

Northern Tier Regional Planning and Development Commission

Financial Statements and
Supplementary Information

June 30, 2013



Northern Tier Regional Planning and Development Commission

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Independent Auditors' Report

Board of Directors
Northern Tier Regional Planning and Development Commission

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, 2013, 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.

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, 2013, 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 3 through 10 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 33-34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards on pages 35-38 as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2014 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 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.

ParenteBeard LLC

Wilkes-Barre, Pennsylvania
January 27, 2014

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of Northern Tier Regional Planning and Development Commission (the "Commission") as of and for the year ended June 30, 2013 as compared to June 30, 2012. 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

Overall net position increased approximately \$42,000 in 2013 and increased \$95,000 in 2012.

The governmental activities net position decreased approximately \$12,000, which includes the activities of Workforce Development and Community and Economic Development. The Workforce Development division has secured several competitive grants through other funding sources including Industry Partnership and Rapid Response funds. EARN funding remained consistent after a 50% cut the previous year.

The business-type activities net position increased approximately \$53,000 as a result of loan fund activities. The Commission closed 7 new loans totaling \$725,000. With almost three-quarters of a million dollars loaned and \$4,760,000 in private financing leveraged, the loan program continues to have a positive impact on the economy of our region. Over \$25,000,000 in total international sales by export clients were generated for the year. The total impact of business assistance resulted in 50 jobs created and 195 jobs retained for the region.

Just over 150 people received training and technical assistance with information technology/energy needs, and nearly 90 people received local transportation related training for the benefit of their municipalities. The award of \$500,000 in economic development related infrastructure was also secured.

As in previous years, our overall business 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.

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis
June 30, 2013
(Unaudited)

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 position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in the net position 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 11 and 12 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.

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.

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis
June 30, 2013
(Unaudited)

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 13-16 of this report.

Enterprise Funds

The Commission maintains six 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 four revolving loan programs and its two blended component units Northern Tier Foundation and Northern Tier Regional Planning and Development Commission, Inc.

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 17-19 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 20-32 of this report.

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Condensed Statement of Net Position

| | <u>2013</u> | <u>2012</u> | <u>Change from 2012 to 2013</u> |
|--------------------------------------|---------------------|---------------------|-------------------------------------|
| Assets | | | |
| Current and other assets | \$ 3,604,005 | \$ 3,613,134 | \$ (9,129) |
| Capital assets | 393,904 | 401,338 | (7,434) |
| Loans receivable and other assets | <u>2,092,090</u> | <u>2,313,179</u> | <u>(221,089)</u> |
| Total | <u>\$ 6,089,999</u> | <u>\$ 6,327,651</u> | <u>\$ (237,652)</u> |
| Liabilities and Net Assets | | | |
| Current liabilities | \$ 558,524 | \$ 773,316 | \$ (214,792) |
| Debt and other long-term liabilities | <u>608,688</u> | <u>673,133</u> | <u>(64,445)</u> |
| Total liabilities | <u>1,167,212</u> | <u>1,446,449</u> | <u>(279,237)</u> |
| Net position | | | |
| Net investment in capital assets | 167,193 | 150,241 | 16,952 |
| Restricted for loan programs | 3,814,287 | 3,768,818 | (20,836) |
| Unrestricted | <u>941,307</u> | <u>962,143</u> | <u>45,469</u> |
| Total net position | <u>4,922,787</u> | <u>4,881,202</u> | <u>41,585</u> |
| Total | <u>\$ 6,089,999</u> | <u>\$ 6,327,651</u> | <u>\$ (237,652)</u> |

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Condensed Statement of Activities

| | <u>2013</u> | <u>2012</u> | <u>Change from 2013 To 2012</u> | <u>Percentage Change</u> |
|---|---------------------|---------------------|---|------------------------------|
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 194,337 | \$ 177,252 | \$ 17,085 | 9.65 % |
| Operating grants and contributions | 4,305,637 | 5,864,598 | (1,558,961) | (26.58) |
| General revenues, Investment earnings | <u>1,273</u> | <u>5,344</u> | <u>(4,071)</u> | <u>(76.17)</u> |
| Total revenues | <u>4,501,247</u> | <u>6,047,194</u> | <u>(1,545,947)</u> | <u>(25.56)</u> |
| Program Expenses: | | | | |
| Governmental activities | 4,325,114 | 5,883,434 | (1,558,320) | (26.49) |
| Business-type activities | <u>134,548</u> | <u>68,633</u> | <u>65,915</u> | <u>96.04</u> |
| Total expenses | <u>4,459,662</u> | <u>5,952,067</u> | <u>(1,492,405)</u> | <u>(25.07)</u> |
| Increase in net position | 41,585 | 95,127 | (53,542) | (56.28) |
| Net position - beginning | <u>4,881,202</u> | <u>4,786,075</u> | <u>95,127</u> | <u>1.99</u> |
| Net position – ending | <u>\$ 4,922,787</u> | <u>\$ 4,881,202</u> | <u>\$ 41,585</u> | <u>\$ 0.85 %</u> |

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis

June 30, 2013

(Unaudited)

Financial Analysis of the Fund Statements

Governmental Funds

The following represents a summary of fund revenue and expenses.

| | <u>2013</u> | <u>2012</u> |
|--|-----------------------------|-----------------------------|
| Revenues: | | |
| Federal and state grants and contracts | \$ 3,999,891 | \$ 5,530,363 |
| Other income | 222,164 | 259,919 |
| Counties' appropriations | 60,000 | 60,000 |
| In-kind services | 31,392 | 25,852 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 4,313,447</u> | <u>\$ 5,876,134</u> |
| | | |
| Expenses: | | |
| Contracted services | \$ 2,244,258 | \$ 3,633,567 |
| Salaries and wages | 1,011,488 | 1,044,558 |
| Other | 327,681 | 401,061 |
| Indirect costs | 346,840 | 376,403 |
| Fringe benefits | 350,465 | 333,298 |
| Incentive grants | 19,138 | 57,032 |
| In-kind services | 31,392 | 25,852 |
| Advertising | 9,538 | 11,491 |
| Administrative expenses | 1,647 | 3,171 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 4,342,447</u> | <u>\$ 5,886,433</u> |

Revenues

The decrease in federal and state grants and contracts from 2012 is due to a decrease in federal funding received for the PA-DOT SPEC and EARN programs in 2013.

Expenses

Expenditures decreased 26.23%, which is primarily due to a decrease in contracted services due to limited funds being available under the PA-DOT SPEC and EARN programs.

Northern Tier Regional Planning and Development Commission

Management's Discussion and Analysis

June 30, 2013

(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 continuing 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, 2013

