

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA

KERSEY, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2020

DRAFT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Workforce Solutions for North Central Pennsylvania
425 Old Kersey Road
Kersey, Pennsylvania 15846

Report on the Financial Statements

We have audited the accompanying financial statements of Workforce Solutions for North Central Pennsylvania (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Workforce Solutions for North Central Pennsylvania as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of Workforce Solutions for North Central Pennsylvania'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 Workforce Solutions for North Central Pennsylvania'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 Workforce Solutions for North Central Pennsylvania's internal control over financial reporting and compliance.

Change in Accounting Principles

As described in Note 11 to the financial statements, the Workforce Solutions for North Central Pennsylvania adopted the Financial Accounting Standards Board's Accounting Standard Update 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Young, Becker, Brown & Company, P.C.

**Altoona, Pennsylvania
November 19, 2020**

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020**

ASSETS

Cash	\$ 955,619
Due from State Partners	129,239
Other Receivable	19,047
Grants Receivable	791,512
Industry Partnership Receivable	250
Prepaid Expenses	39,269
Cash - Restricted for Sustainability	<u>146,993</u>

TOTAL ASSETS

\$2,081,929

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 631,406
Accrued Payroll	23,302
Accrued Payroll Taxes and Benefits	2,602
Conditional Contributions Received in Advance	<u>1,264,700</u>

Total Liabilities

\$1,922,010

Net Assets

Net Assets Without Donor Restrictions	\$ 12,926
Net Assets With Donor Restrictions	<u>146,993</u>

Total Net Assets

\$ 159,919

TOTAL LIABILITIES AND NET ASSETS

\$2,081,929

See Accompanying Notes and Independent Auditor's Report

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net Assets Without Donor Restrictions

Support and Revenue

Federal Sources	\$4,355,298
State and Local Sources	944,755
Interest Income	<u>5,745</u>
	\$5,305,798
Net Assets Released from Restrictions	<u>850</u>
Total Support and Revenue	<u>\$5,306,648</u>

Expenses

Administration	\$ 307,928
Program Costs	<u>4,992,202</u>
Total Expenses	<u>\$5,300,130</u>
Change in Net Assets Without Donor Restrictions	<u>\$ 6,518</u>

<u>Net Assets Without Donor Restrictions</u> - Beginning	\$ 418,912
Prior Period Adjustment	(<u>412,504</u>)

<u>Net Assets Without Donor Restrictions</u> - Beginning (Restated)	\$ 6,408
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<u>Net Assets Without Donor Restrictions</u> – Ending	<u>\$ 12,926</u>
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Net Assets With Donor Restrictions

<u>Net Assets With Donor Restrictions</u> – Beginning	\$ 0
Prior Period Adjustment	<u>146,750</u>
<u>Net Assets Without Donor Restrictions</u> - Beginning (Restated)	\$ 146,750

Interest Income	\$ 1,093
Net Assets Released from Restriction	(<u>850</u>)
Change in Net Assets With Donor Restrictions	<u>\$ 243</u>

<u>Net Assets With Donor Restrictions</u> - Ending	<u>\$ 146,993</u>
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See Accompanying Notes and Independent Auditor's Report

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program</u>	<u>Administration</u>	<u>Total</u>
Salaries and Wages	\$ 208,541	\$194,876	\$ 403,417
Payroll Taxes	16,495	15,607	32,102
Employee Benefits	30,297	25,291	55,588
Staff Travel/Development	14,641	8,212	22,853
Meeting Expense	9,070	751	9,821
Other Contracted Services	0	302	302
Professional Services	5,950	11,550	17,500
Janitorial Expenses	23,919	0	23,919
IT Supplies	5,789	554	6,343
Office Supplies and Expenses	22,471	5,629	28,100
Outreach	10,897	4,540	15,437
Rent	385,154	11,701	396,855
Utilities	13,248	0	13,248
Equipment Lease Rental	11,569	172	11,741
Telephone	11,692	1,287	12,979
Internet	14,502	2,577	17,079
IT Support	16,433	4,723	21,156
Website/Portal Hosting and Maintenance	0	271	271
Software and Support	0	1,588	1,588
Monitoring Expenses	9,545	0	9,545
Dues, Memberships, and Subscriptions	4,037	10,483	14,520
Insurance	0	5,278	5,278
Bank Fees	0	309	309
Miscellaneous Expenses	12,788	448	13,236
Resource Sharing Expenses	583,050	0	583,050
Training Expenses	70,480	1,714	72,194
Subcontractor Expenses	<u>3,511,634</u>	<u>65</u>	<u>3,511,699</u>
 Total Expenses	 <u>\$4,992,202</u>	 <u>\$307,928</u>	 <u>\$5,300,130</u>

See Accompanying Notes and Independent Auditor's Report

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020**

Cash Flows from Operating Activities

Change in Net Assets	\$ 6,761
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) in Due from State Partners	(129,239)
Decrease in Other Receivables	936,232
(Increase) in Grants Receivable	(791,512)
(Increase) in Industry Partnership Receivable	(250)
(Increase) in Prepaid Expenses	(39,269)
Increase in Accounts Payable	105,321
(Decrease) in Accrued Expenses	(27,003)
Increase in Accrued Payroll	23,302
Increase in Accrued Payroll Taxes and Benefits	2,602
Increase in Conditional Contributions Received in Advance	<u>140,664</u>
Net Cash Provided by Operating Activities	\$ 227,609
<u>Cash</u> - Beginning	<u>875,003</u>
<u>Cash</u> - Ending	<u>\$1,102,612</u>
Comprised of:	
Cash	\$ 955,619
Cash - Restricted for Sustainability	<u>146,993</u>
Total	<u>\$1,102,612</u>
Interest Paid	<u>\$ 0</u>
Income Tax Paid	<u>\$ 0</u>

See Accompanying Notes and Independent Auditor's Report

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies

The following summary describes the significant accounting policies followed by the Workforce Solutions for North Central Pennsylvania (the Organization) in the presentation of its financial statements.

