career fairs, field trips, panels and/or in-school presentations. The goal was to connect 100 businesses to students but with large career fairs cancelled due to the pandemic, we were unable to attain that number.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

- Fit4Work, a Strategic Innovations Grant secured by NTRPDC, is designed to assist individuals with multiple barriers gain employment and become successful in the workforce and their community through classroom training and work-based experiences. The grant award for 2018-2019 was extended into the second quarter of the 2019-2020 program year allowing for additional Fit4Work classes to be offered. In order to continue the program with no additional grant funding, individuals are referred to our WIOA Adult program for service. Individuals with identified multiple barriers that are eligible for the Adult program continue to be provided Fit4Work services on a condensed level. This includes services such as case management, individualized career planning, workshops and work-based opportunities. During the 19-20 program year a total of 5 Fit4Work classes were offered resulting in 14 completers. Bradford County Action and Trehab, Inc. provide direct services for the program.
- The State/Local Internship Program (SLIP), proved to be successful as 20 businesses hosted interns over the summer of 2019. Interns ranged from the ages of 16 through 24 and were matched with participating businesses based on career interests.
- In August 2018, NTRPDC became a Registered Apprenticeship Sponsor approved by the Pennsylvania Department of Labor and Industry's Apprenticeship and Training Council. NTRPDC currently sponsors a Registered Apprenticeship Machinist program and is working toward implementing a healthcare apprenticeship. Funding for this program was provided by the PA Smart Initiative. To date, funding has assisted with Related Technical Instruction (RTI) for two machinist apprentices.

Since the beginning of the pandemic in March 2020, our service delivery methods have been revised to accommodate customers in the safest manner possible. Our PA CareerLink® system, made up of multiple partners and service providers, has been able to change the way we deliver service to our customers on a daily basis. Strategies include utilizing a variety of virtual platforms to provide enrollments to our programs, redesigning workshops to be accessed virtually (both live and recorded sessions), virtual employer service and recruitments. Those customers that cannot access service virtually are provided remote service, when possible, through other methods such as phone, email and mail. Due to the remote nature of our region, it is recognized that areas within our communities lack broad band service or individuals may not have the skills needed for digital literacy. For those individuals that cannot access service in a remote manner, staff meet with them for a scheduled, socially distanced appointment after the customer has participated in a pre-screening process. The adaptations we have made to service delivery over the last several months have proven effective and will forever change the way we do business.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

Community & Economic Development

Community & Economic Development funding remained nearly status-quo during fiscal year 2020 for the core programs.

For the fourth year in a row, the value of export sales for program clients far exceeded the anticipated goal, exceeding the \$40 million mark. The goal for number of new clients was not met, but the 44 total companies served exceeded the goal. With a strong core group of companies realizing international sales, the export program remains strong in its continued impact.

The Procurement Program hit the \$9.9 million mark in total client procurement sales, shy of the \$12 million goal. 25 businesses were able to attain government sales due to program assistance. 235 businesses were served through the program.

The creation and retention of 821 jobs (165 created and 656 retained) by NTRPDC assisted clients had a positive impact on the economy of our rural region, especially considering the impact of the pandemic.

The Technology Development program has been reinstated on a part-time basis, with staff being shared with the Regional Planning/GIS position. The program continued to provide valuable assistance to our rural municipalities, with 49 communities served this year, well above the goal of 15, and there were 4 small businesses served this year as well, which was short of the goal. Our communities continue to rely heavily on this assistance that would otherwise be unavailable in a timely and cost effective manner.

The overall Business/Community Development and Transportation /Local Government Improvement components also played a significant role in the success of the program for the year. The number of participants trained through the LTAP program was significantly impacted by the Covid-19 shutdown, but the number of organizations served surpassed its goal. While the client base for our grant writing assistance is, for the most part, the public rather than the private sector, having adequate infrastructure in place to support future development is crucial.

A new endeavor, What's So Cool About Manufacturing?, had its second year stalled by the pandemic. The program connects junior high students with manufacturers to produce a video promoting the occupational opportunities within the facility. NTRPDC recruited 13 businesses and schools to participate in the local competition and coordinated the efforts to connect students with employers and create a valuable partnership between industry and education.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

While the Covid-19 pandemic wreaked havoc upon the region's economy and citizens, Northern Tier staff quickly moved to working remotely. As working adjustments were made, staff provided daily technical assistance and served in whichever capacity best assisted local businesses as the state guidance evolved. The pandemic influenced every program in various ways, both positively and negatively. From financing assistance, to guidance and resources for safety issues, the return on investment in terms of both dollars and jobs proved to be significant and impactful.

Business-Type Activities

The business-type activities net assets increased by \$91,214 as a result of loan fund activities.

Loan Activity

In November 2019, Northern Tier entered into an agreement with the United States Department of Agriculture (USDA) for a \$500,000 loan to form a USDA Intermediary Relending Program. This fund accompanies several other USDA relending programs that Northern Tier offers in the lending portfolio. As of June 30, 2020, the outstanding balance was \$237,500.

The Business Finance Assistance Program served 177 businesses this program year, surpassing the set goal of 70. The number of loans closed was well over the goal for the year with 32 loans closed. When the Covid-19 shutdown hit, loan staff served 129 businesses, providing guidance through the various federal and state assistance programs, including closing 14 state working capital loans as a response to Covid-19. With 541 jobs created and retained, the program had a positive impact on the economy of our region and provided a vital service during the crisis.

The loan portfolio continues to be diversified, however large agriculturally related projects such as hog and poultry facilities, are a growing focus of development for the Northern Tier region.

As in previous years, our overall business and community development assistance programs continue to have a substantial impact on our rural region. The return on investment in terms of both dollars and jobs continues to be significant. The Commission continues to look for ways to adjust our programs and make improvements to the ways in which we provide services, with the ultimate goal of positively impacting our region.

Overview of the Financial Statements

The Commission's basic financial statements are comprised of governmental activities and business-type activities. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting. The focus of these statements is long-term.

The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in the net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused compensated absences).

The government-wide financial statements can be found on pages 5-6 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of fund financial statements is short-term. Fund financial statements are prepared using the modified accrual basis of accounting.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

The Commission maintains two governmental funds. Information on each is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Commission's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 7-10 of this report.

Enterprise Funds

The Commission maintains seven enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for its five revolving loan programs and the Northern Tier Foundation, a blended component unit.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic enterprise fund financial statements can be found on pages 11-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-25 of this report.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

Condensed Statement of Net Assets

	<u>2020</u>	<u>2019</u>	<u>Change from 2019 to 2020</u>
Assets			
Current and other assets	\$ 3,544,817	\$ 3,600,421	\$ (55,604)
Capital assets	220,202	242,355	(22,153)
Loans receivable and other assets	<u>3,497,584</u>	<u>3,196,894</u>	<u>300,690</u>
Total	<u>\$ 7,262,603</u>	<u>\$ 7,039,670</u>	<u>\$ 222,933</u>
Liabilities and Net Assets			
Current liabilities	\$ 1,352,308	\$ 1,441,290	\$ (88,982)
Debt and other long-term liabilities	<u>485,711</u>	<u>289,824</u>	<u>195,887</u>
Total liabilities	<u>1,838,019</u>	<u>1,731,114</u>	<u>106,905</u>
Net assets			
Invested in capital assets, net of related debt	142,252	142,113	139
Restricted for loan programs	4,165,356	4,117,619	47,737
Restricted	<u>1,116,976</u>	<u>1,048,824</u>	<u>68,152</u>
Total net assets	<u>5,424,584</u>	<u>5,308,556</u>	<u>116,028</u>
Total	<u>\$ 7,262,603</u>	<u>\$ 7,039,670</u>	<u>\$ 222,933</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

Condensed Statement of Activities

	<u>2020</u>	<u>2019</u>	<u>Change from 2019 To 2020</u>	<u>Percentage Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 277,083	\$ 258,476	\$ 18,607	7.20%
Operating grants and contributions	4,826,760	4,732,205	94,555	2.00%
General revenues, investment earnings	<u>1,287</u>	<u>1,291</u>	<u>(4)</u>	(0.31%)
Total revenues	<u>5,105,130</u>	<u>4,991,972</u>	<u>113,158</u>	2.27%
Program Expenses:				
Governmental activities	4,811,756	4,700,699	111,057	2.36%
Business-type activities	<u>177,346</u>	<u>150,428</u>	<u>26,918</u>	17.89%
Total expenses	<u>4,989,102</u>	<u>4,851,127</u>	<u>137,975</u>	2.84%
Decrease/increase in net assets	116,028	140,845	(24,817)	(17.62%)
Net assets - Beginning	<u>5,308,556</u>	<u>5,167,711</u>	<u>140,845</u>	2.73%
Net assets - Ending	<u><u>\$ 5,424,584</u></u>	<u><u>\$ 5,308,556</u></u>	<u><u>\$ 116,028</u></u>	2.19%

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

Financial Analysis of the Fund Statements

Governmental Funds

The following represents a summary of fund revenue and expenses:

	<u>2020</u>	<u>2019</u>
Revenues:		
Federal and state grants and contracts	\$ 4,403,713	\$ 4,338,241
Other income	349,869	311,749
Counties' appropriations	60,000	60,000
In-kind services	22,988	34,254
	<u> </u>	<u> </u>
Total	<u>\$ 4,836,570</u>	<u>\$ 4,744,244</u>

	<u>2020</u>	<u>2019</u>
Expenses:		
Contracted services	\$ 2,997,333	\$ 3,005,802
Salaries and wages	934,985	814,915
Indirect costs	266,599	316,856
Fringe benefits	314,962	279,907
Other	268,055	263,122
In-kind services	22,988	34,254
Advertising	5,742	2,211
	<u> </u>	<u> </u>
Total	<u>\$ 4,810,664</u>	<u>\$ 4,717,067</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

Revenues

The majority of revenues recognized by the Commission are derived from cost-reimbursement contracts with federal and state government and agencies. For this reason, it is important to note the positive correlation between revenues and expenses. For fiscal year 2020, total revenues increased by 2.0% and total expenses increased by 2.0%.

