

**NORTHERN TIER REGIONAL PLANNING
AND DEVELOPMENT COMMISSION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2022

Northern Tier Regional Planning and Development Commission
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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Report
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Independent Auditors' Report
(Cont'd)

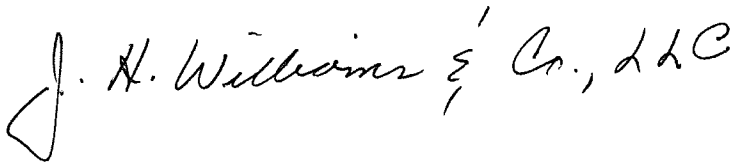
Board of Directors
Northern Tier Regional Planning and Development Commission

Supplementary 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 29-30 and the accompanying Schedule of Expenditures of Federal Awards on pages 31-34, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 basic 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 March 25, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "J. H. Williams & Co., LLC". The signature is written in a cursive style with a large initial "J" and a stylized "H".

March 25, 2023

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Northern Tier Regional Planning and Development Commission (the "Commission") for the year ended June 30, 2022 as compared to June 30, 2021. The Commission's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the Commission's financial performance as a whole; readers should also review the basic financial statements and the notes thereto to enhance their understanding of the Commission's financial performance.

Financial Highlights

The overall net assets were \$5,648,053 as of June 30, 2022, an increase of \$32,586 from June 30, 2021.

Governmental Activities

The governmental activities net assets increased by \$36,969 which includes the activities of Workforce Development and Community and Economic Development.

Workforce Development

Workforce Innovation and Opportunity Act (WIOA) formula funding decreased by approximately 2.3% from the prior program year. The Employment, Advancement and Retention Network (EARN) funding through the Department of Human Services (DHS) remained status-quo from the previous program year. A majority of WIOA and DHS funding continues to be subcontracted to Bradford County Action and Trehab, Inc. to provide workforce related services to residents of the Northern Tier region.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

In addition, the Workforce Development division secured or continued operations in several competitive grants during fiscal year 2022.

- The Business Education Partnership (BEP) program completed its seventh year of providing career exploration and education services to schools in the Northern Tier. Total number of students impacted/career projects completed was 10,332 for the school year. Employers/businesses connected to students totaled 211 and 345 parents were involved in career activities. NTRPDC Career Coaches helped organize several events/activities including virtual mock interviews, job shadow opportunities, career fairs, apprenticeships, college tours, STEM presentations and Entrepreneurship panels to name a few.
- The State/Local Internship Program (SLIP), proved to be successful as five businesses hosted interns over the summer of 2021. Interns ranged from the ages of 16 through 24 and were matched with participating businesses based on career interests.
- NTRPDC is a Registered Apprenticeship Sponsor approved by the Pennsylvania Department of Labor and Industry's Apprenticeship and Training Council. NTRPDC currently sponsors a Registered Apprenticeship Machinist program. A NTRPDC Navigator journey person is on staff that works to educate local employers about the benefits of implementing an apprenticeship model for their business. The Navigator also works with local PA CareerLink partner staff to educate them about the opportunities available to both their employer and jobseeker customers and connects business to appropriate education and employer groups. Funding for apprenticeship is provided by the PA Smart Initiative and is available for the expansion and creation of apprenticeship and pre-apprenticeships in the Northern Tier.
- PA Smart funds were secured for a Northeast Regional Healthcare Industry Partnership. Funds will be used to convene healthcare industry leaders to discuss challenges, set goals and develop strategies in order for the industry to become more competitive. This is a collaboration with three other workforce areas.

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June 30, 2022
(Unaudited)

- NTRPDC secured five Digital Literacy grants through the PA Department of Labor & Industry to provide digital literacy classes to underserved populations throughout our region. Classes were offered open-entry as an extension of our already established mobile services and also through a six-week cohort training. Classes cover basic computer operation, internet basics, digital citizenship and career search skills. 35 individuals participated during this reporting period.
- The Workforce Development Board helped to sponsor PA CareerLink® in your community events throughout the region to expand outreach to underserved areas. This included pop-up events and collaboration to join already established events throughout the community providing opportunities to discuss services with youth, adults and employers in the region. PA CareerLink® partners participated in 52 events reaching out to over 800 individuals.

Community & Economic Development

Community & Economic Development funding remained nearly status-quo during fiscal year 2022 for the core programs.

The value of International Trade sales for program clients decreased from \$28 million from the prior year to \$25.7 million and exceeded the annual goal of \$11.9 million. The sales goal has been consistent over the past two years based on the anticipated impacts of the pandemic and the new economy. The 35 businesses served exceeded the goal of 27, and with a strong core group of companies realizing international sales, the export program remains strong in its continued impact.

The Procurement Program reached \$5 million in total client procurement sales, shy of the \$12 million goal, which was not appropriately adjusted. 248 businesses were served through the program, up from 197 last year.

A pilot program, called Get Connected, created an opportunity for small businesses to develop and enhance their e-commerce platform. The program gave training, funding and matched businesses with web developers. 19 businesses were served through June 30 with plans to secure funding to continue the program.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

Business-Type Activities

The business-type activities net assets decreased by \$4,383 as a result of loan fund activities.

Loan Activity

The Business Finance Assistance Program served 66 businesses this program year, just shy of the goal of 70, with 10 loans closed. Loan staff assisted businesses, providing guidance through the various federal and state assistance programs. The loan portfolio continues to remain strong.

As the fiscal year was ending, NTRPDC secured \$1.475 million in funds from the State Small Business Credit Initiative (SSBCI) to extend loans of no more than 50 percent of total financing to small business borrowers. The program will focus on rural businesses, businesses with less than 10 employees, and those socially and economically disadvantaged.

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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, 2022
(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 7-10 of this report.

Enterprise Funds

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-28 of this report.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

Condensed Statement of Net Assets

	<u>2022</u>	<u>2021</u>	<u>2021 to 2022</u>
Assets			
Current and other assets	\$ 4,381,269	\$ 4,169,925	\$ 211,344
Capital assets	193,316	198,053	(4,737)
Loans receivable and other assets	<u>3,335,466</u>	<u>3,504,372</u>	<u>(168,906)</u>
Total	<u>\$ 7,910,051</u>	<u>\$ 7,872,350</u>	<u>\$ 37,701</u>
Liabilities and Net Assets			
Current liabilities	\$ 1,670,938	\$ 1,709,010	\$ (38,072)
Debt and other long-term liabilities	<u>591,060</u>	<u>547,873</u>	<u>43,187</u>
Total liabilities	<u>2,261,998</u>	<u>2,256,883</u>	<u>5,115</u>
Net assets			
Invested in capital assets, net of related debt	162,448	143,143	19,305
Restricted for loan programs	4,254,494	4,278,733	(24,239)
Restricted	<u>1,231,111</u>	<u>1,193,591</u>	<u>37,520</u>
Total net assets	<u>5,648,053</u>	<u>5,615,467</u>	<u>32,586</u>
Total	<u>\$ 7,910,051</u>	<u>\$ 7,872,350</u>	<u>\$ 37,701</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

Condensed Statement of Activities

	<u>2022</u>	<u>2021</u>	<u>Change From 2021 to 2022</u>	<u>Percentage Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 281,655	\$ 250,591	\$ (8,936)	(3.08)%
Operating grants and contributions	5,123,059	4,585,520	537,539	11.72%
General revenues, investment earnings	<u>703</u>	<u>678</u>	<u>25</u>	<u>3.69%</u>
Total revenues	<u>5,405,417</u>	<u>4,836,789</u>	<u>528,628</u>	<u>10.84%</u>
Program Expenses				
Governmental activities	5,091,418	4,558,909	532,509	11.68%
Business-type activities	<u>281,413</u>	<u>126,997</u>	<u>154,416</u>	<u>121.59%</u>
Total expenses	<u>5,372,831</u>	<u>4,685,906</u>	<u>686,925</u>	<u>14.66%</u>
Decrease/increase in net assets	32,586	190,883	(158,297)	<u>(82.93)%</u>
Net assets - Beginning	<u>5,615,467</u>	<u>5,424,584</u>	<u>190,883</u>	<u>3.52%</u>
Net assets - Ending	<u>\$ 5,648,053</u>	<u>\$ 5,615,467</u>	<u>\$ 32,586</u>	<u>0.58%</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

Financial Analysis of the Fund Statements

Governmental Funds

The following represents a summary of fund revenue and expenses.

	<u>2022</u>	<u>2021</u>
Revenues:		
Federal and state grants and contracts	\$ 4,349,056	\$ 4,145,827
Other income	490,409	390,283
Counties' appropriations	60,000	60,000
In-kind services	<u>26,454</u>	<u>7,402</u>
Total	<u>\$ 4,925,919</u>	<u>\$ 4,603,512</u>
	<u>2022</u>	<u>2021</u>
Expenses:		
Contracted services	\$ 2,908,275	\$ 2,795,172
Salaries and wages	956,620	935,399
Indirect costs	261,658	273,022
Fringe benefits	312,150	302,848
Lease right-of-use asset	202,468	-
Lease financing principal	59,971	-
Other	375,908	233,896
In-kind services	26,454	7,402
Advertising	<u>5,498</u>	<u>5,326</u>
Total	<u>\$ 5,109,002</u>	<u>\$ 4,553,065</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2022
(Unaudited)

Revenues

The majority of revenues recognized by the Commission are derived from cost-reimbursement contracts with federal and state government and agencies. For this reason, it is important to note the positive correlation between revenues and expenses. For fiscal year 2022, total revenues increased by 7.0% and total expenses increased by 12.2%.