Organization and Nature of Activities

The Organization's primary purpose is to ensure that workforce development services, operating within its six county (McKean, Potter, Elk, Cameron, Jefferson, and Clearfield Counties) regional workforce investment area, effectively and efficiently support the labor and job training demands of its area's industries, and help Pennsylvania's students, job seekers, incumbent and dislocated workers acquire world-class skills and attain rewarding and sustainable jobs. The Organization's mission is to be the leading vehicle for regional unification, coordination, integration, and alignment of workforce activities, resources, and initiatives to support economic sustainability, improve education systems, and develop and retain a quality labor force in central Pennsylvania. These activities, which are funded by the Commonwealth of Pennsylvania's Department of Labor and Industry and Department of Human Services, as well as the US Department of Labor, represent approximately 99% of the Organization's total support and revenue for the year ended June 30, 2020.

Financial Statement Presentation

In accordance with accounting principles regarding *Financial Statements of Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. In addition, the Organization is required to present a statement of cash flows.

Basis of Accounting

The Organization utilizes the accrual method of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred. Restricted grant income is considered conditional since a barrier exists (expended for the purpose of the grant) and a right of return or release of funds also exists. Restricted grants satisfied in the same year as received are recognized as without donor restriction.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. As of June 30, 2020, the valuation allowance is \$0. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable. Changes in the valuation allowance have not been material to the financial statements. None of the receivables generate interest income.

Federal Income Taxes

The Organization, which is not a private foundation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

The Organization's federal *Return of Organization Exempt from Income Tax* Information Return (Form 990) for the years ending after June 30, 2017 are subject to examination by the Internal Revenue Service.

Expense Allocation

Various operating expenses are allocated to programs based upon the amount of time spent working within each program. Allocated expenses include office rental, insurance, salaries and wages, and fringe benefits.

Risk Concentration

The entity maintains cash balances with a high credit quality financial institution located in Pennsylvania. Amounts at this institution, up to \$250,000, are fully insured by the Federal Deposit Insurance Corporation. As of June 30, 2020, excess deposits of \$928,752 are uninsured at the financial institution.

Note 2: Contributions Receivable

As of June 30, 2020, the Organization's grants receivable, which are considered contributions, are all due within one year. Management has determined that all contributions receivable are collectable and, as a result, no allowance was necessary.

Note 3: Purchase of Equipment with Grantor Funds

The Organization records the purchase of fixed assets with grantor funds as an expense in the current period. Title to these assets remains with the Grantor Agencies and, as a result, these assets are not included on the Organization's balance sheet. If these assets had been included, property, plant, and equipment would be increased by \$227,663 for the year ended June 30, 2020, which represent the undepreciated cost of these assets.

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(CONTINUED)

Note 3: Purchase of Equipment with Grantor Funds (Continued)

The Organization defines property as nonexpendable personal property with a unit acquisition cost of \$5,000 or more with a useful life of more than one year. In addition, all subrecipients' property purchases in excess of \$5,000 would be included as well.

Note 4: Contingencies

Grantor agencies reserve the right to perform certain audits in addition to the work performed by the Organization's independent auditors. Disallowed costs, if any, resulting from such additional audits would have to be absorbed by the Organization. Management does not believe that any significant costs will be incurred by the Organization if such additional audits should occur.

Note 5: Commitments

As of June 30, 2020, the Organization had entered into various noncancelable operating lease agreements for the rental of facilities. Minimum rentals on an annual basis are as follows:

<u>Fiscal Year Ending June 30</u>	
2021	\$218,417
2022	219,661
2023	125,507
2024	90,675
2025	90,675
Thereafter	<u>0</u>
	<u>\$744,935</u>

Total facility rent expense recognized as an Organization expense, for the year ended June 30, 2020 was \$396,855.

Note 6: Retirement Plan

As of January 1, 2017, the Organization established the Workforce Solutions for North Central Pennsylvania Retirement Plan and Trust, in which employees can contribute the annual maximum amount as determined by the IRS with a discretionary match determined by the Organization in a nondiscriminatory manner. The Plan does not have an age or service requirement; however, a break in service will be deemed to have occurred when the Employee fails to complete more than 500 hours of service during a computational period. Employees vest at the rate of 20% each year after 2 years of vesting service, and a year of vesting service is determined based on at least 1,000 hours credited during a computation period for vesting service. For the year ended June 30, 2020, the Organization's contributions to this Plan were \$19,345.

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(CONTINUED)

Note 7: Economic Dependency

The Organization's revenues are derived almost entirely from the Commonwealth of Pennsylvania's Department of Labor and Industry and the Department of Human Services, whose dollars are passed-through.

Note 8: Subsequent Events

The date to which events occurring after June 30, 2020, the date of the most recent balance sheet, have been evaluated by management for possible adjustment to the financial statements or disclosure is November 19, 2020, which is the date on which the financial statements were available to be issued.

