

**CENTRAL PENNSYLVANIA WORKFORCE
DEVELOPMENT CORPORATION**

LEWISBURG, PENNSYLVANIA

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Central Pennsylvania Workforce
Development Corporation
130 Kelly Square, Suite 1
Lewisburg, PA 17837

Report on the Financial Statements

We have audited the accompanying financial statements of Central Pennsylvania Workforce Development Corporation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 Central Pennsylvania Workforce Development Corporation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years 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 (CFR) 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 25, 2020, on our consideration of Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation's internal control over financial reporting and compliance.

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

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash	\$ 644,804	\$ 823,297
Due from State Partners	30,569	38,341
Other Receivable	85,741	25,575
Grants Receivable	861,086	799,906
Industry Partnership Receivable	225	48
Prepaid Expenses	67,048	59,429
Cash - Restricted for Sustainability	<u>323,190</u>	<u>310,840</u>
Total Assets	\$2,012,663	\$2,057,436
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 784,608	\$ 818,111
Accrued Expenses	36,101	31,497
Accrued Paid Time Off	77,066	59,078
Accrued Payroll Taxes and Benefits	13,763	7,032
Conditional Contributions Received in Advance	<u>634,399</u>	<u>685,885</u>
Total Liabilities	\$1,545,937	\$1,601,603
<u>Net Assets</u>		
Net Assets Without Donor Restrictions	\$ 143,536	\$ 144,993
Net Assets With Donor Restrictions	<u>323,190</u>	<u>310,840</u>
Total Net Assets	\$ 466,726	\$ 455,833
Total Liabilities and Net Assets	\$2,012,663	\$2,057,436

See Accompanying Notes and Independent Auditor's Report

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Net Assets Without Donor Restrictions</u>		
<u>Support and Revenue</u>		
<u>Federal Sources</u>	\$ 6,870,983	\$ 6,346,528
<u>State and Local Sources</u>	<u>158,745</u>	<u>281,705</u>
Total Support and Revenue	\$ 7,029,728	\$ 6,628,233
<u>Expenses</u>		
Administration	\$ 235,485	\$ 246,696
Program Costs	<u>6,795,700</u>	<u>6,381,139</u>
Total Expenses	\$ 7,031,185	\$ 6,627,835
Change in Net Assets Without Donor Restrictions	(\$ 1,457)	\$ 398
<u>Net Assets With Donor Restrictions</u>		
Industry Partnership Match	<u>12,350</u>	<u>0</u>
Total Change in Net Assets	\$ 10,893	\$ 398
<u>Net Assets</u> - Beginning	<u>455,833</u>	<u>455,435</u>
<u>Net Assets</u> - Ending	<u>\$ 466,726</u>	<u>\$ 455,833</u>

See Accompanying Notes and Independent Auditor's Report

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

	<u>Administration</u>	<u>Program</u>	<u>Total</u>
Salaries	\$143,727	\$ 485,316	\$ 629,043
Payroll Taxes	11,380	39,555	50,935
Employee Benefits	27,473	60,902	88,375
Staff Travel/Development	3,877	9,033	12,910
Board Expense	1,843	3,679	5,522
Insurance	283	601	884
Professional Services	3,379	7,277	10,656
Other Contracted Services	11,674	23,485	35,159
Rent - Building	21,852	44,253	66,105
Rent - Equipment	672	1,361	2,033
Office Supplies	1,404	2,898	4,302
Outreach	411	813	1,224
Telephone	2,187	4,428	6,615
Subscriptions/Memberships	2,730	19,575	22,305
Vehicles	999	2,404	3,403
Resource Sharing Expenditures	0	421,891	421,891
Technology	<u>1,594</u>	<u>3,400</u>	<u>4,994</u>
Subtotal CPWDC Expenses	\$235,485	\$1,130,871	\$1,366,356
Contracted Training Services	0	838,042	838,042
Contracted Other Providers	0	300,850	300,850
Grants to Subcontractors	<u>0</u>	<u>4,525,937</u>	<u>4,525,937</u>
Total Expenses	\$235,485	\$6,795,700	\$7,031,185

