

**NORTHERN TIER REGIONAL PLANNING
AND DEVELOPMENT COMMISSION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2023

Northern Tier Regional Planning and Development Commission
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Independent Auditor's 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 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, 2023, 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, 2023, 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 Auditor's 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 Auditor's 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 28-29 and the accompanying Schedule of Expenditures of Federal Awards on pages 30-33, 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 12, 2024, 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.

J. H. Williams & Co., LLC

March 12, 2024

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2023
(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, 2023 as compared to June 30, 2022. 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 \$5,859,436 as of June 30th, 2023, an increase of \$211,383 from June 30th, 2022.

Governmental Activities

The governmental activities net assets increased by \$63,425 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 5.70% 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.

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(Unaudited)

In addition, the Workforce Development division secured or continued operations in several competitive grants during fiscal year 2023.

- The Business Education Partnership (BEP) program completed its eighth year of providing career exploration and education services to schools in the Northern Tier. Total number of students impacted/career projects completed was 13,097 for the school year of which 3,399 were elementary students. Employers/businesses connected to students totaled 236 and 86 parents were involved in career activities. NTRPDC Career Coaches helped organize and support over 60 events/activities for the students. Example activities include mock interviews, job shadowing, career fairs, apprenticeships, college tours, STEM presentations and Trade career pathways. NTRPDC applied for and has received a \$4.5 million ARISE grant from ARC in FY24 to expand the BEP Career Coach program. This is a multi-state collaboration with our partners in New York. This initiative will provide an opportunity to increase career education, work experience opportunities and increase positive employment outcomes for our youth.
- 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 businesses to appropriate education and employer groups. Funding for apprenticeship is provided by the PA Smart Apprenticeship Ambassador Network and is available for the expansion and creation of apprenticeship and pre-apprenticeships in the Northern Tier. Funds are also available to support training for apprentices.

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(Unaudited)

- PA Smart funds were secured to continue the Northeast Regional Healthcare Industry Partnership. The partnership represents a comprehensive approach to needs of the healthcare industry. It involves collaboration between the Northern Tier, Lackawanna, Luzerne/Schuylkill and Pocono Workforce Development areas that span 12 counties in the northeast. During this reporting period leaders were convened for planning meetings and committees were established to take on tasks established by the partnership such as outreach, marketing and training. The partnership developed a health care magazine highlighting in demand occupations and career pathways that is shared with students and adults interested in pursuing a career in healthcare. A social media campaign highlighting healthcare took place in May which included a healthcare hero contest to recognize the dedication of individuals working in the healthcare field. The campaign generated over 13,000 impressions across various social media platforms. The partnership also supported several healthcare related events throughout the coverage area focused on recruitment and promotion of career opportunities.
- The 3rd annual What's So Cool About Manufacturing? (WSCM) competition was held concluding with an awards ceremony in April 2023. Students from nine schools were matched with local manufacturers to create a short video highlighting the manufacturer in an effort to show career opportunities and change perceptions of the manufacturing industry. Videos are posted online and are part of a regional contest which resulted in over 60,000 online votes.
- An initiative to engage more adults to participate in workforce programs was launched during the program year. Navigate Your Success is an interactive online platform that provides information about the various services available to individuals looking to enter or re-enter the workforce. Examples of services include career exploration, resume and interview assistance, obtaining a GED or industry recognized credential and On-the-Job Training. Individuals can apply for services online through an interest survey that is directed to the appropriate workforce office.

Community & Economic Development

- While Community & Economic Development core funding remained nearly status-quo during fiscal year 2023, NTRPDC secured a two-year, \$200,000 ARC capacity grant for technical and grant writing assistance. The position was filled in April, and an outreach campaign has been promoting the service to connect municipalities with funding opportunities. In conjunction with the transportation planning staff, the Commission held two municipal summits to help educate municipalities.

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June 30, 2023
(Unaudited)

- The value of International Trade sales for program clients was \$25.9 million, exceeding its 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 27 businesses served includes a strong core group of companies realizing international sales, and the export program continues to make a significant impact.
- The Procurement Program reached \$3.8 million in total client procurement sales, shy of the \$12 million goal, which was not appropriately adjusted. 244 businesses were served through the program.
- 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 with plans to secure funding to continue the program.

Business-Type Activities

The business-type activities net assets increased by \$147,958 as a result of loan fund activities.

- The Business Finance Assistance Program served 98 businesses this program year, surpassing the goal of 70, with 17 loans closed, surpassing the goal of 12. Loan staff assisted businesses, providing guidance through the various federal and state assistance programs. The loan portfolio continues to remain strong, especially in light of the rising interest rates of the market.

At the end of fiscal year 2022, 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. The allocation for SSBCI is being released in three equal tranches, but each release is dependent upon the Commonwealth reaching specific benchmarks. NTRPDC has loaned its first tranche and is awaiting a new release of funds. Because of dwindling funds to lend, NTRPDC will be seeking additional monies over the next program year.

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Enterprise Funds

The Commission maintains eight 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 six revolving loan programs and the Northern Tier Foundation and Northern Tier Inc., both of which are blended component units.

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 14-27 of this report.

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2023
(Unaudited)

Condensed Statement of Net Assets

	<u>2023</u>	<u>2022</u>	<u>Change From 2022 to 2023</u>
Assets			
Current and other assets	\$ 4,212,724	\$ 4,381,269	\$ (168,545)
Capital assets	169,824	193,316	(23,492)
Loans receivable and other assets	<u>3,868,908</u>	<u>3,335,466</u>	<u>533,442</u>
Total	<u>\$ 8,251,456</u>	<u>\$ 7,910,051</u>	<u>\$ 341,405</u>
Liabilities and Net Assets			
Current liabilities	\$ 1,759,759	\$ 1,670,938	\$ 88,821
Debt and other long-term liabilities	<u>632,261</u>	<u>591,060</u>	<u>41,201</u>
Total Liabilities	<u>2,392,020</u>	<u>2,261,998</u>	<u>130,022</u>
Net assets			
Invested in capital assets, net of related debt	163,995	162,448	1,547
Restricted for loan programs	4,377,031	4,254,494	122,537
Restricted	<u>1,318,410</u>	<u>1,231,111</u>	<u>87,299</u>
Total Net Assets	<u>5,859,436</u>	<u>5,648,053</u>	<u>211,383</u>
Total	<u>\$ 8,251,456</u>	<u>\$ 7,910,051</u>	<u>\$ 341,405</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2023
(Unaudited)

Condensed Statement of Activities

	<u>2023</u>	<u>2022</u>	<u>Change From 2022 to 2023</u>	<u>Percentage Change</u>
Revenues				
Program revenues:				
Charges for services	\$ 303,569	\$ 281,655	\$ 21,914	7.78%
Operating grants and contributions	4,959,332	5,123,059	(163,727)	-3.20%
General revenues, investment earnings	<u>4,738</u>	<u>703</u>	<u>4,035</u>	573.97%
Total Revenues	<u>5,267,639</u>	<u>5,405,417</u>	<u>(137,778)</u>	-2.55%
 Program Expenses				
Governmental activities	4,920,653	5,091,418	(170,765)	-3.35%
Business-type activities	<u>135,603</u>	<u>281,413</u>	<u>(145,810)</u>	-51.81%
Total Expenses	<u>5,056,256</u>	<u>5,372,831</u>	<u>(316,575)</u>	-5.89%
 Increase in Net Assets	211,383	32,586	178,797	548.69%
 Net assets - Beginning	<u>5,648,053</u>	<u>5,615,467</u>	<u>32,586</u>	0.58%
 Net assets - Ending	<u>\$ 5,859,436</u>	<u>\$ 5,648,053</u>	<u>\$ 211,383</u>	3.74%

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
June 30, 2023
(Unaudited)

Financial Analysis of the Fund Statements

Governmental Funds

The following represents a summary of fund revenue and expenses:

	<u>2023</u>	<u>2022</u>
Revenues:		
Federal and state grants and contracts	\$ 4,352,136	\$ 4,349,056
Other income	535,121	490,409
Counties' appropriations	60,000	60,000
In-kind services	36,821	26,454
	<u>36,821</u>	<u>26,454</u>
Total	<u>\$ 4,984,078</u>	<u>\$ 4,925,919</u>
	<u>2023</u>	<u>2022</u>
Expenses:		
Contracted services	\$ 2,919,303	\$ 2,908,275
Salaries and wages	1,014,041	956,620
Indirect costs	265,016	261,658
Fringe benefits	321,792	312,150
Lease right-of-use asset	-	202,468
Lease financing principal	53,918	59,971
Other	297,260	375,908
In-kind services	36,821	26,454
Advertising	8,316	5,498
	<u>8,316</u>	<u>5,498</u>
Total	<u>\$ 4,916,467</u>	<u>\$ 5,109,002</u>

Northern Tier Regional Planning and Development Commission
Management's Discussion and Analysis
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(Unaudited)

Revenues

The majority of revenues recognized by the Commission are derived from cost-reimbursement contracts with federal and state government and agencies. For fiscal year 2023, total revenues increased by 1.2% and total expenses decreased by 3.8%.

Operating grant revenue from federal and state grants and contracts decreased slightly by 0.1% which was primarily due to the increase in funding from the Appalachian Regional Commission and competitive grants secured through the Pennsylvania Department of Labor & Industry. This additional funding offsets a 5.7% decrease in WIOA formula funding.

Other income increased by 9.1% 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 17 loans closed in during fiscal year 2023, which was an increase from 10 loans closed in the previous year.

Contributions from member counties remained consistent from the prior year. In-kind revenue increased by \$10,637 in fiscal year 2023, due to an increase in more in-person events post-pandemic.

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 decreased by approximately 3.8%. A majority of funding provided through the Pennsylvania Department of Labor & Industry continues to be 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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In-person events, trainings, and travel continued to see an uptick this fiscal year as the effects of the Covid-19 pandemic regress. In concurrence there was a moderate 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, 2023

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 1,603,768	\$ 1,223,239	\$ 2,827,007
Due from grantors	729,803	-	729,803
Other receivables	87,021	-	87,021
Loans receivable	-	547,901	547,901
Prepaid expenses	20,008	984	20,992
TOTAL CURRENT ASSETS	<u>2,440,600</u>	<u>1,772,124</u>	<u>4,212,724</u>
NONCURRENT ASSETS			
Capital assets, net	12,666	157,158	169,824
Right to use assets, net	81,663	6,811	88,474
Loans receivable, net	-	3,780,434	3,780,434
TOTAL NONCURRENT ASSETS	<u>94,329</u>	<u>3,944,403</u>	<u>4,038,732</u>
TOTAL ASSETS	<u>\$ 2,534,929</u>	<u>\$ 5,716,527</u>	<u>\$ 8,251,456</u>
<u>LIABILITIES AND NET POSITION</u>			
CURRENT LIABILITIES			
Loans payable	\$ -	\$ 20,154	\$ 20,154
Note payable	-	5,829	5,829
Lease liability	55,849	1,699	57,548
Accounts payable	806,983	3,096	810,079
Accrued salaries and benefits	25,869	-	25,869
Due to subrecipients	240,066	-	240,066
Due to other funds	22,999	(22,999)	-
Accrued interest	-	1,045	1,045
Unearned revenue	157,400	441,769	599,169
TOTAL CURRENT LIABILITIES	<u>1,309,166</u>	<u>450,593</u>	<u>1,759,759</u>
NONCURRENT LIABILITIES			
Loans payable	-	476,730	476,730
Lease liability	28,738	5,204	33,942
Accrued leave and termination benefits	121,589	-	121,589
TOTAL NONCURRENT LIABILITIES	<u>150,327</u>	<u>481,934</u>	<u>632,261</u>
TOTAL LIABILITIES	<u>1,459,493</u>	<u>932,527</u>	<u>2,392,020</u>
NET POSITION			
Net investment in capital assets	12,666	151,329	163,995
Restricted	-	4,377,031	4,377,031
Unrestricted	1,062,770	255,640	1,318,410
TOTAL NET POSITION	<u>1,075,436</u>	<u>4,784,000</u>	<u>5,859,436</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,534,929</u>	<u>\$ 5,716,527</u>	<u>\$ 8,251,456</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, 2023

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	\$ 3,163,746	\$ -	\$ 3,163,746	\$ -	\$ -	\$ -
Community and Economic Development	1,756,907	23,199	1,795,586	61,878	-	61,878
TOTAL GOVERNMENTAL ACTIVITIES	4,920,653	23,199	4,959,332	61,878	-	61,878
BUSINESS-TYPE ACTIVITIES:						
Foundation	129,343	153,316	-	-	23,973	23,973
NTRPDC, Inc.	2,274	3,253	-	-	979	979
Economic Development Administration/ Appalachian Regional Commission	-	71,274	-	-	71,274	71,274
Farmers Home Administration Intermediary Relending Program	611	4,937	-	-	4,326	4,326
USDA Rural Development Intermediary Relending Program III	3,375	11,032	-	-	7,657	7,657
Farmers Home Administration Small Business Loan Program	-	20,842	-	-	20,842	20,842
Farmers Home Administration Rural Business Enterprise Grant Program	-	15,716	-	-	15,716	15,716
TOTAL BUSINESS-TYPE ACTIVITIES	135,603	280,370	-	-	144,767	144,767
TOTAL PRIMARY GOVERNMENT	\$ 5,056,256	\$ 303,569	\$ 4,959,332	61,878	144,767	206,645
GENERAL REVENUES, UNRESTRICTED						
INVESTMENT EARNINGS				1,547	3,191	4,738
CHANGE IN NET POSITION				63,425	147,958	211,383
NET POSITION - BEGINNING				1,012,011	4,636,042	5,648,053
NET POSITION - ENDING				\$ 1,075,436	\$ 4,784,000	\$ 5,859,436

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

Northern Tier Regional Planning and Development Commission
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Workforce Development</u>	<u>Community and Economic Development</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 600,467	\$ 1,003,301	\$ 1,603,768
Due from grantors	327,935	401,868	729,803
Other receivables	87,021	-	87,021
Prepaid expenses	<u>2,112</u>	<u>17,896</u>	<u>20,008</u>
TOTAL ASSETS	<u>\$ 1,017,535</u>	<u>\$ 1,423,065</u>	<u>\$ 2,440,600</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 617,830	\$ 189,153	\$ 806,983
Accrued salaries and benefits	6,605	19,264	25,869
Due to subrecipients	240,066	-	240,066
Due to other funds	-	22,999	22,999
Unearned revenue	<u>153,034</u>	<u>4,366</u>	<u>157,400</u>
TOTAL LIABILITIES	<u>1,017,535</u>	<u>235,782</u>	<u>1,253,317</u>
<u>FUND BALANCE</u>			
Nonspendable	-	17,896	17,896
Unassigned	<u>-</u>	<u>1,169,387</u>	<u>1,169,387</u>
TOTAL FUND BALANCES	<u>-</u>	<u>1,187,283</u>	<u>1,187,283</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,017,535</u>	<u>\$ 1,423,065</u>	<u>\$ 2,440,600</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, 2023

Total Fund Balances - Governmental Funds \$ 1,187,283

**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. 12,666

Leased assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 81,663

Liabilities related to capital leases are not reported in the funds as the
reduction of the liability is instead reported as an expense. (84,587)

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. (121,589)