Operating grant revenue from federal and state grants and contracts increased by 4.9% which was primarily due to the increase in funding from the Appalachian Regional Commission, Department of Defense, Department of Commerce, and competitive grants secured through the Pennsylvania Department of Labor & Industry. This additional funding offsets a 2.3% decrease in WIOA formula funding.

Other income increased by \$100,126 which included an increase in Pennsylvania Careerlink® rental income, loan fund interest, and the purchase of additional days by local school districts for the BEP program. A total of 10 loans closed in during fiscal year 2022, which was a decrease from 13 loans closed in the previous year.

Contributions from member counties remained consistent from the prior year. In-kind revenue increased by \$19,052 in fiscal year 2022, due to more in-person events.

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

Expenses

Expenditures increased by approximately 12.2%. There is a positive correlation between the increase in revenue for federal and state grants and contracts and the increase in expenses such as contracted services. A majority of funding provided through the Pennsylvania Department of Labor & Industry is subcontracted to Trehab and Bradford County Action, Inc. to provide workforce related services in the Northern Tier region.

A major change during fiscal year 2022 was the implementation of GASB 87. According to GASB, the objective of this new statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this statement, Northern Tier is required to recognize a lease liability and an intangible right-to-use lease asset for leases that were previously classified as operating leases. These changes can be seen on the included financial statements.

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Management's Discussion and Analysis
June 30, 2022
(Unaudited)

In-person events, trainings, and travel began to see an uptick in this fiscal year amid the ongoing Covid-19 pandemic. In concurrence there was a significant increase within these expenditure line items.

In-kind services increased in direct correlation to in-kind revenue, which is attributed to more in-person events.

Economic Condition and Outlook

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

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

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

Requests for Information

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

Northern Tier Regional Planning and Development Commission
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 1,560,591	\$ 1,053,699	\$ 2,614,290
Due from grantors	1,007,925	-	1,007,925
Other receivables	123,678	-	123,678
Loans receivable	-	543,599	543,599
Prepaid expenses	15,814	75,963	91,777
TOTAL CURRENT ASSETS	<u>2,708,008</u>	<u>1,673,261</u>	<u>4,381,269</u>
NONCURRENT ASSETS			
Capital assets, net	15,900	177,416	193,316
Right to use assets, net	136,806	8,551	145,357
Loans receivable, net	-	3,190,109	3,190,109
TOTAL NONCURRENT ASSETS	<u>152,706</u>	<u>3,376,076</u>	<u>3,528,782</u>
TOTAL ASSETS	<u>\$ 2,860,714</u>	<u>\$ 5,049,337</u>	<u>\$ 7,910,051</u>
<u>LIABILITIES AND NET POSITION</u>			
CURRENT LIABILITIES			
Loans payable	\$ -	\$ 19,954	\$ 19,954
Note payable	-	25,041	25,041
Lease liability	53,920	1,657	55,577
Accounts payable	1,014,232	5,904	1,020,136
Accrued salaries and benefits	72,470	-	72,470
Due to subrecipients	275,799	-	275,799
Due to other funds	24,919	(24,919)	-
Accrued interest	-	1,045	1,045
Unearned revenue	200,916	-	200,916
TOTAL CURRENT LIABILITIES	<u>1,642,256</u>	<u>28,682</u>	<u>1,670,938</u>
NONCURRENT LIABILITIES			
Loans payable	-	371,884	371,884
Note payable	-	5,827	5,827
Lease liability	84,587	6,902	91,489
Accrued leave and termination benefits	121,860	-	121,860
TOTAL NONCURRENT LIABILITIES	<u>206,447</u>	<u>384,613</u>	<u>591,060</u>
TOTAL LIABILITIES	<u>1,848,703</u>	<u>413,295</u>	<u>2,261,998</u>
NET POSITION			
Net investment in capital assets	15,900	146,548	162,448
Restricted	-	4,254,494	4,254,494
Unrestricted	996,111	235,000	1,231,111
TOTAL NET POSITION	<u>1,012,011</u>	<u>4,636,042</u>	<u>5,648,053</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,860,714</u>	<u>\$ 5,049,337</u>	<u>\$ 7,910,051</u>

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

Northern Tier Regional Planning and Development Commission
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
Workforce Development	\$ 3,155,805	\$ -	\$ 3,155,805	\$ -	\$ -	\$ -
Community and Economic Development	<u>1,935,613</u>	<u>4,770</u>	<u>1,967,254</u>	<u>36,411</u>	<u>-</u>	<u>36,411</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>5,091,418</u>	<u>4,770</u>	<u>5,123,059</u>	<u>36,411</u>	<u>-</u>	<u>36,411</u>
BUSINESS-TYPE ACTIVITIES:						
Foundation	134,984	153,541	-	-	18,557	18,557
NTRPDC, Inc.	2,254	3,469	-	-	1,215	1,215
Economic Development Administration/ Appalachian Regional Commission	64,780	69,306	-	-	4,526	4,526
Farmers Home Administration Intermediary Relending Program	809	4,507	-	-	3,698	3,698
USDA Rural Development Intermediary Relending Program III	3,375	10,325	-	-	6,950	6,950
Farmers Home Administration Small Business Loan Program	75,211	21,989	-	-	(53,222)	(53,222)
Farmers Home Administration Rural Business Enterprise Grant Program	<u>-</u>	<u>13,748</u>	<u>-</u>	<u>-</u>	<u>13,748</u>	<u>13,748</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>281,413</u>	<u>276,885</u>	<u>-</u>	<u>-</u>	<u>(4,528)</u>	<u>(4,528)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 5,372,831</u>	<u>\$ 281,655</u>	<u>\$ 5,123,059</u>	<u>36,411</u>	<u>(4,528)</u>	<u>31,883</u>
GENERAL REVENUES, UNRESTRICTED						
INVESTMENT EARNINGS				<u>558</u>	<u>145</u>	<u>703</u>
CHANGE IN NET POSITION				<u>36,969</u>	<u>(4,383)</u>	<u>32,586</u>
NET POSITION - BEGINNING				<u>975,042</u>	<u>4,640,425</u>	<u>5,615,467</u>
NET POSITION - ENDING				<u>\$ 1,012,011</u>	<u>\$ 4,636,042</u>	<u>\$ 5,648,053</u>

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

Northern Tier Regional Planning and Development Commission
Balance Sheet
Governmental Funds
June 30, 2022

	<u>Workforce Development</u>	<u>Community and Economic Development</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 606,757	\$ 953,834	\$ 1,560,591
Due from grantors	417,358	590,567	1,007,925
Other receivables	123,678	-	123,678
Prepaid expenses	<u>7,586</u>	<u>8,228</u>	<u>15,814</u>
TOTAL ASSETS	<u>\$ 1,155,379</u>	<u>\$ 1,552,629</u>	<u>\$ 2,708,008</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 682,133	\$ 332,099	\$ 1,014,232
Accrued salaries and benefits	23,840	48,630	72,470
Due to subrecipients	275,799	-	275,799
Due to other funds	-	24,919	24,919
Unearned revenue	<u>173,607</u>	<u>27,309</u>	<u>200,916</u>
TOTAL LIABILITIES	<u>1,155,379</u>	<u>432,957</u>	<u>1,588,336</u>
<u>FUND BALANCE</u>			
Nonspendable	-	8,228	8,228
Unassigned	<u>-</u>	<u>1,111,444</u>	<u>1,111,444</u>
TOTAL FUND BALANCES	<u>-</u>	<u>1,119,672</u>	<u>1,119,672</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,155,379</u>	<u>\$ 1,552,629</u>	<u>\$ 2,708,008</u>

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

Northern Tier Regional Planning and Development Commission
Reconciliation of the Balance Sheet - Governmental Funds to the
Statement of Net Position
June 30, 2022

Total Fund Balances - Governmental Funds \$ 1,119,672

**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. 15,900

Leased assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 136,806

Liabilities related to capital leases are not reported in the funds as the
reduction of the liability is instead reported as an expense. (138,507)

Long-term liabilities, consisting of accrued paid time off and termination
benefits, are not due and payable in the current period and therefore
are not reported in the funds. (121,860)

Total Net Position - Governmental Activities \$ 1,012,011

Northern Tier Regional Planning and Development Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	<u>Workforce Development</u>	<u>Community and Economic Development</u>	<u>Total</u>
REVENUES			
Federal grants and contracts	\$ 2,717,592	\$ 893,208	\$ 3,610,800
State grants and contracts	42,342	695,914	738,256
Other income	395,871	94,538	490,409
Counties' appropriations	-	60,000	60,000
In-kind services	-	26,454	26,454
	<u>3,155,805</u>	<u>1,770,114</u>	<u>4,925,919</u>
TOTAL REVENUES			
EXPENDITURES			
Contracted services	2,412,216	496,059	2,908,275
Salaries and wages	333,810	622,810	956,620
Indirect costs	85,680	175,978	261,658
Fringe benefits	94,486	217,664	312,150
Building use allowance	25,314	48,236	73,550
Office supplies and postage	70,791	22,454	93,245
Miscellaneous	-	15,666	15,666
Equipment show expense	-	13,404	13,404
Tuition and seminars	37,887	10,092	47,979
Sector partnership training	9,957	-	9,957
Travel	15,243	19,761	35,004
Dues and subscriptions	4,258	35,343	39,601
In-kind services	-	26,454	26,454
Vehicle use allowance	4,271	10,046	14,317
Professional fees	-	12,850	12,850
Lease right-of-use asset	-	202,468	202,468
Lease financing principal	54,924	5,047	59,971
Interest	4,066	99	4,165
Capital outlay	-	16,170	16,170
Advertising	2,902	2,596	5,498
	<u>3,155,805</u>	<u>1,953,197</u>	<u>5,109,002</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER EXPENDITURES	-	(183,083)	(183,083)
OTHER FINANCING SOURCES (USES)			
Capital leases	-	202,468	202,468
	<u>-</u>	<u>202,468</u>	<u>202,468</u>
NET CHANGE IN FUND BALANCES	-	19,385	19,385
FUND BALANCE, BEGINNING	-	1,100,287	1,100,287
	<u>-</u>	<u>1,100,287</u>	<u>1,100,287</u>
FUND BALANCE, ENDING	\$ -	\$ 1,119,672	\$ 1,119,672
	<u>\$ -</u>	<u>\$ 1,119,672</u>	<u>\$ 1,119,672</u>