| | Governmental Activities | Business-type Activities | Total |
|------------------------------------|------------------------------------|-------------------------------------|---------------------|
| Assets | | | |
| Current Assets | | | |
| Cash | \$ 893,493 | \$ 1,564,626 | \$ 2,458,119 |
| Due from grantors | 443,601 | - | 443,601 |
| Other receivables | 14,007 | - | 14,007 |
| Internal balances | 21,365 | (21,365) | - |
| Loans receivable | - | 680,081 | 680,081 |
| Prepaid expenses | 7,842 | 355 | 8,197 |
| | <u>1,380,308</u> | <u>2,223,697</u> | <u>3,604,005</u> |
| Total current assets | | | |
| Noncurrent Assets | | | |
| Deferred charges, net | - | 11,401 | 11,401 |
| Capital assets, net | 22,272 | 371,632 | 393,904 |
| Loans receivable, net | - | 2,080,689 | 2,080,689 |
| | <u>22,272</u> | <u>2,463,722</u> | <u>2,485,994</u> |
| Total noncurrent assets | | | |
| Total assets | <u>\$ 1,402,580</u> | <u>\$ 4,687,419</u> | <u>\$ 6,089,999</u> |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Loans payable | \$ - | \$ 37,422 | \$ 37,422 |
| Note payable | - | 25,368 | 25,368 |
| Accounts payable | 160,635 | 2,864 | 163,499 |
| Accrued salaries and wages | 60,169 | - | 60,169 |
| Accrued interest | - | 1,045 | 1,045 |
| Due to subrecipients | 131,807 | - | 131,807 |
| Deferred revenue | 139,214 | - | 139,214 |
| | <u>491,825</u> | <u>66,699</u> | <u>558,524</u> |
| Total current liabilities | | | |
| Noncurrent Liabilities | | | |
| Loans payable | - | 324,645 | 324,645 |
| Note payable | - | 201,343 | 201,343 |
| Accrued leave | 82,700 | - | 82,700 |
| | <u>82,700</u> | <u>525,988</u> | <u>608,688</u> |
| Total noncurrent liabilities | | | |
| Total liabilities | <u>574,525</u> | <u>592,687</u> | <u>1,167,212</u> |
| Net Position | | | |
| Net investment in capital assets | 22,272 | 144,921 | 167,193 |
| Restricted | - | 3,814,287 | 3,814,287 |
| Unrestricted | 805,783 | 135,524 | 941,307 |
| | <u>828,055</u> | <u>4,094,732</u> | <u>4,922,787</u> |
| Total net position | | | |
| Total liabilities and net position | <u>\$ 1,402,580</u> | <u>\$ 4,687,419</u> | <u>\$ 6,089,999</u> |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Statement of Activities

June 30, 2013

| | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|---------------------|----------------------------|--|----------------------------|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Functions/Programs | | | | | | |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| Workforce Development | \$ 2,963,452 | \$ - | \$ 2,963,452 | \$ - | | \$ - |
| Community and Economic Development | 1,361,662 | 7,250 | 1,342,185 | (12,227) | | (12,227) |
| Total governmental activities | <u>4,325,114</u> | <u>7,250</u> | <u>4,305,637</u> | <u>(12,227)</u> | | <u>(12,227)</u> |
| Business-type activities: | | | | | | |
| Foundation | 84,329 | 80,207 | - | - | \$ (4,122) | (4,122) |
| NTRPDC, INC. | 389 | 12,277 | | | 11,888 | 11,888 |
| Economic Development Administration/ Appalachian Regional Commission | 45,747 | 67,094 | - | - | 21,347 | 21,347 |
| Farmers Home Administration Intermediary Relending Program | 4,083 | 14,049 | - | - | 9,966 | 9,966 |
| Farmers Home Administration Small Business Loan Program | - | 11,847 | - | - | 11,847 | 11,847 |
| Farmers Home Administration Rural Business Enterprise Grant Program | - | 1,613 | - | - | 1,613 | 1,613 |
| Total business-type activities | <u>134,548</u> | <u>187,087</u> | <u>-</u> | <u>-</u> | <u>52,539</u> | <u>52,539</u> |
| Total primary government | <u>\$ 4,459,662</u> | <u>\$ 194,337</u> | <u>\$ 4,305,637</u> | <u>(12,227)</u> | <u>52,539</u> | <u>40,312</u> |
| General revenues, Unrestricted investment earnings | | | | | | |
| | | | | <u>560</u> | <u>713</u> | <u>1,273</u> |
| Change in net position | | | | (11,667) | 53,252 | 41,585 |
| Net position - beginning | | | | <u>839,722</u> | <u>4,041,480</u> | <u>4,881,202</u> |
| Net position - ending | | | | <u>\$ 828,055</u> | <u>\$ 4,094,732</u> | <u>\$ 4,922,787</u> |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Balance Sheet
Governmental Funds
June 30, 2013

| | <u>Workforce Development</u> | <u>Community and Economic Development</u> | <u>Total</u> |
|-------------------------------------|----------------------------------|---|---------------------|
| Assets | | | |
| Assets | | | |
| Cash | \$ 64,198 | \$ 829,295 | \$ 893,493 |
| Due from grantors | 67,609 | 375,992 | 443,601 |
| Due from other funds | - | 21,365 | 21,365 |
| Other receivables | - | 14,007 | 14,007 |
| Prepaid expenses | - | 7,842 | 7,842 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>\$ 131,807</u> | <u>\$ 1,248,501</u> | <u>\$ 1,380,308</u> |
| Liabilities and Fund Balance | | | |
| Liabilities | | | |
| Accounts payable | \$ - | \$ 160,635 | \$ 160,635 |
| Accrued salaries and wages | - | 60,169 | 60,169 |
| Due to subrecipients, net | 131,807 | - | 131,807 |
| Deferred revenue | - | 139,214 | 139,214 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>131,807</u> | <u>360,018</u> | <u>491,825</u> |
| Fund Balance, | | | |
| Unassigned | - | 888,483 | 888,483 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balance | <u>\$ 131,807</u> | <u>\$ 1,248,501</u> | <u>\$ 1,380,308</u> |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2013

Total Fund Balances - Governmental Funds \$ 888,483

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 22,272

Long-term liabilities, consisting of accrued paid time off, are not due and payable in the current period and therefore are not reported in the funds (82,700)

Total Net Position - Governmental Funds \$ 828,055

Northern Tier Regional Planning and Development Commission

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2013

| | <u>Workforce Development</u> | <u>Community and Economic Development</u> | <u>Total</u> |
|------------------------------------|----------------------------------|---|-------------------|
| Revenues | | | |
| Federal grants and contracts | \$ 2,752,136 | \$ 746,924 | \$ 3,499,060 |
| State grants and contracts | 28,847 | 471,984 | 500,831 |
| Other income | 182,469 | 39,695 | 222,164 |
| Counties' appropriations | - | 60,000 | 60,000 |
| In-kind services | - | 31,392 | 31,392 |
| | <u>2,963,452</u> | <u>1,349,995</u> | <u>4,313,447</u> |
| Total revenues | | | |
| Expenditures | | | |
| Contracted services | 1,924,104 | 320,154 | 2,244,258 |
| Salaries and wages | 562,801 | 448,687 | 1,011,488 |
| Indirect costs | 189,186 | 157,654 | 346,840 |
| Fringe benefits | 187,334 | 163,131 | 350,465 |
| NEG expenses | 49,122 | 60 | 49,182 |
| Building use allowance | 13,670 | 23,844 | 37,514 |
| Incentive grants | - | 19,138 | 19,138 |
| Office supplies and postage | 4,228 | 18,838 | 23,066 |
| Miscellaneous | 10,009 | 41,304 | 51,313 |
| Tuition and seminars | 3,023 | 37,357 | 40,380 |
| Travel | 9,346 | 43,315 | 52,661 |
| Dues and subscriptions | 3,000 | 15,101 | 18,101 |
| In-kind services | - | 31,392 | 31,392 |
| Vehicle use allowance | 5,171 | 18,028 | 23,199 |
| Professional fees | - | 12,287 | 12,287 |
| Capital outlay | - | 19,978 | 19,978 |
| Advertising | 811 | 8,727 | 9,538 |
| Assessment | 1,647 | - | 1,647 |
| | <u>2,963,452</u> | <u>1,378,995</u> | <u>4,342,447</u> |
| Total expenditures | | | |
| Net Change in Fund Balances | - | (29,000) | (29,000) |
| Fund Balance, Beginning | - | 917,483 | 917,483 |
| Fund Balance, Ending | <u>\$ -</u> | <u>\$ 888,483</u> | <u>\$ 888,483</u> |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2013

Net Change in Fund Balances - Governmental Funds \$ (29,000)

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

Paid time off 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. 1,702

Capital outlays to purchase capital assets are reported in
the governmental funds, as expenditures. However for
governmental activities, those costs are shown in the
combined statement of net assets and allocated over
their estimated useful lives as annual depreciation in
the combined statement of activities. This is the
amount by which capital outlays exceeds depreciation
in the current period. 15,631

Change in Net Position of Governmental Activities \$ (11,667)