Operating grant revenue from federal and state grants and contracts increased by \$65,472 which was primarily due to the Engage! contract funded through the Pennsylvania Department of Community and Economic Development.

Other income increased by \$38,120 which included an increase in Pennsylvania Careerlink® rental income. The increase was slightly offset by a decrease in loan fee revenue from the prior year. A total of 32 loans closed in during fiscal year 2020, which exceeded the total number of loans closed in the prior year by eight.

Contributions from member counties remained consistent from the prior year. In-kind revenue decreased by \$11,266 in fiscal year 2020, due to the BEP program and less in-person events due to Covid-19.

It was stated earlier in the MD&A that the Commission received a small decrease in WIOA formula funding (Adult, Dislocated Worker and Youth). It is important to note that these funds are often awarded for a two-year period. Consequently, the revenues are recognized as expenses are incurred against them.

Expenses

Expenditures increased by approximately 2.0%, which is primarily due to an increase in salaries and wages and fringe benefits. There is a positive correlation between the increase in revenue for federal and state grants and contracts and the increase in expenses such as contracted services. A majority of funding provided through the Pennsylvania Department of Labor & Industry is subcontracted to Trehab and Bradford County Action, Inc. to provide workforce related services in the Northern Tier region.

Salaries and fringe benefits increased due to NTRPDC implementing an aggressive approach to increasing direct charging to programs. Expenses that reflect some form of direct correlation to a program will continue to be examined thoroughly and applied equitability to the respective program(s). Due to this increased effort, the increase in salaries and fringe is mainly offset by the decrease in indirect costs.

In-kind services decreased in direct correlation to in-kind revenue, which is attributed to the Business Education Partnership (BEP) program and less in-person events due to Covid-19.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis (Cont'd)
June 30, 2020
(Unaudited)

Economic Condition and Outlook

The economy has diversified over the years becoming less concentrated on agriculture and manufacturing and much more dependent on the services sector. Business and economics are tied to the surrounding economic centers of New York's southern tier, the Scranton/Wilkes-Barre area and Williamsport. A few large employers continue to significantly influence the overall employment and economic environment of the region. Historically, unemployment rates have been above the national and state averages; but recently, unemployment rates have been fairly close to the state and national average.

A priority for the Commission is to focus on expanding regional opportunities to grow the economic base by maintaining a strong and viable agricultural sector, building upon the natural resource industries and growing value added production, leveraging the industrial heritage and capabilities of the region to retain and attract manufacturing, recognizing the demographic opportunities and needs of the region to support an expanding health care sector, and further promoting and taking advantage of the travel and tourism opportunities in the region.

Also, the Commission will continue to seek opportunities for efficiencies and streamlining of government activities to improve regional economic opportunities and the quality of life for its citizens remains a priority.

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 312 Main Street, Towanda, Pennsylvania 18848.

Northern Tier Regional Planning and Development Commission
Statement of Net Position
June 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 1,552,236	\$ 616,171	\$ 2,168,407
Due from grantors	734,625	-	734,625
Other receivables	46,198	-	46,198
Internal balances	1,974	(1,974)	-
Loans receivable	-	578,748	578,748
Prepaid expenses	16,023	816	16,839
TOTAL CURRENT ASSETS	<u>2,351,056</u>	<u>1,193,761</u>	<u>3,544,817</u>
NONCURRENT ASSETS			
Capital assets, net	-	220,202	220,202
Loans receivable, net	-	3,497,584	3,497,584
TOTAL NONCURRENT ASSETS	<u>-</u>	<u>3,717,786</u>	<u>3,717,786</u>
TOTAL ASSETS	<u>\$ 2,351,056</u>	<u>\$ 4,911,547</u>	<u>\$ 7,262,603</u>
<u>LIABILITIES AND NET POSITION</u>			
CURRENT LIABILITIES			
Loans payable	\$ -	\$ 19,560	\$ 19,560
Note payable	-	23,234	23,234
Accounts payable	880,768	7,253	888,021
Accrued salaries and benefits	48,828	-	48,828
Due to grantors	4,635	-	4,635
Due to subrecipients	187,558	-	187,558
Accrued interest	-	1,045	1,045
Unearned revenue	179,427	-	179,427
TOTAL CURRENT LIABILITIES	<u>1,301,216</u>	<u>51,092</u>	<u>1,352,308</u>
NONCURRENT LIABILITIES			
Loans payable	-	311,594	311,594
Note payable	-	54,716	54,716
Accrued leave and termination benefits	119,401	-	119,401
TOTAL NONCURRENT LIABILITIES	<u>119,401</u>	<u>366,310</u>	<u>485,711</u>
TOTAL LIABILITIES	<u>1,420,617</u>	<u>417,402</u>	<u>1,838,019</u>
NET POSITION			
Net investment in capital assets	-	142,252	142,252
Restricted	-	4,165,356	4,165,356
Unrestricted	930,439	186,537	1,116,976
TOTAL NET POSITION	<u>930,439</u>	<u>4,494,145</u>	<u>5,424,584</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,351,056</u>	<u>\$ 4,911,547</u>	<u>\$ 7,262,603</u>

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Statement of Activities
For the year ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
Workforce Development	\$ 3,174,731	\$ -	\$ 3,174,731	\$ -	\$ -	\$ -
Community and Economic Development	<u>1,637,025</u>	<u>8,945</u>	<u>1,652,029</u>	<u>23,949</u>	<u>-</u>	<u>23,949</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>4,811,756</u>	<u>8,945</u>	<u>4,826,760</u>	<u>23,949</u>	<u>-</u>	<u>23,949</u>
BUSINESS-TYPE ACTIVITIES:						
Foundation	122,288	152,106	-	-	29,818	29,818
NTRPDC, Inc.	2,200	15,475	-	-	13,275	13,275
Economic Development Administration/ Appalachian Regional Commission	30,781	63,094	-	-	32,313	32,313
Farmers Home Administration Intermediary Relending Program	1,387	5,404	-	-	4,017	4,017
USDA Rural Development Intermediary Relending Programm III	-	824	-	-	824	824
Farmers Home Administration Small Business Loan Program	-	20,019	-	-	20,019	20,019
Farmers Home Administration Rural Business Enterprise Grant Program	<u>20,690</u>	<u>11,216</u>	<u>-</u>	<u>-</u>	<u>(9,474)</u>	<u>(9,474)</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>177,346</u>	<u>268,138</u>	<u>-</u>	<u>-</u>	<u>90,792</u>	<u>90,792</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,989,102</u>	<u>\$ 277,083</u>	<u>\$ 4,826,760</u>	<u>23,949</u>	<u>90,792</u>	<u>114,741</u>
GENERAL REVENUES, UNRESTRICTED						
INVESTMENT EARNINGS				<u>865</u>	<u>422</u>	<u>1,287</u>
CHANGE IN NET POSITION				<u>24,814</u>	<u>91,214</u>	<u>116,028</u>
NET POSITION - BEGINNING				<u>905,625</u>	<u>4,402,931</u>	<u>5,308,556</u>
NET POSITION - ENDING				<u>\$ 930,439</u>	<u>\$ 4,494,145</u>	<u>\$ 5,424,584</u>

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Balance Sheet
Governmental Funds
June 30, 2020

	<u>Workforce Development</u>	<u>Community and Economic Development</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 780,832	\$ 771,404	\$ 1,552,236
Due from grantors	202,873	531,752	734,625
Due from other funds	-	1,974	1,974
Other receivables	46,198	-	46,198
Prepaid expenses	<u>-</u>	<u>16,023</u>	<u>16,023</u>
TOTAL ASSETS	<u>\$ 1,029,903</u>	<u>\$ 1,321,153</u>	<u>\$ 2,351,056</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 640,186	\$ 240,582	\$ 880,768
Accrued salaries and benefits	18,097	30,731	48,828
Due to grantors	4,635	-	4,635
Due to subrecipients	187,558	-	187,558
Unearned revenue	<u>179,427</u>	<u>-</u>	<u>179,427</u>
TOTAL LIABILITIES	<u>1,029,903</u>	<u>271,313</u>	<u>1,301,216</u>
<u>FUND BALANCE</u>			
Nonspendable	-	16,023	16,023
Unassigned	<u>-</u>	<u>1,033,817</u>	<u>1,033,817</u>
TOTAL FUND BALANCES	<u>-</u>	<u>1,049,840</u>	<u>1,049,840</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,029,903</u>	<u>\$ 1,321,153</u>	<u>\$ 2,351,056</u>

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Reconciliation of the Balance Sheet - Governmental Funds to the
Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds \$ 1,049,840

**Amounts reported for governmental activities in the Statement of
Net Position are different because:**

Long-term liabilities, consisting of accrued paid time off and termination
benefits, are not due and payable in the current period and therefore
are not reported in the funds. (119,401)

Total Net Position - Governmental Activities \$ 930,439

Northern Tier Regional Planning and Development Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2020

	<u>Workforce Development</u>	<u>Community and Economic Development</u>	<u>Total</u>
REVENUES			
Federal grants and contracts	\$ 2,851,071	\$ 894,226	\$ 3,745,297
State grants and contracts	68,307	590,109	658,416
Other income	255,353	94,516	349,869
Counties' appropriations	-	60,000	60,000
In-kind services	-	22,988	22,988
	<u>3,174,731</u>	<u>1,661,839</u>	<u>4,836,570</u>
TOTAL REVENUES			
EXPENDITURES			
Contracted services	2,583,324	414,009	2,997,333
Salaries and wages	316,190	618,795	934,985
Indirect costs	88,571	178,028	266,599
Fringe benefits	91,392	223,570	314,962
Building use allowance	24,640	48,653	73,293
Office supplies and postage	21,979	14,397	36,376
Miscellaneous	-	11,110	11,110
Equipment show expense	-	13,927	13,927
Tuition and seminars	16,005	11,437	27,442
Sector partnership training	9,911	-	9,911
Travel	15,967	15,825	31,792
Dues and subscriptions	1,784	23,663	25,447
In-kind services	-	22,988	22,988
Vehicle use allowance	3,499	13,754	17,253
Professional fees	-	21,504	21,504
Advertising	1,469	4,273	5,742
	<u>3,174,731</u>	<u>1,635,933</u>	<u>4,810,664</u>
TOTAL EXPENDITURES			
NET CHANGE IN FUND BALANCES	-	25,906	25,906
FUND BALANCE, BEGINNING	<u>-</u>	<u>1,023,934</u>	<u>1,023,934</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 1,049,840</u>	<u>\$ 1,049,840</u>

