

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
KERSEY, PENNSYLVANIA
FOR THE YEAR ENDED JUNE 30, 2021

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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, 2021, 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, 2021, 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 October 26, 2021, 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.

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

Altoona, Pennsylvania
October 26, 2021

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021**

ASSETS

Cash	\$ 930,726
Due from State Partners	129,177
Other Receivable	16,764
Grants Receivable	701,611
Prepaid Expenses	36,996
Cash - Restricted for Sustainability	<u>120,797</u>
TOTAL ASSETS	\$1,936,071

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 528,609
Accrued Payroll	24,162
Accrued Payroll Taxes and Benefits	3,117
Conditional Contributions Received in Advance	<u>1,247,093</u>
 Total Liabilities	 <u>\$1,802,981</u>

Net Assets

Net Assets Without Donor Restrictions	\$ 12,293
Net Assets With Donor Restrictions	<u>120,797</u>
 Total Net Assets	 <u>\$ 133,090</u>

TOTAL LIABILITIES AND NET ASSETS	\$1,936,071
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See Accompanying Notes and Independent Auditor's Report

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net Assets Without Donor Restrictions

Support and Revenue

Federal Sources	\$4,371,728
State and Local Sources	1,142,902
Interest Income	<u>1,213</u>
	\$5,515,843
Net Assets Released from Restrictions	<u>26,409</u>
Total Support and Revenue	<u>\$5,542,252</u>

Expenses

Administration	\$ 289,682
Program Costs	<u>5,253,203</u>
Total Expenses	<u>\$5,542,885</u>
Change in Net Assets Without Donor Restrictions	<u>(\$ 633)</u>

Net Assets With Donor Restrictions

Interest Income	\$ 213
Net Assets Released from Restriction	<u>(26,409)</u>
Change in Net Assets With Donor Restrictions	<u>(\$ 26,196)</u>
Total Change in Net Assets	<u>(\$ 26,829)</u>

<u>Net Assets</u> - Beginning	<u>159,919</u>
<u>Net Assets</u> - Ending	<u>\$ 133,090</u>

See Accompanying Notes and Independent Auditor's Report

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program</u>	<u>Administration</u>	<u>Total</u>
Salaries and Wages	\$ 271,911	\$190,993	\$ 462,904
Payroll Taxes	21,808	15,173	36,981
Employee Benefits	39,688	25,661	65,349
Staff Travel/Development	8,649	2,392	11,041
Meeting Expense	12	38	50
Professional Services	5,758	6,372	12,130
Janitorial Expenses	33,104	1,540	34,644
IT Supplies	33,352	1,331	34,683
Office Supplies and Expenses	23,951	10,048	33,999
Outreach	4,050	459	4,509
Rent	388,224	9,360	397,584
Utilities	12,182	0	12,182
Equipment	14,330	0	14,330
Equipment Lease Rental	10,975	229	11,204
Telephone	17,149	1,516	18,665
Internet	15,718	2,049	17,767
IT Support	19,340	3,644	22,984
Website/Portal Hosting and Maintenance	37	51	88
Software and Support	0	1,678	1,678
Dues, Memberships, and Subscriptions	8,683	10,479	19,162
Insurance	0	6,003	6,003
Bank Fees	0	494	494
Miscellaneous Expenses	70,609	26	70,635
Resource Sharing Expenses	669,695	0	669,695
Training Expenses	91,085	103	91,188
Subcontractor Expenses	<u>3,492,893</u>	<u>43</u>	<u>3,492,936</u>
 Total Expenses	 <u>\$5,253,203</u>	 <u>\$289,682</u>	 <u>\$5,542,885</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, 2021**

Cash Flows from Operating Activities

Change in Net Assets	(\$ 26,829)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities:	
Decrease in Due from State Partners	62
Decrease in Other Receivables	2,283
Decrease in Grants Receivable	89,901
Decrease in Industry Partnership Receivable	250
Decrease in Prepaid Expenses	2,273
(Decrease) in Accounts Payable	(102,797)
Increase in Accrued Payroll	860
Increase in Accrued Payroll Taxes and Benefits	515
(Decrease) in Conditional Contributions Received in Advance	(17,607)
Net Cash (Used) by Operating Activities	(\$ 51,089)
<u>Cash</u> - Beginning	<u>1,102,612</u>
<u>Cash</u> - Ending	<u>\$1,051,523</u>
Comprised of:	
Cash	\$ 930,726
Cash - Restricted for Sustainability	<u>120,797</u>
Total	<u>\$1,051,523</u>
Interest Paid	\$ 0
Income Tax Paid	\$ 0

See Accompanying Notes and Independent Auditor's Report

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

The following summary describes the significant accounting policies followed by 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 83% of the Organization's total support and revenue for the year ended June 30, 2021.