Northern Tier Regional Planning and Development Commission

Statement of Net Position
Enterprise Funds
June 30, 2013

| | Foundation | NTRPDC, INC. | EDA/ARC | FMHA-IRP | FMHA-SBLP | RBEG | Total (Memorandum Only) |
|-------------------------------------|------------|-----------------|--------------|------------|------------|------------|-------------------------------|
| Assets | | | | | | | |
| Current Assets | | | | | | | |
| Cash | \$ 20,389 | \$ 85,677 | \$ 586,745 | \$ 246,035 | \$ 420,652 | \$ 205,128 | \$ 1,564,626 |
| Prepaid expense | 355 | - | - | - | - | - | 355 |
| Loans receivable, current | - | 13,736 | 283,313 | 84,912 | 100,116 | 198,004 | 680,081 |
| Total current assets | 20,744 | 99,413 | 870,058 | 330,947 | 520,768 | 403,132 | 2,245,062 |
| Noncurrent Assets | | | | | | | |
| Deferred charges, net | 11,401 | - | - | - | - | - | 11,401 |
| Capital assets, net | 371,632 | - | - | - | - | - | 371,632 |
| Loans receivable, net | - | 29,240 | 1,474,696 | 247,816 | 139,355 | 189,582 | 2,080,689 |
| Total noncurrent assets | 383,033 | 29,240 | 1,474,696 | 247,816 | 139,355 | 189,582 | 2,463,722 |
| Total assets | \$ 403,777 | \$ 128,653 | \$ 2,344,754 | \$ 578,763 | \$ 660,123 | \$ 592,714 | \$ 4,708,784 |
| Liabilities and Net Position | | | | | | | |
| Current Liabilities | | | | | | | |
| Loans payable, current | \$ - | \$ - | \$ - | \$ 37,422 | \$ - | \$ - | \$ 37,422 |
| Note payable, current | 25,368 | - | - | - | - | - | 25,368 |
| Accounts payable | 2,864 | - | - | - | - | - | 2,864 |
| Due to other funds | 21,365 | - | - | - | - | - | 21,365 |
| Accrued interest | 1,045 | - | - | - | - | - | 1,045 |
| Total current liabilities | 50,642 | - | - | 37,422 | - | - | 88,064 |
| Noncurrent Liabilities | | | | | | | |
| Loans payable | - | - | - | 324,645 | - | - | 324,645 |
| Note payable | 201,343 | - | - | - | - | - | 201,343 |
| Total noncurrent liabilities | 201,343 | - | - | 324,645 | - | - | 525,988 |
| Total liabilities | 251,985 | - | - | 362,067 | - | - | 614,052 |
| Net Position | | | | | | | |
| Net investment in capital assets | 144,921 | - | - | - | - | - | 144,921 |
| Restricted | - | - | 2,344,754 | 216,696 | 660,123 | 592,714 | 3,814,287 |
| Unrestricted | 6,871 | 128,653 | - | - | - | - | 135,524 |
| Total net position | 151,792 | 128,653 | 2,344,754 | 216,696 | 660,123 | 592,714 | 4,094,732 |
| Total liabilities and net position | \$ 403,777 | \$ 128,653 | \$ 2,344,754 | \$ 578,763 | \$ 660,123 | \$ 592,714 | \$ 4,708,784 |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Statement of Revenues, Expenses and Changes in Net Position

Enterprise Funds

Year Ended June 30, 2013

| | Foundation | NTRPDC, INC. | EDA/ARC | FMHA-IRP | FMHA -SBLP | RBEG | Total (Memorandum Only) |
|--|----------------|-----------------|---------------|----------------|---------------|--------------|-------------------------------|
| Operating Revenues | | | | | | | |
| Loan fund interest | \$ - | \$ 2,027 | \$ 67,094 | \$ 14,049 | \$ 11,847 | \$ 1,613 | \$ 96,630 |
| Rental income | 80,200 | - | - | - | - | - | 80,200 |
| Miscellaneous income | 7 | 10,250 | - | - | - | - | 10,257 |
| Total operating revenues | 80,207 | 12,277 | 67,094 | 14,049 | 11,847 | 1,613 | 187,087 |
| Operating Expenses | | | | | | | |
| Bad debt expense | - | - | 45,747 | - | - | - | 45,747 |
| Janitorial | 25,994 | - | - | - | - | - | 25,994 |
| Depreciation and amortization | 24,169 | - | - | - | - | - | 24,169 |
| Utilities | 12,501 | - | - | - | - | - | 12,501 |
| Maintenance and supplies | 5,646 | - | - | - | - | - | 5,646 |
| Contracted services | 3,076 | 389 | - | - | - | - | 3,465 |
| Miscellaneous | 3,900 | - | - | - | - | - | 3,900 |
| Total operating expenses | 75,286 | 389 | 45,747 | - | - | - | 121,422 |
| Operating Income | 4,921 | 11,888 | 21,347 | 14,049 | 11,847 | 1,613 | 65,665 |
| Nonoperating Revenue (Expense) | | | | | | | |
| Interest income | - | 17 | 122 | - | 552 | 22 | 713 |
| Interest expense | (9,043) | - | - | (4,083) | - | - | (13,126) |
| Nonoperating revenue (expense), net | (9,043) | 17 | 122 | (4,083) | 552 | 22 | (12,413) |
| Net Income | (4,122) | 11,905 | 21,469 | 9,966 | 12,399 | 1,635 | 53,252 |
| Net Position | | | | | | | |
| Beginning of year | 155,914 | 116,748 | 2,323,285 | 206,730 | 647,724 | 591,079 | 4,041,480 |
| End of year | \$ 151,792 | \$ 128,653 | \$ 2,344,754 | \$ 216,696 | \$ 660,123 | \$ 592,714 | \$ 4,094,732 |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Statement of Cash Flows
Enterprise Funds
Year Ended June 30, 2013

| | Foundation | NTRPDC, INC. | EDA/ARC | FMHA-IRP | FMHA-SBLP | RBEG | Total (Memorandum Only) |
|---|------------|-----------------|--------------|------------|------------|------------|-------------------------------|
| Cash Flows from Operating Activities | | | | | | | |
| Rental income received | \$ 80,200 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 80,200 |
| Miscellaneous income received | 7 | 10,250 | - | - | - | - | 10,257 |
| Loan payments received (disbursed) | - | 15,205 | (133,155) | 98,137 | 126,930 | 174,569 | 281,686 |
| Payments to suppliers | (16,550) | (389) | - | - | - | - | (16,939) |
| Payments to utilities | (12,501) | - | - | - | - | - | (12,501) |
| Net cash provided by (used in) operating activities | 51,156 | 25,066 | (133,155) | 98,137 | 126,930 | 174,569 | 342,703 |
| Cash Flows from Investing Activities | | | | | | | |
| Interest received | - | 17 | 122 | - | 552 | 22 | 713 |
| Net cash provided by investing activities | - | 17 | 122 | - | 552 | 22 | 713 |
| Cash Flows from Capital and Related Financing Activities | | | | | | | |
| Financing Activities | | | | | | | |
| Repayment of amounts due to FMHA-IRP | - | - | - | (37,048) | - | - | (37,048) |
| Repayment of note payable | (24,386) | - | - | - | - | - | (24,386) |
| Interest paid | (9,043) | - | - | (4,083) | - | - | (13,126) |
| Net cash used in capital and related financing activities | (33,429) | - | - | (41,131) | - | - | (74,560) |
| Net Increase (Decrease) in Cash | 17,727 | 25,083 | (133,033) | 57,006 | 127,482 | 174,591 | 268,856 |
| Cash, Beginning of Year | 2,662 | 60,594 | 719,778 | 189,029 | 293,170 | 30,537 | 1,295,770 |
| Cash, End of Year | \$ 20,389 | \$ 85,677 | \$ 586,745 | \$ 246,035 | \$ 420,652 | \$ 205,128 | \$ 1,564,626 |
| Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities | | | | | | | |
| Operating income | \$ 4,921 | \$ 11,888 | \$ 21,347 | \$ 14,049 | \$ 11,847 | \$ 1,613 | \$ 65,665 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | | | | | |
| Depreciation and amortization | 24,169 | - | - | - | - | - | 24,169 |
| Provision for loan losses | - | - | 45,747 | - | - | - | 45,747 |
| Changes in assets and liabilities: | | | | | | | |
| Prepaid expenses | 536 | - | - | - | - | - | 536 |
| Loans receivable | - | 13,178 | (200,249) | 84,088 | 115,083 | 172,956 | 185,056 |
| Accounts payable | 832 | - | - | - | - | - | 832 |
| Due to other funds | 20,698 | - | - | - | - | - | 20,698 |
| Total adjustments | 46,235 | 13,178 | (154,502) | 84,088 | 115,083 | 172,956 | 277,038 |
| Net Cash Provided by (Used in) Operating Activities | \$ 51,156 | \$ 25,066 | \$ (133,155) | \$ 98,137 | \$ 126,930 | \$ 174,569 | \$ 342,703 |

See notes to financial statements

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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

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.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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.