See Accompanying Notes and Independent Auditor's Report

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Administration</u>	<u>Program</u>	<u>Total</u>
Salaries	\$146,954	\$ 381,956	\$ 528,910
Payroll Taxes	11,394	29,692	41,086
Employee Benefits	27,054	49,087	76,141
Staff Travel/Development	5,537	10,391	15,928
Board Expense	2,132	3,959	6,091
Insurance	414	840	1,254
Professional Services	4,698	8,177	12,875
Other Contracted Services	13,830	26,704	40,534
Rent - Building	24,247	40,548	64,795
Rent - Equipment	844	1,477	2,321
Office Supplies	1,385	2,629	4,014
Outreach	531	1,367	1,898
Telephone	2,526	4,257	6,783
Subscriptions/Memberships	3,538	18,986	22,524
Vehicles	1,193	2,374	3,567
Resource Sharing Expenditures	0	540,779	540,779
Technology	<u>419</u>	<u>904</u>	<u>1,323</u>
Subtotal CPWDC Expenses	\$246,696	\$1,124,127	\$1,370,823
Contracted Training Services	0	775,205	775,205
Contracted Other Providers	0	174,336	174,336
Grants to Operators	<u>0</u>	<u>4,307,471</u>	<u>4,307,471</u>
Total Expenses	<u>\$246,696</u>	<u>\$6,381,139</u>	<u>\$6,627,835</u>

See Accompanying Notes and Independent Auditor's Report

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 10,893	\$ 398
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Decrease in Due from State Partners	7,772	96,551
(Increase) Decrease in Other Receivables	(60,166)	5,558
(Increase) Decrease in Grants Receivable	(61,180)	196,324
(Increase) in Industry Partnership Receivable	(177)	(48)
(Increase) in Prepaid Expenses	(7,619)	(9,609)
(Decrease) in Accounts Payable	(33,503)	(38,823)
Increase in Accrued Expenses	4,604	9,303
Increase in Accrued Paid Time Off	17,988	13,962
Increase in Accrued Payroll Taxes and Benefits	6,731	1,240
(Decrease) in Conditional Contributions Received in Advance	(51,486)	(69,643)
Net Cash Provided (Used) by Operating Activities	(\$ 166,143)	\$ 205,213
<u>Cash</u> - Beginning	<u>1,134,137</u>	<u>928,924</u>
<u>Cash</u> - Ending	<u>\$ 967,994</u>	<u>\$1,134,137</u>
Comprised of:		
Cash	\$ 644,804	\$ 823,297
Cash - Restricted for Sustainability	<u>323,190</u>	<u>310,840</u>
	<u>\$ 967,994</u>	<u>\$1,134,137</u>
Interest Paid	<u>\$ 0</u>	<u>\$ 0</u>
Income Tax Paid	<u>\$ 0</u>	<u>\$ 0</u>

See Accompanying Notes and Independent Auditor's Report

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Note 1: Summary of Significant Accounting Policies

The following summary describes the significant accounting policies followed by the Central Pennsylvania Workforce Development Corporation (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 nine county (Centre, Clinton, Columbia, Lycoming, Mifflin, Montour, Northumberland, Snyder, and Union 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% and 99%, respectively, of the Organization's total support and revenue for the years ended June 30, 2020 and 2019.

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 restrictions and net assets with donor restrictions. 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.

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 and 2019, 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

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables (Continued)

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 and 2019, excess deposits of \$800,261 and \$930,850 respectively, are uninsured at the financial institution.

Note 2: Grants Receivable

As of June 30, 2020 and 2019, the Organization's grants receivable, which are treated as contributions, are all due within one year. Management has determined that all contributions receivable are collectible 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 \$1,050,178 and \$1,071,015, respectively, for the years ended June 30, 2019 and 2018, which represent the undepreciated cost of these assets.

The Organization's Property Procedures Manual defines property as nonexpendable personal property with a unit acquisition cost of \$500 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 Corporation's independent auditors. Disallowed costs, if any, resulting

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(CONTINUED)

Note 4: Contingencies (Continued)

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.