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances - Governmental Funds to the Statement of Activities
For the year ended June 30, 2020

Net Change in Fund Balances - Governmental Funds \$ 25,906

Amounts reported for governmental activities in the Statement of
Activities are different because:

Paid time off and termination benefit expenses reported in the Statement
of Activities that do not require the use of current financial resources and,
therefore, are not reported as expenditures in the governmental funds. (1,092)

Change in Net Position - Governmental Activities \$ 24,814

Northern Tier Regional Planning and Development Commission
Statement of Net Position
Enterprise Funds
June 30, 2020

	<u>Foundation</u>	<u>NTRPDC, Inc.</u>	<u>EDA/ARC</u>	<u>FMHA-IRP</u>	<u>USDA-RD -IRP III</u>	<u>FMHA-SBLP</u>	<u>FMHA-RBEG</u>	<u>Total (Memorandum Only)</u>
ASSETS								
CURRENT ASSETS								
Cash	\$ 39,196	\$ 61,360	\$ 275,944	\$ 96,329	1,980	\$ 83,439	\$ 57,923	\$ 616,171
Prepaid expense	816	-	-	-	-	-	-	816
Loans receivable, current	-	5,169	300,920	54,985	14,711	86,493	116,470	578,748
TOTAL CURRENT ASSETS	40,012	66,529	576,864	151,314	16,691	169,932	174,393	1,195,735
NONCURRENT ASSETS								
Capital assets, net	220,202	-	-	-	-	-	-	220,202
Loans receivable, net	-	90,268	2,041,824	148,453	221,633	570,022	425,384	3,497,584
TOTAL NONCURRENT ASSETS	220,202	90,268	2,041,824	148,453	221,633	570,022	425,384	3,717,786
TOTAL ASSETS	\$ 260,214	\$ 156,797	\$ 2,618,688	\$ 299,767	\$ 238,324	\$ 739,954	\$ 599,777	\$ 4,913,521
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Loans payable, current	\$ -	\$ -	\$ -	\$ 19,560	\$ -	\$ -	\$ -	\$ 19,560
Note payable, current	23,234	-	-	-	-	-	-	23,234
Accounts payable	7,253	-	-	-	-	-	-	7,253
Due to other funds	1,974	-	-	-	-	-	-	1,974
Accrued interest	1,045	-	-	-	-	-	-	1,045
TOTAL CURRENT LIABILITIES	33,506	-	-	19,560	-	-	-	53,066
NONCURRENT LIABILITIES								
Loans payable	-	-	-	74,094	237,500	-	-	311,594
Note payable	54,716	-	-	-	-	-	-	54,716
TOTAL NONCURRENT LIABILITIES	54,716	-	-	74,094	237,500	-	-	366,310
TOTAL LIABILITIES	88,222	-	-	93,654	237,500	-	-	419,376
NET POSITION								
Net investment in capital assets	142,252	-	-	-	-	-	-	142,252
Restricted	-	-	2,618,688	206,113	824	739,954	599,777	4,165,356
Unrestricted	29,740	156,797	-	-	-	-	-	186,537
TOTAL NET POSITION	171,992	156,797	2,618,688	206,113	824	739,954	599,777	4,494,145
TOTAL LIABILITIES AND NET POSITION	\$ 260,214	\$ 156,797	\$ 2,618,688	\$ 299,767	\$ 238,324	\$ 739,954	\$ 599,777	\$ 4,913,521

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the year ended June 30, 2020

	Foundation	NTRPDC, Inc.	EDA/ARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	Total (Memorandum Only)
OPERATING REVENUES								
Loan fund interest	\$ -	\$ 3,575	\$ 63,094	\$ 5,404	\$ 824	\$ 20,019	\$ 11,216	\$ 104,132
Rental income	152,106	-	-	-	-	-	-	152,106
Miscellaneous income	-	11,900	-	-	-	-	-	11,900
TOTAL OPERATING REVENUES	152,106	15,475	63,094	5,404	824	20,019	11,216	268,138
OPERATING EXPENSES								
Provision for loan losses	-	-	30,781	-	-	-	20,690	51,471
Janitorial	25,969	-	-	-	-	-	-	25,969
Depreciation and amortization	22,152	-	-	-	-	-	-	22,152
Utilities	35,269	-	-	-	-	-	-	35,269
Maintenance and supplies	10,499	-	-	-	-	-	-	10,499
Contracted services	11,184	1,141	-	-	-	-	-	12,325
Professional fees	11,169	1,059	-	-	-	-	-	12,228
Miscellaneous	2,500	-	-	-	-	-	-	2,500
TOTAL OPERATING EXPENSES	118,742	2,200	30,781	-	-	-	20,690	172,413
OPERATING INCOME (LOSS)	33,364	13,275	32,313	5,404	824	20,019	(9,474)	95,725
NONOPERATING REVENUE (EXPENSE)								
Interest income	131	253	32	-	-	-	6	422
Interest expense	(3,546)	-	-	(1,387)	-	-	-	(4,933)
NONOPERATING REVENUE (EXPENSE), NET	(3,415)	253	32	(1,387)	-	-	6	(4,511)
NET INCOME (LOSS)	29,949	13,528	32,345	4,017	824	20,019	(9,468)	91,214
NET POSITION, BEGINNING OF YEAR	142,043	143,269	2,586,343	202,096	-	719,935	609,245	4,402,931
NET POSITION, END OF YEAR	\$ 171,992	\$ 156,797	\$ 2,618,688	\$ 206,113	\$ 824	\$ 739,954	\$ 599,777	\$ 4,494,145

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2020

	Foundation	NTRPDC, Inc.	EDA/ARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	Total (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES								
Rental income received	\$ 152,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,106
Miscellaneous income received	-	11,900	-	-	-	-	-	11,900
Loan payments received (disbursed)	-	8,138	(30,412)	28,578	(235,520)	48,860	(8,067)	(188,423)
Payments to suppliers	(80,762)	(2,200)	-	-	-	-	-	(82,962)
Payments to utilities	(35,269)	-	-	-	-	-	-	(35,269)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	36,075	17,838	(30,412)	28,578	(235,520)	48,860	(8,067)	(142,648)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	131	253	32	-	-	-	6	422
NET CASH PROVIDED BY INVESTING ACTIVITIES	131	253	32	-	-	-	6	422
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Drawdowns of/(repayment of) amounts due to FMHA-IRP	-	-	-	(38,058)	237,500	-	-	199,442
Repayment of note payable	(22,292)	-	-	-	-	-	-	(22,292)
Interest paid	(3,546)	-	-	(1,387)	-	-	-	(4,933)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(25,838)	-	-	(39,445)	237,500	-	-	172,217
NET INCREASE (DECREASE) IN CASH	10,368	18,091	(30,380)	(10,867)	1,980	48,860	(8,061)	29,991
CASH, BEGINNING OF YEAR	28,828	43,269	306,324	107,196	-	34,579	65,984	586,180
CASH, END OF YEAR	\$ 39,196	\$ 61,360	\$ 275,944	\$ 96,329	\$ 1,980	\$ 83,439	\$ 57,923	\$ 616,171
RECONILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ 33,364	\$ 13,275	\$ 32,313	\$ 5,404	\$ 824	\$ 20,019	\$ (9,474)	\$ 95,725
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:								
Depreciation and amortization	22,152	-	-	-	-	-	-	22,152
Provision for loan losses	-	-	30,781	-	-	-	20,690	51,471
Changes in assets and liabilities:								
Prepaid expenses	72	-	45,000	-	-	-	-	45,072
Loans receivable	-	4,563	(138,506)	23,174	(236,344)	28,841	(19,283)	(337,555)
Accounts payable	2,549	-	-	-	-	-	-	2,549
Due to other funds	(22,062)	-	-	-	-	-	-	(22,062)
TOTAL ADJUSTMENTS	2,711	4,563	(62,725)	23,174	(236,344)	28,841	1,407	(238,373)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 36,075	\$ 17,838	\$ (30,412)	\$ 28,578	\$ (235,520)	\$ 48,860	\$ (8,067)	\$ (142,648)

The accompanying notes are an integral part of these financial statements.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

NOTE 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Northern Tier Regional Planning and Development Commission (the “Commission”) is a regional planning and development organization located in Towanda, Pennsylvania serving the northern Pennsylvania counties of Bradford, Sullivan, Susquehanna, Tioga and Wyoming (the “Counties”). Programs and services include workforce investment training and assistance to eligible adults and youth leading to unsubsidized employment, low interest loans to small businesses, and improvement of the economic and environmental climate in rural communities.

The Commission is a political subdivision of the Commonwealth of Pennsylvania and is not considered a component unit of any of the Counties. The Commission is not subject to federal or state income tax.