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 Investment Act (“WIA”) and Welfare program revenues and expenditures.

The Commission reports six 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.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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 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.

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.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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 |

Deferred Revenue

Deferred 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
- *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

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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.

New Accounting Principles

The Commission adopted Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus*, for the year ended June 30, 2013. GASB No. 61 addresses certain issues with distinguishing a government's control over another government in the reporting of component units. The Commission implemented the presentation requirements of GASB No. 61 as of July 1, 2012. This implementation did not change the Commission's accounting and reporting policies.

The Commission adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, for the year ended June 30, 2013. GASB No. 62 directly incorporates the applicable guidance from those FASB and AICPA pronouncements, issued prior to November 30, 1989, into the state and local government accounting and financial reporting standards. The Commission implemented the accounting and reporting requirement of GASB 62 as of July 1, 2012. This implementation did not materially change the Commission's accounting and reporting policies.

The Commission adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, for the year ended June 30, 2013. GASB No. 63 standardized the presentation of deferred outflows of resources and deferred inflows of resources and their effect on net position. The Commission implemented the presentation requirements of GASB No. 63 as of July 1, 2012.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

2. Cash

The carrying amount of the Commission's deposits was \$2,458,119 as of June 30, 2013. The bank balance totaled \$2,473,646 as of June 30, 2013. The difference represents outstanding checks and normal reconciling items.

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.

| | <u>2013 Bank Balance</u> |
|---|------------------------------|
| Insured | \$ 956,142 |
| Uninsured: | |
| Collateral held by pledging banks' trust department not in the Commission's name | <u>1,517,504</u> |
| Total | <u>\$ 2,473,646</u> |

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

3. Capital Assets

Activity in capital assets for the year ended June 30, 2013 is as follows:

| | <u>July 1, 2012</u> | <u>Additions</u> | <u>Disposals</u> | <u>June 30, 2013</u> |
|--|---------------------|--------------------|------------------|----------------------|
| Governmental activities: | | | | |
| Office furniture and equipment | \$ 28,300 | \$ 19,979 | \$ - | \$ 48,279 |
| Accumulated depreciation | <u>(21,659)</u> | <u>(4,348)</u> | <u>-</u> | <u>(26,007)</u> |
| Governmental activities capital assets, net | <u>\$ 6,641</u> | <u>\$ 15,631</u> | <u>\$ -</u> | <u>\$ 22,272</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>36,417</u> | <u>-</u> | <u>-</u> | <u>36,417</u> |
| Total | 601,860 | - | - | 601,860 |
| Accumulated depreciation | <u>(207,163)</u> | <u>(23,065)</u> | <u>-</u> | <u>(230,228)</u> |
| Business-type activities capital assets, net | <u>\$ 394,697</u> | <u>\$ (23,065)</u> | <u>\$ -</u> | <u>\$ 371,632</u> |

Depreciation expense of \$4,348 is allocated to miscellaneous expenses in the community and economic development column of the statement of activities – governmental funds.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

4. Due from (to) Subrecipients, Net

The amounts due from (to) subrecipients in the Commission's government activities are as follows at June 30, 2013:

| | |
|---------------------------------|---------------------|
| Due from Bradford County Action | \$ 4,492 |
| Due to Trehab Center | <u>(136,299)</u> |
| Due to subrecipients | <u>\$ (131,807)</u> |

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 \$700,000 in 2013 and collected principal and interest repayments of approximately \$1,038,000 in 2013. 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 Commission is the guarantor on the outstanding loan balances under the SBFP that total \$1,279,658 at June 30, 2013.

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 Commission is the guarantor on the outstanding loan balances under the FIF that total \$1,928,093 at June 30, 2013. Under the terms of the agreement with FIF, there is a contingent liability in the event of a default by the business enterprise on its loans.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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.

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, 2013, the loan had a balance outstanding of \$225,229. 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, 2013, the loan had a balance outstanding of \$136,838.

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.

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 approximately \$35,000 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.

An allowance of approximately \$45,000 has been established for the loans outstanding under these programs.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

6. Long-Term Liabilities

At June 30, 2013, the Commission's business-type activities long-term debt consisted of the following:

| | Balance at July 1, 2012 | Additions | Payments | Balance at June 30, 2013 | Current Portion |
|---|-------------------------------|-------------|--------------------|--------------------------------|--------------------|
| 3.75% note payable to First Liberty Bank and Trust in monthly installments of \$641 including interest through 2014 | \$ 15,997 | \$ - | \$ (7,183) | \$ 8,814 | \$ 7,488 |
| 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 | 235,100 | - | (17,203) | 217,897 | 17,878 |
| 1% loan payable to FMHA, in annual installments of \$20,565, including interest through 2022 | 155,830 | - | (18,992) | 136,838 | 19,187 |
| 1% loan payable to FMHA, in annual installments of \$20,565, including interest through 2024 | 243,285 | - | (18,056) | 225,229 | 18,237 |
| Total | <u>\$ 650,212</u> | <u>\$ -</u> | <u>\$ (61,434)</u> | <u>\$ 588,778</u> | <u>\$ 62,790</u> |

Scheduled principal and interest payments on the note and loans payable are as follows:

| | Principal | Interest | Total |
|-----------------------|-------------------|------------------|-------------------|
| Years ending June 30: | | | |
| 2014 | \$ 62,790 | \$ 11,774 | \$ 74,564 |
| 2015 | 57,634 | 10,517 | 68,151 |
| 2016 | 57,442 | 9,426 | 66,868 |
| 2017 | 58,559 | 8,309 | 66,868 |
| 2018 | 59,708 | 7,160 | 66,868 |
| 2019-2023 | 253,130 | 17,135 | 270,265 |
| 2024 | 39,515 | 410 | 39,925 |
| Total | <u>\$ 588,778</u> | <u>\$ 64,731</u> | <u>\$ 653,509</u> |

Interest expense on the above obligations totaled \$13,126 in 2013.

The Commission obtained a \$350,000 line of credit. The interest on any draw is variable, resetting annually (2.50% at June 30, 2013). At June 30, 2013 there were no draws against the line of credit. The line of credit expires January 31, 2014.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

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, 2012 | \$ 84,402 |
| Additions | 96,090 |
| Payouts | <u>(97,792)</u> |
| Accrued leave liability, June 30, 2013 | <u>\$ 82,700</u> |

8. 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 \$600.

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 \$39,739 in 2013.

9. 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, 2013 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.