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

Northern Tier Regional Planning and Development Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances - Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net Change in Fund Balances - Governmental Funds \$ 19,385

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

Paid time off and termination benefit expenses reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (2,460)

Repayment of debt associated with capital leases is reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown as a reduction of liabilities in the combined Statement of Net Position and allocated over the life of the lease as amortization in the combined Statement of Activities. This is the net amount of repayment of long-term debt less amortization in the current period. 4,144

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 Position and allocated over their estimated useful lives as annual depreciation in the combined Statement of Activities. This is the net amount of capital outlays less depreciation in the current period. 15,900

Change in Net Position - Governmental Activities \$ 36,969

Northern Tier Regional Planning and Development Commission
Statement of Net Position
Enterprise Funds
June 30, 2022

	Foundation	NTRPDC, Inc.	EDA/ARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	Total (Memorandum Only)
ASSETS								
CURRENT ASSETS								
Cash	\$ 56,553	\$ 74,631	\$ 617,181	\$ 87,153	\$ 55,418	\$ 89,601	\$ 73,162	\$ 1,053,699
Due from other funds	24,919	-	-	-	-	-	-	24,919
Prepaid expense	963	-	75,000	-	-	-	-	75,963
Loans receivable, current	-	5,594	239,817	41,847	21,509	94,918	139,914	543,599
TOTAL CURRENT ASSETS	82,435	80,225	931,998	129,000	76,927	184,519	213,076	1,698,180
NONCURRENT ASSETS								
Capital assets, net	177,416	-	-	-	-	-	-	177,416
Right to use assets, net	8,551	-	-	-	-	-	-	8,551
Loans receivable, net	-	79,297	1,759,685	140,311	276,138	522,302	412,376	3,190,109
TOTAL NONCURRENT ASSETS	185,967	79,297	1,759,685	140,311	276,138	522,302	412,376	3,376,076
TOTAL ASSETS	\$ 268,402	\$ 159,522	\$ 2,691,683	\$ 269,311	\$ 353,065	\$ 706,821	\$ 625,452	\$ 5,074,256
LIABILITIES AND NET POSITION								
CURRENT LIABILITIES								
Loans payable, current	\$ -	\$ -	\$ -	\$ 19,954	\$ -	\$ -	\$ -	\$ 19,954
Note payable, current	25,041	-	-	-	-	-	-	25,041
Lease liability, current	1,657	-	-	-	-	-	-	1,657
Accounts payable	5,904	-	-	-	-	-	-	5,904
Accrued interest	1,045	-	-	-	-	-	-	1,045
TOTAL CURRENT LIABILITIES	33,647	-	-	19,954	-	-	-	53,601
NONCURRENT LIABILITIES								
Loans payable	-	-	-	34,384	337,500	-	-	371,884
Note payable	5,827	-	-	-	-	-	-	5,827
Lease liability	6,902	-	-	-	-	-	-	6,902
TOTAL NONCURRENT LIABILITIES	12,729	-	-	34,384	337,500	-	-	384,613
TOTAL LIABILITIES	46,376	-	-	54,338	337,500	-	-	438,214
NET POSITION								
Net investment in capital assets	146,548	-	-	-	-	-	-	146,548
Restricted	-	-	2,691,683	214,973	15,565	706,821	625,452	4,254,494
Unrestricted	75,478	159,522	-	-	-	-	-	235,000
TOTAL NET POSITION	222,026	159,522	2,691,683	214,973	15,565	706,821	625,452	4,636,042
TOTAL LIABILITIES AND NET POSITION	\$ 268,402	\$ 159,522	\$ 2,691,683	\$ 269,311	\$ 353,065	\$ 706,821	\$ 625,452	\$ 5,074,256

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

Northern Tier Regional Planning and Development Commission
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the year ended June 30, 2022

	<u>Foundation</u>	<u>NTRPDC, Inc.</u>	<u>EDA/ARC</u>	<u>FMHA-IRP</u>	<u>USDA-RD -IRP III</u>	<u>FMHA-SBLP</u>	<u>FMHA-RBEG</u>	<u>Total (Memorandum Only)</u>
OPERATING REVENUES								
Loan fund interest	\$ -	\$ 3,469	\$ 69,306	\$ 4,507	\$ 10,325	\$ 21,989	\$ 13,748	\$ 123,344
Rental income	153,541	-	-	-	-	-	-	153,541
TOTAL OPERATING REVENUES	<u>153,541</u>	<u>3,469</u>	<u>69,306</u>	<u>4,507</u>	<u>10,325</u>	<u>21,989</u>	<u>13,748</u>	<u>276,885</u>
OPERATING EXPENSES								
Provision for loan losses	-	-	64,780	-	-	75,211	-	139,991
Janitorial	27,481	-	-	-	-	-	-	27,481
Depreciation and amortization	20,637	-	-	-	-	-	-	20,637
Amortization expense: right-of-use asset	1,334	-	-	-	-	-	-	1,334
Interest expense: right-of-use asset	29	-	-	-	-	-	-	29
Utilities	36,785	-	-	-	-	-	-	36,785
Maintenance and supplies	19,871	-	-	-	-	-	-	19,871
Contracted services	12,478	456	-	-	-	-	-	12,934
Professional fees	12,060	1,728	-	-	-	-	-	13,788
Postage	7	-	-	-	-	-	-	7
Miscellaneous	2,606	70	-	-	-	-	-	2,676
TOTAL OPERATING EXPENSES	<u>133,288</u>	<u>2,254</u>	<u>64,780</u>	<u>-</u>	<u>-</u>	<u>75,211</u>	<u>-</u>	<u>275,533</u>
OPERATING INCOME (LOSS)	<u>20,253</u>	<u>1,215</u>	<u>4,526</u>	<u>4,507</u>	<u>10,325</u>	<u>(53,222)</u>	<u>13,748</u>	<u>1,352</u>
NONOPERATING REVENUE (EXPENSE)								
Interest income	40	44	51	-	-	-	10	145
Interest expense	(1,696)	-	-	(809)	(3,375)	-	-	(5,880)
NONOPERATING REVENUE (EXPENSE), NET	<u>(1,656)</u>	<u>44</u>	<u>51</u>	<u>(809)</u>	<u>(3,375)</u>	<u>-</u>	<u>10</u>	<u>(5,735)</u>
CHANGE IN NET POSITION	<u>18,597</u>	<u>1,259</u>	<u>4,577</u>	<u>3,698</u>	<u>6,950</u>	<u>(53,222)</u>	<u>13,758</u>	<u>(4,383)</u>
NET POSITION, BEGINNING OF YEAR	<u>203,429</u>	<u>158,263</u>	<u>2,687,106</u>	<u>211,275</u>	<u>8,615</u>	<u>760,043</u>	<u>611,694</u>	<u>4,640,425</u>
NET POSITION, END OF YEAR	<u>\$ 222,026</u>	<u>\$ 159,522</u>	<u>\$ 2,691,683</u>	<u>\$ 214,973</u>	<u>\$ 15,565</u>	<u>\$ 706,821</u>	<u>\$ 625,452</u>	<u>\$ 4,636,042</u>

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

Northern Tier Regional Planning and Development Commission
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2022

	Foundation	NTRPDC, Inc.	EDA/ARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	Total (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES								
Rental income received	\$ 131,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,673
Loan payments received (disbursed)	-	8,846	305,006	(24,510)	31,121	(40,119)	(77,944)	202,400
Payments to suppliers	(73,474)	(2,254)	-	-	-	-	-	(75,728)
Payments to utilities	(36,785)	-	-	-	-	-	-	(36,785)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>21,414</u>	<u>6,592</u>	<u>305,006</u>	<u>(24,510)</u>	<u>31,121</u>	<u>(40,119)</u>	<u>(77,944)</u>	<u>221,560</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	40	44	51	-	-	-	10	145
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>40</u>	<u>44</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>145</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Drawdowns of/(repayment of) amounts due to FMHA-IRP	-	-	-	(19,757)	-	-	-	(19,757)
Repayment of note payable	(24,042)	-	-	-	-	-	-	(24,042)
Repayment of lease liability	(1,325)	-	-	-	-	-	-	(1,325)
Interest paid	(1,725)	-	-	(809)	(3,375)	-	-	(5,909)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(27,092)</u>	<u>-</u>	<u>-</u>	<u>(20,566)</u>	<u>(3,375)</u>	<u>-</u>	<u>-</u>	<u>(51,033)</u>
NET INCREASE (DECREASE) IN CASH	(5,638)	6,636	305,057	(45,076)	27,746	(40,119)	(77,934)	170,672
CASH, BEGINNING OF YEAR	<u>62,191</u>	<u>67,995</u>	<u>312,124</u>	<u>132,229</u>	<u>27,672</u>	<u>129,720</u>	<u>151,096</u>	<u>883,027</u>
CASH, END OF YEAR	<u>\$ 56,553</u>	<u>\$ 74,631</u>	<u>\$ 617,181</u>	<u>\$ 87,153</u>	<u>\$ 55,418</u>	<u>\$ 89,601</u>	<u>\$ 73,162</u>	<u>\$ 1,053,699</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ 20,253	\$ 1,215	\$ 4,526	\$ 4,507	\$ 10,325	\$ (53,222)	\$ 13,748	\$ 1,352
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	20,637	-	-	-	-	-	-	20,637
Amortization expense: right-of-use asset	1,363	-	-	-	-	-	-	1,363
Provision for loan losses	-	-	64,780	-	-	75,211	-	139,991
Changes in assets and liabilities:								
Due from other funds	(21,868)	-	-	-	-	-	-	(21,868)
Prepaid expenses	(418)	-	(75,000)	-	-	-	-	(75,418)
Loans receivable	-	5,377	310,700	(29,017)	20,796	(62,108)	(91,692)	154,056
Accounts payable	1,447	-	-	-	-	-	-	1,447
TOTAL ADJUSTMENTS	<u>1,161</u>	<u>5,377</u>	<u>300,480</u>	<u>(29,017)</u>	<u>20,796</u>	<u>13,103</u>	<u>(91,692)</u>	<u>220,208</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 21,414</u>	<u>\$ 6,592</u>	<u>\$ 305,006</u>	<u>\$ (24,510)</u>	<u>\$ 31,121</u>	<u>\$ (40,119)</u>	<u>\$ (77,944)</u>	<u>\$ 221,560</u>