On March 11, 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic, and the Organization's operations have been affected. The Organization has adjusted certain aspects of its operations to protect its employees and consumers while still meeting consumer's needs. The Organization will continue to monitor the situation closely, and it is possible that the Organization will implement further measures. In light of the uncertainty as to the severity and duration of the pandemic, the impact on the Organization's revenues, profitability, and financial position is uncertain at this time.

Note 9: Net Assets With Donor Restrictions

As of June 30, 2020, the Organization's net assets with donor restrictions were comprised of sustainability amounts received as private sector match for training. All industry partnerships receiving PA Industry Partnership funding for training incumbent workers and new hires must provide private sector match for training, which can be used to support training new hires and incumbent worker training activities and the sustainability of the partnership's goals and objectives.

Sustainability Amounts	\$146,993
	<u> </u>

Note 10: Liquidity and Availability

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor restrictions within one year of the balance sheet date.

Financial assets, at year end	\$2,042,660
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor restrictions:	
Restricted by donor with purpose restrictions	(<u>146,993</u>)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,895,667</u>

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(CONTINUED)

Note 10: Liquidity and Availability (Continued)

The Organization is partially supported by restricted contributions. Because donor's restrictions require resources to be used in a particular manner or in a future period, or to be held in perpetuity, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it attempts to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 11: Change in Accounting Principle

Effective July 1, 2019, the Organization adopted the provisions of the Financial Accounting Standards Board's Accounting Standards Update 2018-08 (ASU 2018-08), *Not-for-Profit Entities (Topic 958): Clarifying and Scope and Accounting Guidance for Contributions Received and Contributions Made*. Prior to ASU 2018-08, the Organization treated government grants as exchange transactions; however, as required by ASU 2018-08, the Organization now is required to treat most government grants as conditional contributions since these grant do not provide commensurate return to the government, and these grants contain both a barrier to be overcome as well as a right of return or a right of release of funds. This change had no impact on beginning Net Assets as of July 1, 2019.

Note 12: Prior Period Adjustment

As of July 1, 2019, the Organization had to adjust its net assets without donor restriction by (\$412,504) and its net assets with donor restrictions by \$146,750. In addition, conditional contributions received in advance had to be increased by \$265,754. These adjustments were necessary to correctly record conditional contributions received in advance and net assets with donor restrictions as of June 30, 2019.

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Source Code</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Contract Period</u>	<u>Cash Received</u>	<u>Contract Amount</u>	<u>Passed Through to Subrecipients</u>	<u>Accrued or (Deferred) Revenue July 1, 2019</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue June 30, 2020</u>
U.S. Department of Labor										
Pass Through the Commonwealth of Pennsylvania's Department of Labor and Industry										
WIOA Adult Program	I	17.258	125183011	10/01/18-06/30/20	\$ 133,504	\$ 653,064	\$ 40,718	\$ 74,860	\$ 58,644	\$ 0
WIOA Adult Program	I	17.258	125173133	02/01/20-06/30/20	25,840	107,680	0	0	107,680	81,840
WIOA Adult Program	I	17.258	125193001	07/01/19-06/30/21	99,681	99,681	74,998	0	99,681	0
WIOA Adult Program	I	17.258	125193011	07/01/19-06/30/21	504,041	531,411	399,820	0	508,564	4,523
WIOA Youth Activities	I	17.259	125183301	04/01/18-06/30/20	372,513	759,037	221,178	93,964	278,549	0
WIOA Youth Activities	I	17.259	125183306	10/01/18-06/30/20	2,322	2,322	1,868	0	2,322	0
WIOA Youth Activities	I	17.259	125193301	04/01/19-06/30/21	279,863	620,057	265,009	0	370,780	90,917
WIOA Youth Activities	I	17.259	125173342	06/01/18-12/31/19	27,790	48,854	0	20,253	7,537	0
WIOA Youth Activities	I	17.259	125183342	04/01/19-12/31/20	165	44,960	0	0	165	0
WIOA Dislocated Worker Formula Grants	I	17.278	125184011	10/01/18-06/30/20	488,695	821,456	300,649	106,589	382,106	0
WIOA Dislocated Worker Formula Grants	I	17.278	125194001	07/01/19-06/30/21	209,525	209,525	135,971	0	209,525	0
WIOA Dislocated Worker Formula Grants	I	17.278	125194011	10/01/19-06/30/21	225,066	777,516	243,261	0	355,062	129,996
WIOA Dislocated Worker Formula Grants	I	17.278	125174151	10/01/17-12/31/19	31,550	99,026	0	25,661	5,889	0
WIOA Dislocated Worker Formula Grants	I	17.278	125184152	10/01/18-06/30/21	105,004	139,933	112,468	0	125,281	20,277
WIOA Dislocated Worker Formula Grants	I	17.278	125183013	10/01/18-06/30/20	110,000	110,000	85,754	0	110,000	0
WIOA Dislocated Worker Formula Grants	I	17.278	125174131	06/01/18-09/30/19	30,866	128,803	0	22,563	8,303	0
WIOA Dislocated Worker Formula Grants	I	17.278	125194131	02/01/20-11/30/20	0	323,040	0	0	35,609	35,609
WIOA Dislocated Worker Formula Grants	I	17.278	125193013	10/01/19-06/30/21	7,139	220,000	80,840	0	96,702	89,563
WIOA Dislocated Worker Formula Grants	I	17.278	125184132	01/01/19-12/31/20	120,188	164,556	0	1,045	131,539	12,396
WIOA Dislocated Worker Formula Grants	I	17.278	125184133	02/01/19-09/30/19	293,844	293,844	0	5,359	288,485	0
WIOA Dislocated Worker Formula Grants	I	17.278	125164033	02/01/19-06/30/19	131,869	137,126	0	131,869	0	0
Total WIOA Cluster					\$3,199,465	\$6,291,891	\$1,962,534	\$482,163	\$3,182,423	\$ 465,121
WIOA National Dislocated Workers Grants/ WIA National Emergency Grants	I	17.277	125188423	01/01/19-06/30/21	\$ 277,528	\$ 677,600	\$ 271,257	\$ 4,835	\$ 292,855	\$ 20,162
Trade Adjustment Assistance	I	17.245	125181001	12/09/19-09/30/20	\$ 13,507	\$ 60,029	\$ 16,508	\$ 0	\$ 16,508	\$ 3,001
Apprenticeship USA Grants	I	17.285	125167413	11/01/16-10/31/20	\$ 10,766	\$ 30,453	\$ 0	\$ 1,618	\$ 10,545	\$ 1,397
Total U.S. Department of Labor					\$3,501,266	\$7,059,973	\$2,250,299	\$488,616	\$3,502,331	\$ 489,681