The Commission has guaranteed various outstanding loans of private businesses in relation to the SBFP and FIF loan programs. At June 30, 2013, the balance of outstanding loans guaranteed by the Commission total \$1,279,658 and \$1,928,093 for the SBFP and FIF loan programs, respectively.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

10. Indirect Cost Rate

During the year ended June 30, 2013, 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 | \$ 1,011,488 |
| Total related fringe benefits | <u>350,465</u> |
| Total direct salaries and benefits | <u>\$ 1,361,953</u> |
| Indirect costs: | |
| Salaries and wages | \$ 141,959 |
| Contracted services | 58,693 |
| Fringe benefits | 51,956 |
| Professional fees | 30,253 |
| Telephone | 23,296 |
| Program supplies | 16,229 |
| Miscellaneous | 2,872 |
| Postage | 4,859 |
| Meeting expense | 3,137 |
| Travel | 2,387 |
| Insurance expense | 4,682 |
| Outside printing costs | 2,598 |
| Tuition and training | 1,681 |
| Advertising | 809 |
| Periodicals and books | 329 |
| Equipment lease | 680 |
| Network maintenance | <u>420</u> |
| Total | <u>\$ 346,840</u> |

Indirect cost rate calculation:

$$\begin{aligned} \text{Indirect cost rate} &= \frac{\text{Total indirect costs}}{\text{Total direct salaries and benefits}} \\ \text{Indirect cost rate} &= \frac{\$ 346,840}{\$1,361,953} = 25.47\% \end{aligned}$$

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2013

11. Pending Changes in Accounting Principles

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Commission is required to adopt Statement No. 65 for its fiscal year 2014 financial statements.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Commission is required to adopt Statement No. 66 for its fiscal year 2014 financial statements.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. To the extent applicable, the Commission is required to adopt Statement No. 69 for its fiscal year 2015 financial statements.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. To the extent applicable, the Commission is required to adopt Statement No. 70 for its fiscal year 2015 financial statements.

Commission management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the financial reporting process.

Northern Tier Regional Planning and Development Commission

Combining Schedule of Revenues and Expenditures - Governmental Funds

Year Ended June 30, 2013

| | <u>Unrestricted</u> | <u>ARC ED 12</u> | <u>ARC ED 13</u> | <u>Energy 12</u> | <u>PA- DOT SPEC</u> | <u>ARCLDD 12</u> | <u>ARCLDD 13</u> | <u>OIBD</u> | <u>PREP</u> |
|---|---------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|---------------|----------------|
| Revenues | | | | | | | | | |
| Federal grants and contracts | \$ - | \$ 89,387 | \$ 190,755 | \$ - | \$ 169,892 | \$ 57,954 | \$ 47,995 | \$ - | \$ - |
| State grants and contracts | - | - | - | 17,563 | 13,870 | - | - | 45,369 | 386,251 |
| Other income | 30,155 | 570 | - | - | - | - | - | - | - |
| Counties' appropriations | 60,000 | - | - | - | - | - | - | - | - |
| In-kind services | 9,392 | - | 10,000 | - | - | - | - | - | - |
| Total revenues | 99,547 | 89,957 | 200,755 | 17,563 | 183,762 | 57,954 | 47,995 | 45,369 | 386,251 |
| Expenditures | | | | | | | | | |
| Contracted services | 6,809 | 10,428 | 12,282 | - | 84,412 | 18,743 | 7,485 | 100 | 160,471 |
| Salaries and wages | 7,780 | 44,969 | 89,283 | - | 51,479 | 19,751 | 18,323 | 19,136 | 102,284 |
| Indirect costs | 3,349 | 12,512 | 34,607 | - | 17,551 | 5,707 | 7,680 | 6,728 | 35,879 |
| Fringe benefits | 3,485 | 17,030 | 31,695 | - | 17,389 | 7,430 | 6,680 | 7,091 | 36,873 |
| Incentive grants | - | - | - | 17,563 | - | - | - | 1,575 | - |
| Miscellaneous | 41,104 | 1 | - | - | 178 | - | - | - | 21 |
| NEG expenses | 60 | - | - | - | - | - | - | - | - |
| Assessments | - | - | - | - | - | - | - | - | - |
| In-kind services | 9,392 | - | 10,000 | - | - | - | - | - | - |
| Building use allowance | 1,289 | 2,422 | 4,282 | - | 3,283 | 1,096 | 1,094 | 664 | 4,939 |
| Travel | 561 | 1,230 | 4,252 | - | 9,230 | 796 | 2,123 | 6,401 | 9,268 |
| Office supplies and postage | 50 | - | 399 | - | - | 253 | 1,402 | 868 | 12,418 |
| Tuition and seminars | 15,075 | 55 | 7,368 | - | 240 | - | 308 | 1,554 | 8,304 |
| Dues and subscriptions | 11,818 | 384 | 1,143 | - | - | - | - | 148 | 1,438 |
| Vehicle use allowance | 2,846 | 344 | 254 | - | - | 4,178 | 2,900 | 1,104 | 4,431 |
| Professional fees | 3,400 | 582 | 4,146 | - | - | - | - | - | 4,159 |
| Capital outlay | 19,978 | - | - | - | - | - | - | - | - |
| Advertising | 1,551 | - | 1,044 | - | - | - | - | - | 5,766 |
| Total expenditures | 128,547 | 89,957 | 200,755 | 17,563 | 183,762 | 57,954 | 47,995 | 45,369 | 386,251 |
| Revenues in Excess of Expenditures | \$ (29,000) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

ARC ED - Appalachian Regional Commission Enterprise Development
 ARCLDD - Appalachian Regional Commission Local Development District
 EDA - Economic Development Administration
 DOD - Department of Defense Procurement
 EARN - Employment Advancement and Retention Network
 WIA - Workforce Investment Act
 PA DOT - Pennsylvania Department of Transportation
 OIBD - Office of International Business Development
 PREP - Partnership for Regional Economic Performance

Northern Tier Regional Planning and Development Commission

Combining Schedule of Revenues and Expenditures - Governmental Funds

Year Ended June 30, 2013

| | PA DOT 13 | EDA 12 | EDA 13 | DOD 12 | DOD 13 | Shale Net | Fit 4 Green | EARN | WIA | Total |
|---|---------------|---------------|---------------|---------------|---------------|-------------|-------------|----------------|------------------|--------------------|
| Revenues | | | | | | | | | | |
| Federal grants and contracts | \$ 71,445 | \$ 29,629 | \$ 37,383 | \$ 26,854 | \$ 25,348 | \$ - | \$ 282 | \$ 514,243 | \$ 2,237,893 | \$ 3,499,060 |
| State grants and contracts | 8,931 | - | - | - | - | - | - | - | 28,847 | 500,831 |
| Other income | 8,931 | - | - | - | - | 39 | - | - | 182,469 | 222,164 |
| Counties' appropriations | - | - | - | - | - | - | - | - | - | 60,000 |
| In-kind services | - | 12,000 | - | - | - | - | - | - | - | 31,392 |
| Total revenues | 89,307 | 41,629 | 37,383 | 26,854 | 25,348 | 39 | 282 | 514,243 | 2,449,209 | 4,313,447 |
| Expenditures | | | | | | | | | | |
| Contracted services | 4,071 | - | 12,770 | - | 2,583 | - | - | 382,858 | 1,541,246 | 2,244,258 |
| Salaries and wages | 43,998 | 14,339 | 12,387 | 14,037 | 10,921 | - | - | 71,847 | 490,954 | 1,011,488 |
| Indirect costs | 15,469 | 4,144 | 5,253 | 4,116 | 4,659 | - | - | 25,100 | 164,086 | 346,840 |
| Fringe benefits | 16,305 | 5,394 | 4,510 | 5,216 | 4,033 | - | - | 25,352 | 161,982 | 350,465 |
| Incentive grants | - | - | - | - | - | - | - | - | - | 19,138 |
| Miscellaneous | - | - | - | - | - | - | - | - | 10,009 | 51,313 |
| NEG expenses | - | - | - | - | - | - | - | - | 49,122 | 49,182 |
| Assessments | - | - | - | - | - | - | - | - | 1,647 | 1,647 |
| In-kind services | - | 12,000 | - | - | - | - | - | - | - | 31,392 |
| Building use allowance | 2,424 | 623 | 621 | 653 | 454 | - | - | 4,599 | 9,071 | 37,514 |
| Travel | 3,211 | 2,252 | 787 | 1,638 | 1,527 | 39 | - | 551 | 8,795 | 52,661 |
| Office supplies and postage | 1,402 | 1,897 | 71 | 19 | 59 | - | - | 1,620 | 2,608 | 23,066 |
| Tuition and seminars | 2,262 | 754 | 601 | 348 | 488 | - | - | 534 | 2,489 | 40,380 |
| Dues and subscriptions | - | - | - | - | 170 | - | - | 1,500 | 1,500 | 18,101 |
| Vehicle use allowance | 81 | 226 | 383 | 827 | 454 | - | - | 282 | 4,889 | 23,199 |
| Professional fees | - | - | - | - | - | - | - | - | - | 12,287 |
| Capital outlay | - | - | - | - | - | - | - | - | - | 19,978 |
| Advertising | 84 | - | - | - | - | - | 282 | - | 811 | 9,538 |
| Total expenditures | 89,307 | 41,629 | 37,383 | 26,854 | 25,348 | 39 | 282 | 514,243 | 2,449,209 | 4,342,447 |
| Revenues in Excess of Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (29,000) |