Total Net Position - Governmental Activities \$ 1,075,436

Northern Tier Regional Planning and Development Commission
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	<u>Workforce Development</u>	<u>Community and Economic Development</u>	<u>Total</u>
REVENUES			
Federal grants and contracts	\$ 2,658,430	\$ 993,155	\$ 3,651,585
State grants and contracts	92,081	608,470	700,551
Other income	413,235	121,886	535,121
Counties' appropriations	-	60,000	60,000
In-kind services	-	36,821	36,821
	<u>3,163,746</u>	<u>1,820,332</u>	<u>4,984,078</u>
TOTAL REVENUES			
EXPENDITURES			
Contracted services	2,473,490	445,813	2,919,303
Salaries and wages	330,809	683,232	1,014,041
Indirect costs	85,601	179,415	265,016
Fringe benefits	99,241	222,551	321,792
Building use allowance	24,806	49,033	73,839
Office supplies and postage	15,805	8,572	24,377
Miscellaneous	-	18,192	18,192
Equipment show expense	-	3,384	3,384
Tuition and seminars	30,091	21,876	51,967
Sector partnership training	2,865	37	2,902
Travel	28,084	24,879	52,963
Dues and subscriptions	12,599	34,422	47,021
In-kind services	-	36,821	36,821
Vehicle use allowance	813	3,869	4,682
Professional fees	500	14,703	15,203
Lease financing principal	54,690	(772)	53,918
Interest	2,730	-	2,730
Advertising	1,622	6,694	8,316
	<u>3,163,746</u>	<u>1,752,721</u>	<u>4,916,467</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>67,611</u>	<u>67,611</u>
NET CHANGE IN FUND BALANCES	-	67,611	67,611
FUND BALANCE, BEGINNING	<u>-</u>	<u>1,119,672</u>	<u>1,119,672</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 1,187,283</u>	<u>\$ 1,187,283</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, 2023

Net Change in Fund Balances - Governmental Funds \$ 67,611

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. 271

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. (1,223)

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. (3,234)

Change in Net Position - Governmental Activities \$ 63,425

Northern Tier Regional Planning and Development Commission
Statement of Net Position
Enterprise Funds
June 30, 2023

	Foundation	NTRPDC, Inc.	EDAVARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	DCED-SSBCI	Total (Memorandum Only)
ASSETS									
CURRENT ASSETS									
Cash	\$ 75,321	\$ 81,271	\$ 360,151	\$ 76,839	\$ 87,406	\$ 61,527	\$ 36,651	\$ 444,073	\$ 1,223,239
Due from other funds	22,999	-	-	-	-	-	-	-	22,999
Prepaid expense	984	-	-	-	-	-	-	-	984
Loans receivable, current	-	5,819	280,746	33,893	29,152	101,055	97,236	-	547,901
TOTAL CURRENT ASSETS	99,304	87,090	640,897	110,732	116,558	162,582	133,887	444,073	1,795,123
NONCURRENT ASSETS									
Capital assets, net	157,158	-	-	-	-	-	-	-	157,158
Right to use assets, net	6,811	-	-	-	-	-	-	-	6,811
Loans receivable, net	-	73,479	2,122,396	142,951	369,164	565,081	507,363	-	3,780,434
TOTAL NONCURRENT ASSETS	163,969	73,479	2,122,396	142,951	369,164	565,081	507,363	-	3,944,403
TOTAL ASSETS	\$ 263,273	\$ 160,569	\$ 2,763,293	\$ 253,683	\$ 485,722	\$ 727,663	\$ 641,250	\$ 444,073	\$ 5,739,526
LIABILITIES AND NET POSITION									
CURRENT LIABILITIES									
Loans payable, current	\$ -	\$ -	\$ -	\$ 20,154	\$ -	\$ -	\$ -	\$ -	\$ 20,154
Note payable, current	5,829	-	-	-	-	-	-	-	5,829
Lease liability, current	1,699	-	-	-	-	-	-	-	1,699
Accounts payable	3,096	-	-	-	-	-	-	-	3,096
Accrued interest	1,045	-	-	-	-	-	-	-	1,045
TOTAL CURRENT LIABILITIES	11,669	-	-	20,154	-	-	-	-	31,823
NONCURRENT LIABILITIES									
Loans payable	-	-	-	14,230	462,500	-	-	-	476,730
Lease liability	5,204	-	-	-	-	-	-	-	5,204
Deferred revenue	-	-	-	-	-	-	-	441,769	441,769
TOTAL NONCURRENT LIABILITIES	5,204	-	-	14,230	462,500	-	-	441,769	923,703
TOTAL LIABILITIES	16,873	-	-	34,384	462,500	-	-	441,769	955,526
NET POSITION									
Net investment in capital assets	151,329	-	-	-	-	-	-	-	151,329
Restricted	-	-	2,763,293	219,299	23,222	727,663	641,250	2,304	4,377,031
Unrestricted	95,071	160,569	-	-	-	-	-	-	255,640
TOTAL NET POSITION	246,400	160,569	2,763,293	219,299	23,222	727,663	641,250	2,304	4,784,000
TOTAL LIABILITIES AND NET POSITION	\$ 263,273	\$ 160,569	\$ 2,763,293	\$ 253,683	\$ 485,722	\$ 727,663	\$ 641,250	\$ 444,073	\$ 5,739,526

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, 2023

	Foundation	NTRPDC, Inc.	EDA/ARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	DCED-SSBCI	Total (Memorandum Only)
OPERATING REVENUES									
Loan fund interest	\$ -	\$ 3,253	\$ 71,274	\$ 4,937	\$ 11,032	\$ 20,842	\$ 15,716	\$ -	\$ 127,054
Rental income	153,316	-	-	-	-	-	-	-	153,316
TOTAL OPERATING REVENUES	153,316	3,253	71,274	4,937	11,032	20,842	15,716	-	280,370
OPERATING EXPENSES									
Janitorial	25,964	-	-	-	-	-	-	-	25,964
Depreciation and amortization	20,258	-	-	-	-	-	-	-	20,258
Amortization expense: right-of-use asset	1,739	-	-	-	-	-	-	-	1,739
Interest expense: right-of-use asset	191	-	-	-	-	-	-	-	191
Utilities	31,098	-	-	-	-	-	-	-	31,098
Maintenance and supplies	22,688	-	-	-	-	-	-	-	22,688
Contracted services	12,047	456	-	-	-	-	-	-	12,503
Professional fees	11,982	1,818	-	-	-	-	-	-	13,800
Advertising	177	-	-	-	-	-	-	-	177
Miscellaneous	2,500	-	-	-	-	-	-	-	2,500
TOTAL OPERATING EXPENSES	128,644	2,274	-	-	-	-	-	-	130,918
OPERATING INCOME	24,672	979	71,274	4,937	11,032	20,842	15,716	-	149,452
NONOPERATING REVENUE (EXPENSE)									
Interest income	401	68	336	-	-	-	82	2,304	3,191
Interest expense	(699)	-	-	(611)	(3,375)	-	-	-	(4,685)
NONOPERATING REVENUE (EXPENSE), NET	(298)	68	336	(611)	(3,375)	-	82	2,304	(1,494)
CHANGE IN NET POSITION	24,374	1,047	71,610	4,326	7,657	20,842	15,798	2,304	147,958
NET POSITION, BEGINNING OF YEAR	222,026	159,522	2,691,683	214,973	15,565	706,821	625,452	-	4,636,042
NET POSITION, END OF YEAR	\$ 246,400	\$ 160,569	\$ 2,763,293	\$ 219,299	\$ 23,222	\$ 727,663	\$ 641,250	\$ 2,304	\$ 4,784,000