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 customers while still meeting customers' 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 5: Commitments

As of June 30, 2020, the Corporation had entered into various noncancellable operating lease agreements for the rental of office facilities expiring on September 30, 2022. Minimum rentals on an annual basis are as follows:

<u>Fiscal Year Ending June 30</u>	
2021	\$473,274
2022	30,346
2023	0
2024	0
2025	0
Thereafter	<u>0</u>
	<u>\$503,620</u>

The Corporation's partners pay for their respective space at the various PA CareerLinks®. As a result, total facility rent expense recognized as a corporation expense, for the years ended June 30, 2020 and 2019, were \$66,105 and \$64,796, respectively.

Note 6: Retirement Plan

As of January 1, 2000, the Corporation established the Central Pennsylvania Workforce Development Corporation 401(k) Retirement Plan and Trust, in which employees can contribute the annual maximum amount as determined by the IRS with a match from the Corporation of up to 4%. The Corporation, in its sole discretion, may also contribute an amount, which it designates as a qualified nonelective contribution. Employees become active participants when the employee has completed six months of eligible service (1,000 hours or more of service in a 12 consecutive month period) and is age 21 or older. Past Corporation employment is considered. Employees vest immediately. For the years ended June 30, 2020 and 2019, the Corporation's contributions to this Plan were \$23,947 and \$18,657, respectively.

Note 7: Line of Credit

On January 8, 2016, the Corporation established a Preferred Variable Rate Nondisclosable Revolving Line of Credit Loan for \$1,000,000, due on demand, from First National Bank of

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(CONTINUED)

Note 7: Line of Credit (Continued)

Pennsylvania to provide interim financing to cover operating needs. The collateral for this loan is all corporate assets. The interest rate is subject to change based on changes in the Tax Free Equivalent (67%) of the sum of the one-month LIBOR, plus 200 basis points. No amount has been drawn on this line of credit as of June 30, 2020 or 2019.

Note 8: 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 9: 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 25, 2020, which is the date on which the financial statements were available to be issued.

Note 10: Net Assets With Donor Restrictions

As of June 30, 2020 and 2019, 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.

	<u>2020</u>	<u>2019</u>
Sustainability Amounts	\$323,190	\$310,840

Note 11: 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	\$1,945,615
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor restrictions:	
Restricted by donor with purpose restrictions	(<u>323,190</u>)
Financial assets available to meet cash needs for general expenditures within one year	\$1,622,425

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. In addition, the Organization has a \$1,000,000 line of credit.