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, 2021
(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, 2021, 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, 2018 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, 2021, excess deposits of \$832,228 are uninsured at the financial institution.

Note 2: Contributions Receivable

As of June 30, 2021, 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 \$253,380 for the year ended June 30, 2021, which represent the undepreciated cost of these assets.

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(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, 2021, 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>	<u>Amount</u>
2022	\$219,661
2023	125,507
2024	90,675
2025	90,675
2026	0
Thereafter	<u>0</u>
	<u>\$526,518</u>

Total facility rent expense recognized as an Organization expense, for the year ended June 30, 2021 was \$397,584.

Note 6: Retirement Plan

As of January 1, 2017, the Organization established 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 33% each year after 1 year 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, 2021, the Organization's contributions to this Plan were \$21,085.

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(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, 2021, the date of the most recent balance sheet, have been evaluated by management for possible adjustment to the financial statements or disclosure is October 26, 2021, 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, 2021, 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	\$120,797
	<hr style="width: 100%;"/>

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	\$1,899,075
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor restrictions:	
Restricted by donor with purpose restrictions	(<u>120,797</u>)
Financial assets available to meet cash needs for general expenditures within one year	 \$1,778,278
	<hr style="width: 100%;"/>

WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(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.

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal Assistance Listing Number	Pass-Through Grantor's Number	Contract Period	Cash Received	Contract Amount	Passed Through to Subrecipients	Accrued or (Deferred) Revenue July 1, 2020	Expenditures	Accrued or (Deferred) Revenue June 30, 2021
U.S. Department of Labor										
Pass Through the Commonwealth of Pennsylvania's Department of Labor and Industry										
WIOA Adult Program		17.258	125203001	07/01/20-06/30/22	\$ 94,344	\$ 94,344	\$ 52,166	\$ 0	\$ 94,344	\$ 0
WIOA Adult Program		17.258	125203011	10/01/20-06/30/22	430,466	470,783	375,608	0	434,502	4,036
WIOA Adult Program		17.258	125183131	01/01/20-06/30/21	81,760	81,760	23,927	0	81,760	0
WIOA Adult Program		17.258	125193011	10/01/19-06/30/21	27,370	531,411	0	4,523	22,847	0
WIOA Youth Activities		17.259	125203301	04/01/20-06/30/22	344,845	557,361	316,214	0	409,488	64,643
WIOA Youth Activities		17.259	125183350	02/01/21-06/30/21	3,125	10,000	10,000	0	10,000	6,875
WIOA Youth Activities		17.259	125193301	04/01/19-06/30/21	340,194	620,057	163,643	90,917	249,277	0
WIOA Youth Activities		17.259	125183342	04/01/19-12/31/20	44,795	44,960	17,201	0	44,795	0
WIOA Dislocated Worker Formula Grants		17.278	125184033	01/01/21-06/30/21	41,737	86,666	58,913	0	74,289	32,552
WIOA Dislocated Worker Formula Grants		17.278	125194011	10/01/19-06/30/21	552,450	777,516	276,637	129,996	422,454	0
WIOA Dislocated Worker Formula Grants		17.278	125184155	10/01/18-06/30/21	88,103	88,103	88,103	0	88,103	0
WIOA Dislocated Worker Formula Grants		17.278	125184152	10/01/18-06/30/21	34,929	139,933	14,652	20,277	14,652	0
WIOA Dislocated Worker Formula Grants		17.278	125204151	10/01/20-06/30/22	7,141	25,000	13,973	0	13,973	6,832
WIOA Dislocated Worker Formula Grants		17.278	125194131	02/01/20-11/30/20	292,600	292,600	256,991	35,609	256,991	0
WIOA Dislocated Worker Formula Grants		17.278	125173133	02/01/20-06/30/20	81,840	107,680	0	81,840	0	0
WIOA Dislocated Worker Formula Grants		17.278	125204001	07/01/20-06/30/22	193,631	199,900	128,675	0	197,486	3,855
WIOA Dislocated Worker Formula Grants		17.278	125204011	10/01/20-06/30/22	287,898	567,524	283,323	0	406,855	118,957
WIOA Dislocated Worker Formula Grants		17.278	125203013	10/01/20-06/30/22	139,329	333,333	191,694	0	253,471	114,142
WIOA Dislocated Worker Formula Grants		17.278	125193013	10/01/19-06/30/21	212,861	220,000	94,136	89,563	123,298	0
WIOA Dislocated Worker Formula Grants		17.278	125184132	01/01/19-12/31/20	44,368	164,556	0	12,396	31,972	0
WIOA Dislocated Worker Formula Grants		17.278	125194053	02/01/21-09/30/21	0	20,000	7,167	0	7,167	7,167
WIOA Dislocated Worker Formula Grants		17.278	125194031	01/01/20-06/30/22	<u>36,588</u>	<u>109,738</u>	<u>23,801</u>	<u>0</u>	<u>52,892</u>	<u>16,304</u>
Total WIOA Cluster					\$3,380,374	\$5,543,225	\$2,396,824	\$ 465,121	\$3,290,616	\$ 375,363
WIOA National Dislocated Workers Grants/ WIA National Emergency Grants		17.277	125188423	01/01/19-09/30/21	\$ 278,088	\$ 677,600	\$ 280,579	\$ 20,162	\$ 298,325	\$ 40,399
Trade Adjustment Assistance		17.245	125191001	12/19/19-09/30/21	\$ 16,162	\$ 36,479	\$ 19,971	\$ 0	\$ 19,971	\$ 3,809
Trade Adjustment Assistance		17.245	125181001	12/09/19-09/30/20	<u>10,043</u>	<u>23,550</u>	<u>7,042</u>	<u>3,001</u>	<u>7,042</u>	<u>0</u>
Total Federal Assistance Listing #17.245					\$ 26,205	\$ 60,029	\$ 27,013	\$ 3,001	\$ 27,013	\$ 3,809