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, 2023

	Foundation	NTRPDC, Inc.	EDA/ARC	FMHA-IRP	USDA-RD -IRP III	FMHA-SBLP	FMHA-RBEG	DCED-SSBCI	Total (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES									
Rental income received	\$ 155,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,236
Loan payments received (disbursed)	-	8,846	(257,366)	10,251	(89,637)	(28,074)	(36,593)	-	(392,573)
Cash received as deferred revenue	-	-	-	-	-	-	-	441,769	441,769
Interest paid on right to use assets	(191)	-	-	-	-	-	-	-	(191)
Payments to suppliers	(78,186)	(2,274)	-	-	-	-	-	-	(80,460)
Payments to utilities	(31,098)	-	-	-	-	-	-	-	(31,098)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	45,761	6,572	(257,366)	10,251	(89,637)	(28,074)	(36,593)	441,769	92,683
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest received	401	68	336	-	-	-	82	2,304	3,191
NET CASH PROVIDED BY INVESTING ACTIVITIES	401	68	336	-	-	-	82	2,304	3,191
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Drawdowns off/(repayment of) amounts due to FMHA-IRP	-	-	-	(19,954)	125,000	-	-	-	105,046
Repayment of note payable	(25,039)	-	-	-	-	-	-	-	(25,039)
Repayment of lease liability	(1,656)	-	-	-	-	-	-	-	(1,656)
Interest paid	(699)	-	-	(611)	(3,375)	-	-	-	(4,685)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(27,394)	-	-	(20,565)	121,625	-	-	-	73,666
NET INCREASE (DECREASE) IN CASH	18,768	6,640	(257,030)	(10,314)	31,988	(28,074)	(36,511)	444,073	169,540
CASH, BEGINNING OF YEAR	56,553	74,631	617,181	87,153	55,418	89,601	73,162	-	1,053,699
CASH, END OF YEAR	\$ 75,321	\$ 81,271	\$ 360,151	\$ 76,839	\$ 87,406	\$ 61,527	\$ 36,651	\$ 444,073	\$ 1,223,239
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES									
Operating income	\$ 24,672	\$ 979	\$ 71,274	\$ 4,937	\$ 11,032	\$ 20,842	\$ 15,716	\$ -	\$ 149,452
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:									
Depreciation	20,258	-	-	-	-	-	-	-	20,258
Amortization expense: right-of-use asset	1,739	-	-	-	-	-	-	-	1,739
Changes in assets and liabilities:									
Due from other funds	1,920	-	-	-	-	-	-	-	1,920
Prepaid expenses	(21)	-	75,000	-	-	-	-	-	74,979
Loans receivable	-	5,593	(403,640)	5,314	(100,669)	(48,916)	(52,309)	-	(594,627)
Deferred revenue	-	-	-	-	-	-	-	441,769	441,769
Accounts payable	(2,807)	-	-	-	-	-	-	-	(2,807)
TOTAL ADJUSTMENTS	21,089	5,593	(328,640)	5,314	(100,669)	(48,916)	(52,309)	441,769	(56,769)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 45,761	\$ 6,572	\$ (257,366)	\$ 10,251	\$ (89,637)	\$ (28,074)	\$ (36,593)	\$ 441,769	\$ 92,683

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

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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, 2023. 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, 2023

- 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.

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.

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2023

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 eight major enterprise funds:

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

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

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

Northern Tier Regional Planning and Development Commission

Notes to Financial Statements

June 30, 2023

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.

DCED-SSBCI - is used to account for all activity in the State Small Business Credit Initiative Revolving Loan Fund 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.

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

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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
- *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 been 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.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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, 2023, contributed services of \$36,821 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 \$2,827,007 as of June 30, 2023. The bank balance totaled \$2,840,999 as of June 30, 2023. The difference represents outstanding checks and normal reconciling items.

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

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

	<u>Balance</u>
Insured	\$ 1,139,835
Uninsured:	
Collateral held by pledging bank's trust department not in the Commission's name	1,701,164
TOTAL	<u>\$ 2,840,999</u>

Northern Tier Regional Planning and Development Commission
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June 30, 2023

NOTE 3 – Capital Assets

Activity in capital assets for the year ended June 30, 2023 is as follows:

	July 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	June 30, <u>2023</u>
GOVERNMENTAL ACTIVITIES				
Office furniture, vehicles and equipment	\$ 48,315	\$ -	\$ (19,978)	\$ 28,337
Accumulated depreciation	<u>(32,415)</u>	<u>(3,234)</u>	<u>19,978</u>	<u>(15,671)</u>
GOVERNMENTAL ACTIVITIES CAPITAL				
ASSETS, NET	<u>\$ 15,900</u>	<u>\$ (3,234)</u>	<u>\$ -</u>	<u>\$ 12,666</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	(388,027)	(20,258)	-	(408,285)
Office furniture, vehicles and equipment	<u>(43,991)</u>	<u>-</u>	<u>-</u>	<u>(43,991)</u>
TOTAL	<u>(432,018)</u>	<u>(20,258)</u>	<u>-</u>	<u>(452,276)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL				
ASSETS, NET	<u>\$ 177,416</u>	<u>\$ (20,258)</u>	<u>\$ -</u>	<u>\$ 157,158</u>

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.

The Commission had long-term leases of equipment and a building during the year ended June 30, 2023. All leases used an incremental borrowing rate of 2.5%, based on the Commission's line of credit rate. The copier lease ended during the fiscal year and was not renewed. Therefore, as of June 30, 2023 there are two active leases: a building lease in the governmental activities, and a water cooler lease in the business-type activities. 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.

Northern Tier Regional Planning and Development Commission
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June 30, 2023

Lease activity for the year ended June 30, 2023 is as follows:

	July 1, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	June 30, <u>2023</u>
GOVERNMENTAL ACTIVITIES				
Leased equipment (intangible asset)	\$ 2,103	\$ -	\$ (2,103)	\$ -
Leased building (intangible asset)	190,548	-	-	190,548
TOTAL	<u>192,651</u>	<u>-</u>	<u>(2,103)</u>	<u>190,548</u>
Accumulated amortization:				
Leased equipment	(1,402)	(701)	2,103	-
Leased building	(54,443)	(54,442)	-	(108,885)
TOTAL	<u>(55,845)</u>	<u>(55,143)</u>	<u>2,103</u>	<u>(108,885)</u>
GOVERNMENTAL ACTIVITIES LEASE ACTIVITY, NET	<u>\$ 136,806</u>	<u>\$ (55,143)</u>	<u>\$ -</u>	<u>\$ 81,663</u>
BUSINESS-TYPE ACTIVITIES (FOUNDATION)				
Leased equipment (intangible asset)	\$ 8,695	\$ -	\$ -	\$ 8,695
Accumulated amortization	(145)	(1,739)	-	(1,884)
BUSINESS-TYPE ACTIVITIES LEASE ACTIVITY, NET	<u>\$ 8,550</u>	<u>\$ (1,739)</u>	<u>\$ -</u>	<u>\$ 6,811</u>

Below is the maturity analysis of the Commission's lease liability:

Years ending June 30:	Liability <u>Reduction</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 57,548	\$ 1,511	\$ 59,059
2025	30,479	256	30,735
2026	1,786	62	1,848
2027	1,677	18	1,695
TOTAL	<u>\$ 91,490</u>	<u>\$ 1,847</u>	<u>\$ 93,337</u>

NOTE 5 – Due to Subrecipients

The amounts due to subrecipients in the Commission's government activities are as follows at June 30, 2023:

Due to Bradford County Action	\$ 92,270
Due to Trehab Center	<u>147,796</u>
DUE TO SUBRECIPIENTS	<u>\$ 240,066</u>

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

NOTE 6 – Revolving Loan Programs

The Commission participates in eight 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 \$2,063,000 in the fiscal year ended June 30, 2023 and collected principal and interest repayments of approximately \$1,586,000. 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.

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 \$3,245,149 at June 30, 2023.

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 \$1,136,457 at June 30, 2023.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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, 2023, the loan had a balance outstanding of \$34,384.

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, 2023, the loan had a balance outstanding of \$462,500.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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 \$13,998 has been established for the loans outstanding under these programs.