Northern Tier Regional Planning and Development Commission

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Funding Source Code | Federal CFDA Number | Pass-through Entity's Number | Award Amount | Cash Receipts (Transfers) | Accrued or (Deferred) Revenue at July 1, 2012 | Revenues Recognized | Federal Expenditures | Accrued or (Deferred) Revenue at June 30, 2013 |
|--|---------------------------|---------------------------|------------------------------------|-----------------|---------------------------------|--|------------------------|-------------------------|---|
| Appalachian Regional Commission | | | | | | | | | |
| Local Development District Administrative Grant | D | 23.009 | PA-0708C-C40 | \$ 100,857 | \$ 25,214 | \$ (32,740) | \$ 57,954 | \$ 57,954 | \$ - |
| Local Development District Administrative Grant | D | 23.009 | PA-0708C-C41 | 98,013 | 51,586 | - | 47,995 | 47,995 | (3,591) |
| Appalachian Regional Development | D | 23.001 | PA-8305-C30-11 | 285,000 | 78,496 | (6,477) | 84,973 | 84,973 | - |
| Appalachian Regional Development | D | 23.001 | PA-8305-C31 | 285,000 | 160,332 | - | 175,657 | 175,657 | 15,325 |
| Passed through Alleghenies Planning and Development Commission, Local Development District Administrative Grant | I | 23.001 | 12000203-00 | 50,291 | 15,249 | 10,835 | 4,414 | 4,414 | - |
| Passed through Alleghenies Planning and Development Commission, Local Development District Administrative Grant | I | 23.001 | 13000224-00 | 20,000 | 10,523 | - | 15,098 | 15,098 | 4,575 |
| Total Appalachian Regional Commission | | | | 839,161 | 341,400 | (28,382) | 386,091 | 386,091 | 16,309 |
| U.S. Department of Commerce | | | | | | | | | |
| Economic Development Administration | D | 11.302 | 01-83-088867-02 | 70,000 | 35,000 | 5,371 | 29,629 | 29,629 | - |
| Economic Development Administration | D | 11.302 | 01-83-14244 | 60,000 | 30,000 | - | 37,383 | 37,383 | 7,383 |
| Total U.S. Department of Commerce | | | | 130,000 | 65,000 | 5,371 | 67,012 | 67,012 | 7,383 |
| U.S. Department of Health and Human Services | | | | | | | | | |
| Passed through Pennsylvania Department of Public Welfare: | | | | | | | | | |
| WIA Youth - TANF | I | 93.558 | 130123361 | 75,000 | 62,000 | - | 75,000 | 75,000 | 13,000 |
| EARN - TANF - Federal (New Directions) | I | 93.558 | 70121 | 547,153 | 500,554 | - | 496,381 | 496,381 | (4,173) |
| EARN - TANF - Federal (New Directions - Performance Based) | I | 93.558 | 70121 | 272,201 | 17,862 | - | 17,862 | 17,862 | - |
| WIA Youth - TANF | I | 93.558 | 130113361 | 78,529 | 6,604 | 6,604 | - | - | - |
| EARN - Welfare TANF - Federal | I | 93.558 | 130118141 | 728,425 | (39,395) | (39,395) | - | - | - |
| EARN - Paid Work Experience TANF | I | 93.558 | 130118231 | 12,032 | 7,887 | 7,887 | - | - | - |
| EARN - Subsidized Wages 50% TANF | I | 93.558 | 130118241 | 18,047 | 2,436 | 2,436 | - | - | - |
| EARN - WC/UC/FICA/Fringe Benefits | I | 93.558 | 130118251 | 1,805 | 926 | 926 | - | - | - |
| EARN - Eyeglasses/Hearing Aids - TANF Fed | I | 93.558 | 130118261 | 7,284 | 772 | 772 | - | - | - |
| EARN - Eyeglasses/Hearing Aids - 100% State | I | 93.558 | 130118271 | 3,107 | 329 | 329 | - | - | - |
| Transportation Initiatives - TANF Federal | I | 93.558 | 130118301 | 42,138 | 576 | 576 | - | - | - |
| Total U.S. Department of Health and Human Services | | | | 1,785,721 | 560,551 | (19,865) | 589,243 | 589,243 | 8,827 |

Northern Tier Regional Planning and Development Commission

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Funding Source Code | Federal CFDA Number | Pass-through Entity's Number | Award Amount | Cash Receipts (Transfers) | Accrued or (Deferred) Revenue at July 1, 2012 | Revenues Recognized | Federal Expenditures | Accrued or (Deferred) Revenue at June 30, 2013 |
|--|---------------------------|---------------------------|------------------------------------|-----------------|---------------------------------|--|------------------------|-------------------------|---|
| U.S. Department of Labor | | | | | | | | | |
| WIA Cluster | | | | | | | | | |
| Passed through Pennsylvania Department of Labor & Industry: | | | | | | | | | |
| Adult | I | 17.258 | 130113011 | \$ 335,619 | \$ 85,552 | \$ 26,491 | \$ 59,061 | \$ 59,061 | \$ - |
| Adult | I | 17.258 | 130123001 | 25,777 | 25,777 | - | 25,777 | 25,777 | - |
| Adult | I | 17.258 | 130123011 | 312,075 | 271,094 | - | 288,368 | 288,368 | 17,274 |
| Adult | I | 17.258 | 130123013 | 52,250 | - | - | 20,700 | 20,700 | 20,700 |
| Youth | I | 17.259 | 130113301 | 378,205 | 203,174 | 13,488 | 189,686 | 189,686 | - |
| Youth | I | 17.259 | 130123301 | 354,263 | 107,464 | - | 132,030 | 132,030 | 24,566 |
| Dislocated Worker | I | 17.278 | 130114011 | 567,214 | 408,829 | 188,052 | 220,777 | 220,777 | - |
| Dislocated Worker | I | 17.278 | 130124001 | 85,273 | 85,273 | - | 85,273 | 85,273 | - |
| Dislocated Worker | I | 17.278 | 130124011 | 495,001 | 306,241 | - | 322,975 | 322,975 | 16,734 |
| Dislocated Worker - Rapid Response | I | 17.278 | 130114051 | 47,899 | 44,268 | 5,263 | 39,005 | 39,005 | - |
| Dislocated Worker - Rapid Response - (IP) | I | 17.278 | 130124052 | 18,224 | 11,200 | - | 18,224 | 18,224 | 7,024 |
| Dislocated Worker - Rapid Response - LAA (IP) | I | 17.278 | 130114151 | 23,389 | 4,289 | 4,289 | - | - | - |
| Dislocated Worker - Rapid Response | I | 17.278 | 130114153 | 83,983 | 83,983 | - | 83,983 | 83,983 | - |
| Dislocated Worker - Rapid Response - NEG | I | 17.278 | 130114154 | 75,000 | 60,486 | 60,486 | - | - | - |
| Dislocated Worker - Rapid Response | I | 17.278 | 130124151 | 75,000 | 23,869 | - | 67,511 | 67,511 | 43,642 |
| Total WIA Cluster | | | | 2,929,172 | 1,721,499 | 298,069 | 1,553,370 | 1,553,370 | 129,940 |
| Disaster Grant (NEG) | I | 17.277 | 130112200 | 995,215 | 654,048 | 44,525 | 609,523 | 609,523 | - |
| Passed through Central Pennsylvania Workforce Development Corporation, | | | | | | | | | |
| FIT 4 Green Career Series - American Recovery and Reinvestment | I | 17.275 | NORT06-GAGA-1101 | 12,370 | 282 | - | 282 | 282 | - |
| Total U.S. Department of Labor | | | | 3,936,757 | 2,375,829 | 342,594 | 2,163,175 | 2,163,175 | 129,940 |
| U.S. Department of Agriculture | | | | | | | | | |
| Passed through Pennsylvania Department of Public Welfare: | | | | | | | | | |
| EARN - Federal food stamps | I | 10.561 | 103118111 | 35,537 | 29,838 | 29,838 | - | - | - |
| EARN - Food stamps - State | I | 10.561 | 130118121 | 35,537 | 32,838 | 32,838 | - | - | - |
| Total U.S. Department of Agriculture | | | | 71,074 | 62,676 | 62,676 | - | - | - |