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)**

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal Assistance Listing Number	Pass-Through Grantor's Number	Contract Period	Cash Received	Contract Amount	Passed Through To Subrecipients	Accrued or (Deferred) Revenue July 1, 2020	Expenditures	Accrued or (Deferred) Revenue June 30, 2021
U.S. Department of Labor (Continued)										
Pass Through the Commonwealth of Pennsylvania's Department of Labor and Industry										
Apprenticeship USA Grants	I	17.285	125167413	11/1/16-1/31/21	\$ 7,443	\$ 30,453	\$ 0	\$ 1,397	\$ 6,046	\$ 0
Total U.S. Department of Labor					<u>\$3,692,110</u>	<u>\$6,311,307</u>	<u>\$2,704,416</u>	<u>\$ 489,681</u>	<u>\$3,622,000</u>	<u>\$ 419,571</u>
U.S. Department of Health and Human Services										
Passed Through the Commonwealth of Pennsylvania's Department of Labor and Industry										
Temporary Assistance for Needy Families	I	93.558	125203361	07/01/20-06/30/21	\$ 109,970	\$ 236,550	\$161,538	\$ 0	\$ 164,224	\$ 54,254
Temporary Assistance for Needy Families	I	93.558	125183361	07/01/18-06/30/21	18,922	255,110	0	9,397	9,525	0
Temporary Assistance for Needy Families	I	93.558	125193361	07/01/19-06/30/21	101,806	239,040	45,474	52,042	49,764	0
Passed Through the Commonwealth of Pennsylvania's Department of Human Services										
Temporary Assistance for Needy Families	I	93.558	4100077350	07/01/20-06/30/21	330,994	555,044	365,667	0	468,719	137,725
Temporary Assistance for Needy Families	I	93.558	4100060926/4100077350	07/01/16-06/30/21	35,700	0	53,264	(1,264,700)	53,307	(1,247,093)
Temporary Assistance for Needy Families	I	93.558	4100077350	07/01/19-06/30/20	<u>131,798</u>	<u>551,430</u>	<u>0</u>	<u>131,798</u>	<u>0</u>	<u>0</u>
Total Federal Assistance Listing #93.558					<u>\$ 729,190</u>	<u>\$1,837,174</u>	<u>\$ 625,943</u>	<u>(\$1,071,463)</u>	<u>\$ 745,539</u>	<u>(\$1,055,114)</u>
U.S. Department of Justice										
Passed Through the Institute of Educational Leadership										
Juvenile Mentoring Program	I	16.726	2019-JU-FX-0012	10/01/19-09/30/20	\$ 1,280	\$ 60,000	\$ 475	\$ 726	\$ 554	\$ 0
Juvenile Mentoring Program	I	16.726	2019-JU-FX-0012	10/01/20-09/30/21	<u>1,793</u>	<u>60,000</u>	<u>3,470</u>	<u>0</u>	<u>3,636</u>	<u>1,843</u>
Total Federal Assistance Listing #16.726					<u>\$ 3,073</u>	<u>\$ 120,000</u>	<u>\$ 3,945</u>	<u>\$ 726</u>	<u>\$ 4,190</u>	<u>\$ 1,843</u>
Total Federal Awards					<u>\$4,424,373</u>	<u>\$8,268,481</u>	<u>\$3,334,304</u>	<u>(\$ 581,056)</u>	<u>\$4,371,729</u>	<u>(\$ 633,700)</u>