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

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

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

Nature of Operations

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

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

Financial Reporting Entity

All significant activities and organizations on which the Commission exercises oversight responsibility have been included in the Commission’s financial statements for the year ended June 30, 2022. The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board (GASB) Statements No. 14, The Financial Reporting Entity, and No. 39, Determining Whether Certain Organizations are Component Units (an amendment of No. 14), and No. 61, The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and 34, and No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14, and No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following criteria regarding manifestation of oversight were considered by the Commission in its evaluation of Commission organizations and activities:

- Financial interdependency - The Commission is responsible for its debts and is entitled to surpluses. No other separate agency except for the component unit described below receives a financial benefit nor imposes a financial burden on the Commission.
- Election of the government authority - The Commission’s Board of Directors is responsible for all public decisions and accountable for the decisions it makes.
- Designation of management - The Board hires all members of the management team. The activities under the purview of management are within the scope of the reporting entity and management is accountable to the Commission for the activities being managed.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2022

- Ability to significantly influence operations - The Board has authority to significantly influence operations. This authority includes, but is not limited to, control over all assets, including facilities and properties, short-term borrowings, signing contracts, establishing a budget, issuing bonded debt and developing programs to be provided.
- Accountability of fiscal matters - The responsibility and accountability over all funds are vested in the fiscal manager, with Board oversight.

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

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

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

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

Basis of Presentation

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

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

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2022

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 Innovation and Opportunities Act ("WIOA") and Welfare program revenues and expenditures.

The Commission reports seven major enterprise funds:

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

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2022

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

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

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

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

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

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

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, depreciation on capital assets, and expenses related to right-of-use assets (leases). 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, 2022

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>
Building and improvements	20 - 30
Office furniture, vehicles and equipment	5 - 15

Unearned Revenue

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

Governmental Fund Balance Classifications/Policies and Procedures

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

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

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

- *Assigned* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Commission
- *Unassigned* - includes positive fund balance within the Community and Economic Development Fund which has not be classified within the above-mentioned categories and negative fund balances in other governmental funds

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

In-Kind Services

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal funding on various grants. Contributed services are therefore reflected as revenue and expenditures in accordance with legal requirements of the individual grants. At June 30, 2022, contributed services of \$26,454 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, which is based upon the estimated national value of volunteer hours.

Use of Estimates

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

NOTE 2 – Cash

The carrying amount of the Commission's deposits was \$2,614,290 as of June 30, 2022. The bank balance totaled \$2,671,058 as of June 30, 2022. The difference represents outstanding checks and normal reconciling items.

Northern Tier Regional Planning and Development Commission
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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>2022 Bank Balance</u>
Insured	\$ 899,371
Uninsured:	
Collateral held by pledging banks' trust department not in the Commission's name	<u>1,771,687</u>
TOTAL	<u>\$ 2,671,058</u>

NOTE 3 – Capital Assets

Activity in capital assets for the year ended June 30, 2022 is as follows:

	July 1, <u>2021</u>	Additions	Disposals	June 30, <u>2022</u>
GOVERNMENTAL ACTIVITIES				
Office furniture, vehicles and equipment	\$ 32,145	\$ 16,170	\$ -	\$ 48,315
Accumulated depreciation	<u>(32,145)</u>	<u>(270)</u>	<u>-</u>	<u>(32,415)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ -</u>	<u>\$ 15,900</u>	<u>\$ -</u>	<u>\$ 15,900</u>
BUSINESS-TYPE ACTIVITIES (FOUNDATION)				
Land	\$ 13,724	\$ -	\$ -	\$ 13,724
Capital assets being depreciated:				
Building and improvements	551,719	-	-	551,719
Office furniture, vehicles and equipment	<u>43,991</u>	<u>-</u>	<u>-</u>	<u>43,991</u>
TOTAL	<u>609,434</u>	<u>-</u>	<u>-</u>	<u>609,434</u>
Accumulated depreciation:				
Building and improvements	(367,390)	(20,637)	-	(388,027)
Office furniture, vehicles and equipment	<u>(43,991)</u>	<u>-</u>	<u>-</u>	<u>(43,991)</u>
TOTAL	<u>(411,381)</u>	<u>(20,637)</u>	<u>-</u>	<u>(432,018)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 198,053</u>	<u>\$ (20,637)</u>	<u>\$ -</u>	<u>\$ 177,416</u>

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

NOTE 4 – Lease Activity

The Commission implemented GASB 87, "Leases," for the fiscal year ended June 30, 2022. This converted all existing long-term operating leases to capital leases. Short-term leases (with terms of 12 months or less) are exempt from this standard and therefore will continue to be accounted for in the same manner as prior fiscal years.

The Commission had long-term leases of vehicles, equipment, and a building during the fiscal year. All leases that existed prior to the implementation of GASB 87 were given a start date of July 1, 2021. All leases used an incremental borrowing rate of 2.5%, based on the Commission's line of credit rate. The two vehicle leases both ended during the fiscal year and were not renewed. One water cooler lease ended during the fiscal year and was then renewed in a new lease. Therefore, as of June 30, 2022 there are three active leases: a copier lease and building lease in the governmental activities, and a water cooler lease in the business-type activities. The copier lease has no further payments (paid annually) and ends December 22, 2022. The building lease has monthly payments ranging from \$4,721 to \$4,814 and ends December 31, 2024. The water cooler lease has monthly payments of \$154 and ends May 31, 2027.

Lease activity for the year ended June 30, 2022 is as follows:

	July 1, <u>2021</u>	<u>Additions</u>	<u>Disposals</u>	June 30, <u>2022</u>
GOVERNMENTAL ACTIVITIES				
Leased vehicles (intangible asset)	\$ -	\$ 9,817	\$ (9,817)	\$ -
Leased equipment (intangible asset)	-	2,103	-	2,103
Leased building (intangible asset)	-	190,548	-	190,548
TOTAL	<u>-</u>	<u>202,468</u>	<u>(9,817)</u>	<u>192,651</u>
Accumulated amortization:				
Leased vehicles	-	(9,817)	9,817	-
Leased equipment	-	(1,402)	-	(1,402)
Leased building	-	(54,443)	-	(54,443)
TOTAL	<u>-</u>	<u>(65,662)</u>	<u>9,817</u>	<u>(55,845)</u>
GOVERNMENTAL ACTIVITIES LEASE ACTIVITY, NET	<u>\$ -</u>	<u>\$ 136,806</u>	<u>\$ -</u>	<u>\$ 136,806</u>
BUSINESS-TYPE ACTIVITIES (FOUNDATION)				
Leased equipment (intangible asset)	\$ -	\$ 9,885	\$ (1,189)	\$ 8,696
Accumulated amortization	-	(1,334)	1,189	(145)
BUSINESS-TYPE ACTIVITIES LEASE ACTIVITY, NET	<u>\$ -</u>	<u>\$ 8,551</u>	<u>\$ -</u>	<u>\$ 8,551</u>

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
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Below is the maturity analysis of the Commission's lease liability:

Years ending June 30:	Liability Reduction	Interest	Total
2023	\$ 55,577	\$ 2,921	\$ 58,498
2024	57,548	1,511	59,059
2025	30,479	256	30,735
2026	1,786	62	1,848
2027	1,676	18	1,694
Thereafter	-	-	-
TOTAL	<u>\$ 147,066</u>	<u>\$ 4,768</u>	<u>\$ 151,834</u>

NOTE 5 – Due to Subrecipients

The amounts due to subrecipients in the Commission's government activities are as follows at June 30, 2022:

Due to Bradford County Action	\$ 69,459
Due to Trehab Center	206,340
DUE TO SUBRECIPIENTS	<u>\$ 275,799</u>

NOTE 6 – 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 \$540,000 in the fiscal year ended June 30, 2022 and collected principal and interest repayments of approximately \$903,000. The programs are summarized below:

Pennsylvania Small Business First Program (SBFP)

The Commission has an agreement with the Commonwealth of Pennsylvania, Department of Community and Economic Development ("DCED") to participate in the SBFP. 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.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2022

DCED is responsible for establishing loan interest rates, issuing loan checks and receiving loan payments from the borrower. As a result, the accompanying financial statements do not include the operations of the SBFP. The Commission is entitled to retain service fees charged on the loans to cover costs of making and servicing its loan program, which are included in the accompanying financial statements. The outstanding loan balances under the SBFP total \$2,709,966 at June 30, 2022.