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020
(CONTINUED)**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Source Code</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Contract Period</u>	<u>Cash Received</u>	<u>Contract Amount</u>	<u>Passed Through to Subrecipients</u>	<u>Accrued or (Deferred) Revenue July 1, 2019</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue June 30, 2020</u>
<u>U.S. Department of Health and Human Services</u>										
Passed Through the Commonwealth of Pennsylvania's Department of Labor and Industry										
Temporary Assistance for Needy Families	I	93.558	125-17-3361	07/01/17-06/30/20	\$ 5,509	\$ 271,744	\$ 0	\$ 2,446	\$ 3,063	\$ 0
Temporary Assistance for Needy Families	I	93.558	125-17-3362	07/01/17-06/30/20	3,168	3,168	2,693	0	3,168	0
Temporary Assistance for Needy Families	I	93.558	125-18-3361	07/01/18-06/30/21	199,778	255,110	108,582	0	134,769	(65,009)
Temporary Assistance for Needy Families	I	93.558	125-17-3363	07/01/17-06/30/20	12,970	12,970	12,970	0	12,970	0
Temporary Assistance for Needy Families	I	93.558	125-19-3361	07/01/19-06/30/21	137,234	239,040	189,276	0	189,276	52,042
Passed Through the Commonwealth of Pennsylvania's Department of Human Services										
Temporary Assistance for Needy Families	I	93.558	4100077350	07/01/18-06/30/19	59,469	551,430	0	59,469	0	0
Temporary Assistance for Needy Families	I	93.558	4100060926/4100077350	07/01/16-06/30/20	153,500	296,924	8,858	(1,124,036)	12,836	(1,264,700)
Temporary Assistance for Needy Families	I	93.558	4100077350	07/01/19-06/30/20	<u>364,362</u>	<u>551,430</u>	<u>391,252</u>	<u>0</u>	<u>496,160</u>	<u>131,798</u>
Total U.S. Department of Health and Human Services					\$ 935,990	\$2,181,816	\$ 713,631	(\$1,062,121)	\$ 852,242	(\$1,145,869)
<u>U.S. Department of Justice</u>										
Passed Through the Institute of Educational Leadership										
Juvenile Mentoring Program	I	16.726	2019-JU-FX-0012	10/01/19-09/30/20	\$ 11	\$ 60,000	\$ 0	\$ 0	\$ 725	\$ 714
Total Federal Awards					\$4,437,267	\$9,301,789	\$2,963,930	(\$ 573,505)	\$4,355,298	(\$ 665,474)

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1: The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Revenues were adjusted to balance the expenditures incurred for each project.

Note 2: Extensive compliance tests, as required by the Uniform Guidance, were performed on the WIOA Cluster (WIOA Adult Program; WIOA Youth Activities; and WIOA Dislocated Worker Formula Grants) and the Temporary Assistance for Needy Families Programs, which, when combined, represent 92.9% of the total expenditures reflected on the Schedule of Expenditures of Federal Awards.

The 20% test for a low risk auditee was satisfied as follows:

<u>Project Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
WIOA Cluster:		
WIOA Youth Activities	17.259	\$ 659,353
WIOA Dislocated Worker Formula Grants	17.278	1,748,501
WIOA Adult Program	17.258	774,569
Temporary Assistance for Needy Families	93.558	852,242
WIA National Dislocated Workers Grants/WIA		
National Emergency Grants	17.277	292,855
Trade Adjustment Assistance	17.245	16,508
Apprenticeship USA Program	17.285	10,545
Juvenile Mentoring Program	16.726	<u>725</u>
		\$4,355,298
		x <u>20%</u>
Minimum Amount Which Must Be Tested		<u><u>\$ 871,060</u></u>

The WIOA Cluster (WIOA Adult Program; WIOA Youth Activities; and WIOA Dislocated Worker Formula Grants) and the Temporary Assistance for Needy Families State Programs exceed \$871,060 and, therefore, represent the programs to which the specific compliance requirements must be applied.

Note 3: The Temporary Assistance for Needy Families' deferred revenue amounts include payments received from the performance based portion of the related contracts. The Department of Human Services has not yet defined the life of these performance funds but has restricted their use for the Temporary Assistance for Needy Families. During the current year, \$12,836 was charged against the performance based portion of the Temporary Assistance for Needy Families.