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

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 WIOA National Dislocated Workers Grants/WIOA National Emergency Grants programs, which, when combined, represent 97% 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 Dislocated Worker Formula Grants	17.278	\$1,943,603
WIOA Youth Activities	17.259	713,560
WIOA Adult Program	17.258	633,453
Temporary Assistance for Needy Families	93.558	745,539
WIA National Dislocated Workers Grants/WIA		
National Emergency Grants	17.277	298,325
Trade Adjustment Assistance	17.245	27,013
Apprenticeship USA Program	17.285	6,046
Juvenile Mentoring Program	16.726	<u>4,190</u>
		\$4,371,729
		x <u>20%</u>
Minimum Amount Which Must Be Tested		<u>\$ 874,346</u>

The WIOA Cluster (WIOA Adult Program; WIOA Youth Activities; and WIOA Dislocated Worker Formula Grants) and the WIOA National Dislocated Workers Grants/WIOA National Emergency Grants programs exceed \$874,346 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, \$53,307 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, 2021, 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 October 26, 2021.

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, Delee, 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, 2021. 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, 2021.

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, DeLee, Brown & Company, P.C.

**Altoona, Pennsylvania
October 26, 2021**

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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 WIOA National Dislocated Workers Grants/WIOA National Emergency Grants program.
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, 2021**

No prior year findings were noted.

**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 Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Labor and Industry (the specified parties) on the clerical accuracy of 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, 2021, 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*. Workforce Solutions for North Central Pennsylvania's management is responsible for the clerical accuracy of 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, 2021, 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*. Workforce Solutions for North Central Pennsylvania has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to satisfy the Pennsylvania Department of labor and Industry requirements with respect to reporting on the monthly Financial Status Reports (FSR) submitted to the 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.

Procedures and findings are as follows:

- a. We verified the clerical accuracy of 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, 2021, 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 Workforce Investment Act program/program identifiers, on the attached Schedule of Workforce Investment Act Expenditures by Program Identifier and Cost Category administered by 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.

We were engaged by Workforce Solutions for North Central Pennsylvania to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the clerical accuracy of 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, 2021, 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.

We are required to be independent of Workforce Solutions for North Central Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Labor and Industry.

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

Altoona, Pennsylvania
October 26, 2021

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER AND COST CATEGORY
YEAR ENDING JUNE 30, 2021**