State Small Business Credit Initiative (DCED-SSBCI)

The Commission has entered into an agreement with the Commonwealth of Pennsylvania, Department of Community and Economic Development ("DCED") to participate in the State Small Business Credit Initiative (SSBCI) revolving loan fund. A total of \$1,475,000 was approved for the Commission. The first tranche of funds was received during the fiscal year, and the remainder will be received over the next few years.

As of June 30, 2023, no loans have been made from these funds and therefore no allowance is necessary.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

NOTE 7 – Long-Term Liabilities

At June 30, 2023, the Commission’s business-type activities long-term debt consisted of the following:

	Balance at July 1, <u>2022</u>	<u>Additions</u>	<u>Payments</u>	Balance at June 30, <u>2023</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.	\$ 30,868	\$ -	\$ (25,039)	\$ 5,829	\$ 5,829
1% loan payable to FMHA, in annual installments of \$20,565, including interest through 2024; collateralized by the assets of the Revolving Loan Fund.	54,338	-	(19,954)	34,384	20,154
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>125,000</u>	<u>-</u>	<u>462,500</u>	<u>-</u>
TOTAL	<u>\$ 422,706</u>	<u>\$ 125,000</u>	<u>\$ (44,993)</u>	<u>\$ 502,713</u>	<u>\$ 25,983</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, 2023. 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:			
2024	\$ 25,983	\$ 425	\$ 26,408
2025	14,230	-	14,230
Thereafter	<u>462,500</u>	<u>-</u>	<u>462,500</u>
TOTAL	<u>\$ 502,713</u>	<u>\$ 425</u>	<u>\$ 503,138</u>

Interest expense on the above obligations totaled \$4,685 in fiscal year 2023.

The Commission obtained a \$500,000 line of credit. The interest on any draw is variable, resetting annually (2.50% at June 30, 2023). At June 30, 2023 there were no draws against the line of credit. The line of credit expires June 30, 2024.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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, 2022	\$ 121,860
Additions	97,070
Payouts	<u>(97,341)</u>
Accrued leave liability, June 30, 2023	<u>\$ 121,589</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, 2023, 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, 2023. 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 2023, this amount is zero.

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 contributed an amount up to \$750 per month through December 31st, 2022. As of January 1st, 2023, this amount changed to \$700, as the following changes were also made. Employees who were enrolled in the Custom PPO health plan will have their health insurance premiums paid 100%, regardless of cost. If the cost of their premium, plus dependents, is less than \$700 per month, the balance is contributed to the deferred compensation plan.

Northern Tier Regional Planning and Development Commission
Notes to Financial Statements
June 30, 2023

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 \$38,829 in fiscal year 2023.

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, 2023 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.

NOTE 12 – Indirect Cost Rate

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. These rates were used, limited by funder requirements. The Commission's indirect rates are submitted to the U.S. Department of Commerce for approval.

NOTE 13 – Subsequent Events

On September 25, 2023, the Commission was awarded a five-year ARISE grant in the amount of \$4,522,666 through the Appalachian Regional Commission (ARC). This funding will continue to support, as well as expand, the Appalachian workforce ecosystem by developing youth workforce engagement through career education, coaching and work-based learning experiences, in the Northern Tier of Pennsylvania and the Southern Tier of New York.

Northern Tier Regional Planning and Development Commission
Combining Schedule of Revenues and Expenditures - Governmental Funds
For the year ended June 30, 2023

	UNRESTRICTED	ARC PREP 23	ARC R&R 23	PA-DOT SPEC	PA-DOT EMTA	PA-DOT 20-22	PA-DOT 23-24	ARCLDD 22	ARCLDD 23
Revenues									
Federal grants and contracts	\$ -	\$ 285,000	\$ 24,085	\$ 40,134	\$ 20,420	\$ 3,770	\$ 158,857	\$ 92,451	\$ 62,457
State grants and contracts	-	-	-	-	-	480	20,117	-	-
Other income	116,562	254	-	-	-	-	-	-	-
Counties' appropriations	60,000	-	-	-	-	-	-	-	-
In-kind services	24,821	-	-	-	-	-	-	-	-
TOTAL REVENUES	201,383	285,254	24,085	40,134	20,420	4,250	178,974	92,451	62,457
Expenditures									
Contracted services	1,308	8,656	130	27,665	20,420	-	22	49	40
Salaries and wages	36,132	155,679	10,298	7,266	-	2,613	103,322	52,646	34,842
Indirect costs	8,398	40,129	2,737	1,931	-	631	27,437	14,135	9,122
Fringe benefits	3,342	45,633	3,686	2,601	-	825	36,636	17,261	14,055
Miscellaneous	18,192	-	-	-	-	-	-	-	-
Equipment show expense	3,384	-	-	-	-	-	-	-	-
In-kind services	24,821	-	-	-	-	-	-	-	-
Building use allowance	-	10,436	1,062	526	-	178	9,510	3,429	2,513
Travel	7,472	5,368	122	-	-	-	243	2,940	842
Office supplies and postage	1,182	2,221	2,819	-	-	-	263	218	201
Tuition and seminars	2,637	7,568	3,091	140	-	-	-	942	438
Sector partnership training	37	-	-	-	-	-	-	-	-
Dues and subscriptions	16,355	3,625	-	-	-	-	853	-	-
Vehicle use allowance	43	1,128	140	-	-	-	327	766	404
Professional fees	9,819	4,719	-	-	-	-	-	-	-
Lease financing principal	(1,223)	72	-	5	-	3	90	65	-
Interest	-	-	-	-	-	-	-	-	-
Advertising	1,873	20	-	-	-	-	271	-	-
TOTAL EXPENDITURES	133,772	285,254	24,085	40,134	20,420	4,250	178,974	92,451	62,457
REVENUES IN EXCESS OF EXPENDITURES	67,611	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 67,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARC PREP - Appalachian Regional Commission Partnerships for Regional Economic Performance
 ARCLDD - Appalachian Regional Commission Local Development District
 ARC R&R - Appalachian Regional Commission Response & Resiliency
 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, 2023

	OIBD 23	PREP	EDA 22	EDA 23	EDA CARES	DOD 22	DOD 23	ENGAGE!	EARN	WIOA	Total
Revenues											
Federal grants and contracts	\$ -	\$ -	\$ 43,463	\$ 33,517	\$ 155,585	\$ 32,053	\$ 41,363	\$ -	\$ 383,214	\$ 2,275,216	\$ 3,651,585
State grants and contracts	36,825	402,882	-	-	-	-	-	148,166	-	92,081	700,551
Other income	280	3,770	299	-	-	-	-	721	-	413,235	535,121
Counties' appropriations	-	-	-	-	-	-	-	-	-	-	60,000
In-kind services	-	-	-	12,000	-	-	-	-	-	-	36,821
TOTAL REVENUES	37,105	406,652	43,762	45,517	155,585	32,053	41,363	148,887	383,214	2,780,532	4,984,078
Expenditures											
Contracted services	141	127,274	64	5	131,632	-	2,405	126,002	316,708	2,156,782	2,919,303
Salaries and wages	19,954	153,678	25,085	18,830	14,215	17,879	17,902	12,891	36,568	294,241	1,014,041
Indirect costs	5,304	41,114	6,735	4,939	3,817	4,800	4,759	3,427	9,821	75,780	265,016
Fringe benefits	7,143	54,104	8,225	7,495	4,661	5,862	6,408	4,614	13,004	86,237	321,792
Miscellaneous	-	-	-	-	-	-	-	-	-	-	18,192
Equipment show expense	-	-	-	-	-	-	-	-	-	-	3,384
In-kind services	-	-	-	12,000	-	-	-	-	-	-	36,821
Building use allowance	1,344	11,423	2,076	1,521	1,048	1,518	1,461	988	4,051	20,755	73,839
Travel	2,327	3,344	367	229	55	1,086	77	407	99	27,985	52,963
Office supplies and postage	48	1,409	70	14	112	-	-	15	157	15,648	24,377
Tuition and seminars	525	4,116	899	-	25	517	553	425	141	29,950	51,967
Sector partnership training	-	-	-	-	-	-	-	-	-	2,865	2,902
Dues and subscriptions	25	4,992	99	480	-	195	7,798	-	2,075	10,524	47,021
Vehicle use allowance	280	395	102	4	-	167	-	113	41	772	4,682
Professional fees	-	165	-	-	-	-	-	-	500	-	15,203
Lease financing principal	14	108	40	-	20	29	-	5	49	54,641	53,918
Interest	-	-	-	-	-	-	-	-	-	2,730	2,730
Advertising	-	4,530	-	-	-	-	-	-	-	1,622	8,316
TOTAL EXPENDITURES	37,105	406,652	43,762	45,517	155,585	32,053	41,363	148,887	383,214	2,780,532	4,916,467
REVENUES IN EXCESS OF EXPENDITURES	-	-	-	-	-	-	-	-	-	-	67,611
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,611