Financial Reporting Entity

All significant activities and organizations on which the Commission exercises oversight responsibility have been included in the Commission's financial statements for the year ended June 30, 2020. The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board (GASB) Statements No. 14, The Financial Reporting Entity, and No. 39, Determining Whether Certain Organizations are Component Units (an amendment of No. 14), and No. 61, The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and 34, and No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following criteria regarding manifestation of oversight were considered by the Commission in its evaluation of Commission organizations and activities:

- Financial interdependency - The Commission is responsible for its debts and is entitled to surpluses. No other separate agency except for the component unit described below receives a financial benefit nor imposes a financial burden on the Commission.
- Election of the government authority - The Commission's Board of Directors is responsible for all public decisions and accountable for the decisions it makes.
- Designation of management - The Board hires all members of the management team. The activities under the purview of management are within the scope of the reporting entity and management is accountable to the Commission for the activities being managed.
- Ability to significantly influence operations - The Board has authority to significantly influence operations. This authority includes, but is not limited to, control over all assets, including facilities and properties, short-term borrowings, signing contracts, establishing a budget, issuing bonded debt and developing programs to be provided.
- Accountability of fiscal matters - The responsibility and accountability over all funds are vested in the fiscal manager, with Board oversight.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2020

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Commission (the primary government) and its component units, Northern Tier Foundation (“Foundation”) and Northern Tier Regional Planning and Development Commission, Inc. (“NTRPDC, Inc.”).

The Foundation, a nonprofit corporation, is governed by a five-member board appointed by the Commission. The Foundation’s purpose is to provide rental office space to the Commission.

NTRPDC, Inc. was formed for the purpose of administering programs that will promote the continued social and economic development of Bradford, Sullivan, Susquehanna, Tioga, and Wyoming counties.

Based on the significance of their operational and financial relationships with the Commission, the financial statements of the Foundation and NTRPDC, Inc. are included in the financial reporting entity as blended component units, as part of the Commission’s business-type activities.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report the information on all of the activities of the primary government and its blended component units. Governmental activities, which are supported by intergovernmental revenues that are legally or administratively restricted to expenditures for specified purposes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2020

The Commission reports two major governmental funds composed of the following special revenue funds:

COMMUNITY AND ECONOMIC DEVELOPMENT - is used to account for various grants and the administration of loan funds for the purposes of economic, export, transportation planning, and community development.

WORKFORCE DEVELOPMENT - is used to account for the activities of the Workforce Innovation and Opportunities Act ("WIOA") and Welfare program revenues and expenditures.

The Commission reports seven major enterprise funds:

FOUNDATION - is used to account for the activities of the Northern Tier Foundation (a blended component unit), which provides rental space for activities of the Commission and flexibility to receive funding from various resources. Northern Tier Foundation is a 501(c)(3) corporation.

NTRPDC INC. - is used to account for the activities of the Northern Tier Regional Planning and Development Commission, Inc. (a blended component unit), which is to promote effective partnerships and collaboration and administer programs that will provide a nonpartisan organizational framework to promote the continued social and economic development of Bradford, Sullivan, Susquehanna, Tioga, and Wyoming counties through the retention and expansion of industrial, commercial, financial, research, educational, technology, and other allied businesses and development activities, as well as to improve the region's environment, recreation facilities, and quality of life.

EDA/ARC - is used to account for all activity in the Economic Development Administration/Appalachian Regional Commission revolving loan fund and is operated in a manner similar to a private business enterprise.

FMHA-IRP - is used to account for all activity in the Farmers Home Administration Intermediary Relending Program loans I and II and is operated in a manner similar to a private business enterprise.

USDA-RD-IRP III - is used to account for all activity in the United States Department of Agriculture, Rural Development Program Intermediary Relending Program loan III and is operated in a manner similar to a private business enterprise.

FMHA-SBLP - is used to account for all activity in the Farmers Home Administration Small Business Loan Program and is operated in a manner similar to a private business enterprise.

FMHA-RBEG - is used to account for all activity in the Farmers Home Administration Rural Business Enterprise Grant Program and is operated in a manner similar to a private business enterprise.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

Enterprise funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues for the enterprise funds are interest collected on outstanding loans and rental income. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The Commission maintains a capitalization threshold of \$5,000 for all capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	20 - 30
Equipment	5 - 15

Unearned Revenue

Unearned revenue represents amounts which have met asset recognition criteria, but for which revenue recognition criteria have not been met.

Governmental Fund Balance Classifications/Policies and Procedures

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Commission classifies its governmental fund balances as follows, as applicable:

- *Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2020

- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Commission's "highest level of decision making authority" which do not lapse at year-end
 - The Board of Directors is its highest level of decision-making authority and commits funds through a formal board motion
- *Assigned* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Commission
- *Unassigned* - includes positive fund balance within the Community and Economic Development Fund which has not be classified within the above-mentioned categories and negative fund balances in other governmental funds

In governmental funds when an expenditure is incurred that can be paid using either restricted or unrestricted resources, the Commission's policy is generally to first apply the expenditure toward restricted fund balance and then to unrestricted resources. When an expenditure is incurred that can be paid using either committed, assigned, or unassigned amounts, the Commission's policy is to use committed resources, then assigned resources, then unassigned resources.

In-Kind Services

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal funding on various grants. Contributed services are therefore reflected as revenue and expenditures in accordance with legal requirements of the individual grants. Contributed services are recorded as an expenditure with an equivalent amount recorded as revenue. The amounts of such services are recorded in the accompanying financial statements at their estimated fair values at date of receipt.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – Cash

The carrying amount of the Commission's deposits was \$2,168,407 as of June 30, 2020. The bank balance totaled \$2,224,763 as of June 30, 2020. The difference represents outstanding checks and normal reconciling items.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. Commonwealth of Pennsylvania Act 72 of 1971, as amended, allows banking institutions to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments.

The balance of the Commission's cash deposits is categorized as follows to give an indication of the level of risk assumed by the Commission at year-end.

	2020 Bank <u>Balance</u>
Insured	\$ 863,590
Uninsured:	
Collateral held by pledging banks' trust department not in the Commission's name	<u>1,361,173</u>
TOTAL	<u>\$ 2,224,763</u>

NOTE 3 – Capital Assets

Activity in capital assets for the year ended June 30, 2020 is as follows:

	July 1, <u>2019</u>	<u>Additions</u>	<u>Disposals</u>	June 30, <u>2020</u>
GOVERNMENTAL ACTIVITIES				
Office furniture and equipment	\$ 38,900	\$ -	\$ -	\$ 38,900
Accumulated depreciation	<u>(38,900)</u>	-	-	<u>(38,900)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BUSINESS-TYPE ACTIVITIES (FOUNDATION)				
Land	\$ 13,724	\$ -	\$ -	\$ 13,724
Capital assets being depreciated:				
Building and improvements	551,719	-	-	551,719
Office furniture and equipment	<u>43,991</u>	-	-	<u>43,991</u>
TOTAL	<u>609,434</u>	-	-	<u>609,434</u>
Accumulated depreciation				
Building and improvements	(326,116)	(20,637)	-	(346,753)
Office furniture and equipment	<u>(40,964)</u>	<u>(1,515)</u>	-	<u>(42,479)</u>
TOTAL	<u>(367,080)</u>	<u>(22,152)</u>	-	<u>(389,232)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 242,354</u>	<u>\$ (22,152)</u>	<u>\$ -</u>	<u>\$ 220,202</u>

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

NOTE 4 – Due to Subrecipients

The amounts due to subrecipients in the Commission’s government activities are as follows at June 30, 2020:

Due to Bradford County Action	\$	90,425
Due to Trehab Center		97,133
DUE TO SUBRECIPIENTS	\$	<u>187,558</u>

NOTE 5 – Revolving Loan Programs

The Commission participates in six revolving loan programs. The purpose of these loan programs is to provide low interest loans to small businesses in an effort to create jobs and other economic development in rural areas. In connection with these programs, the Commission made new loans of approximately \$1,364,000 in 2020 and collected principal and interest repayments of approximately \$1,133,000 in 2020. The programs are summarized below:

Pennsylvania Small Business First Program (SBFP)
[Formerly Pennsylvania Capital Loan Fund (PCLF)]

The Commission has an agreement with the Commonwealth of Pennsylvania, Department of Community and Economic Development (“DCED”) to participate in the SBFP. The SBFP replaced the PCLF with substantially all regulations and program guidelines remaining intact. The loan review committee established by the Commission is responsible for reviewing all loan applications and recommending loan applications for approval by the Commission’s board of directors. Once approved, the Commission must submit the applications to the DCED for its review and approval.

DCED is responsible for establishing loan interest rates, issuing loan checks and receiving loan payments from the borrower. As a result, the accompanying financial statements do not include the operations of the SBFP. The Commission is entitled to retain service fees charged on the loans to cover costs of making and servicing its loan program, which are included in the accompanying financial statements. The outstanding loan balances under the SBFP total \$2,100,420 at June 30, 2020.

First Industries Fund (FIF)

The Commission has entered into an agreement with DCED to participate in the FIF. The loan review committee established by the Commission is responsible for reviewing all loan applications and recommending loan applications for approval by the Commission’s board of directors. Once approved, the Commission must submit the applications to DCED for its review and approval. As a result, the accompanying financial statements do not include the operations of the FIF. The Commission is entitled to retain service fees charged on the loans to cover costs of making and servicing the loan program, which are included in the accompanying financial statements. The outstanding loan balances under the FIF total \$1,556,746 at June 30, 2020.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

Economic Development Administration/ Appalachian
Regional Commission (EDA/ARC)

The Commission has entered into an agreement with SEDA-Council of Governments (SEDA-COG) to participate in the U.S. Department of Commerce, Economic Development Administration (EDA) revolving loan fund. EDA awarded SEDA-COG a grant of \$1,500,000 requiring a local match of \$500,000 for the purpose of establishing a small business revolving loan program. SEDA-COG subcontracted one-third of the program to the Commission.

In addition, the Commission has entered into an agreement with the Appalachian Regional Commission to participate in a revolving loan fund.

An allowance of \$70,461 has been established for the loans outstanding under these programs.

Farmers Home Administration Intermediary
Relending Program (FMHA-IRP)

The Commission has entered into an agreement with FMHA-IRP for a \$500,000 low interest loan from FMHA to be used for a relending program (Note 6). The Commission requests drawdowns on the loan after FMHA approves the loan application between the Commission and the borrower. As of June 30, 2020, the loan had a balance outstanding of \$93,654. The Commission has entered into a second agreement with FMHA-IRP for a \$500,000 low interest loan from FMHA to be used for a relending program (Note 6). The Commission requests drawdowns on the loan after FMHA approves the loan application between the Commission and the borrower. As of June 30, 2020, the loan had a balance outstanding of \$0.