<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>
125194011 Administration Program Costs	10/1/19-6/30/21	\$ 77,752 <u>699,764</u>	\$ 60,057 <u>362,397</u>	\$ 17,695 <u>337,367</u>	\$ 77,752 <u>699,764</u>	\$ 0 <u>0</u>
Totals		\$ 777,516	\$ 422,454	\$ 355,062	\$ 777,516	\$ 0
125184033 Program Costs	1/1/21-6/30/21	\$ 74,289	\$ 74,289	\$ 0	\$ 74,289	\$ 0
125184152 Program Costs	10/1/18-6/30/21	\$ 139,933	\$ 14,652	\$ 125,281	\$ 139,933	\$ 0
125184155 Program Costs	10/1/18-6/30/21	\$ 88,103	\$ 88,103	\$ 0	\$ 88,103	\$ 0
125194131 Program Costs	2/1/20-11/30/20	\$ 292,600	\$ 256,991	\$ 35,609	\$ 292,600	\$ 0
125184132 Program Costs	1/1/19-12/31/20	\$ 164,556	\$ 31,972	\$ 132,584	\$ 164,556	\$ 0
125203361 Administration Program Costs	7/1/20-6/30/21	\$ 23,655 <u>212,895</u>	\$ 2,686 <u>161,538</u>	\$ 0 <u>0</u>	\$ 2,686 <u>161,538</u>	\$ 20,969 <u>51,357</u>
Totals		\$ 236,550	\$ 164,224	\$ 0	\$ 164,224	\$ 72,326
125183361 Administration Program Costs	7/1/18-6/30/21	\$ 35,712 <u>219,398</u>	\$ 9,525 <u>0</u>	\$ 26,187 <u>219,398</u>	\$ 35,712 <u>219,398</u>	\$ 0 <u>0</u>
Totals		\$ 255,110	\$ 9,525	\$ 245,585	\$ 255,110	\$ 0
125193361 Administration Program Costs	7/1/19-6/30/21	\$ 35,856 <u>203,184</u>	\$ 4,291 <u>45,473</u>	\$ 0 <u>189,276</u>	\$ 4,291 <u>234,749</u>	\$ 31,565 <u>(31,565)</u>
Totals		\$ 239,040	\$ 49,764	\$ 189,276	\$ 239,040	\$ 0
125203001 Administration Program Costs	7/1/20-6/30/22	\$ 9,434 <u>84,910</u>	\$ 9,434 <u>84,910</u>	\$ 0 <u>0</u>	\$ 9,434 <u>84,910</u>	\$ 0 <u>0</u>
Totals		\$ 94,344	\$ 94,344	\$ 0	\$ 94,344	\$ 0
125203011 Administration Program Costs	10/1/20-6/30/22	\$ 47,078 <u>423,705</u>	\$ 10,797 <u>423,705</u>	\$ 0 <u>0</u>	\$ 10,797 <u>423,705</u>	\$ 36,281 <u>0</u>
Totals		\$ 470,783	\$ 434,502	\$ 0	\$ 434,502	\$ 36,281
125193011 Administration Program Costs	10/1/19-6/30/21	\$ 53,141 <u>478,270</u>	\$ 22,847 <u>0</u>	\$ 30,294 <u>478,270</u>	\$ 53,141 <u>478,270</u>	\$ 0 <u>0</u>
Totals		\$ 531,411	\$ 22,847	\$ 508,564	\$ 531,411	\$ 0

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER AND COST CATEGORY
YEAR ENDING JUNE 30, 2021
(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>
125183131 Program Costs	1/1/20-6/30/21	\$ 81,760	\$ 81,760	\$ 0	\$ 81,760	\$ 0
125194031 Program Costs	1/1/20-6/30/22	\$ 109,738	\$ 52,892	\$ 0	\$ 52,892	\$ 56,846
125194053 Program Costs	2/1/21-9/30/21	\$ 20,000	\$ 7,167	\$ 0	\$ 7,167	\$ 12,833
125204151 Program Costs	10/1/20-6/30/22	\$ 25,000	\$ 13,973	\$ 0	\$ 13,973	\$ 11,027
125204152 Program Costs	10/1/20-6/30/22	\$ 310,000	\$ 0	\$ 0	\$ 0	\$ 310,000
125193013 Administration Program Costs	10/1/19-6/30/21	\$ 22,000 <u>198,000</u>	\$ 22,000 <u>101,298</u>	\$ 0 <u>96,702</u>	\$ 22,000 <u>198,000</u>	\$ 0 <u>0</u>
Totals		\$ 220,000	\$ 123,298	\$ 96,702	\$ 220,000	\$ 0
125204001 Administration Program Costs	7/1/20-6/30/22	\$ 19,990 <u>179,910</u>	\$ 17,576 <u>179,910</u>	\$ 0 <u>0</u>	\$ 17,576 <u>179,910</u>	\$ 2,414 <u>0</u>
Totals		\$ 199,900	\$ 197,486	\$ 0	\$ 197,486	\$ 2,414
125204011 Administration Program Costs	10/1/20-6/30/22	\$ 56,752 <u>510,772</u>	\$ 0 <u>406,855</u>	\$ 0 <u>0</u>	\$ 0 <u>406,855</u>	\$ 56,752 <u>103,917</u>
Totals		\$ 567,524	\$ 406,855	\$ 0	\$ 406,855	\$ 160,669
125203013 Administration Program Costs	10/1/20-6/30/22	\$ 33,333 <u>300,000</u>	\$ 0 <u>253,471</u>	\$ 0 <u>0</u>	\$ 0 <u>253,471</u>	\$ 33,333 <u>46,529</u>
Totals		\$ 333,333	\$ 253,471	\$ 0	\$ 253,471	\$ 79,862
125203301 Administration Program Costs	4/1/20-6/30/22	\$ 55,736 <u>501,625</u>	\$ 9,392 <u>400,096</u>	\$ 0 <u>0</u>	\$ 9,392 <u>400,096</u>	\$ 46,344 <u>101,529</u>
Totals		\$ 557,361	\$ 409,488	\$ 0	\$ 409,488	\$ 147,873
125213301 Administration Program Costs	4/1/21-6/30/23	\$ 56,331 <u>506,979</u>	\$ 0 <u>0</u>	\$ 0 <u>0</u>	\$ 0 <u>0</u>	\$ 56,331 <u>506,979</u>
Totals		\$ 563,310	\$ 0	\$ 0	\$ 0	\$ 563,310
125193301 Administration Program Costs	4/1/19-6/30/21	\$ 62,006 <u>558,051</u>	\$ 41,886 <u>207,391</u>	\$ 20,120 <u>350,660</u>	\$ 62,006 <u>558,051</u>	\$ 0 <u>0</u>
Totals		\$ 620,057	\$ 249,277	\$ 370,780	\$ 620,057	\$ 0
125183342 Program Costs	4/1/19-12/31/20	\$ 44,960	\$ 44,795	\$ 165	\$ 44,960	\$ 0