Note 4: The Organization did not elect to use the de-minimis 10% indirect cost rate.

**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
Workforce Solutions for North Central Pennsylvania
425 Old Kersey Road
Kersey, Pennsylvania 15846

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 Workforce Solutions for North Central Pennsylvania (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Workforce Solutions for North Central Pennsylvania'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Workforce Solutions for North Central Pennsylvania's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

**INDEPENDENT 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
(CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Workforce Solutions for North Central Pennsylvania's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Young, Decker, Brown & Company, P.C.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Workforce Solutions for North Central Pennsylvania
425 Old Kersey Road
Kersey, Pennsylvania 15846

Report on Compliance for Each Major Federal Program

We have audited Workforce Solutions for North Central Pennsylvania's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Workforce Solutions for North Central Pennsylvania's major federal programs for the year ended June 30, 2020. Workforce Solutions for North Central Pennsylvania's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE
(CONTINUED)**

Opinion on Each Major Federal Program

In our opinion, Workforce Solutions for North Central Pennsylvania complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Workforce Solutions for North Central Pennsylvania is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Workforce Solutions for North Central Pennsylvania's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Workforce Solutions for North Central Pennsylvania's Internal control over compliance.

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

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

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

Young, Berke, Brown & Company, P.C.

**Altoona, Pennsylvania
November 19, 2020**

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Summary of Auditor's Results

1. An unmodified opinion was issued on the Organization's financial statements.
2. There were no material weaknesses in internal control identified by the audit of the financial statements.
3. The audit of the financial statements did not disclose any noncompliance that is material to the Organization's financial statements.
4. An unmodified opinion was issued on the Organization's compliance for major programs.
5. No material weaknesses in internal control based on a financial statement audit and over major programs were identified by the audit.
6. The audit disclosed no audit findings that are required to be reported under 2 CFR Section 200.516(a).
7. The Organization's major programs are the WIOA Cluster (WIOA Adult Program; WIOA Youth Activities; and WIOA Dislocated Worker Formula Grants) and the Temporary Assistance for Needy Families State Programs.
8. The dollar threshold used to determine Type A and Type B programs was \$750,000.
9. The Organization was deemed to be a low-risk auditee.

Financial Statement Findings

None identified

Federal Award Findings

None identified

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR YEARS' FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

No prior year findings were noted.

DRAFT

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Workforce Solutions for North Central Pennsylvania
425 Old Kersey Road
Kersey, Pennsylvania 15846

We have performed the procedures enumerated below, which were agreed to by the Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Labor and Industry (the specified parties) on the clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the monthly Financial Status Report (FSR) submitted to the Pennsylvania Department of Labor and Industry for the year ended June 30, 2020, and the report of the summarized period totals on the respective formats as presented in the *Bureau of Workforce Investment Financial Management Technical Assistance Guide*. The Workforce Solutions for North Central Pennsylvania's management is responsible for the clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the monthly Financial Status Report (FSR) submitted to the Pennsylvania Department of Labor and Industry for the year ended June 30, 2019, and the report of the summarized period totals on the respective formats as presented in the *Bureau of Workforce Investment Financial Management Technical Assistance Guide*. The sufficiency of these procedures is solely the responsibility of the Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Labor and Industry. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and findings are as follows:

- a. We verified the clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the monthly Financial Status Report (FSR) submitted to the Pennsylvania Department of Labor and Industry for the year ended June 30, 2020, and the report of the summarized, period totals on the respective formats as presented in the *Bureau of Workforce Investment Financial Management Technical Assistance Guide*. This procedure was performed for the Workforce Investment Act program/program identifiers, on the attached Schedule of Workforce Investment Act Expenditures by Program Identifier and Cost Category administered by the Workforce Solutions for North Central Pennsylvania, which were funded in whole, or in part, by the Pennsylvania Department of Labor and Industry, without any exceptions noted.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

- b. We inquired of management regarding any adjustment to reported revenues or expenditures, which were not reflected on reports submitted to the Pennsylvania Department of Labor and Industry. These inquiries disclosed no adjustments.

This agreed-upon procedures engagement was conducted 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 clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the monthly Financial Status Report (FSR) submitted to the Pennsylvania Department of Labor and Industry for the year ended June 30, 2020, and the report of the summarized period totals on the respective formats as presented in the *Bureau of Workforce Investment Financial Management Technical Assistance Guide*. 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.

This report is intended solely for the information and use of Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Labor and Industry and is not intended to be and should not be used by anyone other than the Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Labor and Industry.

Young, Beckler, Brown & Company, P.C.

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER AND COST CATEGORY
YEAR ENDING JUNE 30, 2020**