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR PERIOD ENDING JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Contract Period	Cash Received	Contract Amount	Passed Through to Subrecipients	Accrued or (Deferred) Revenue July 1, 2019	Expenditures	Accrued or (Deferred) Revenue June 30, 2020
U.S. Department of Labor										
Passed Through the Commonwealth of Pennsylvania's Department of Labor and Industry										
Trade Adjustment Assistance	I	17.245	175-18-1001	04/20/20-09/30/20	\$ 1,378	\$ 36,466	\$ 0	\$ 0	\$ 6,837	\$ 5,459
WIOA Adult Program	I	17.258	175-16-3032	02/01/19-06/30/19	\$ 115,464	\$ 124,200	\$ 0	\$ 115,464	\$ 0	\$ 0
WIOA Adult Program	I	17.258	175-18-3011	10/01/18-06/30/20	535,831	1,235,581	273,346	110,812	425,019	0
WIOA Adult Program	I	17.258	175-19-3001	07/01/19-06/30/21	187,744	187,744	120,744	0	187,744	0
WIOA Adult Program	I	17.258	175-19-3011	10/01/19-06/30/21	144,018	1,000,881	179,727	0	280,062	136,044
WIOA Adult Program	I	17.258	175-19-3133	02/01/20-11/30/20	3,291	306,638	0	0	167,754	164,463
WIOA Youth Activities	I	17.259	175-17-3342	06/01/18-12/31/19	3,118	124,056	0	3,070	48	0
WIOA Youth Activities	I	17.259	175-18-3301	04/01/18-06/30/20	1,171,319	1,845,583	861,534	167,549	1,003,770	0
WIOA Youth Activities	I	17.259	175-18-3306	10/01/18-06/30/20	5,645	5,645	4,845	0	5,645	0
WIOA Youth Activities	I	17.259	175-18-3342	04/01/19-12/31/20	37,675	125,362	82,896	0	87,103	49,428
WIOA Youth Activities	I	17.259	175-19-3301	04/01/19-06/30/21	538,332	1,528,928	605,674	0	706,002	167,670
WIOA Dislocated Worker Formula Grants	I	17.278	175-16-4151	10/01/16-06/30/19	57,191	585,962	0	57,191	0	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-17-4031	06/01/18-05/31/20	48,729	100,000	24,784	8,019	40,710	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-17-4151	10/01/17-12/31/19	105,501	110,600	55,756	7,543	97,958	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-17-4154	10/01/17-06/30/20	689,522	700,000	522,459	0	700,000	10,478
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4011	10/01/18-06/30/20	266,235	645,209	61,212	55,819	234,217	23,801
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4032	02/01/19-09/30/19	224,028	266,145	0	99,631	124,397	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4132	01/01/19-06/30/20	9,632	104,200	5,635	27	11,769	2,164
WIOA Dislocated Worker Formula Grants	I	17.278	175-19-3003	07/01/19-06/30/21	201,562	201,562	129,632	0	201,562	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-19-3013	10/01/19-06/30/21	0	798,438	0	0	0	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-3013	10/01/18-06/30/20	300,000	300,000	192,941	0	300,000	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4151	10/01/18-06/30/20	300,000	300,000	237,763	0	300,000	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4152	10/01/18-06/30/21	0	141,999	44,299	0	62,457	62,457
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4154	10/01/18-06/30/21	0	300,000	14,498	0	14,498	14,498
WIOA Dislocated Worker Formula Grants	I	17.278	175-18-4155	10/01/18-06/30/21	0	97,793	0	0	0	0
WIOA Dislocated Worker Formula Grants	I	17.278	175-19-4001	07/01/19-06/30/21	0	31,010	8,104	0	31,010	31,010
WIOA Dislocated Worker Formula Grants	I	17.278	175-19-4011	10/01/19-06/30/21	0	308,800	2,182	0	8,959	8,959
WIOA Dislocated Worker Formula Grants	I	17.278	175-19-4132	01/01/20-12/31/20	187	121,080	0	0	209	22
Total WIA Cluster					\$ 4,945,024	\$ 11,597,416	\$ 3,428,032	\$ 625,125	\$ 4,990,893	\$ 670,994
WIOA Dislocated Worker National Reserve Demonstration Grants	I	17.280	175-18-8123	07/01/18-06/30/20	\$ 270,033	\$ 940,645	\$ 227,607	\$ 276	\$ 326,904	\$ 57,147

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR PERIOD ENDING JUNE 30, 2020
(CONTINUED)**

Federal Grantor/ Pass-Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Contract Period	Cash Received	Contract Amount	Passed Through to Subrecipients	Accrued or (Deferred) Revenue July 1, 2019	Expenditures	Accrued or (Deferred) Revenue June 30, 2020
<u>U.S. Department of Labor (Continued)</u>										
Passed Through the Commonwealth of Pennsylvania's Department of Labor and Industry (Cont.)										
Apprenticeship USA Grants	I	17.285	175-16-7413	11/01/16-10/31/20	\$ 12,164	\$ 30,453	\$ 0	\$ 711	\$ 11,658	\$ 205
Total U. S. Department of Labor					\$5,228,599	\$12,604,980	\$3,655,639	\$626,112	\$5,336,292	\$733,805
<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	175-17-3362	07/01/17-06/30/20	\$ 7,326	\$ 7,326	\$ 0	\$ 0	\$ 7,326	\$ 0
Temporary Assistance for Needy Families	I	93.558	175-18-3361	07/01/18-06/30/20	350,782	550,560	120,352	102,288	248,494	0
Temporary Assistance for Needy Families	I	93.558	175-19-3361	07/01/19-06/30/21	130,920	627,480	60,163	0	163,828	32,908
Passed Through the Commonwealth of Pennsylvania's Department of Human Services										
Temporary Assistance for Needy Families	I	93.558	4100060439	07/01/16-06/30/17	0	376,500	85,658	(85,658)	85,658	0
Temporary Assistance for Needy Families	I	93.558	410007209	07/01/17-06/30/18	0	413,652	233,690	(373,400)	261,173	(112,227)
Temporary Assistance for Needy Families	I	93.558	410007209	07/01/18-06/30/19	10,434	768,211	0	10,434	0	0
Temporary Assistance for Needy Families	I	93.558	410007209	07/01/18-06/30/19	128,000	413,652	0	(185,500)	0	(313,500)
Temporary Assistance for Needy Families	I	93.558	4100060439	07/01/19-06/30/20	732,616	768,211	550,854	0	768,211	35,595
Temporary Assistance for Needy Families	I	93.558	4100060439	07/01/19-06/30/20	183,200	413,625	0	0	0	(183,200)
Total U.S. Department of Health and Human Services					\$1,543,278	\$ 4,339,217	\$1,050,717	(\$531,836)	\$1,534,690	(\$540,424)
Total Federal Awards					\$6,771,877	\$16,944,197	\$4,706,356	\$ 94,276	\$6,870,982	\$193,381