Northern Tier Regional Planning and Development Commission

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Funding Source Code | Federal CFDA Number | Pass-through Entity's Number | Award Amount | Cash Receipts (Transfers) | Accrued or (Deferred) Revenue at July 1, 2012 | Revenues Recognized | Federal Expenditures | Accrued or (Deferred) Revenue at June 30, 2013 |
|---|---------------------------|---------------------------|------------------------------------|-----------------|---------------------------------|--|------------------------|-------------------------|---|
| U.S. Department of Transportation | | | | | | | | | |
| Passed through the Pennsylvania Department of Transportation, Center for Program Development and Management: | | | | | | | | | |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-I | \$ 52,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-II | 11,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-III | 10,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-IV | 11,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-V | 9,192 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-VI | 23,298 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#1-A)-IX | 180,000 | 27,802 | 27,802 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#1-A)-VIII | 50,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-VII | 30,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-VIII-2 | 64,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | 520913 (#2-A)-IX-2 | 120,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-I | 52,000 | 16,679 | 16,679 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-II | 11,000 | 1,934 | 1,934 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-III | 10,000 | 2,175 | 2,175 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-IV | 11,000 | - | - | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-V | 9,192 | 4,236 | 4,236 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-VI | 23,298 | 3,579 | 3,579 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#1-A)-VIII | 66,000 | 48,110 | 4,633 | 46,281 | 46,281 | 2,804 |
| Rural Transportation Planning Grant | I | 20.205 | FY12: 520913 (#2-A)-VII | 30,000 | 4,787 | 4,787 | - | - | - |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -I | 52,000 | 39,921 | - | 50,720 | 50,720 | 10,799 |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -II | 11,000 | 7,626 | - | 9,834 | 9,834 | 2,208 |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -III | 10,000 | 3,114 | - | 5,237 | 5,237 | 2,123 |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -IV | 11,000 | 1,540 | - | 2,462 | 2,462 | 922 |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -V | 9,192 | 1,458 | - | 3,192 | 3,192 | 1,734 |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -VIII | 66,000 | - | - | 9,200 | 9,200 | 9,200 |
| Rural Transportation Planning Grant | I | 20.205 | FY13: 520913 -VII | 30,000 | 14,923 | - | 30,000 | 30,000 | 15,077 |
| Rural Transportation Planning Grant | I | 20.205 | 033370 | 1,400,000 | 70,943 | - | 74,780 | 74,780 | 3,837 |
| Rural Transportation Planning Grant | I | 20.205 | 033500 | 73,726 | 20,201 | 10,570 | 9,631 | 9,631 | - |
| Total U.S. Department of Transportation | | | | 2,435,898 | 269,028 | 76,395 | 241,337 | 241,337 | 48,704 |
| U.S. Department of Defense | | | | | | | | | |
| Procurement Grant | D | 12.600 | SP4800-12-2-1279 | 55,500 | 55,499 | 28,645 | 26,854 | 26,854 | - |
| Procurement Grant | D | 12.600 | SP4800-13-2-1379 | 51,500 | 8,632 | - | 25,348 | 25,348 | 16,716 |
| Total U.S. Department of Defense | | | | 107,000 | 64,131 | 28,645 | 52,202 | 52,202 | 16,716 |
| Total expenditures of federal awards | | | | \$ 9,305,611 | \$ 3,738,615 | \$ 467,434 | \$ 3,499,060 | \$ 3,499,060 | \$ 227,879 |

Northern Tier Regional Planning and Development Commission

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

| | Federal CFDA Number | Loan Period Beginning/ Ending Date | Program Amount | Loan Balance July 1, 2012 | Drawdowns | Payments | Loan Balance June 30, 2013 |
|---|---------------------------|--|-------------------|---------------------------------|-------------|------------------|----------------------------------|
| U.S. Department of Agriculture | | | | | | | |
| Farmers Home Administration Intermediary Relending Program | 10.767 | 7/92-7/28 | \$ 500,000 | \$ 155,830 | \$ - | \$ 18,992 | \$ 136,838 |
| Farmers Home Administration Intermediary Relending Program | 10.767 | 6/96-6/32 | 500,000 | <u>243,285</u> | <u>-</u> | <u>18,056</u> | <u>225,229</u> |
| Total U.S. Department of Agriculture | | | | <u>\$ 399,115</u> | <u>\$ -</u> | <u>\$ 37,048</u> | <u>\$ 362,067</u> |

See notes to schedule of expenditures of federal awards

Northern Tier Regional Planning and Development Commission

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

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, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. 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 Commerce, Economic Development Administration and matching funds from the Appalachian Regional Commission (FMHA-IRP) Governments. Loans outstanding at June 30, 2013 were \$332,728.

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, 2013 were \$282,447.

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, 2013 were \$387,586.

The Commission administers a Revolving Loan Fund Program funded by the Appalachian Regional Commission. Loans outstanding at June 30, 2013 were \$1,758,009.

**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

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, 2013, 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 January 27, 2014.

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 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.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Parente Beard LLC".

Wilkes-Barre, Pennsylvania
January 27, 2014

Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Board of Directors
Northern Tier Regional Planning and Development Commission

Report on Compliance for the 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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2013. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Commission's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2013.

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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Wilkes-Barre, Pennsylvania
January 27, 2014

Northern Tier Regional Planning and Development Commission

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

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? _____ 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? _____ 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 section 510(a) of OMB Circular A-133? _____ yes X no

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|----------------|--------------------------------------|
| 17.258 | WIA Cluster: |
| 17.259 | WIA Adult Program |
| 17.278 | WIA Youth Activities |
| | WIA Dislocated Worker Formula Grants |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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

Northern Tier Regional Planning and Development Commission

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

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 WIA Expenditures
By Program Identifiers and Cost Categories**

Board of Directors
Northern Tier Regional Planning and Development Commission

We have performed the procedures, enumerated below, which were agreed to by the Board of Directors of Northern Tier Regional Planning and Development Commission (the "Commission") and the Commonwealth of Pennsylvania, Department of Labor and Industry, to the accompanying financial schedules of the Commission for the fiscal year ended June 30, 2013, solely to assist you in complying with the requirements of the Pennsylvania Department of Labor and Industry. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board of Directors of the Commission and the Commonwealth of Pennsylvania Department of Labor and Industry. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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, 2013 and the report of the summarized, fiscal year totals on the respective formats as presented in the WIA Policies and Procedures Manual. This procedure was performed for the WIA expenditures by program identifier and cost category included on pages 48 through 50 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.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the financial schedules referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the 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.