<u>Contract Number/ Cost Category</u>	<u>Contract Period</u>	<u>Authorized Budget</u>	<u>Current Year Expenditures</u>	<u>Prior Year Actual</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
125184011	10/1/18-6/30/20					
Administration		\$ 82,146	\$ 32,532	\$ 49,614	\$ 82,146	\$ 0
Program Costs		<u>739,310</u>	<u>349,574</u>	<u>389,736</u>	<u>739,310</u>	<u>0</u>
Totals		\$ 821,456	\$ 382,106	\$ 439,350	\$ 821,456	\$ 0
125194001	7/1/19-6/30/21					
Administration		\$ 20,953	\$ 20,953	\$ 0	\$ 20,953	\$ 0
Program Costs		<u>188,572</u>	<u>188,572</u>	<u>0</u>	<u>188,572</u>	<u>0</u>
Totals		\$ 209,525	\$ 209,525	\$ 0	\$ 209,525	\$ 0
125194011	10/1/19-6/30/21					
Administration		\$ 77,752	\$ 17,695	\$ 0	\$ 17,695	\$ 60,057
Program Costs		<u>699,764</u>	<u>337,367</u>	<u>0</u>	<u>337,367</u>	<u>362,397</u>
Totals		\$ 777,516	\$ 355,062	\$ 0	\$ 355,062	\$ 422,454
125174151	10/1/17-12/31/19					
Program Costs		\$ 99,026	\$ 5,889	\$ 93,137	\$ 99,026	\$ 0
125184152	10/1/18-06/30/21					
Program Costs		\$ 139,933	\$ 125,281	\$ 0	\$ 125,281	\$ 14,652
125174131	6/1/18-9/30/19					
Program Costs		\$ 128,803	\$ 8,303	\$ 120,500	\$ 128,803	\$ 0
125194131	2/1/20-11/30/20					
Program Costs		\$ 323,040	\$ 35,609	\$ 0	\$ 35,609	\$ 287,431
125173133	2/1/20-6/30/20					
Program Costs		\$ 107,680	\$ 107,680	\$ 0	\$ 107,680	\$ 0
125184132	1/1/19-12/31/20					
Program Costs		\$ 164,556	\$ 131,539	\$ 1,045	\$ 132,584	\$ 31,972
125184133	2/1/19-9/30/19					
Program Costs		\$ 293,844	\$ 288,485	\$ 5,359	\$ 293,844	\$ 0
125173361	7/1/17-6/30/20					
Administration		\$ 40,762	\$ 3,063	\$ 37,699	\$ 40,762	\$ 0
Program Costs		<u>230,982</u>	<u>0</u>	<u>230,982</u>	<u>230,982</u>	<u>0</u>
Totals		\$ 271,744	\$ 3,063	\$ 268,681	\$ 271,744	\$ 0
125173362	7/1/17-6/30/20					
Administration		\$ 475	\$ 475	\$ 0	\$ 475	\$ 0
Program Costs		<u>2,693</u>	<u>2,693</u>	<u>0</u>	<u>2,693</u>	<u>0</u>
Totals		\$ 3,168	\$ 3,168	\$ 0	\$ 3,168	\$ 0
125183361	7/1/18-6/30/21					
Administration		\$ 35,712	\$ 26,187	\$ 0	\$ 26,187	\$ 9,525
Program Costs		<u>219,398</u>	<u>108,582</u>	<u>110,816</u>	<u>219,398</u>	<u>0</u>
Totals		\$ 255,110	\$ 134,769	\$ 110,816	\$ 245,585	\$ 9,525
125173363	7/1/17-6/30/20					
Administration		\$ 12,970	\$ 12,970	\$ 0	\$ 12,970	\$ 0

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER AND COST CATEGORY
YEAR ENDING JUNE 30, 2020
(CONTINUED)**

<u>Contract Number/ Cost Category</u>	<u>Contract Period</u>	<u>Authorized Budget</u>	<u>Current Year Expenditures</u>	<u>Prior Year Actual</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
125193361	7/1/19-6/30/21					
Administration		\$ 35,856	\$ 0	\$ 0	\$ 0	\$ 35,856
Program Costs		<u>203,184</u>	<u>189,276</u>	<u>0</u>	<u>189,276</u>	<u>13,908</u>
Totals		\$ 239,040	\$ 189,276	\$ 0	\$ 189,276	\$ 49,764
125183011	10/1/18-6/30/20					
Administration		\$ 65,306	\$ 11,636	\$ 53,670	\$ 65,306	\$ 0
Program Costs		<u>587,758</u>	<u>47,008</u>	<u>540,750</u>	<u>587,758</u>	<u>0</u>
Totals		\$ 653,064	\$ 58,644	\$ 594,420	\$ 653,064	\$ 0
125183013	10/1/18-6/30/20					
Administration		\$ 11,000	\$ 11,000	\$ 0	\$ 11,000	\$ 0
Program Costs		<u>99,000</u>	<u>99,000</u>	<u>0</u>	<u>99,000</u>	<u>0</u>
Totals		\$ 110,000	\$ 110,000	\$ 0	\$ 110,000	\$ 0
125193001	7/1/19-6/30/21					
Administration		\$ 9,968	\$ 9,968	\$ 0	\$ 9,968	\$ 0
Program Costs		<u>89,713</u>	<u>89,713</u>	<u>0</u>	<u>89,713</u>	<u>0</u>
Totals		\$ 99,681	\$ 99,681	\$ 0	\$ 99,681	\$ 0
125193011	7/1/19-6/30/21					
Administration		\$ 53,141	\$ 30,294	\$ 0	\$ 30,294	\$ 22,847
Program Costs		<u>478,270</u>	<u>478,270</u>	<u>0</u>	<u>478,270</u>	<u>0</u>
Totals		\$ 531,411	\$ 508,564	\$ 0	\$ 508,564	\$ 22,847
125193013	10/1/19-6/30/21					
Administration		\$ 22,000	\$ 0	\$ 0	\$ 0	\$ 22,000
Program Costs		<u>198,000</u>	<u>96,702</u>	<u>0</u>	<u>96,702</u>	<u>101,298</u>
Totals		\$ 220,000	\$ 96,702	\$ 0	\$ 96,702	\$ 123,298
125183301	4/1/18-6/30/20					
Administration		\$ 75,904	\$ 31,066	\$ 44,838	\$ 75,904	\$ 0
Program Costs		<u>683,133</u>	<u>247,483</u>	<u>435,650</u>	<u>683,133</u>	<u>0</u>
Totals		\$ 759,037	\$ 278,549	\$ 480,488	\$ 759,037	\$ 0
125183306	10/1/18-6/30/20					
Administration		\$ 232	\$ 232	\$ 0	\$ 232	\$ 0
Program Costs		<u>2,090</u>	<u>2,090</u>	<u>0</u>	<u>2,090</u>	<u>0</u>
Totals		\$ 2,322	\$ 2,322	\$ 0	\$ 2,322	\$ 0
125193301	4/1/19-6/30/21					
Administration		\$ 62,006	\$ 20,120	\$ 0	\$ 20,120	\$ 41,886
Program Costs		<u>558,051</u>	<u>350,660</u>	<u>0</u>	<u>350,660</u>	<u>207,391</u>
Totals		\$ 620,057	\$ 370,780	\$ 0	\$ 370,780	\$ 249,277
125173342	6/1/18-12/31/19					
Program Costs		\$ 48,854	\$ 7,537	\$ 41,317	\$ 48,854	\$ 0
125183342	4/1/19-12/31/20					
Program Costs		\$ 44,960	\$ 165	\$ 0	\$ 165	\$ 44,795