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2023

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, 2022	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2023	Expenses Passed Through to Subrecipients
Appalachian Regional Commission										
Local Development District Administrative Grant	D	23.009	PA-708-C-C50-22	\$ 130,285	\$ 65,142	\$ (27,309)	\$ 92,451	\$ 92,451	\$ -	
Local Development District Administrative Grant	D	23.009	PA-708-C-C51-23	133,647	66,823	-	62,457	62,457	(4,366)	
Total CFDA #23.009				263,932	131,965	(27,309)	154,908	154,908	(4,366)	\$ -
Appalachian Regional Commission PREP	D	23.001	PA-8305-C40-21	285,000	36,448	36,448	-	-	-	
Appalachian Regional Commission PREP	D	23.001	PA-8305-C41-22	285,000	256,500	-	285,000	285,000	28,500	
ARC Response & Resiliency Initiative	D	23.001	PA-21002-23	200,000	-	-	24,085	24,085	24,085	
Total CFDA #23.001				770,000	292,948	36,448	309,085	309,085	52,585	-
Total Appalachian Regional Commission				1,033,932	424,913	9,139	463,993	463,993	48,219	-
U.S. Department of Commerce										
Economic Development Administration	D	11.302	ED22PHI3020025	140,000	72,381	10,104	76,980	76,980	14,703	
Total CFDA #11.302				140,000	72,381	10,104	76,980	76,980	14,703	-
Economic Development Cluster										
Post Pandemic Economic Development Recovery Grant	D	11.307	ED20PHI3070044	400,000	225,490	69,905	155,585	155,585	-	
EDA Revolving Loan Fund	D	11.307	1390228b/139022801b	N/A	-	-	1,648,770	1,648,770	1,648,770	
Total CFDA #11.307 (Economic Development Cluster)				400,000	225,490	69,905	1,804,355	1,804,355	1,648,770	-
Total U.S. Department of Commerce				540,000	297,871	80,009	1,881,335	1,881,335	1,663,473	-
U.S. Department of Health and Human Services										
TANF Cluster										
Passed-through Pennsylvania Department of Labor & Industry:										
WIOA Youth - TANF	I	93.558	130213361	142,273	30,597	21,562	11,652	11,652	2,617	
WIOA Youth - TANF	I	93.558	130223361	112,275	85,182	-	100,039	100,039	14,857	
Total CFDA #93.558				254,548	115,779	21,562	111,691	111,691	17,474	105,536
Passed-through Pennsylvania Department of Human Services:										
EARN - TANF - Federal (New Directions)	I	93.558	FY22: 70121	375,039	71,647	71,647	-	-	-	
EARN - TANF - Federal (New Directions)	I	93.558	FY23: 70121	375,039	271,512	-	371,314	371,314	99,802	
Total CFDA #93.558				750,078	343,159	71,647	371,314	371,314	99,802	304,766
Total TANF Cluster				1,004,626	458,938	93,209	483,005	483,005	117,276	410,302
Total U.S. Department of Health and Human Services				1,004,626	458,938	93,209	483,005	483,005	117,276	410,302

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2023

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, 2022	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2023	Expenses Passed Through to Subrecipients
U.S. Department of Labor										
Passed-through Pennsylvania Department of Labor & Industry:										
WIOA Cluster										
Adult		17.258	130213011	350,087	98,890	88,609	10,281	10,281	-	
Adult		17.258	130223001	65,329	58,796	-	59,087	59,087	291	
Adult		17.258	130223011	291,945	91,981	-	140,974	140,974	48,993	
Adult RFF		17.258	130203131	330,929	328,877	-	330,929	330,929	2,052	
Total CFDA #17.258				1,038,290	578,544	88,609	541,271	541,271	51,336	471,264
Youth		17.259	130213301	370,612	216,158	54,815	164,620	164,620	3,277	
Youth		17.259	130223301	350,871	223,730	-	246,084	246,084	22,354	
Youth RFF		17.259	130203341	10,469	10,469	-	10,469	10,469	-	
Digital Literacy - Bradford		17.259	130203342	20,337	4,046	303	3,743	3,743	-	
Digital Literacy - Tioga		17.259	130203345	35,721	26,463	11,481	14,982	14,982	-	
Digital Literacy - Sullivan		17.259	130203343	7,992	2,586	1,766	820	820	-	
Digital Literacy - Susquehanna		17.259	130203344	13,379	11,863	3,717	8,146	8,146	-	
Digital Literacy - Wvoming		17.259	130203346	11,873	10,268	5,988	4,280	4,280	-	
Youth Outreach and Development		17.259	130193341	44,711	22,283	22,283	-	-	-	
Dislocated Worker - BEP		17.259	130203348	105,000	105,000	-	105,000	105,000	-	
Total CFDA #17.259				970,965	632,866	100,353	558,144	558,144	25,631	316,749
Dislocated Worker		17.278	130214011	528,481	347,598	95,553	257,730	257,730	5,685	
Dislocated Worker		17.278	130224001	180,775	162,697	-	163,291	163,291	594	
Dislocated Worker		17.278	130224011	665,520	333,499	-	426,023	426,023	92,524	
Dislocated Worker - transferred to Adult		17.278	130213013	207,778	201,902	9,309	198,468	198,468	5,875	
Dislocated Worker - Rapid Response		17.278	130204151	25,000	15,076	15,076	-	-	-	
Dislocated Worker - Rapid Response		17.278	130204052	17,391	17,391	-	17,391	17,391	-	
Dislocated Worker - BEP		17.278	130214132	45,000	(2,537)	333	(2,870)	(2,870)	-	
Dislocated Worker - BEP		17.278	130224132	150,000	-	-	4,077	4,077	4,077	
Total CFDA #17.278				1,819,945	1,075,626	120,271	1,064,110	1,064,110	108,755	874,992
Total WIOA Cluster				3,829,200	2,287,036	309,233	2,163,525	2,163,525	185,722	1,663,005
Disaster Grant (COVID-19 NDWG PACL)		17.277	130198523	47,845	1,655	1,655	-	-	-	
Total Disaster Grants (CFDA #17.277)				47,845	1,655	1,655	-	-	-	-
Total U.S. Department of Labor				3,877,045	2,288,691	310,888	2,163,525	2,163,525	185,722	1,663,005
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		10.561	FY22: 70130	15,801	65	65	-	-	-	-
EARN SNAP - Pennsylvania Department of State Administrative Matching Grants for the Supplement Nutrition Assistance Program		10.561	FY23: 70130	15,801	5,869	-	11,900	11,900	6,031	11,900
Total CFDA #10.561 (SNAP Cluster)				31,602	5,934	65	11,900	11,900	6,031	11,900
Total U.S. Department of Agriculture				31,602	5,934	65	11,900	11,900	6,031	11,900