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
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 WIOA Dislocated Worker National Reserve Demonstration Grants, which, when combined, represent 77% 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	\$2,127,746
WIOA Youth Activities	17.259	1,802,568
WIOA Adult Program	17.258	1,060,579
Temporary Assistance for Needy Families	93.558	1,534,690
WIA Dislocated Workers National Reserve Demonstration Grant	17.280	326,904
Apprenticeship USA Program	17.285	11,658
Trade Adjustment Assistance	17.285	<u>6,837</u>
		\$6,870,982
		X <u>20%</u>
Minimum Amount Which Must Be Tested		<u>\$1,374,196</u>

The WIOA Cluster (WIOA Adult Program; WIOA Youth Activities; and WIOA Dislocated Worker Formula Grants) and the WIOA Dislocated Worker National Reserve Demonstration Grants exceed \$1,374,196 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, \$346,831 was charged against the Temporary Assistance for Needy Families' from the performance based portion of the related contracts.

Note 4: The Corporation 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
Central Pennsylvania Workforce
Development Corporation
130 Kelly Square, Suite 1
Lewisburg, PA 17837

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 Central Pennsylvania Workforce Development Corporation (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 25, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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
Central Pennsylvania Workforce
Development Corporation
130 Kelly Square, Suite 1
Lewisburg, PA 17837

Report on Compliance for Each Major Federal Program

We have audited Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation's major federal programs for the year ended June 30, 2020. Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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, Central Pennsylvania Workforce Development Corporation 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 Central Pennsylvania Workforce Development Corporation 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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation'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, Decker, Brown & Company, P.C.

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
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 Corporation'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 Corporation's financial statements.
4. An unmodified opinion was issued on the Corporation'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 Corporation's major programs are the WIOA Cluster (WIOA Adult Program; WIOA Youth Activities; and WIOA Dislocated Worker Formula Grants) and the WIOA Dislocated Worker National Reserve Demonstration Grants.
8. The dollar threshold used to determine Type A and Type B programs was \$750,000.
9. The Corporation was deemed to be a low-risk auditee.

Financial Statement Findings

None identified

Federal Award Findings

None identified

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

No prior year findings were noted.

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

Board of Directors
Central Pennsylvania Workforce
Development Corporation
130 Kelly Square, Suite 1
Lewisburg, PA 17837

We have performed the procedures enumerated below, which were agreed to by the Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Labor and Industry (the specified parties) on the clerical accuracy of the Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation's management is responsible for the clerical accuracy of the Central Pennsylvania Workforce Development Corporation'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 sufficiency of these procedures is solely the responsibility of the Central Pennsylvania Workforce Development Corporation 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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation, 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 Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Labor and Industry and is not intended to be and should not be used by anyone other than the Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Labor and Industry.