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER AND COST CATEGORY
YEAR ENDING JUNE 30, 2021
(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>
125183350 Program Costs	2/1/21-06/30/21	\$ 10,000	\$ 10,000	\$ 0	\$ 10,000	\$ 0
125167413 Administration Program Costs	11/1/16-1/31/21	\$ 3,045 <u>27,408</u>	\$ 317 <u>5,729</u>	\$ 2,118 <u>22,289</u>	\$ 2,435 <u>28,018</u>	\$ 610 <u>(610)</u>
Totals		\$ 30,453	\$ 6,046	\$ 24,407	\$ 30,453	\$ 0
125188423 Administration Program Costs	1/1/19-9/30/21	\$ 53,600 <u>624,000</u>	\$ 17,746 <u>280,579</u>	\$ 21,598 <u>296,493</u>	\$ 39,344 <u>577,072</u>	\$ 14,256 <u>46,928</u>
Totals		\$ 677,600	\$ 298,325	\$ 318,091	\$ 616,416	\$ 61,184
125188323 Administration Program Costs	10/1/18-9/30/21	\$ 9,649 <u>100,000</u>	\$ 0 <u>0</u>	\$ 0 <u>0</u>	\$ 0 <u>0</u>	\$ 9,649 <u>100,000</u>
Totals		\$ 109,649	\$ 0	\$ 0	\$ 0	\$ 109,649
125181001 Program Costs	12/9/19-9/30/20	\$ 23,550	\$ 7,042	\$ 16,508	\$ 23,550	\$ 0
125191001 Program Costs	12/19/19-09/30/21	\$ 36,479	\$ 19,971	\$ 0	\$ 19,971	\$ 16,508
125186233 Program Costs	1/1/19-6/30/21	\$ 140,000	\$ 84,554	\$ 30,246	\$ 114,800	\$ 25,200
125186231 Program Costs	1/1/19-6/30/21	\$ 90,000	\$ 16,411	\$ 70,601	\$ 87,012	\$ 2,988
125188896 Program Costs	2/1/19-6/30/21	\$ 149,413	\$ 28,134	\$ 69,346	\$ 97,480	\$ 51,933
125196231 Program Costs	2/1/20-6/30/21	\$ 214,424	\$ 10,267	\$ 0	\$ 10,267	\$ 204,157
125196234 Program Costs	2/1/20-6/30/21	\$ 213,222	\$ 10,717	\$ 0	\$ 10,717	\$ 202,505
125186234 Program Costs	2/1/20-6/30/21	\$ 244,444	\$ 48,129	\$ 0	\$ 48,129	\$ 196,315
125188893 Program Costs	2/1/19-6/30/21	\$ 77,000	\$ 0	\$ 10,962	\$ 10,962	\$ 66,038
Total Administration Total Program Costs		\$ 655,070 <u>8,378,342</u>	\$ 228,554 <u>3,815,171</u>	\$ 118,012 <u>2,481,757</u>	\$ 346,566 <u>6,296,928</u>	\$ 308,504 <u>2,081,414</u>
Grand Total		\$9,033,412	\$4,043,725	\$2,599,769	\$6,643,494	\$2,389,918