An allowance of \$22,882 has been established for the loans outstanding under these programs.

United States Department of Agriculture, Rural Development
Intermediary Relending Program (USDA-RD-IRP III)

The Commission has entered into an agreement with USDA-RD-IRP III for a \$500,000 low interest loan from USDA-RD to be used for a relending program (Note 6). The Commission requests drawdowns on the loan after USDA-RD approves the loan application between the Commission and the borrower. As of June 30, 2020, the loan had a balance outstanding of \$237,500.

No allowance has been deemed necessary for the loans outstanding under these programs.

Farmers Home Administration Small Business
Loan Program (FMHA-SBLP)

The Commission has entered into the FMHA-SBLP with the approval of a \$200,000 and \$110,000 grant from FMHA to be used for a revolving loan program. The Commission requests drawdowns on the grant after FMHA approves the loan application between the Commission and the borrower.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

NTRPDC, Inc. has entered into the FMHA-SBLP with the approval of a \$98,000 grant from FMHA to be used for a revolving loan program. NTRPDC, Inc. requests drawdowns on the grant after FMHA approves the loan application between the Commission and the borrower.

An allowance of \$21,726 has been established for the loans outstanding under these programs.

**Farmers Home Administration Rural Business
 Enterprise Grant Program (FMHA-RBEG)**

The Commission has entered into the FMHA-RBEG with the approval of a \$1,000,000 grant from the FMHA to be used for a \$500,000 revolving loan program and \$500,000 pass-through grant for Envirocycle, Inc.

NOTE 6 – Long-Term Liabilities

At June 30, 2020, the Commission's business-type activities long-term debt consisted of the following:

	Balance at <u>July 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	Balance at <u>June 30, 2020</u>	Current <u>Portion</u>
3.75% note payable to Bradford County Industrial Development Authority, in monthly installments of \$2,145, including interest through 2023; collateralized by property and equipment.	\$ 100,242	\$ -	\$ (22,292)	\$ 77,950	\$ 23,234
1% loan payable to FMHA, in annual installments of \$20,565, including interest through 2022; collateralized by the assets of the Revolving Loan Fund.	18,693	-	(18,693)	-	-
1% loan payable top FMHA, in annual installments of \$20,565, including interest through 2024; collateralized by the assets of the Revolving Loan Fund.	113,019	-	(19,365)	93,654	19,560
1% loan payable to USDA-RD, in annual installments of an amount to be determined, including interest beginning in 2023 through 2049; collateralized by the assets of the Revolving Loan Fund.	-	237,500	-	237,500	-
TOTAL	\$ 231,954	\$ 237,500	\$ (60,350)	\$ 409,104	\$ 42,794

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

Scheduled principal and interest payments on the note and loans payable are as follows. Note that this does not include interest on the USDA-RD loan, as no payments have been scheduled as of June 30, 2020. All repayments for the current principal for this loan are included on the “thereafter” row:

Years ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 42,794	\$ 3,509	\$ 46,303
2022	43,877	2,426	46,303
2023	44,995	667	45,662
2024	39,938	410	40,348
2025	-	-	-
Thereafter	<u>237,500</u>	<u>-</u>	<u>237,500</u>
TOTAL	<u>\$ 409,104</u>	<u>\$ 7,012</u>	<u>\$ 416,116</u>

Interest expense on the above obligations totaled \$4,933 in 2020.

The Commission obtained a \$500,000 line of credit. The interest on any draw is variable, resetting annually (2.50% at June 30, 2020). At June 30, 2020 there were no draws against the line of credit. The line of credit expires December 31, 2020.

NOTE 7 – Liability for Compensated Absences

An employee, upon termination of employment from the Commission, is paid for accrued leave up to a maximum of 50 days. The accrued leave liability has been recorded in the noncurrent liabilities section of the governmental activities.

Accrued leave liability, July 1, 2019	\$ 94,905
Additions	90,814
Payouts	<u>(76,437)</u>
Accrued leave liability, June 30, 2020	<u>\$ 109,282</u>

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

NOTE 8 – Termination Benefits Policy

The Commission implemented an early termination benefit policy effective June 1, 2016. The benefit is allowable for employees hired as full-time before July 1, 2015. The benefit will reimburse up to \$33,000 of employee health care premiums until the age of 65 for employees who reach 30 years of service by age 59.5. It will reimburse up to \$13,500 until the age of 65 for employees who reach 25 years of service by age 62. As of June 30, 2020, one employee was eligible and accepted the early termination benefit. The commission assumed that the full benefit amount of \$33,000 will be claimed by the employee. The funds that will be used to pay this benefit are in a non-interest-bearing account, and therefore no discount rate was used in determining the cost of the benefit. Total payments made to employees in 2020 were \$13,285. The total cost of \$33,000 less the total to date payments of \$22,881 has been recorded in the noncurrent liabilities section of the governmental activities as part of “accrued leave and termination benefits.”

NOTE 9 – Deferred Compensation Plan

The Commission has a deferred compensation plan in which all full-time employees are eligible for participation.

Employees are given the option of paid health insurance coverage or the deferred compensation plan. For those employees selecting the deferred compensation plan, the Commission contributes an amount up to \$750 per month.

Compensation under the plan is deferred from federal income tax only. All other payroll related taxes are paid currently. The Commission’s contribution to the deferred compensation plan was \$68,649 in 2020.

NOTE 10 – Contingencies

Grant Programs

The Commission participates in numerous state and federal grant and loan programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant and loan programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Commission has not complied with the rules and regulations governing the grant and loan programs, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of Commission management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grant and loan programs; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2020

NOTE 11 – Indirect Cost Rate

During the year ended June 30, 2020, indirect costs were allocated to individual programs as a percentage of direct salaries and related fringe benefit expense. The allocation of indirect costs for all programs was computed as follows:

Total direct salaries		\$ 934,985
Total related fringe benefits		<u>314,962</u>
	TOTAL DIRECT SALARIES AND BENEFITS	<u>\$ 1,249,947</u>
Indirect costs:		
Salaries and wages		\$ 101,629
Contracted services		68,754
Fringe benefits		35,902
Audit		17,999
Telephone		9,300
Building use allowance		8,700
Insurance and bonding		5,808
Meeting expense		5,239
Program supplies		4,850
Equipment		4,772
Miscellaneous		1,274
Postage		813
Advertising		809
Subscriptions and periodicals		648
Travel		<u>102</u>
	TOTAL INDIRECT COSTS	<u>\$ 266,599</u>

$$\text{Indirect cost rate} = \frac{\text{Total indirect costs}}{\text{Total direct salaries and benefits}}$$

$$\text{Indirect cost rate} = \frac{\$ 266,599}{\$ 1,249,947} = 21.33\%$$

NOTE 12 – Subsequent Events

On March 11, 2020, the World Health Organization declared the new strain of coronavirus (COVID-19) to be a global pandemic. Federal, state and local governments have since implemented various restrictions, including travel restrictions, border closings, restrictions on public gatherings, quarantining of people who may have been exposed to the virus, shelter-in-place restrictions, and limitations on business operations. While the Commission does not expect this uncertain matter to negatively affect the results of its operations and financial position, the related financial impact cannot be reasonably estimated at this time.

Northern Tier Regional Planning and Development Commission
Combining Schedule of Revenues and Expenditures - Governmental Funds
For the year ended June 30, 2020

	UNRESTRICTED	ARC PREP 19	PA- DOT SPEC	ARCLDD 19	ARCLDD 20	WSCM	OIBD 20	PREP
Revenues								
Federal grants and contracts	\$ -	\$ 285,000	\$ 155,330	\$ 52,315	\$ 54,847	\$ -	\$ -	\$ -
State grants and contracts	-	-	-	-	-	6,724	36,825	363,048
Local grants and contracts	-	-	-	-	-	-	-	-
Other income	92,497	1,530	-	67	-	350	-	-
Counties' appropriations	60,000	-	-	-	-	-	-	-
In-kind services	10,988	-	-	-	-	-	-	-
TOTAL REVENUES	163,485	286,530	155,330	52,382	54,847	7,074	36,825	363,048
Expenditures								
Contracted services	980	10,019	134,412	6	16	2,000	250	101,707
Salaries and wages	37,424	147,515	11,429	27,607	29,967	1,198	19,005	142,353
Indirect costs	9,639	40,853	3,308	8,064	8,601	347	7,316	41,333
Fringe benefits	17,963	51,404	4,038	9,904	10,435	423	6,714	52,119
Miscellaneous	10,775	5	-	-	-	316	-	-
Equipment show expense	13,897	-	30	-	-	-	-	-
In-kind services	10,988	-	-	-	-	-	-	-
Building use allowance	858	12,334	935	2,074	2,239	59	1,468	11,300
Travel	3,752	2,505	292	1,843	161	-	688	3,108
Office supplies and postage	2,805	3,901	22	124	300	-	-	2,810
Tuition and seminars	2,729	2,145	700	175	234	440	800	2,456
Sector partnership training	-	-	-	-	-	-	-	-
Dues and subscriptions	16,499	2,174	-	-	-	-	-	2,158
Vehicle use allowance	211	1,325	164	2,585	2,894	111	584	3,359
Professional fees	9,059	12,350	-	-	-	-	-	95
Advertising	-	-	-	-	-	2,180	-	250
TOTAL EXPENDITURES	137,579	286,530	155,330	52,382	54,847	7,074	36,825	363,048
REVENUES IN EXCESS OF EXPENDITURES	\$ 25,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARC PREP - Appalachian Regional Commission Partnerships for Regional Economic Performance
ARCLDD - Appalachian Regional Commission Local Development District
DIAP - Pennsylvania Defense Industry Assistance Partnership
DOD - Department of Defense Procurement
EARN - Employment Advancement and Retention Network
EDA - Economic Development Administration