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2023

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, 2022	Revenues Recognized	Federal Expenditures	Accrued or (Unearned) Revenue at June 30, 2023	Expenses Passed Through to Subrecipients
U.S. Department of Transportation										
Passed-through the Pennsylvania Department of Transportation, Center for Program Development and Management:										
Highway Planning and Construction Cluster										
Rural Transportation Planning Grant		20.205	FY21-22: 521176-1	305,000	42,719	39,881	2,838	2,838	-	-
Rural Transportation Planning Grant		20.205	FY21-22: 521176-2	55,000	3,036	2,843	193	193	-	-
Rural Transportation Planning Grant		20.205	FY21-22: 521176-3	50,000	2,543	2,414	129	129	-	-
Rural Transportation Planning Grant		20.205	FY21-22: 521176-4	50,000	1,051	1,051	-	-	-	-
Rural Transportation Planning Grant		20.205	FY21-22: 521176-5	70,000	4,450	3,840	610	610	-	-
Rural Transportation Planning Grant		20.205	FY21-22: 521176-6A	60,000	4,094	3,652	442	442	-	-
Rural Transportation Planning Grant (Tunkhannock Boro Mobility Study)		20.205	FY21-22: 521176-6C	18,300	18,300	18,300	-	-	-	-
Rural Transportation Planning Grant		20.205	FY23-24: C920001380-1	181,250	99,311	-	133,419	133,419	34,108	-
Rural Transportation Planning Grant		20.205	FY23-24: C920001380-2	20,000	6,457	-	9,172	9,172	2,715	-
Rural Transportation Planning Grant		20.205	FY23-24: C920001380-3	20,000	5,018	-	6,981	6,981	1,963	-
Rural Transportation Planning Grant		20.205	FY23-24: C920001380-4	35,000	2,854	-	2,899	2,899	45	-
Rural Transportation Planning Grant		20.205	FY23-24: C920001380-5	30,000	5,304	-	6,386	6,386	1,082	-
Rural Transportation Planning Grant		20.205	FY23-24: C920001380-6A	30,000	8,858	-	12,027	12,027	3,169	-
Rural Transportation Planning Grant (Marshcreek Greenway Trail Project)		20.205	FY23-24: C920001380-6B	28,700	20,586	-	27,665	27,665	7,079	-
Rural Transportation Planning Grant (BeST)		20.205	FY21-22: 521176-A-BeST	13,500	3,824	3,824	-	-	-	-
Rural Transportation Planning Grant (BeST)		20.205	FY21-22: 521176-B-BeST	62,000	20,838	20,838	-	-	-	-
Rural Transportation Planning Grant (BeST)		20.205	FY21-22: 521176-C-BeST	14,500	3,974	-	-	-	-	-
Rural Transportation Planning Grant (BeST)		20.205	FY21-22: 521176-D-BeST	11,500	4,771	4,771	-	-	-	-
Rural Transportation Planning Grant (BeST)		20.205	FY21-22: 521176-E-BeST	4,500	1,176	-	-	-	-	-
Rural Transportation Planning Grant (BeST)		20.205	FY23-24: C920001380-A-BeST	16,800	-	-	658	658	658	-
Rural Transportation Planning Grant (BeST)		20.205	FY23-24: C920001380-B-BeST	64,800	-	-	10,596	10,596	10,596	-
Rural Transportation Planning Grant (BeST)		20.205	FY23-24: C920001380-C-BeST	15,200	-	-	7,009	7,009	7,009	-
Rural Transportation Planning Grant (BeST)		20.205	FY23-24: C920001380-D-BeST	14,400	-	-	1,783	1,783	1,783	-
Rural Transportation Planning Grant (BeST)		20.205	FY23-24: C920001380-E-BeST	4,800	-	-	374	374	374	-
Total CFDA #20.205				<u>1,175,250</u>	<u>259,164</u>	<u>106,564</u>	<u>223,181</u>	<u>223,181</u>	<u>70,581</u>	<u>48,085</u>
Total Highway Planning and Construction Cluster				<u>1,175,250</u>	<u>259,164</u>	<u>106,564</u>	<u>223,181</u>	<u>223,181</u>	<u>70,581</u>	<u>48,085</u>
Total U.S. Department of Transportation				<u>1,175,250</u>	<u>259,164</u>	<u>106,564</u>	<u>223,181</u>	<u>223,181</u>	<u>70,581</u>	<u>48,085</u>
U.S. Department of Defense										
Passed-through the Southern Alleghenies Planning & Development Commission:										
Procurement Grant		12.002	SP4800-22-2-2279-NT-0024	86,041	47,621	15,568	32,053	32,053	-	-
Procurement Grant		12.002	W56KGU2320012-NT-0024	86,041	25,621	-	41,363	41,363	15,742	-
Total CFDA #12.002				<u>172,082</u>	<u>73,242</u>	<u>15,568</u>	<u>73,416</u>	<u>73,416</u>	<u>15,742</u>	<u>-</u>
Total U.S. Department of Defense				<u>172,082</u>	<u>73,242</u>	<u>15,568</u>	<u>73,416</u>	<u>73,416</u>	<u>15,742</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 7,834,537</u>	<u>\$ 3,808,753</u>	<u>\$ 615,442</u>	<u>\$ 5,300,355</u>	<u>\$ 5,300,355</u>	<u>\$ 2,107,044</u>	<u>\$ 2,133,292</u>

Northern Tier Regional Planning and Development Commission
Schedule of Expenditures of Federal Awards (Cont'd)
For the year ended June 30, 2023

	<u>Federal CFDA Number</u>	<u>Loan Period Beginning/ Ending Date</u>	<u>Program Amount</u>	<u>Loan Balance July 1, 2022</u>	<u>Drawdowns</u>	<u>Payments</u>	<u>Loan Balance June 30, 2023</u>
U.S. Department of Agriculture							
Farmers Home Administration Intermediary Relending Program	10.767	6/96-6/32	\$ 500,000	\$ 54,338	\$ -	\$ 19,954	\$ 34,384
Rural Development Intermediary Relending Program	10.767	11/20-11/50	\$ 500,000	<u>337,500</u>	<u>125,000</u>	<u>-</u>	<u>462,500</u>
Total U.S. Department of Agriculture				<u>\$ 391,838</u>	<u>\$ 125,000</u>	<u>\$ 19,954</u>	<u>\$ 496,884</u>

Northern Tier Regional Planning and Development Commission

Notes to Schedule of Expenditures of Federal Awards

June 30, 2023

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, 2023. 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, 2023 were \$176,844.

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, 2023 were \$398,316.

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, 2023 were \$666,136.

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, 2023 were \$604,599.

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, 2023 were \$2,403,142.

The Commission administers a Revolving Loan Fund Program funded by the U.S. Department of Commerce, Economic Development Administration and passed through the State Small Business Credit Initiative (SSBCCI). Loans outstanding at June 30, 2023 were \$0.

Northern Tier Regional Planning and Development Commission
Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

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. 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, 2023, 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 06/30/2023	\$ 257,006.98
Outstanding balance of RLF loans, 06/30/2023	1,941,352.79
Administrative expenses paid out of RLF income during FYE 06/30/2023	-
Loan write-offs during FYE 06/30/2023	-
Sum of EDA dollars/Total project costs	<u>2,198,359.77</u>
Total EDA Share (noted above)	<u>75%</u>
Total Economic Adjustment Assistance	<u>\$ 1,648,769.83</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Northern Tier Regional Planning and Development Commission (the "Commission") as of and for the year ended June 30, 2023, 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 12, 2024.

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

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

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

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

J. A. Williams & Co., LLC

March 12, 2024



Independent Auditor's 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, 2023. 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, 2023.

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 Auditor's 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.

Auditor's 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 Auditor's 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 & Co., LLC

March 12, 2024

Northern Tier Regional Planning and Development Commission
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes 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
11.307	Post Pandemic Economic Development Recovery Grant
11.307	EDA Revolving Loan Fund

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 Accountant's 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 on the accompanying financial schedules of the Northern Tier Regional Planning and Development Commission (the "Commission") for the fiscal year ended June 30, 2023. 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 meet the intended purpose of assisting 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 performed 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.