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER AND COST CATEGORY
YEAR ENDING JUNE 30, 2020
(CONTINUED)**

<u>Contract Number/ Cost Category</u>	<u>Contract Period</u>	<u>Authorized Budget</u>	<u>Current Year Expenditures</u>	<u>Prior Year Actual</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
125167413	11/1/16-10/31/20					
Administration		\$ 3,045	\$ 1,114	\$ 1,004	\$ 2,118	\$ 927
Program Costs		<u>27,408</u>	<u>9,431</u>	<u>12,858</u>	<u>22,289</u>	<u>5,119</u>
Totals		\$ 30,453	\$ 10,545	\$ 13,862	\$ 24,407	\$ 6,046
125188423	1/1/19-6/30/21					
Administration		\$ 53,600	\$ 21,598	\$ 0	\$ 21,598	\$ 32,002
Program Costs		<u>624,000</u>	<u>271,257</u>	<u>25,236</u>	<u>296,493</u>	<u>327,507</u>
Totals		\$ 677,600	\$ 292,855	\$ 25,236	\$ 318,091	\$ 359,509
125181001	12/9/19-09/30/20					
Program Costs		\$ 60,029	\$ 16,508	\$ 0	\$ 16,508	\$ 43,521
125186233	1/1/19-6/30/21					
Program Costs		\$ 140,000	\$ 27,903	\$ 2,343	\$ 30,246	\$ 109,754
125186231	1/1/19-6/30/21					
Program Costs		\$ 90,000	\$ 61,678	\$ 8,923	\$ 70,601	\$ 19,399
125188896	2/1/19-6/30/21					
Program Costs		\$ 149,413	\$ 68,159	\$ 1,187	\$ 69,346	\$ 80,067
125188893	2/1/19-6/30/21					
Program Costs		\$ 77,000	\$ 10,526	\$ 436	\$ 10,962	\$ 66,038
Grand Total						
Administration		\$ 649,858	\$ 237,933	\$ 186,825	\$ 424,758	\$ 225,100
Program Costs		<u>7,511,434</u>	<u>3,775,910</u>	<u>2,020,275</u>	<u>5,796,185</u>	<u>1,715,249</u>
Totals		<u>\$8,161,292</u>	<u>\$4,013,843</u>	<u>\$2,207,100</u>	<u>\$6,220,943</u>	<u>\$1,940,349</u>

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Workforce Solutions for North Central Pennsylvania
425 Old Kersey Road
Kersey, Pennsylvania 15846

We have performed the procedures enumerated below, which were agreed to by the Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services (the specified parties) on the clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the Schedule of Revenues, Expenses, and Comparison with Budget for Contract #4100077350 with the Pennsylvania Department of Human Services for the year ended June 30, 2020. The Workforce Solutions for North Central Pennsylvania's management is responsible for the clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the Schedule of Revenues, Expenses, and Comparison with Budget for Contract #4100077350 with the Pennsylvania Department of Human Services for the year ended June 30, 2020. The sufficiency of these procedures is solely the responsibility of the Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and findings are as follows:

- a.** We verified the clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the Schedule of Revenue, Expenses, and Comparison with Budget for Contract #4100077350 with the Pennsylvania Department of Human Services for the year ended June 30, 2020. This procedure was performed on the attached Schedule of Revenue, Expenses, and Comparison with Budget for Contract #4100077350 administered by the Workforce Solutions for North Central Pennsylvania, which were funded in whole by the Pennsylvania Department of Human Services, without any exceptions noted.
- b.** We inquired of management regarding any adjustment to reported revenues or expenditures, which were not reflected on the Schedule of Revenue, Expenses, and Comparison with Budget for Contract #4100077350 with the Pennsylvania Department of Human Services. These inquiries disclosed no adjustments.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

This agreed-upon procedures engagement was conducted 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 clerical accuracy of the Workforce Solutions for North Central Pennsylvania's summarization of amounts reported on the Schedule of Revenues, Expenses, and Comparison with Budget for Contract #4100077350 with the Pennsylvania Department of Human Services for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services and is not intended to be and should not be used by anyone other than the Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services.

Young, Betts, Brown & Company, P.C.