First Industries Fund (FIF)

The Commission has entered into an agreement with DCED to participate in the FIF. The loan review committee established by the Commission is responsible for reviewing all loan applications and recommending loan applications for approval by the Commission's board of directors. Once approved, the Commission must submit the applications to DCED for its review and approval. As a result, the accompanying financial statements do not include the operations of the FIF. The Commission is entitled to retain service fees charged on the loans to cover costs of making and servicing the loan program, which are included in the accompanying financial statements. The outstanding loan balances under the FIF total \$1,260,543 at June 30, 2022.

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

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

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

An allowance of \$64,780 has been established for the loans outstanding under these programs.

Farmers Home Administration Intermediary Relending Program (FMHA-IRP)

The Commission has entered into an agreement with FMHA-IRP for a \$500,000 low interest loan from FMHA to be used for a relending program (Note 6). The Commission requests drawdowns on the loan after FMHA approves the loan application between the Commission and the borrower. As of June 30, 2022, the loan had a balance outstanding of \$54,338.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2022

An allowance of \$1,309 has been established for the loans outstanding under these programs.

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

The Commission has entered into an agreement with USDA-RD-IRP III for a \$500,000 low interest loan from USDA-RD to be used for a relending program (Note 6). The Commission requests drawdowns on the loan after USDA-RD approves the loan application between the Commission and the borrower. As of June 30, 2022, the loan had a balance outstanding of \$337,500.

No allowance has been deemed necessary for the loans outstanding under these programs. However, the Commission maintains a balance of at least 6% of the outstanding loans in the revolving loan fund account as a potential reserve for allowances, per the USDA loan agreement.

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 \$96,937 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 \$5,000 has been established for the loans outstanding under these programs.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

NOTE 7 – Long-Term Liabilities

At June 30, 2022, the Commission’s business-type activities long-term debt consisted of the following:

	Balance at July 1, <u>2021</u>	<u>Additions</u>	<u>Payments</u>	Balance at June 30, <u>2022</u>	<u>Current Portion</u>
3.75% note payable to Bradford County Industrial Development Authority, in monthly installments of \$2,145, including interest through 2023; collateralized by property and equipment.	\$ 54,910	\$ -	\$ (24,042)	\$ 30,868	\$ 25,041
1% loan payable to FMHA, in annual installments of \$20,565, including interest through 2024; collateralized by the assets of the Revolving Loan Fund.	74,095	-	(19,757)	54,338	19,954
1% loan payable to USDA-RD, in annual installments of an amount to be determined, including interest, beginning in 2023 through 2049; collateralized by the assets of the Revolving Loan Fund.	<u>337,500</u>	-	-	<u>337,500</u>	-
TOTAL	<u>\$ 466,505</u>	<u>\$ -</u>	<u>\$ (43,799)</u>	<u>\$ 422,706</u>	<u>\$ 44,995</u>

Scheduled principal and interest payments on the note and loans payable are as follows. Note that this does not include interest on the USDA-RD loan, as no payments have been scheduled as of June 30, 2022. All repayments for the current principal for this loan are included on the “thereafter” row:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending June 30:			
2023	\$ 44,995	\$ 667	\$ 45,662
2024	40,211	410	40,621
Thereafter	<u>337,500</u>	-	<u>337,500</u>
TOTAL	<u>\$ 422,706</u>	<u>\$ 1,077</u>	<u>\$ 423,783</u>

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

Interest expense on the above obligations totaled \$5,880 in fiscal year 2022.

The Commission obtained a \$500,000 line of credit. The interest on any draw is variable, resetting annually (2.50% at June 30, 2022). At June 30, 2022 there were no draws against the line of credit. The line of credit expires December 31, 2022.

NOTE 8 – 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, 2021	\$ 125,245
Additions	98,178
Payouts	<u>(101,563)</u>
Accrued leave liability, June 30, 2022	<u>\$ 121,860</u>

NOTE 9 – Termination Benefits Policy

The Commission implemented an early termination benefit policy effective June 1, 2016. The benefit is allowable for employees hired as full-time before July 1, 2015. The benefit will reimburse up to \$33,000 of employee health care premiums until the age of 65 for employees who reach 30 years of service by age 59.5. It will reimburse up to \$13,500 until the age of 65 for employees who reach 25 years of service by age 62. As of June 30, 2022, one employee was eligible and accepted the early termination benefit. The commission assumed that the full benefit amount of \$33,000 would be claimed by the employee. The funds that were used to pay this benefit were in a non-interest-bearing account, and therefore no discount rate was used in determining the cost of the benefit. The total \$33,000 has been paid to the employee as of June 30, 2022. The total cost less the total to date payments has been recorded in the noncurrent liabilities section of the governmental activities as part of "accrued leave and termination benefits." For fiscal year 2022, this amount is zero.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

NOTE 10 – Deferred Compensation Plan

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

Employees are given the option of paid health insurance coverage or the deferred compensation plan. For those employees selecting the deferred compensation plan, the Commission contributes an amount up to \$750 per month. In January 2022, the Commission changed health insurance coverage to an age-banded plan. Those employees whose premium exceeds \$750 per month in the Exclusive Provider Organization (EPO) plan would have their cost fully covered.

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 \$58,702 in fiscal year 2022.

NOTE 11 – 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, 2022 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.

COVID-19

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

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2022

NOTE 12 – Indirect Cost Rate

During the year ended June 30, 2022, indirect costs were allocated to individual programs based on various cost pools that are calculated as a percentage of direct salaries and related fringe benefit expense. The average allocation of indirect costs for all programs was computed as follows:

Total direct salaries		\$	956,620
Less salaries related to PTO			(160,924)
Total related fringe benefits			312,150
	TOTAL DIRECT SALARIES AND BENEFITS	\$	<u>1,107,846</u>
Indirect costs:			
Salaries and wages		\$	96,103
Contracted services			58,761
Fringe benefits			34,035
Audit			22,737
Insurance and bonding			9,827
Program supplies			10,860
Telephone			9,361
Building use allowance			8,448
Equipment			3,772
Meeting expense			3,428
Miscellaneous			1,307
Advertising			1,142
Subscriptions and periodicals			818
Postage			632
Outside printing costs			264
Tuition and training			123
Travel			38
	TOTAL INDIRECT COSTS	\$	<u>261,656</u>

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

$$\text{Average indirect cost rate} = \frac{\$261,656}{\$1,107,846} = 23.62\%$$

NOTE 13 – Subsequent Events

On September 14, 2022, the Commission was awarded \$1,475,000 in American Rescue Plan funding, through the State Small Business Credit Initiative (SSBCI), in order to create a new revolving loan program. The SSBCI will be included as a new enterprise fund in the fiscal year 2023 audited financial statements.

Northern Tier Regional Planning and Development Commission
Combining Schedule of Revenues and Expenditures - Governmental Funds
For the year ended June 30, 2022

	UNRESTRICTED	ARC PREP 22	PA- DOT SPEC	PA-DOT EMTA	ARCLDD 21	ARCLDD 22	OIBD 21	PREP	PA DOT 20-22
Revenues									
Federal grants and contracts	\$ -	\$ 285,000	\$ 49,276	\$ 34,582	\$ 50,624	\$ 37,834	\$ -	\$ -	\$ 170,397
State grants and contracts	-	-	-	-	-	-	36,825	458,472	21,701
Local grants and contracts	-	-	-	-	-	-	-	-	-
Other income	94,117	421	-	-	-	-	-	-	-
Counties' appropriations	60,000	-	-	-	-	-	-	-	-
In-kind services	8,654	-	-	-	-	-	-	-	-
TOTAL REVENUES	162,771	285,421	49,276	34,582	50,624	37,834	36,825	458,472	192,098
Expenditures									
Contracted services	1,416	11,483	29,710	34,582	44	39	188	168,435	271
Salaries and wages	24,483	152,591	10,718	-	27,197	21,116	19,445	159,579	102,930
Indirect costs	10,009	40,483	2,994	-	8,611	4,884	5,432	44,957	28,706
Fringe benefits	14,913	45,758	3,796	-	9,830	7,281	6,887	56,064	35,912
Miscellaneous	15,666	-	-	-	-	-	-	-	-
Equipment show expense	13,404	-	-	-	-	-	-	-	-
In-kind services	8,654	-	-	-	-	-	-	-	-
Building use allowance	667	9,748	1,217	-	2,204	1,622	1,340	11,546	10,930
Travel	7,384	9,355	-	-	108	-	617	1,196	465
Office supplies and postage	141	3,967	199	-	668	718	302	4,713	9,790
Tuition and seminars	1,541	2,116	555	-	29	84	1,144	3,040	404
Sector partnership training	-	-	-	-	-	-	-	-	-
Dues and subscriptions	18,385	1,610	-	-	-	-	25	5,467	691
Vehicle use allowance	914	155	-	-	1,893	2,056	1,420	2,909	124
Professional fees	4,722	7,966	-	-	-	-	-	162	-
Lease right-of-use asset	202,468	-	-	-	-	-	-	-	-
Lease financing principal	4,144	185	17	-	39	34	25	220	215
Interest	83	4	-	-	1	-	-	4	4
Capital outlay	16,170	-	-	-	-	-	-	-	-
Advertising	690	-	70	-	-	-	-	180	1,656
TOTAL EXPENDITURES	345,854	285,421	49,276	34,582	50,624	37,834	36,825	458,472	192,098
REVENUES IN EXCESS OF EXPENDITURES	(183,083)	-	-	-	-	-	-	-	-
Other financing sources (uses)									
Capital leases	202,468	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 19,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