OIBD - Office of International Business Development
PA DOT - Pennsylvania Department of Transportation
PREP - Partnerships for Regional Economic Performance
WIOA - Workforce Innovation and Opportunities Act
WSCM - What's So Cool About Manufacturing

Northern Tier Regional Planning and Development Commission
Combining Schedule of Revenues and Expenditures - Governmental Funds (Cont'd)
For the year ended June 30, 2020

	PA DOT 19-20	EDA 19	EDA 20	DOD 19	DOD 20	DOD DIAP	ENGAGE!	EARN	WIOA	Total
Revenues										
Federal grants and contracts	\$ 181,939	\$ 43,728	\$ 39,276	\$ 28,865	\$ 43,424	\$ 9,502	\$ -	\$ 695,853	\$ 2,155,218	\$ 3,745,297
State grants and contracts	18,340	-	-	-	-	-	165,172	-	68,307	658,416
Other income	-	45	-	-	-	27	-	-	255,353	349,869
Counties' appropriations	-	-	-	-	-	-	-	-	-	60,000
In-kind services	-	12,000	-	-	-	-	-	-	-	22,988
TOTAL REVENUES	200,279	55,773	39,276	28,865	43,424	9,529	165,172	695,853	2,478,878	4,836,570
Expenditures										
Contracted services	108	-	-	-	4,411	4,000	156,100	560,729	2,022,595	2,997,333
Salaries and wages	111,369	25,175	22,858	13,493	21,507	2,673	5,222	74,514	241,676	934,985
Indirect costs	32,150	7,354	6,550	3,941	6,190	870	1,512	21,528	67,043	266,599
Fringe benefits	38,333	9,031	7,937	4,841	7,524	1,059	1,845	25,848	65,544	314,962
Miscellaneous	-	-	14	-	-	-	-	-	-	11,110
Equipment show expense	-	-	-	-	-	-	-	-	-	13,927
In-kind services	-	12,000	-	-	-	-	-	-	-	22,988
Building use allowance	10,391	1,840	1,640	1,207	1,653	213	442	7,644	16,996	73,293
Travel	933	-	-	2,096	56	391	-	805	15,162	31,792
Office supplies and postage	2,854	140	126	1,311	-	4	-	1,057	20,922	36,376
Tuition and seminars	(38)	70	151	1,475	-	100	-	662	15,343	27,442
Sector partnership training	-	-	-	-	-	-	-	-	9,911	9,911
Dues and subscriptions	1,101	163	-	-	1,568	-	-	1,600	184	25,447
Vehicle use allowance	1,235	-	-	501	515	219	51	1,256	2,243	17,253
Professional fees	-	-	-	-	-	-	-	-	-	21,504
Advertising	1,843	-	-	-	-	-	-	210	1,259	5,742
TOTAL EXPENDITURES	200,279	55,773	39,276	28,865	43,424	9,529	165,172	695,853	2,478,878	4,810,664
REVENUES IN EXCESS OF EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,906

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Funding Source Code	Federal CFDA Number	Pass-Through Entity's Number	Award Amount	Cash Receipts	Accrued or (Unearned) Revenue at July 1, 2019	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2020	Expenses Passed Through to Subrecipients
Appalachian Regional Commission										
Local Development District Administrative Grant	D	23.009	PA-708-C-C47-19	\$ 101,000	\$ 50,500	\$ (1,815)	\$ 52,315	\$ 52,315	\$ -	
Local Development District Administrative Grant	D	23.009	PA-708-C-C48-20	103,000	51,500	-	54,847	54,847	3,347	
Total CFDA #23.009				204,000	102,000	(1,815)	107,162	107,162	3,347	\$ -
Appalachian Regional Commission PREP	D	23.001	PA-8305-C37-18	285,000	28,500	28,500	-	-	-	
Appalachian Regional Commission PREP	D	23.001	PA-8305-C38-19	285,000	256,500	-	285,000	285,000	28,500	
Total CFDA #23.001				570,000	285,000	28,500	285,000	285,000	28,500	-
Total Appalachian Regional Commission				774,000	387,000	26,685	392,162	392,162	31,847	-
U.S. Department of Commerce										
Economic Development Administration	D	11.302	ED19PHI3020010	140,000	72,396	12,717	83,004	83,004	23,325	
Total CFDA #11.302				140,000	72,396	12,717	83,004	83,004	23,325	-
Economic Development Cluster										
EDA Revolving Loan Fund	D	11.307	1390228b/139022801b	N/A	-	-	1,582,672	1,582,672	1,582,672	
Total CFDA #11.307 (Economic Development Cluster)				-	-	-	1,582,672	1,582,672	1,582,672	-
Total U.S. Department of Commerce				140,000	72,396	12,717	1,665,676	1,665,676	1,605,997	-
U.S. Department of Health and Human Services										
Passed-through Pennsylvania Department of Human Services: TANF Cluster										
EARN - TANF - Federal (New Directions - Performance Based)	I	93.558	FY19: 70121	294,621	45,200	-	45,200	45,200	-	
EARN - TANF - Federal (New Directions - Performance Based)	I	93.558	FY20: 70121	294,621	103,500	-	103,500	103,500	-	
EARN - TANF - Federal (New Directions)	I	93.558	FY19: 70121	547,153	71,265	71,265	-	-	-	
EARN - TANF - Federal (New Directions)	I	93.558	FY20: 70121	547,153	547,153	-	547,153	547,153	-	
WIOA Youth - TANF	I	93.558	130183361	126,480	12,344	12,344	-	-	-	
WIOA Youth - TANF	I	93.558	130193361	156,870	156,002	-	156,870	156,870	868	
WIOA Youth - TANF	I	93.558	130173362	21,450	18,233	-	21,450	21,450	3,217	
Total CFDA #93.558				1,988,348	953,697	83,609	874,173	874,173	4,085	712,265
Total TANF Cluster				1,988,348	953,697	83,609	874,173	874,173	4,085	712,265
Total U.S. Department of Health and Human Services				1,988,348	953,697	83,609	874,173	874,173	4,085	712,265

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Funding Source Code	Federal CFDA Number	Pass-Through Entity's Number	Award Amount	Cash Receipts	Accrued or (Unearned) Revenue at July 1, 2019	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2020	Expenses Passed Through to Subrecipients
U.S. Department of Labor										
Passed-through Pennsylvania Department of Labor & Industry: WIOA Cluster										
Adult	I	17.258	130173005	244	24	24	-	-	-	-
Adult	I	17.258	130183001	76,612	7,661	-	7,661	7,661	-	-
Adult	I	17.258	130183011	408,428	197,934	123,935	73,999	73,999	-	-
Adult	I	17.258	130193001	66,403	59,763	-	59,763	59,763	-	-
Adult	I	17.258	130193011	354,001	305,254	-	318,601	318,601	13,347	-
SLIP	I	17.258	130163133	30,157	18,679	18,679	-	-	-	-
SLIP	I	17.258	130183032	55,983	55,983	4,327	51,656	51,656	-	-
Total CFDA #17.258				991,828	645,298	146,965	511,680	511,680	13,347	451,595
Youth	I	17.259	130173301	449,995	6,527	6,527	-	-	-	-
Youth	I	17.259	130173306	2,303	231	-	-	-	-	-
Youth	I	17.259	130183301	504,421	146,758	29,545	130,397	130,397	13,184	-
Youth	I	17.259	130183306	1,543	1,389	-	1,543	1,543	154	-
Youth	I	17.259	130193301	438,840	262,716	-	281,149	281,149	18,433	-
Youth - Teacher in the Workplace	I	17.259	130183342	22,066	9,587	-	9,587	9,587	-	-
Total CFDA #17.259				1,419,168	427,208	36,303	422,676	422,676	31,771	330,568
Dislocated Worker	I	17.278	130174011	624,048	6,575	6,575	-	-	-	-
Dislocated Worker	I	17.278	130174005	693	69	69	-	-	-	-
Dislocated Worker	I	17.278	130184001	174,708	17,471	169	17,302	17,302	-	-
Dislocated Worker	I	17.278	130184011	708,526	375,487	65,771	323,006	323,006	13,290	-
Dislocated Worker	I	17.278	130194001	195,753	176,177	-	176,177	176,177	-	-
Dislocated Worker	I	17.278	130194011	731,948	137,357	-	201,698	201,698	64,341	-
Dislocated Worker - transferred to Adult	I	17.278	130173013	114,444	5,628	5,628	-	-	-	-
Dislocated Worker - transferred to Adult	I	17.278	130183013	122,222	112,641	-	122,222	122,222	9,581	-
Dislocated Worker - transferred to Adult	I	17.278	130193013	200,000	-	-	53,270	53,270	53,270	-
Dislocated Worker - Rapid Response	I	17.278	130174151	96,593	10,628	4,144	6,484	6,484	-	-
Dislocated Worker - BEP	I	17.278	130174131	138,434	14,407	4,040	10,367	10,367	-	-
Dislocated Worker - BEP	I	17.278	130184132	131,595	119,465	-	125,647	125,647	6,182	-
SLIP	I	17.278	130194131	42,738	370	-	6,369	6,369	5,999	-
Total CFDA #17.278				3,281,702	976,275	86,296	1,042,542	1,042,542	152,663	777,594
Total WIOA Cluster				5,692,698	2,048,781	269,664	1,976,898	1,976,898	197,781	1,559,757
Disaster Grant (Loyalsock Creek NEG)	I	17.277	130167701	27,446	(180)	(180)	-	-	-	-
Total Disaster Grants (CFDA #17.277)				27,446	(180)	(180)	-	-	-	-
Total U.S. Department of Labor				5,720,144	2,048,601	269,484	1,976,898	1,976,898	197,781	1,559,757