The procedures and the associated 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, 2023 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 44 through 47 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 Accountant's 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, 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, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

J. H. Williams & Co., LLC

March 12, 2024

Northern Tier Regional Planning and Development Commission
Schedule of WIOA Expenditures by Program Identifiers and Cost Categories
For the year ended June 30, 2023

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Adult Program - 2021 Second Increment	130213011	10/01/21-06/30/23	ADMINISTRATION	\$ 35,009	\$ 35,009	\$ 35,009	\$ -
			DIRECT TRAINING	315,078	315,078	315,078	-
			CONTRACT TOTAL	350,087	350,087	350,087	-
DW transfer to Adult Program - 2021 Third Increment (DW Transfer)	130213013	10/01/21-06/30/23	ADMINISTRATION	20,778	17,734	20,778	3,044
			DIRECT TRAINING	187,000	190,044	187,000	(3,044)
			CONTRACT TOTAL	207,778	207,778	207,778	-
Adult Program - 2022 First Increment	130223001	07/01/22-06/30/24	ADMINISTRATION	6,533	291	6,533	6,242
			DIRECT TRAINING	58,796	58,796	58,796	-
			CONTRACT TOTAL	65,329	59,087	65,329	6,242
Adult Program - 2021 Second Increment	130223011	10/01/22-06/30/24	ADMINISTRATION	29,194	-	29,194	29,194
			DIRECT TRAINING	262,750	140,974	262,750	121,776
			CONTRACT TOTAL	291,944	140,974	291,944	150,970
Adult RFF Additional Funds	130203131	07/02/22-06/30/23	ADMINISTRATION	33,093	24,790	33,093	8,303
			DIRECT TRAINING	297,836	306,139	297,836	(8,303)
			CONTRACT TOTAL	330,929	330,929	330,929	-
Youth Program - 2021	130213301	04/01/21-06/30/23	ADMINISTRATION	37,061	37,061	37,061	-
			IN SCHOOL YOUTH	19,279	19,279	19,279	-
			OUT OF SCHOOL	314,272	314,272	314,272	-
			CONTRACT TOTAL	370,612	370,612	370,612	-
Youth Program - 2022	130223301	04/01/22-06/30/24	ADMINISTRATION	35,087	246	35,087	34,841
			IN SCHOOL YOUTH	78,946	21,766	78,946	57,180
			OUT OF SCHOOL	236,838	224,072	236,838	12,766
			CONTRACT TOTAL	350,871	246,084	350,871	104,787

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, 2023

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
Youth RFF Additional Funds	130203341	07/01/22-06/30/23	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	10,469	10,469	10,469	-
			CONTRACT TOTAL	10,469	10,469	10,469	-
Dislocated Worker Program - 2021 Second Increment	130214011	10/01/21-06/30/23	ADMINISTRATION	52,840	52,840	52,840	-
			DIRECT TRAINING	475,641	475,641	475,641	-
			CONTRACT TOTAL	528,481	528,481	528,481	-
Dislocated Worker Program - 2022 First Increment	130224001	07/01/22-06/30/24	ADMINISTRATION	18,078	594	18,078	17,484
			DIRECT TRAINING	162,697	162,697	162,697	-
			CONTRACT TOTAL	180,775	163,291	180,775	17,484
Dislocated Worker Program - 2022 Second Increment	130224011	10/01/22-06/30/24	ADMINISTRATION	66,552	-	66,552	66,552
			DIRECT TRAINING	598,968	426,023	598,968	172,945
			CONTRACT TOTAL	665,520	426,023	665,520	239,497
DW Rapid Response	130204052	07/01/20-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	17,391	17,391	17,391	-
			CONTRACT TOTAL	17,391	17,391	17,391	-
WIOA Youth - TANF 2021	130213361	07/01/21-06/30/23	ADMINISTRATION	14,227	14,227	14,227	-
			DIRECT TRAINING	128,046	128,046	128,046	-
			CONTRACT TOTAL	142,273	142,273	142,273	-
WIOA Youth - TANF 2022	130223361	07/01/22-06/30/24	ADMINISTRATION	11,227	79	11,227	11,148
			DIRECT TRAINING	101,048	99,961	101,048	1,087
			CONTRACT TOTAL	112,275	100,040	112,275	12,235

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, 2023

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	20,337	20,337	20,337	-
			CONTRACT TOTAL	20,337	20,337	20,337	-
Digital Literacy - Tioga	130203345	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	35,721	35,721	35,721	-
			CONTRACT TOTAL	35,721	35,721	35,721	-
Digital Literacy - Sullivan	130203343	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	7,992	7,992	7,992	-
			CONTRACT TOTAL	7,992	7,992	7,992	-
Digital Literacy - Susquehanna	130203344	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	13,379	13,379	13,379	-
			CONTRACT TOTAL	13,379	13,379	13,379	-
Digital Literacy - Wyoming	130203346	07/01/21-12/31/22	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	11,873	11,873	11,873	-
			CONTRACT TOTAL	11,873	11,873	11,873	-
BEP	130214132	02/01/22-12/31/23	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	45,000	45,000	45,000	-
			CONTRACT TOTAL	45,000	45,000	45,000	-
BEP	130203348	02/01/22-06/30/23	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	105,000	105,000	105,000	-
			CONTRACT TOTAL	105,000	105,000	105,000	-

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, 2023

Title	Contract Number	Contract Period	Cost Category	Authorized Budget	Cumulative Claimed	Actual Budget	(Over) Under
BEP	130224132	06/01/23-06/30/24	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	150,000	4,077	150,000	145,923
			CONTRACT TOTAL	150,000	4,077	150,000	145,923
Northeast Regional Healthcare IP	130206233	01/01/21-06/30/24	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	106,111	69,075	106,111	37,036
			CONTRACT TOTAL	106,111	69,075	106,111	37,036
Northeast Regional Healthcare IP	130226231	12/08/22-06/30/24	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	143,289	2,400	143,289	140,889
			CONTRACT TOTAL	143,289	2,400	143,289	140,889
PA Smart	130208891	12/08/22-06/30/24	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	113,294	18,103	113,294	95,191
			CONTRACT TOTAL	113,294	18,103	113,294	95,191
22 TANF - Federal (New Directions)	70121	07/01/22-09/30/23	ADMINISTRATION	39,084	39,084	39,084	-
			DIRECT TRAINING	335,955	332,230	335,955	3,725
			CONTRACT TOTAL	375,039	371,314	375,039	3,725
22 SNAP - Federal (PA Dept of State Admin Matching Grants for the Supplement Nutrition Assistance Program)	70130	07/01/22-09/30/23	ADMINISTRATION	-	-	-	-
			DIRECT TRAINING	15,801	11,900	15,801	3,901
			CONTRACT TOTAL	15,801	11,900	15,801	3,901



Independent Accountant's 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 on the accompanying financial schedule of the Northern Tier Regional Planning and Development Commission (the "Commission") for the fiscal year ended June 30, 2023. 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 meet the intended purpose of assisting 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 performed 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 Accountant's 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, 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, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

J. H. Williams & Co., LLC

March 12, 2024

Northern Tier Regional Planning and Development Commission
Schedule of Federal Awards Passed through the Pennsylvania Department of Human Services
June 30, 2023

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	\$ 483,005	\$ 458,938	\$ 24,067	-5.24%	See below

Explanation of Difference:

Total Federal expenditures per the SEFA	\$ 483,005
Add: Accrued revenue as of June 30, 2022	93,209
Deduct: Accrued revenue as of June 30, 2023	<u>(117,276)</u>
Federal awards received per the audit confirmation reply	<u>458,938</u>
Variance	\$ <u>-</u>