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

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
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>Prior Year Actual</u>	<u>Current Year Reported Actual</u>	<u>Final Reported Subsequently</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
175183011	10/01/18-06/30/20						
Administration		\$ 123,558	\$ 34,581	\$ 15,088	\$ 0	\$ 49,669	\$ 73,889
Program Costs		<u>1,112,023</u>	<u>775,980</u>	<u>409,932</u>	<u>0</u>	<u>1,185,912</u>	(<u>73,889</u>)
Totals		<u>\$ 1,235,581</u>	<u>\$ 810,561</u>	<u>\$ 425,020</u>	<u>\$ 0</u>	<u>\$1,235,581</u>	<u>\$ 0</u>
175183013	10/01/18-06/30/20						
Administration		\$ 30,000	\$ 0	\$ 2,873	\$ 0	\$ 2,873	\$ 27,127
Program Costs		<u>270,000</u>	<u>0</u>	<u>297,127</u>	<u>0</u>	<u>297,127</u>	(<u>27,127</u>)
Totals		<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 0</u>
175193001	07/01/19-06/30/21						
Administration		\$ 18,774	\$ 0	\$ 3,331	\$ 0	\$ 3,331	\$ 15,443
Program Costs		<u>168,970</u>	<u>0</u>	<u>184,413</u>	<u>0</u>	<u>184,413</u>	(<u>15,443</u>)
Totals		<u>\$ 187,744</u>	<u>\$ 0</u>	<u>\$ 187,744</u>	<u>\$ 0</u>	<u>\$ 187,744</u>	<u>\$ 0</u>
175193003	07/01/19-06/30/21						
Administration		\$ 20,156	\$ 0	\$ 13,199	\$ 0	\$ 13,199	\$ 6,957
Program Costs		<u>181,406</u>	<u>0</u>	<u>188,363</u>	<u>0</u>	<u>188,363</u>	(<u>6,957</u>)
Totals		<u>\$ 201,562</u>	<u>\$ 0</u>	<u>\$ 201,562</u>	<u>\$ 0</u>	<u>\$ 201,562</u>	<u>\$ 0</u>
175193011	10/01/19-06/30/21						
Administration		\$ 100,088	\$ 0	\$ 4,139	\$ 478	\$ 4,617	\$ 95,471
Program Costs		<u>900,793</u>	<u>0</u>	<u>215,709</u>	<u>59,736</u>	<u>275,445</u>	(<u>625,348</u>)
Totals		<u>\$ 1,000,881</u>	<u>\$ 0</u>	<u>\$ 219,848</u>	<u>\$ 60,214</u>	<u>\$ 280,062</u>	<u>\$ 720,819</u>
175193013	10/01/19-06/30/21						
Administration		\$ 79,844	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,844
Program Costs		<u>718,594</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	(<u>718,594</u>)
Totals		<u>\$ 798,438</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 798,438</u>
175183301	04/01/18-06/30/20						
Administration		\$ 184,558	\$ 12,243	\$ 30,124	\$ 0	\$ 42,367	\$ 142,191
OSY		\$ 1,245,769	\$ 452,960	\$ 898,721	\$ 0	\$1,351,681	(\$ 105,912)
ISY		<u>415,256</u>	<u>376,610</u>	<u>74,925</u>	<u>0</u>	<u>451,535</u>	(<u>36,279</u>)
Program Costs		<u>\$ 1,661,025</u>	<u>\$ 829,570</u>	<u>\$ 973,646</u>	<u>\$ 0</u>	<u>\$1,803,216</u>	(<u>\$ 142,191</u>)
Totals		<u>\$ 1,845,583</u>	<u>\$ 841,813</u>	<u>\$1,003,770</u>	<u>\$ 0</u>	<u>\$1,845,583</u>	<u>\$ 0</u>