OIBD - Office of International Business Development
PA DOT - Pennsylvania Department of Transportation
PREP - Partnerships for Regional Economic Performance
WIOA - Workforce Innovation and Opportunities Act

Northern Tier Regional Planning and Development Commission
Combining Schedule of Revenues and Expenditures - Governmental Funds (Cont'd)
For the year ended June 30, 2022

	EDA 21	EDA 22	EDA CARES	DOD 21	DOD 22	ENGAGE!	EARN	WIOA	Total
Revenues									
Federal grants and contracts	\$ 35,614	\$ 26,537	\$ 129,758	\$ 30,168	\$ 43,418	\$ -	\$ 384,881	\$ 2,332,711	\$ 3,610,800
State grants and contracts	-	-	-	-	-	178,916	-	42,342	738,256
Other income	-	-	-	-	-	-	-	395,871	490,409
Counties' appropriations	-	-	-	-	-	-	-	-	60,000
In-kind services	5,800	12,000	-	-	-	-	-	-	26,454
TOTAL REVENUES	41,414	38,537	129,758	30,168	43,418	178,916	384,881	2,770,924	4,925,919
Expenditures									
Contracted services	1,601	-	74,242	-	5,548	168,500	307,878	2,104,338	2,908,275
Salaries and wages	18,940	14,257	31,564	17,187	16,711	6,092	42,007	291,803	956,620
Indirect costs	5,997	3,276	8,817	5,442	4,668	1,702	11,693	73,987	261,658
Fringe benefits	6,845	4,911	11,179	6,212	5,918	2,158	14,387	80,099	312,150
Miscellaneous	-	-	-	-	-	-	-	-	15,666
Equipment show expense	-	-	-	-	-	-	-	-	13,404
In-kind services	5,800	12,000	-	-	-	-	-	-	26,454
Building use allowance	1,404	1,620	2,807	1,192	1,483	456	4,230	21,084	73,550
Travel	-	597	-	-	39	-	314	14,929	35,004
Office supplies and postage	450	215	998	20	273	-	3,566	67,225	93,245
Tuition and seminars	-	475	94	90	520	-	444	37,443	47,979
Sector partnership training	-	-	-	-	-	-	-	9,957	9,957
Dues and subscriptions	-	938	-	-	8,227	-	271	3,987	39,601
Vehicle use allowance	359	216	-	-	-	-	-	4,271	14,317
Professional fees	-	-	-	-	-	-	-	-	12,850
Lease right-of-use asset	-	-	-	-	-	-	-	-	202,468
Lease financing principal	17	32	56	24	31	8	89	54,835	59,971
Interest	1	-	1	1	-	-	2	4,064	4,165
Capital outlay	-	-	-	-	-	-	-	-	16,170
Advertising	-	-	-	-	-	-	-	2,902	5,498
TOTAL EXPENDITURES	41,414	38,537	129,758	30,168	43,418	178,916	384,881	2,770,924	5,109,002
REVENUES IN EXCESS OF EXPENDITURES	-	-	-	-	-	-	-	-	(183,083)
Other financing sources (uses):									
Capital leases	-	-	-	-	-	-	-	-	202,468
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,385

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Funding Source Code	Federal CFDA Number	Pass-Through Entity's Number	Award Amount	Cash Receipts	Accrued or (Unearned) Revenue at July 1, 2021	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2022	Expenses Passed Through to Subrecipients
Appalachian Regional Commission										
Local Development District Administrative Grant	D	23.009	PA-708-C-C49-21	\$ 101,900	\$ 50,950	\$ 326	\$ 50,624	\$ 50,624	\$ -	
Local Development District Administrative Grant	D	23.009	PA-708-C-C50-22	130,285	65,143	-	37,834	37,834	(27,309)	
Total CFDA #23.009				232,185	116,093	326	88,458	88,458	(27,309)	\$ -
Appalachian Regional Commission PREP	D	23.001	PA-8305-C39-20	285,000	28,500	28,500	-	-	-	
Appalachian Regional Commission PREP	D	23.001	PA-8305-C40-21	285,000	246,552	-	285,000	285,000	36,448	
Total CFDA #23.001				570,000	277,052	28,500	285,000	285,000	36,448	-
Total Appalachian Regional Commission				802,185	393,145	28,826	373,458	373,458	9,139	-
U.S. Department of Commerce										
Economic Development Administration	D	11.302	ED19PHI3020010	210,000	51,834	16,220	35,614	35,614	-	
Economic Development Administration	D	11.302	ED22PHI3020025	70,000	16,433	-	26,537	26,537	10,104	
Total CFDA #11.302				280,000	68,267	16,220	62,151	62,151	10,104	-
Economic Development Cluster										
Post Pandemic Economic Development Recovery Grant	D	11.307	ED20PHI3070044	400,000	59,853	-	129,758	129,758	69,905	
EDA Revolving Loan Fund	D	11.307	1390228b/139022801b	N/A	-	-	1,607,552	1,607,552	1,607,552	
Total CFDA #11.307 (Economic Development Cluster)				400,000	59,853	-	1,737,310	1,737,310	1,677,457	-
Total U.S. Department of Commerce				680,000	128,120	16,220	1,799,461	1,799,461	1,687,561	-
U.S. Department of Health and Human Services										
TANF Cluster										
Passed-through Pennsylvania Department of Labor & Industry:										
WIOA Youth - TANF	I	93.558	130203361	146,910	37,391	30,487	6,904	6,904	-	
WIOA Youth - TANF	I	93.558	130213361	140,220	109,059	-	130,621	130,621	21,562	
Total CFDA #93.558				287,130	146,450	30,487	137,525	137,525	21,562	128,947
Passed-through Pennsylvania Department of Human Services:										
EARN - TANF - Federal (New Directions)	I	93.558	FY21: 70121	375,039	105,556	105,556	-	-	-	
EARN - TANF - Federal (New Directions)	I	93.558	FY22: 70121	375,039	302,159	-	373,806	373,806	71,647	
Total CFDA #93.558				750,078	407,715	105,556	373,806	373,806	71,647	296,702
Total TANF Cluster				1,037,208	554,165	136,043	511,331	511,331	93,209	425,649
Total U.S. Department of Health and Human Services				1,037,208	554,165	136,043	511,331	511,331	93,209	425,649

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Funding Source Code	Federal CFDA Number	Pass-Through Entity's Number	Award Amount	Cash Receipts	Accrued or (Unearned) Revenue at July 1, 2021	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2022	Expenses Passed Through to Subrecipients
U.S. Department of Labor										
Passed-through Pennsylvania Department of Labor & Industry:										
WIOA Cluster										
Adult	I	17.258	130203001	60,728	122	122	-	-	-	-
Adult	I	17.258	130203011	303,035	168,898	133,026	35,872	35,872	-	-
Adult	I	17.258	130213001	74,279	74,279	-	74,279	74,279	-	-
Adult	I	17.258	130213011	350,087	251,197	-	339,806	339,806	88,609	-
Total CFDA #17.258				788,129	494,496	133,148	449,957	449,957	88,609	368,621
Youth	I	17.259	130203301	381,202	208,309	48,997	159,312	159,312	-	-
Youth	I	17.259	130213301	370,612	151,177	-	205,992	205,992	54,815	-
Youth ADA Assistive Technology	I	17.259	130193343	9,775	9,775	-	9,775	9,775	-	-
Digital Literacy - Bradford	I	17.259	130203342	41,363	16,291	-	16,594	16,594	303	-
Digital Literacy - Tioga	I	17.259	130203345	43,913	9,258	-	20,739	20,739	11,481	-
Digital Literacy - Sullivan	I	17.259	130203343	10,432	5,406	-	7,172	7,172	1,766	-
Digital Literacy - Susquehanna	I	17.259	130203344	21,019	1,516	-	5,233	5,233	3,717	-
Digital Literacy - Wyoming	I	17.259	130203346	16,843	1,605	-	7,593	7,593	5,988	-
Youth Outreach and Development	I	17.259	130193341	44,711	22,428	-	44,711	44,711	22,283	-
SLIP	I	17.259	130183350	10,000	8,879	8,879	-	-	-	-
Total CFDA #17.259				949,870	434,644	57,876	477,121	477,121	100,353	284,611
Dislocated Worker	I	17.278	130204001	182,361	5,305	5,305	-	-	-	-
Dislocated Worker	I	17.278	130204011	512,894	416,659	90,246	326,413	326,413	-	-
Dislocated Worker	I	17.278	130214001	173,013	173,013	-	173,013	173,013	-	-
Dislocated Worker	I	17.278	130214011	528,481	175,199	-	270,752	270,752	95,553	-
Dislocated Worker - transferred to Adult	I	17.278	130203013	308,936	308,936	-	308,936	308,936	-	-
Dislocated Worker - transferred to Adult	I	17.278	130213013	207,778	-	-	9,309	9,309	9,309	-
Dislocated Worker - Rapid Response	I	17.278	130184152	124,804	55,630	55,630	-	-	-	-
Dislocated Worker - Rapid Response	I	17.278	130184155	82,312	11,748	11,748	-	-	-	-
Dislocated Worker - Rapid Response	I	17.278	130204151	25,000	9,924	-	25,000	25,000	15,076	-
Dislocated Worker - BEP	I	17.278	130184131	43,922	10,711	10,711	-	-	-	-
Dislocated Worker - BEP	I	17.278	130193132	131,006	57,973	4,829	53,144	53,144	-	-
Dislocated Worker - BEP	I	17.278	130214132	150,000	47,537	-	47,870	47,870	333	-
SLIP	I	17.278	130194053	12,026	12,026	1,824	10,202	10,202	-	-
Total CFDA #17.278				2,482,523	1,284,661	180,293	1,224,639	1,224,639	120,271	940,149
Total WIOA Cluster				4,220,522	2,213,801	371,317	2,151,717	2,151,717	309,233	1,593,381
Disaster Grant (COVID-19 NDWG PACL)	I	17.277	130198523	47,845	45,001	3,187	43,469	43,469	1,655	-
Total Disaster Grants (CFDA #17.277)				47,845	45,001	3,187	43,469	43,469	1,655	8,240
Total U.S. Department of Labor				4,268,367	2,258,802	374,504	2,195,186	2,195,186	310,888	1,601,621