ParenteBeard LLC

Wilkes-Barre, Pennsylvania
January 27, 2014

Northern Tier Regional Planning and Development Commission

Schedule of WIA Expenditures by Program Identifiers and Cost Categories
Year Ended June 30, 2013

| Title | Contract Number | Contract Period | Cost Category | Authorized Budget | Cumulative Claimed | Actual Budget | (Over) Under |
|---|-----------------|-------------------|-----------------|-------------------|--------------------|---------------|--------------|
| Adult Program - 2011 Second Increment | 130113011 | 10/01/11-06/30/14 | ADMINISTRATION | \$ 32,960 | \$ 32,960 | \$ 32,960 | \$ - |
| | | | DIRECT TRAINING | 302,659 | 302,659 | 302,659 | - |
| | | | CONTRACT TOTAL | 335,619 | 335,619 | 335,619 | - |
| Adult Program - 2012 First Installment | 130123001 | 07/01/12-06/30/15 | ADMINISTRATION | 2,578 | 2,578 | 2,578 | - |
| | | | DIRECT TRAINING | 23,199 | 23,199 | 23,199 | - |
| | | | CONTRACT TOTAL | 25,777 | 25,777 | 25,777 | - |
| Adult Program - 2012 Second Increment | 130123011 | 10/01/12-06/30/13 | ADMINISTRATION | 31,207 | 7,500 | 31,207 | 23,707 |
| | | | DIRECT TRAINING | 280,868 | 280,868 | 280,868 | - |
| | | | CONTRACT TOTAL | 312,075 | 288,368 | 312,075 | 23,707 |
| Adult Program - 2012 Third Installment (DW Transfer) | 130123013 | 10/01/12-06/30/15 | ADMINISTRATION | 5,225 | - | 5,225 | 5,225 |
| | | | DIRECT TRAINING | 47,025 | 20,700 | 47,025 | 26,325 |
| | | | CONTRACT TOTAL | 52,250 | 20,700 | 52,250 | 31,550 |
| Youth Program - 2011 | 130113301 | 04/01/11-06/30/14 | ADMINISTRATION | 37,660 | 37,660 | 37,660 | - |
| | | | IN SCHOOL YOUTH | 158,790 | 158,790 | 158,790 | - |
| | | | OUT OF SCHOOL | 181,755 | 181,755 | 181,755 | - |
| | | | CONTRACT TOTAL | 378,205 | 378,205 | 378,205 | - |
| Youth Program - 2012 | 130123301 | 04/01/12-06/30/15 | ADMINISTRATION | 35,426 | 1,250 | 35,426 | 34,176 |
| | | | IN SCHOOL YOUTH | 159,419 | 54,523 | 159,419 | 104,896 |
| | | | OUT OF SCHOOL | 159,418 | 76,257 | 159,418 | 83,161 |
| | | | CONTRACT TOTAL | 354,263 | 132,030 | 354,263 | 222,233 |
| Dislocated Worker Program - 2011 Second Increment | 130114011 | 10/01/11-06/30/14 | ADMINISTRATION | 56,591 | 56,591 | 56,591 | - |
| | | | DIRECT TRAINING | 510,623 | 510,623 | 510,623 | - |
| | | | CONTRACT TOTAL | 567,214 | 567,214 | 567,214 | - |
| Dislocated Worker Program - 2012 First Increment | 130124001 | 07/01/12-06/30/15 | ADMINISTRATION | 8,528 | 8,528 | 8,528 | - |
| | | | DIRECT TRAINING | 76,745 | 76,745 | 76,745 | - |
| | | | CONTRACT TOTAL | 85,273 | 85,273 | 85,273 | - |

Northern Tier Regional Planning and Development Commission

Schedule of WIA Expenditures by Program Identifiers and Cost Categories
 Year Ended June 30, 2013

| Title | Contract Number | Contract Period | Cost Category | Authorized Budget | Cumulative Claimed | Actual Budget | (Over) Under |
|---|-----------------|-------------------|-----------------|-------------------|--------------------|---------------|--------------|
| Dislocated Worker Program - 2012 Second Increment | 130124011 | 10/01/12-06/30/13 | ADMINISTRATION | \$ 44,275 | \$ 44,275 | \$ 44,275 | \$ - |
| | | | DIRECT TRAINING | 398,476 | 398,476 | 398,476 | - |
| | | | CONTRACT TOTAL | 442,751 | 442,751 | 442,751 | - |
| 12 DW First Increment (IP) Program - 2012 Second Increment | 130124052 | 07/01/12-06/30/15 | ADMINISTRATION | - | - | - | - |
| | | | DIRECT TRAINING | 18,224 | 18,224 | 18,224 | - |
| | | | CONTRACT TOTAL | 18,224 | 18,224 | 18,224 | - |
| 11 DW RR First Increment | 130114051 | 07/01/11-06/30/14 | ADMINISTRATION | - | - | - | - |
| | | | DIRECT TRAINING | 47,899 | 47,899 | 47,899 | - |
| | | | CONTRACT TOTAL | 47,899 | 47,899 | 47,899 | - |
| 11 DW RR Second Increment | 1301141513 | 10/01/11-06/30/14 | ADMINISTRATION | - | - | - | - |
| | | | DIRECT TRAINING | 83,983 | 83,983 | 83,983 | - |
| | | | CONTRACT TOTAL | 83,983 | 83,983 | 83,983 | - |
| 12 DW RR First Increment | 130124151 | 10/01/12-06/30/14 | ADMINISTRATION | - | - | - | - |
| | | | DIRECT TRAINING | 75,000 | 67,511 | 75,000 | 7,489 |
| | | | CONTRACT TOTAL | 75,000 | 67,511 | 75,000 | 7,489 |
| WIA Youth - TANF | 130123361 | 07/01/12-06/30/13 | ADMINISTRATION | 7,500 | 7,500 | 7,500 | - |
| | | | DIRECT TRAINING | 67,500 | 67,500 | 67,500 | - |
| | | | CONTRACT TOTAL | 75,000 | 75,000 | 75,000 | - |
| 12 Job Training Fund (IP) | 130126851 | 07/01/12-06/30/14 | ADMINISTRATION | - | - | - | - |
| | | | DIRECT TRAINING | 64,483 | 28,847 | 64,483 | 35,636 |
| | | | CONTRACT TOTAL | 64,483 | 28,847 | 64,483 | 35,636 |
| 11 NEG Flood Program - Second Increment | 130112200 | 10/01/11-06/30/13 | ADMINISTRATION | 69,950 | 69,950 | 69,950 | - |
| | | | DIRECT TRAINING | 925,265 | 925,265 | 925,265 | - |
| | | | CONTRACT TOTAL | 995,215 | 995,215 | 995,215 | - |
| TANF - Federal (New Directions) | 70121 | 07/01/12-06/30/13 | ADMINISTRATION | 84,177 | 83,330 | 84,177 | 847 |
| | | | DIRECT TRAINING | 462,976 | 413,051 | 462,976 | 49,925 |
| | | | CONTRACT TOTAL | 547,153 | 496,381 | 547,153 | 50,772 |

Northern Tier Regional Planning and Development Commission

Schedule of WIA Expenditures by Program Identifiers and Cost Categories
 Year Ended June 30, 2013

| <u>Title</u> | <u>Contract Number</u> | <u>Contract Period</u> | <u>Cost Category</u> | <u>Authorized Budget</u> | <u>Cumulative Claimed</u> | <u>Actual Budget</u> | <u>(Over) Under</u> |
|---|------------------------|------------------------|----------------------|--------------------------|---------------------------|----------------------|---------------------|
| TANF - | 70121 | 07/01/12-06/30/14 | DIRECT TRAINING | \$ 294,621 | \$ 17,862 | \$ 294,621 | \$ 276,759 |
| Federal (New Directions - Performance Based) | | | | | | | |
| | | | CONTRACT TOTAL | 294,621 | 17,862 | 294,621 | 276,759 |