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Funding Source Code	Federal CFDA Number	Pass-Through Entity's Number	Award Amount	Cash Receipts	Accrued or (Unearned) Revenue at July 1, 2019	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2020	Expenses Passed Through to Subrecipients
U.S. Department of Transportation										
Passed-through the Pennsylvania Department of Transportation, Center for Program Development and Management: Highway Planning and Construction Cluster										
Rural Transportation Planning Grant	I	20.205	FY19-20: 521178-A	23,320	8,699	2,248	7,539	7,539	1,088	
Rural Transportation Planning Grant	I	20.205	FY19-20: 521178-B	418,107	160,854	38,874	165,894	165,894	43,714	
Rural Transportation Planning Grant	I	20.205	FY19-20: 521178-C	21,557	5,833	98	6,845	6,845	1,110	
Rural Transportation Planning Grant	I	20.205	FY19-20: 521178-D	4,516	1,654	565	1,861	1,861	772	
Rural Transportation Planning Grant	I	20.205	FY19-20: 521178-F	60,000	24,915	7,409	20,918	20,918	3,412	
Rural Transportation Planning Grant (Marshcreek Greenway Trail Project)	I	20.205	FY19-20: 521178-G	134,412	102,237	-	134,412	134,412	32,175	
Rural Transportation Planning Grant (EMTA)	I	20.205	FY19-20: 521178-A-EMTA	13,000	6,500	6,500	-	-	-	
Rural Transportation Planning Grant (EMTA)	I	20.205	FY19-20: 521178-B-EMTA	60,500	30,250	30,250	-	-	-	
Rural Transportation Planning Grant (EMTA)	I	20.205	FY19-20: 521178-C-EMTA	14,000	7,000	7,000	-	-	-	
Rural Transportation Planning Grant (EMTA)	I	20.205	FY19-20: 521178-D-EMTA	11,000	5,500	5,500	-	-	-	
Rural Transportation Planning Grant (EMTA)	I	20.205	FY19-20: 521178-E-EMTA	4,500	2,250	2,250	-	-	-	
Total CFDA #20.205				764,912	355,692	100,694	337,269	337,269	82,271	134,412
Total Highway Planning and Construction Cluster				764,912	355,692	100,694	337,269	337,269	82,271	134,412
Total U.S. Department of Transportation				764,912	355,692	100,694	337,269	337,269	82,271	134,412
U.S. Department of Defense										
Passed-through the Southern Alleghenies Planning & Development Commission										
Procurement Grant	I	12.002	SP4800-19-2-1979-NC-0024	62,500	40,855	11,790	28,865	28,865	-	
Procurement Grant	I	12.002	SP4800-20-2-2079-NT-0024	82,675	16,571	-	43,424	43,424	24,853	
Total CFDA #12.002				145,175	59,226	11,790	72,289	72,289	24,853	-
Passed-through the Pennsylvania Department of Community and Economic Development										
Pennsylvania Defense Industry Assistance Partnership	I	12.617	C000066383	48,630	18,753	9,251	9,502	9,502	-	
Total CFDA #12.617				48,630	18,753	9,251	9,502	9,502	-	-
Total U.S. Department of Defense				193,805	77,979	21,041	81,791	81,791	24,853	-
Total Expenditures of Federal Awards				\$ 9,581,209	\$ 3,895,366	\$ 514,230	\$ 5,327,969	\$ 5,327,969	\$ 1,946,834	\$ 2,406,434

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2020

	Federal CFDA Number	Loan Period Beginning/ Ending Date	Program Amount	Loan Balance July 1, 2019	Drawdowns	Payments	Loan Balance June 30, 2020
U.S. Department of Agriculture							
Farmers Home Administration Intermediary Relending Program	10.767	7/92-7/28	\$ 500,000	\$ 18,693	\$ -	\$ 18,693	\$ -
Farmers Home Administration Intermediary Relending Program	10.767	6/96-6/32	500,000	113,019	-	19,365	93,654
Rural Development Intermediary Relending Program	10.767	11/20-11/50	500,000	<u>-</u>	<u>237,500</u>	<u>-</u>	<u>237,500</u>
Total U.S. Department of Agriculture				<u>\$ 131,712</u>	<u>\$ 237,500</u>	<u>\$ 38,058</u>	<u>\$ 331,154</u>

Northern Tier Regional Planning and Development Commission
Notes to Schedule of Expenditures of Federal Awards
June 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Northern Tier Regional Planning and Development Commission (the "Commission") under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Commission.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the OMB Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Revolving Loan Programs

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Agriculture and passed through the Farmers Home Administration Intermediary Relending Program (FMHA-IRP). Loans outstanding at June 30, 2020 were \$203,438.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Agriculture and passed through the Rural Development Intermediary Relending Program (USDA-RD-IRP III). Loans outstanding at June 30, 2020 were \$236,344.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Agriculture and passed through the Farmers Home Administration Small Business Loan Program (FMHA-SBLP). Loans outstanding at June 30, 2020 were \$751,952.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Agriculture and passed through the Farmers Home Administration Rural Business Enterprise Grant Program (FMHA-RBEG). Loans outstanding at June 30, 2020 were \$541,854.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Commerce, Economic Development Administration and matching funds from the Appalachian Regional Commission Governments (EDA/ARC). Loans outstanding at June 30, 2020 were \$2,342,744.

Northern Tier Regional Planning and Development Commission
Notes to Schedule of Expenditures of Federal Awards (Cont'd)
June 30, 2020

4. Indirect Cost

The Commission has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Instead, an indirect cost rate of up to 21.33% was used, limited by funder requirements. The Commission's indirect rates are submitted to the U.S. Department of Commerce for approval.

5. EDA Revolving Loan Fund

The Commission administers one EDA Revolving Loan Fund (CFDA No. 11.307) funded by the U.S. Department of Commerce. At June 30, 2020, the Federal Awards Expended was calculated as follows:

Original federal grant	\$ 500,000.00
Total amount loaned with local match	<u>166,668.00</u>
Federal share of RLF	<u>75%</u>
Cash and investment balance in RLF at 06/30/2020	\$ 191,903.61
Outstanding balance of RLF loans, 06/30/2020	1,913,126.09
Administrative expenses paid out of RLF income during FYE 06/30/2020	5,200.00
Loan write-offs during FYE 06/30/2020	<u>-</u>
Sum of EDA dollars/Total project costs	2,110,229.70
Total EDA Share (noted above)	<u>75%</u>
Total Economic Adjustment Assistance	<u>\$ 1,582,672.28</u>



Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

Board of Directors
Northern Tier Regional Planning and Development Commission
Towanda, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Northern Tier Regional Planning and Development Commission (the "Commission") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*
(Cont'd)

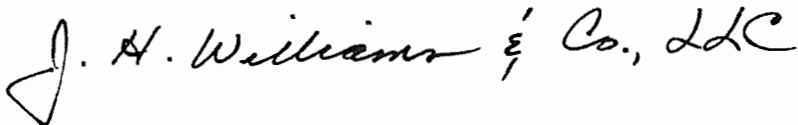
Board of Directors
Northern Tier Regional Planning and Development Commission

Compliance and Other Matters

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

Purpose of this Report

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



March 22, 2021



Independent Auditors' Report on Compliance for Each Major
Federal Program and Report on Internal Control Over
Compliance Required by the Uniform Guidance

Board of Directors
Northern Tier Regional Planning and Development Commission
Towanda, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Northern Tier Regional Planning and Development Commission's (the "Commission") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2020. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Independent Auditors' Report on Compliance for Each Major
Federal Program and Report on Internal Control Over
Compliance Required by the Uniform Guidance
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

Opinion on Each Major Federal Program

In our opinion, the Commission 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 programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Commission 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 Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



March 22, 2021

Northern Tier Regional Planning and Development Commission
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X 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 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.258	Workforce Innovation and Opportunity Act Cluster (WIOA)
17.259	
17.278	

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV – Summary of Prior Year Findings

None.



Independent Accountants' Report on
Applying Agreed-Upon Procedures on the
Schedule of WIOA Expenditures by
Program Identifiers and Cost Categories

Board of Directors
Northern Tier Regional Planning and Development Commission
Towanda, Pennsylvania

We have performed the procedures enumerated below to the accompanying financial schedules of the Northern Tier Regional Planning and Development Commission (the "Commission") for the fiscal year ended June 30, 2020. Management of the Commission is responsible for compliance with the requirements of the Commonwealth of Pennsylvania Department of Labor and Industry.

Management of the Commission has agreed to and acknowledged that the procedures performed are appropriate to assist users in evaluating the Commission's compliance with the requirements of the Commonwealth of Pennsylvania Department of Labor and Industry. This report may not be suitable for any other purpose. The procedures may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and findings are as follows:

- (a) We verified the clerical accuracy of the Commission's summarization of amounts reported on the monthly Financial Status Report (FSR) submitted to the Commonwealth of Pennsylvania, Department of Labor and Industry during the fiscal year ended June 30, 2020 and the report of the summarized, fiscal year totals on the respective formats as presented in the WIOA Policies and Procedures Manual. This procedure was performed for the WIOA expenditures by program identifier and cost category included on pages 41 through 44 administered by the Commission which were funded in whole, or in part, by the Commonwealth of Pennsylvania, Department of Labor and Industry. No findings were noted.
- (b) We inquired of management regarding any adjustment to reported revenues or expenditures which were not reflected on reports submitted to the Commonwealth of Pennsylvania Department of Labor and Industry. No findings were noted.

Independent Accountants' Report on
Applying Agreed-Upon Procedures on the
Schedule of WIOA Expenditures by
Program Identifiers and Cost Categories
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission's compliance with the requirements of the Commonwealth of Pennsylvania Department of Labor and Industry for the fiscal year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors of the Northern Tier Regional Planning and Development Commission and the Commonwealth of Pennsylvania, Department of Labor and Industry and is not intended to be and should not be used by anyone other than these specified parties.