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Funding Source Code	Federal CFDA Number	Pass-Through Entity's Number	Award Amount	Cash Receipts	Accrued or (Unearned) Revenue at July 1, 2021	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2022	Expenses Passed Through to Subrecipients
U.S. Department of Agriculture										
Passed through Pennsylvania Department of Human Services:										
EARN SNAP - Pennsylvania Department of State Administrative Matching Grants for the Supplement Nutrition Assistance Program	I	10.561	FY21: 70130	15,801	1,138	1,138	-	-	-	-
EARN SNAP - Pennsylvania Department of State Administrative Matching Grants for the Supplement Nutrition Assistance Program	I	10.561	FY22: 70130	15,801	11,010	-	11,075	11,075	65	11,075
Total CFDA #10.561 (SNAP Cluster)				31,602	12,148	1,138	11,075	11,075	65	11,075
Total U.S. Department of Agriculture				31,602	12,148	1,138	11,075	11,075	65	11,075
U.S. Department of Transportation										
Passed-through the Pennsylvania Department of Transportation, Center for Program Development and Management: Highway Planning and Construction Cluster										
Rural Transportation Planning Grant	I	20.205	FY21-22: 521176-1	305,000	104,536	22,454	121,963	121,963	39,881	
Rural Transportation Planning Grant	I	20.205	FY21-22: 521176-2	55,000	13,827	3,526	13,144	13,144	2,843	
Rural Transportation Planning Grant	I	20.205	FY21-22: 521176-3	50,000	10,778	2,814	10,378	10,378	2,414	
Rural Transportation Planning Grant	I	20.205	FY21-22: 521176-4	50,000	8,176	7,540	1,687	1,687	1,051	
Rural Transportation Planning Grant	I	20.205	FY21-22: 521176-5	70,000	23,643	4,258	23,225	23,225	3,840	
Rural Transportation Planning Grant	I	20.205	FY21-22: 521176-8A	60,000	23,382	7,468	19,566	19,566	3,652	
Rural Transportation Planning Grant (Tioga County Bike & Pedestrian)	I	20.205	FY21-22: 521176-8B	63,000	24,200	12,790	11,410	11,410	-	
Rural Transportation Planning Grant (Tunkhannock Boro Mobility Study)	I	20.205	FY21-22: 521176-6C	18,300	-	-	18,300	18,300	18,300	
Rural Transportation Planning Grant (BeST)	I	20.205	FY21-22: 521176-A-BeST	13,500	1,786	1,786	3,824	3,824	3,824	
Rural Transportation Planning Grant (BeST)	I	20.205	FY21-22: 521176-B-BeST	62,000	12,837	12,837	20,838	20,838	20,838	
Rural Transportation Planning Grant (BeST)	I	20.205	FY21-22: 521176-C-BeST	14,500	3,298	3,298	3,974	3,974	3,974	
Rural Transportation Planning Grant (BeST)	I	20.205	FY21-22: 521176-D-BeST	11,500	2,014	2,014	4,771	4,771	4,771	
Rural Transportation Planning Grant (BeST)	I	20.205	FY21-22: 521176-E-BeST	4,500	2,153	2,153	1,176	1,176	1,176	
Total CFDA #20.205				777,300	230,630	82,938	254,256	254,256	106,564	64,293
Total Highway Planning and Construction Cluster				777,300	230,630	82,938	254,256	254,256	106,564	64,293
Total U.S. Department of Transportation				777,300	230,630	82,938	254,256	254,256	106,564	64,293
U.S. Department of Defense										
Passed-through the Southern Alleghenies Planning & Development Commission										
Procurement Grant	I	12.002	SP4800-21-2-2179	82,674	53,795	23,628	30,167	30,167	-	
Procurement Grant	I	12.002	SP4800-22-2-2279-NT-0024	86,041	27,850	-	43,418	43,418	15,568	
Total CFDA #12.002				168,715	81,645	23,628	73,585	73,585	15,568	
Total U.S. Department of Defense				168,715	81,645	23,628	73,585	73,585	15,568	
Total Expenditures of Federal Awards				\$ 7,765,377	\$ 3,658,655	\$ 663,297	\$ 5,218,352	\$ 5,218,352	\$ 2,222,994	\$ 2,102,638

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2022

	Federal CFDA Number	Loan Period Beginning/ Ending Date	Program Amount	Loan Balance July 1, 2021	Drawdowns	Payments	Loan Balance June 30, 2022
U.S. Department of Agriculture							
Farmers Home Administration Intermediary Relending Program	10.767	6/96-6/32	\$ 500,000	\$ 74,095	\$ -	\$ 19,757	\$ 54,338
Rural Development Intermediary Relending Program	10.767	11/20-11/50	\$ 500,000	<u>337,500</u>	<u>-</u>	<u>-</u>	<u>337,500</u>
Total U.S. Department of Agriculture				<u>\$ 411,595</u>	<u>\$ -</u>	<u>\$ 19,757</u>	<u>\$ 391,838</u>

Northern Tier Regional Planning and Development Commission

Notes to Schedule of Expenditures of Federal Awards

June 30, 2022

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, 2022. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Commission.

2. Summary of Significant Accounting Policies

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

3. Revolving Loan Programs

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Agriculture and passed through the Farmers Home Administration Intermediary Relending Program (FMHA-IRP). Loans outstanding at June 30, 2022 were \$182,158.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Agriculture and passed through the Rural Development Intermediary Relending Program (USDA-RD-IRP III). Loans outstanding at June 30, 2022 were \$297,647.

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, 2022 were \$617,220.

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, 2022 were \$552,290.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Commerce, Economic Development Administration and matching funds from the Appalachian Regional Commission Governments (EDA/ARC). Loans outstanding at June 30, 2022 were \$1,999,502.

Northern Tier Regional Planning and Development Commission
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

4. Indirect Cost

The Commission has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Instead, indirect cost rates were calculated based on various cost pools, which averaged 23.62%. These rates were used, limited by funder requirements. The Commission's indirect rates are submitted to the U.S. Department of Commerce for approval.

5. EDA Revolving Loan Fund

The Commission administers one EDA Revolving Loan Fund (CFDA No. 11.307) funded by the U.S. Department of Commerce. At June 30, 2022, the Federal Awards Expended was calculated as follows:

Original federal grant	\$ 500,000.00
Total amount loaned with local match	166,668.00
Federal share of RLF	<u>75%</u>
Cash and investment balance in RLF at 06/30/2022	\$ 561,041.82
Outstanding balance of RLF loans, 06/30/2022	1,582,361.21
Administrative expenses paid out of RLF income during FYE 06/30/2022	-
Loan write-offs during FYE 06/30/2022	-
Sum of EDA dollars/Total project costs	<u>2,143,403.03</u>
Total EDA Share (noted above)	75%
Total economic adjustment assistance	<u>\$ 1,607,552.27</u>



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

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

We have audited, in accordance with 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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 25, 2023.

Report on 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) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

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

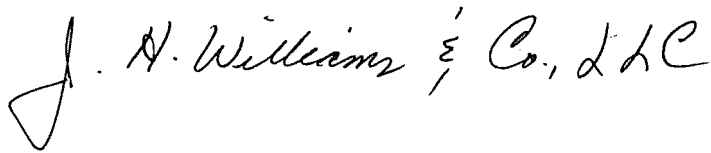
Board of Directors
Northern Tier Regional Planning and Development Commission

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "J. N. Williams & Co., L.L.C." The signature is written in a cursive style with a large, stylized initial "J" and a checkmark-like flourish at the end.

March 25, 2023



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northern Tier Regional Planning and Development Commission's (the "Commission") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2022. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis of Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

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

Board of Directors
Northern Tier Regional Planning and Development Commission

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and expresses an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Board of Directors
Northern Tier Regional Planning and Development Commission

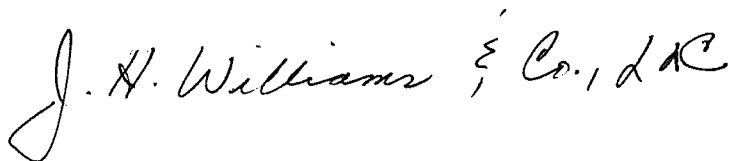
Report on Internal Control Over Compliance

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 requirements of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

 J. H. Williams, Esq., CPA

March 25, 2023

Northern Tier Regional Planning and Development Commission
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

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

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

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

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Section IV – Summary of Prior Year Findings

None.



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

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

We have performed the procedures enumerated below to the accompanying financial schedules of the Northern Tier Regional Planning and Development Commission (the "Commission") for the fiscal year ended June 30, 2022. Management of the Commission is responsible for compliance with the requirements of the Commonwealth of Pennsylvania Department of Labor and Industry.