**Altoona, Pennsylvania
November 19, 2020**

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
KERSEY, PENNSYLVANIA
EARN GRANT
CONTRACT #4100077350
SCHEDULE OF REVENUE, EXPENSES, AND COMPARISON WITH BUDGET
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Actual</u>
REVENUE			
Pennsylvania Department of Human Services	\$551,430	\$496,160	(\$55,270)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	\$551,430	\$496,160	(\$55,270)
	<hr/>	<hr/>	<hr/>
ADMINISTRATION COSTS			
Personnel			
Staff Salaries	\$ 28,000	\$ 26,544	\$ 1,456
Staff Fringe Benefits	<u>6,823</u>	<u>5,399</u>	<u>1,424</u>
Total Salaries/Fringe Benefits	\$ 34,823	\$ 31,943	\$ 2,880
Equipment and Supplies	2,000	560	1,440
Operating Expenses	<u>30,400</u>	<u>9,989</u>	<u>20,411</u>
TOTAL ADMINISTRATION COSTS	\$ 67,223	\$ 42,492	\$24,731
	<hr/>	<hr/>	<hr/>
DIRECT TRAINING COSTS			
Personnel:			
Staff Salaries	\$ 0	\$ 0	\$ 0
Staff Fringe Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Personnel	\$ 0	\$ 0	\$ 0
	<hr/>	<hr/>	<hr/>
Equipment and Supplies	\$ 0	\$ 0	\$ 0
Operating Expenses	0	0	0
Other Program Expenses	<u>61,726</u>	<u>50,236</u>	<u>11,490</u>
Total Direct Training Costs	\$ 61,726	\$ 50,236	\$11,490
	<hr/>	<hr/>	<hr/>
Total Subcontracted Expenses	\$422,481	\$403,432	\$19,049
	<hr/>	<hr/>	<hr/>
TOTAL PROGRAM COSTS	\$484,207	\$453,668	\$30,539
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$551,430	\$496,160	\$55,270
	<hr/>	<hr/>	<hr/>
Excess of Revenue Over (Under) Expenses	\$ 0	\$ 0	\$ 0
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Workforce Solutions for North Central Pennsylvania
425 Old Kersey Road
Kersey, Pennsylvania 15846

We have performed the procedures enumerated below, which were agreed to by the Workforce Solutions For North Central Pennsylvania and the Pennsylvania Department of Human Services (the specified parties) on the reconciliation of expenditures listed on the Workforce Solutions For North Central Pennsylvania's Schedule of Expenditures of Federal Awards (SEFA) to the Federal Award income received from the Pennsylvania Department of Human Services (DHS) as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania for the year ended June 30, 2020. The Workforce Solutions For North Central Pennsylvania's management is responsible for the reconciliation of expenditures listed on the Workforce Solutions For North Central Pennsylvania's Schedule of Expenditures of Federal Awards (SEFA) to the Federal Award income received from the Pennsylvania Department of Human Services (DHS) as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania for the year ended June 30, 2020. The sufficiency of these procedures is solely the responsibility of the Workforce Solutions For North Central Pennsylvania and the Pennsylvania Department of Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and findings are as follows:

- a. We 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), without any exceptions noted.
- b. We agree 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, without any exceptions noted.
- c. We recalculated the amounts listed under the "Difference" column E and the "% Difference" column F, without any exceptions noted.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

- d. We agreed the amounts listed under the "Difference" column E to the audited books and records of the entity, without any exceptions noted.
- e. We agreed the "Detailed Explanation of the Differences" to the audited books and records of the entity, without any exceptions noted.
- f. Based on the procedures detailed in paragraphs (a) through (e) above, we were to disclose any adjustments and/or findings which have not been reflected on the corresponding schedules. No exceptions noted.

This agreed-upon procedures engagement was conducted 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 reconciliation of expenditures listed on the Workforce Solutions For North Central Pennsylvania's Schedule of Expenditures of Federal Awards (SEFA) to the Federal Award income received from the Pennsylvania Department of Human Services (DHS) as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania for the year ended June 30, 2019. 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.

This report is intended solely for the information and use of Workforce Solutions For North Central Pennsylvania and the Pennsylvania Department of Human Services and is not intended to be and should not be used by anyone other than the Workforce Solutions For North Central Pennsylvania and the Pennsylvania Department of Human Services.

Young, Decker, Brown & Company, P.C.

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
KERSEY, PENNSYLVANIA
RECONCILIATION OF EXPENDITURES
FEDERAL AWARDS PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF
HUMAN SERVICES EXPENDITURES PER THE SEFA TO REVENUE RECEIVED
PER THE PENNSYLVANIA AUDIT CONFIRMATION REPLY
YEAR ENDED JUNE 30, 2020**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
<u>CFDA Name</u>	<u>CFDA Number</u>	<u>Federal Expenditures per the SEFA</u>	<u>Federal Awards Received per the Audit Confirmation Reply from Pennsylvania</u>	<u>Difference (C-D)</u>	<u>% Difference (E/D)</u>	<u>Detailed Explanation of the Differences</u>
Temporary Assistance for Needy Families	93.558	\$508,996	\$592,331	(\$83,335)	(14.07%)	One payment (\$15,000) was listed on the confirmation but not received as of June 30, 2020. The net effect of the above is (\$15,000). In addition, the net accrued/(deferred) revenue as of July 1, 2019 totaled (\$1,064,567), while as of June 30, 2020 it totaled (\$1,132,902), which resulted in a net difference of (\$68,335). In total, the net amounts equal (\$83,335).