J. H. Williams & Co., LLC

March 22, 2021

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories
For the year ended June 30, 2020

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Adult Program - 2018 First Increment	130183001	07/01/18-06/30/20	ADMINISTRATION	\$ 7,661	\$ 7,661	\$ 7,661	\$ -
			DIRECT TRAINING	68,951	68,951	68,951	-
			CONTRACT TOTAL	76,612	76,612	76,612	-
Adult Program - 2018 Second Increment	130183011	10/01/18-06/30/20	ADMINISTRATION	40,843	40,843	40,843	-
			DIRECT TRAINING	367,585	367,585	367,585	-
			CONTRACT TOTAL	408,428	408,428	408,428	-
DW transfer to Adult Program - 2018 Third Increment (DW Transfer)	130183013	10/01/18-06/30/20	ADMINISTRATION	12,222	12,222	12,222	-
			DIRECT TRAINING	110,000	110,000	110,000	-
			CONTRACT TOTAL	122,222	122,222	122,222	-
Adult Program - 2019 First Increment	130193001	07/01/19-06/30/21	ADMINISTRATION	6,640	-	6,640	6,640
			DIRECT TRAINING	59,763	59,763	59,763	-
			CONTRACT TOTAL	66,403	59,763	66,403	6,640
Adult Program - 2019 Second Increment	130193011	10/01/19-06/30/21	ADMINISTRATION	35,400	-	35,400	35,400
			DIRECT TRAINING	318,601	318,601	318,601	-
			CONTRACT TOTAL	354,001	318,601	354,001	35,400
DW transfer to Adult Program - 2019 Third Increment (DW Transfer)	130193013	10/01/19-06/30/21	ADMINISTRATION	20,000	-	20,000	20,000
			DIRECT TRAINING	180,000	53,270	180,000	126,730
			CONTRACT TOTAL	200,000	53,270	200,000	146,730
Youth Program - 2018 First Increment	130183301	04/01/18-06/30/20	ADMINISTRATION	47,249	47,249	47,249	-
			IN SCHOOL YOUTH	39,394	39,394	39,394	-
			OUT OF SCHOOL	417,778	417,778	417,778	-
			CONTRACT TOTAL	504,421	504,421	504,421	-

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories (Cont'd)
For the year ended June 30, 2020

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Youth Program - 2018 Second Increment	130183306	10/01/18-06/30/20	ADMINISTRATION	154	154	154	-
			IN SCHOOL YOUTH	347	347	347	-
			OUT OF SCHOOL	1,042	1,042	1,042	-
			CONTRACT TOTAL	1,543	1,543	1,543	-
Youth Program - 2019	130193301	04/01/19-06/30/21	ADMINISTRATION	43,884	-	43,884	43,884
			IN SCHOOL YOUTH	98,739	18,261	98,739	80,478
			OUT OF SCHOOL	296,217	262,888	296,217	33,329
			CONTRACT TOTAL	438,840	281,149	438,840	157,691
Dislocated Worker Program - 2018 First Increment	130184001	07/01/18-06/30/20	ADMINISTRATION	17,471	17,471	17,471	-
			DIRECT TRAINING	157,237	157,237	157,237	-
			CONTRACT TOTAL	174,708	174,708	174,708	-
Dislocated Worker Program - 2018 Second Increment	130184011	10/01/18-06/30/20	ADMINISTRATION	70,853	70,853	70,853	-
			DIRECT TRAINING	637,673	637,673	637,673	-
			CONTRACT TOTAL	708,526	708,526	708,526	-
Dislocated Worker Program - 2019 First Increment	130194001	07/01/19-06/30/21	ADMINISTRATION	19,575	-	19,575	19,575
			DIRECT TRAINING	176,178	176,178	176,178	-
			CONTRACT TOTAL	195,753	176,178	195,753	19,575
Dislocated Worker Program - 2019 Second Increment	130194011	10/01/19-06/30/21	ADMINISTRATION	73,195	-	73,195	73,195
			DIRECT TRAINING	658,754	201,698	658,754	457,056
			CONTRACT TOTAL	731,949	201,698	731,949	530,251
18 DW RR Additional Assistance - Second Increment	130174151	10/01/17-12/31/19	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	96,593	96,593	96,593	-
			CONTRACT TOTAL	96,593	96,593	96,593	-

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories (Cont'd)
For the year ended June 30, 2020

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
WIOA Youth - TANF 2019	130193361	07/01/19-06/30/20	ADMINISTRATION	23,530	23,530	23,530	-
			DIRECT TRAINING	133,340	133,340	133,340	-
			CONTRACT TOTAL	156,870	156,870	156,870	-
WIOA Youth - TANF 2017 Additional	130173362	07/01/17-06/30/20	ADMINISTRATION	3,217	3,217	3,217	-
			DIRECT TRAINING	18,233	18,233	18,233	-
			CONTRACT TOTAL	21,450	21,450	21,450	-
18 WIOA Youth - Teacher in the Workplace	130183342	04/01/19-12/31/20	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	22,066	9,587	22,066	12,479
			CONTRACT TOTAL	22,066	9,587	22,066	12,479
17 BEP	130174131	06/01/18-09/30/19	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	138,434	138,434	138,434	-
			CONTRACT TOTAL	138,434	138,434	138,434	-
18 BEP	130184132	01/01/19-12/31/20	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	131,595	125,647	131,595	5,948
			CONTRACT TOTAL	131,595	125,647	131,595	5,948
Fit 4 Work (ReEmployment)	130171038	04/01/18-11/30/19	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	149,919	149,919	149,919	-
			CONTRACT TOTAL	149,919	149,919	149,919	-
SLIP	130183032	02/01/19-09/30/19	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	55,983	55,983	55,983	-
			CONTRACT TOTAL	55,983	55,983	55,983	-

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories (Cont'd)
For the year ended June 30, 2020

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
SLIP	130194131	02/01/20-11/30/20	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	42,738	6,369	42,738	36,369
			CONTRACT TOTAL	42,738	6,369	42,738	36,369
NEG Funding Loyalsock Creek	130167701	01/01/17-12/31/19	ADMINISTRATION	9,464	9,464	9,464	-
			DIRECT TRAINING	17,983	17,983	17,983	-
			CONTRACT TOTAL	27,447	27,447	27,447	-
Capacity Building (ReEmployment)	130171036	02/01/18-12/31/19	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	24,055	24,055	24,055	-
			CONTRACT TOTAL	24,055	24,055	24,055	-
Apprenticeship (ReEmployment)	130171037	02/01/18-12/31/19	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	22,533	22,533	22,533	-
			CONTRACT TOTAL	22,533	22,533	22,533	-
Apprenticeship (ReEmployment)	130188896	02/01/19-06/30/21	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	101,111	4,327	101,111	96,784
			CONTRACT TOTAL	101,111	4,327	101,111	96,784
18 TANF - Federal (New Directions - Performance Based)	70121	07/01/18-06/30/20	DIRECT TRAINING	294,621	160,400	294,621	134,221
			CONTRACT TOTAL	294,621	160,400	294,621	134,221
19 TANF - Federal (New Directions)	70121	07/01/19-06/30/20	ADMINISTRATION	84,177	72,640	84,177	11,537
			DIRECT TRAINING	462,976	474,513	462,976	(11,537)
			CONTRACT TOTAL	547,153	547,153	547,153	-
19 TANF - Federal (New Directions - Performance Based)	70121	07/01/19-06/30/20	DIRECT TRAINING	294,621	103,500	294,621	191,121
			CONTRACT TOTAL	294,621	103,500	294,621	191,121



Independent Accountants' Report on
Applying Agreed-Upon Procedures on the
Schedule of Federal Awards Passed Through
the Pennsylvania Department of Human Services

Board of Directors
Northern Tier Regional Planning and Development Commission
Towanda, Pennsylvania

We have performed the procedures enumerated below to the accompanying financial schedule of the Northern Tier Regional Planning and Development Commission (the "Commission") for the fiscal year ended June 3, 2020. Management of the Commission is responsible for compliance with the requirements of the Commonwealth of Pennsylvania Department of Human Services.

Management of the Commission has agreed to and acknowledged that the procedures performed are appropriate to assist users in evaluating the Commission's compliance with the requirements of the Commonwealth of Pennsylvania Department of Human Services. This report may not be suitable for any other purpose. The procedures may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and findings are as follows:

- (a) We agreed the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column C to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) We agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column D to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) We recalculated the amounts listed under the "Difference" column E and the "%" Difference" column F.
- (d) We agreed the amounts listed under the "Difference" column E to the audited books and records of the entity.
- (e) We agreed the "Detailed Explanation of the Differences" to the audited books and records of the entity.
- (f) Procedures detailed in paragraphs (a) through (e) above disclosed no adjustments or findings which have not been reflected on the corresponding schedule.

Independent Accountants' Report on
Applying Agreed-Upon Procedures on the
Schedule of Federal Awards Passed Through
the Pennsylvania Department of Human Services
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission's compliance with the requirements of the Commonwealth of Pennsylvania Department of Human Services for the fiscal year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors of the Northern Tier Regional Planning and Development Commission and the Commonwealth of Pennsylvania, Department of Human Services and is not intended to be and should not be used by anyone other than these specified parties.

J. H. Williams & Co., LLC

March 22, 2021

Northern Tier Regional Planning and Development Commission
Schedule of Federal Awards Passed through the Pennsylvania Department of Human Services
June 30, 2020

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

(A)	(B)	(C)	(D)	(E)	(F)	(G)
CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the audit confirmation reply from Pennsylvania	Difference	% Difference (E/D)	Detailed Explanation of the Difference
TANF	93.558	\$ 874,173	\$ 923,485	\$ (49,312)	5.34%	See below

Explanation of Difference:

Total Federal expenditures per the SEFA	\$ 874,173
Add: Accrued revenue as of June 30, 2019	83,609
Deduct: Accrued revenue as of June 30, 2020	(4,085)
Add: payment made by DHS but not received by NT until July 2020	7,200
Deduct: payment received by NT in June 2020 but not shown on DHS confirmation	<u>(37,412)</u>
	923,485
Federal awards received per the audit confirmation reply	<u>923,485</u>
Variance	\$ <u><u>-</u></u>