**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 Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services (the specified parties) on the clerical accuracy of 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, 2021. Workforce Solutions for North Central Pennsylvania's management is responsible for the clerical accuracy of 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, 2021. Workforce Solutions for North Central Pennsylvania has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to satisfy the Pennsylvania Department of Human Services requirements with respect to reporting on the Schedule of Revenues, Expenses, and Comparison with Budget Contract #4100077350 Status Reports (FSR) submitted to the 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

Procedures and findings are as follows:

- a. We verified the clerical accuracy of 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, 2021. This procedure was performed on the attached Schedule of Revenue, Expenses, and Comparison with Budget for Contract #4100077350 administered by 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)**

We were engaged by Workforce Solutions for North Central Pennsylvania to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the clerical accuracy of 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, 2021. 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 Workforce Solutions for North Central Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services.

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

**WORKFORCE SOLUTIONS FOR NORTH CENTRAL PENNSYLVANIA
KERSEY, PENNSYLVANIA
EARN GRANT
CONTRACT #4100077350
SCHEDULE OF REVENUE, EXPENSES, AND COMPARISON WITH BUDGET
YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Actual</u>
REVENUE			
Pennsylvania Department of Human Services	\$555,044	\$468,719	\$86,325
	<u> </u>	<u> </u>	<u> </u>
ADMINISTRATION COSTS			
Personnel			
Staff Salaries	\$ 28,200	\$ 22,468	\$ 5,732
Staff Fringe Benefits	<u>6,067</u>	<u>4,739</u>	<u>1,328</u>
Total Salaries/Fringe Benefits	\$ 34,267	\$ 27,207	\$ 7,060
Equipment and Supplies	1,500	477	1,023
Operating Expenses	<u>19,737</u>	<u>6,294</u>	<u>13,443</u>
TOTAL ADMINISTRATION COSTS	\$ 55,504	\$ 33,978	\$21,526
	<u> </u>	<u> </u>	<u> </u>
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
	<u> </u>	<u> </u>	<u> </u>
Equipment and Supplies	\$ 0	\$ 0	\$ 0
Operating Expenses	0	0	0
Other Program Expenses	<u>70,270</u>	<u>69,674</u>	<u>596</u>
Total Direct Training Costs	\$ 70,270	\$ 69,674	\$ 596
	<u> </u>	<u> </u>	<u> </u>
Total Subcontracted Expenses	\$429,270	\$365,067	\$64,203
	<u> </u>	<u> </u>	<u> </u>
TOTAL PROGRAM COSTS	\$499,540	\$434,741	\$64,799
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	\$555,044	\$468,719	\$86,325
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenue Over (Under) Expenses	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
	<u> </u>	<u> </u>	<u> </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 Workforce Solutions for North Central Pennsylvania and the Pennsylvania Department of Human Services (the specified parties) on the reconciliation of expenditures listed on 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, 2021. Workforce Solutions for North Central Pennsylvania's management is responsible for the reconciliation of expenditures listed on 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, 2021. Workforce Solutions for North Central Pennsylvania has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to satisfy the Pennsylvania Department of Human Services requirements with respect to the reconciliation of expenditures listed on Workforce Solutions for North Central Pennsylvania Schedule of Expenditures of Federal Awards (SEFA) to the Federal Award Income received from the Department of Human Services (DHS) as noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania for the year ended June 30, 2021. 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), 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.

We were engaged by Workforce Solutions for North Central Pennsylvania to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the reconciliation of expenditures listed on 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, 2021. 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 Workforce Solutions for North Central Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 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, 2021**

(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	\$522,026	\$483,492	\$38,534	7.97%	One payment for \$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, 2020 totaled (\$1,132,902), while as of June 30, 2021 it totaled (\$1,109,368), which resulted in a net difference of \$23,534. In total, the net amounts equal \$38,534.