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

Procedures and findings are as follows:

- (a) We verified the clerical accuracy of the Commission's summarization of amounts reported on the monthly Financial Status Report (FSR) submitted to the Commonwealth of Pennsylvania, Department of Labor and Industry during the fiscal year ended June 30, 2022 and the report of the summarized, fiscal year totals on the respective formats as presented in the WIOA Policies and Procedures Manual. This procedure was performed for the WIOA expenditures by program identifier and cost category included on pages 45 through 48 administered by the Commission which were funded in whole, or in part, by the Commonwealth of Pennsylvania, Department of Labor and Industry. No findings were noted.
- (b) We inquired of management regarding any adjustment to reported revenues or expenditures which were not reflected on reports submitted to the Commonwealth of Pennsylvania Department of Labor and Industry. No findings were noted.

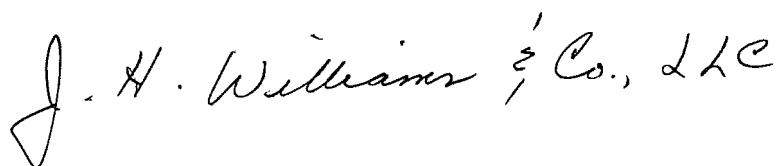
Independent Accountants' Report on
Applying Agreed-Upon Procedures on the
Schedule of WIOA Expenditures by
Program Identifiers and Cost Categories
(Cont'd)

Board of Directors
Northern Tier Regional Planning and Development Commission

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission's compliance with the requirements of the Commonwealth of Pennsylvania Department of Labor and Industry for the fiscal year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Handwritten signature in black ink that reads "J. H. Williams & Co., LLC". The signature is written in a cursive style with a large, stylized initial "J".

March 25, 2023

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories
For the year ended June 30, 2022

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Adult Program - 2020 Second Increment	130203011	10/01/20-06/30/22	ADMINISTRATION	\$ 30,304	\$ 30,304	\$ 30,304	\$ -
			DIRECT TRAINING	272,732	272,732	272,732	-
			CONTRACT TOTAL	303,036	303,036	303,036	-
DW transfer to Adult Program - 2020 Third Increment (DW Transfer)	130203013	10/01/20-06/30/22	ADMINISTRATION	30,894	30,894	30,894	-
			DIRECT TRAINING	278,042	278,042	278,042	-
			CONTRACT TOTAL	308,936	308,936	308,936	-
Adult Program - 2021 First Increment	130213001	07/01/21-06/30/23	ADMINISTRATION	7,428	7,428	7,428	-
			DIRECT TRAINING	66,851	66,851	66,851	-
			CONTRACT TOTAL	74,279	74,279	74,279	-
Adult Program - 2021 Second Increment	130213011	10/01/21-06/30/23	ADMINISTRATION	35,009	24,728	35,009	10,281
			DIRECT TRAINING	315,078	315,078	315,078	-
			CONTRACT TOTAL	350,087	339,806	350,087	10,281
DW transfer to Adult Program - 2021 Third Increment (DW Transfer)	130213013	10/01/21-06/30/23	ADMINISTRATION	20,778	-	20,778	20,778
			DIRECT TRAINING	187,000	9,309	187,000	177,691
			CONTRACT TOTAL	207,778	9,309	207,778	198,469
Youth Program - 2020	130203301	04/01/20-06/30/22	ADMINISTRATION	38,120	38,120	38,120	-
			IN SCHOOL YOUTH	35,156	35,156	35,156	-
			OUT OF SCHOOL	307,926	307,926	307,926	-
			CONTRACT TOTAL	381,202	381,202	381,202	-
Youth Program - 2021	130213301	04/01/21-06/30/23	ADMINISTRATION	37,061	18,151	37,061	18,910
			IN SCHOOL YOUTH	83,388	7,640	83,388	75,748
			OUT OF SCHOOL	250,163	180,201	250,163	69,962
			CONTRACT TOTAL	370,612	205,992	370,612	164,620

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories (Cont'd)
For the year ended June 30, 2022

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Dislocated Worker Program - 2020 Second Increment	130204011	10/01/20-06/30/22	ADMINISTRATION	51,288	51,288	51,288	-
			DIRECT TRAINING	461,596	461,596	461,596	-
			CONTRACT TOTAL	512,884	512,884	512,884	-
Dislocated Worker Program - 2021 First Increment	130214001	07/01/21-06/30/23	ADMINISTRATION	17,301	17,301	17,301	-
			DIRECT TRAINING	155,712	155,712	155,712	-
			CONTRACT TOTAL	173,013	173,013	173,013	-
Dislocated Worker Program - 2021 Second Increment	130214011	10/01/21-06/30/23	ADMINISTRATION	52,840	20,036	52,840	32,804
			DIRECT TRAINING	475,641	250,716	475,641	224,925
			CONTRACT TOTAL	528,481	270,752	528,481	257,729
20 DW RR Additional Assistance	130204151	10/01/20-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	25,000	25,000	25,000	-
			CONTRACT TOTAL	25,000	25,000	25,000	-
WIOA Youth - TANF 2020	130203361	07/01/20-06/30/22	ADMINISTRATION	14,691	14,691	14,691	-
			DIRECT TRAINING	132,219	132,219	132,219	-
			CONTRACT TOTAL	146,910	146,910	146,910	-
WIOA Youth - TANF 2021	130213361	07/01/21-06/30/23	ADMINISTRATION	14,022	8,151	14,022	5,871
			DIRECT TRAINING	126,198	122,470	126,198	3,728
			CONTRACT TOTAL	140,220	130,621	140,220	9,599
Youth ADA Assistive Technology	130193343	01/01/22-04/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	9,775	9,775	9,775	-
			CONTRACT TOTAL	9,775	9,775	9,775	-

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories (Cont'd)
For the year ended June 30, 2022

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Digital Literacy - Bradford	130203342	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	41,363	16,594	41,363	24,769
			CONTRACT TOTAL	41,363	16,594	41,363	24,769
Digital Literacy - Tioga	130203345	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	43,913	20,739	43,913	23,174
			CONTRACT TOTAL	43,913	20,739	43,913	23,174
Digital Literacy - Sullivan	130203343	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	10,432	7,172	10,432	3,260
			CONTRACT TOTAL	10,432	7,172	10,432	3,260
Digital Literacy - Susquehanna	130203344	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	21,019	5,233	21,019	15,786
			CONTRACT TOTAL	21,019	5,233	21,019	15,786
Digital Literacy - Wyoming	130203346	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	16,843	7,593	16,843	9,250
			CONTRACT TOTAL	16,843	7,593	16,843	9,250
Youth Outreach and Development	130193341	01/01/21-06/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	44,711	44,711	44,711	-
			CONTRACT TOTAL	44,711	44,711	44,711	-
19 BEP	130193132	01/01/20-06/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	131,006	131,006	131,006	-
			CONTRACT TOTAL	131,006	131,006	131,006	-

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories (Cont'd)
For the year ended June 30, 2022

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
21 BEP	130214132	02/01/22-12/31/23	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	150,000	47,870	150,000	102,130
			CONTRACT TOTAL	150,000	47,870	150,000	102,130
SLIP	130194053	02/01/21-09/30/21	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	12,026	12,026	12,026	-
			CONTRACT TOTAL	12,026	12,026	12,026	-
Apprenticeship (ReEmployment)	130188896	02/01/19-06/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	27,089	27,089	27,089	-
			CONTRACT TOTAL	27,089	27,089	27,089	-
19 COVID-19 NDWG PACL	130198523	05/27/20-06/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	47,845	47,845	47,845	-
			CONTRACT TOTAL	47,845	47,845	47,845	-
Northeast Regional Healthcare IP	130206233	01/01/21-06/30/23	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	106,111	906	106,111	105,205
			CONTRACT TOTAL	106,111	906	106,111	105,205
Next Generation Industry Partnership	130196231	02/01/20-06/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	28,000	28,000	28,000	-
			CONTRACT TOTAL	28,000	28,000	28,000	-
21 TANF - Federal (New Directions)	70121	07/01/21-06/30/22	ADMINISTRATION	39,084	39,084	39,084	-
			DIRECT TRAINING	335,955	334,722	335,955	1,233
			CONTRACT TOTAL	375,039	373,806	375,039	1,233
21 SNAP - Federal (PA Dept of State Admin Matching Grants for the Supplement Nutrition Assistance Program)	70130	07/01/21-06/30/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	15,801	11,075	15,801	4,726
			CONTRACT TOTAL	15,801	11,075	15,801	4,726



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

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

We have performed the procedures enumerated below to the accompanying financial schedule of the Northern Tier Regional Planning and Development Commission (the "Commission") for the fiscal year ended June 30, 2022. Management of the Commission is responsible for compliance with the requirements of the Commonwealth of Pennsylvania Department of Human Services.

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

Procedures and findings are as follows:

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

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

Board of Directors
Northern Tier Regional Planning and Development Commission

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission's compliance with the requirements of the Commonwealth of Pennsylvania Department of Human Services for the fiscal year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



March 25, 2023

Northern Tier Regional Planning and Development Commission
Schedule of Federal Awards Passed through the Pennsylvania Department of Human Services
June 30, 2022

RECONCILIATION

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)
CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the audit confirmation reply from Pennsylvania	Difference	% Difference (E/D)	Detailed Explanation of the Difference
TANF	93.558	\$ 511,331	\$ 512,937	\$ (1,606)	0.31%	See below

Explanation of Difference:

Total Federal expenditures per the SEFA	\$ 511,331
Add: Accrued revenue as of June 30, 2021	136,043
Deduct: Accrued revenue as of June 30, 2022	(93,209)
Deduct: Payment made by DHS in June 2021 but not received by NT until July 2021	<u>(41,228)</u>
	512,937
Federal awards received per the audit confirmation reply	<u>512,937</u>
Variance	<u><u>\$ -</u></u>