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
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>Prior Year Actual</u>	<u>Current Year Reported Actual</u>	<u>Final Reported Subsequently</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
175183306 Administration	10/01/18-06/30/20	\$ 564	\$ 0	\$ 0	\$ 0	\$ 0	\$ 564
OSY		\$ 3,811	\$ 0	\$ 5,645	\$ 0	\$ 5,645	(\$ 1,834)
ISY		<u>1,270</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,270</u>
Program Costs		\$ 5,081	\$ 0	\$ 5,645	\$ 0	\$ 5,645	(\$ 564)
Totals		\$ 5,645	\$ 0	\$ 5,645	\$ 0	\$ 5,645	\$ 0
175193301 Administration	04/01/19-06/30/21	\$ 152,893	\$ 0	\$ 5,187	\$ 1,238	\$ 6,425	\$ 146,468
OSY		\$ 1,032,026	\$ 0	\$ 127,786	\$ 32,823	\$ 160,609	\$ 871,417
ISY		<u>344,009</u>	<u>0</u>	<u>532,709</u>	<u>6,259</u>	<u>538,968</u>	(<u>194,959</u>)
Program Costs		\$ 1,376,035	\$ 0	\$ 660,495	\$ 39,082	\$ 699,577	\$ 676,458
Totals		\$ 1,528,928	\$ 0	\$ 665,682	\$ 40,320	\$ 706,002	\$ 822,926
175203301 Administration	04/01/20-06/30/21	\$ 136,380	\$ 0	\$ 0	\$ 0	\$ 0	\$ 136,380
OSY		\$ 920,562	\$ 0	\$ 0	\$ 0	\$ 0	\$ 920,562
ISY		<u>306,854</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>306,854</u>
Program Costs		\$ 1,227,416	\$ 0	\$ 0	\$ 0	\$ 0	\$1,227,416
Totals		\$ 1,363,796	\$ 0	\$ 0	\$ 0	\$ 0	\$1,363,796
175183361 Administration Program Costs	07/01/18-06/30/20	\$ 82,584 <u>467,976</u>	\$ 24,043 <u>278,023</u>	\$ 34,819 <u>213,675</u>	\$ 0 <u>0</u>	\$ 58,862 <u>491,698</u>	\$ 23,722 (<u>23,722</u>)
Totals		\$ 550,560	\$ 302,066	\$ 248,494	\$ 0	\$ 550,560	\$ 0
175193361 Administration Program Costs	07/01/19-06/30/20	\$ 94,122 <u>533,358</u>	\$ 0 <u>0</u>	\$ 23,326 <u>129,356</u>	\$ 3,725 <u>7,421</u>	\$ 27,051 <u>136,777</u>	\$ 67,071 <u>396,581</u>
Totals		\$ 627,480	\$ 0	\$ 152,682	\$ 11,146	\$ 163,828	\$ 463,652
175173362 Administration Program Costs	07/01/17-06/30/20	\$ 1,099 <u>6,227</u>	\$ 0 <u>0</u>	\$ 1,099 <u>6,227</u>	\$ 0 <u>0</u>	\$ 1,099 <u>6,227</u>	\$ 0 <u>0</u>
Totals		\$ 7,326	\$ 0	\$ 7,326	\$ 0	\$ 7,326	\$ 0

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
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>Prior Year Actual</u>	<u>Current Year Reported Actual</u>	<u>Final Reported Subsequently</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
175184011	10/01/18-06/30/20						
Administration		\$ 64,521	\$ 18,359	\$ 38,631	\$ 0	\$ 56,990	\$ 7,531
Program Costs		<u>580,688</u>	<u>392,634</u>	<u>195,585</u>	<u>0</u>	<u>588,219</u>	(<u>7,531</u>)
Totals		<u>\$ 645,209</u>	<u>\$ 410,993</u>	<u>\$ 234,216</u>	<u>\$ 0</u>	<u>\$ 645,209</u>	<u>\$ 0</u>
175194001	07/01/19-06/30/21						
Administration		\$ 3,101	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,101
Program Costs		<u>27,909</u>	<u>0</u>	<u>31,010</u>	<u>0</u>	<u>31,010</u>	(<u>3,101</u>)
Totals		<u>\$ 31,010</u>	<u>\$ 0</u>	<u>\$ 31,010</u>	<u>\$ 0</u>	<u>\$ 31,010</u>	<u>\$ 0</u>
175194011	10/01/19-06/30/21						
Administration		\$ 30,880	\$ 0	\$ 0	\$ 478	\$ 478	\$ 30,402
Program Costs		<u>277,920</u>	<u>0</u>	<u>2,775</u>	<u>5,705</u>	<u>8,480</u>	<u>269,440</u>
Totals		<u>\$ 308,800</u>	<u>\$ 0</u>	<u>\$ 2,775</u>	<u>\$ 6,183</u>	<u>\$ 8,958</u>	<u>\$ 299,842</u>
175174151	10/01/17-12/31/19						
Program Costs		<u>\$ 110,600</u>	<u>\$ 12,642</u>	<u>\$ 97,958</u>	<u>\$ 0</u>	<u>\$ 110,600</u>	<u>\$ 0</u>
175184151	10/1/18-06/30/20						
Program Costs		<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 0</u>
175184152	10/1/18-06/30/21						
Program Costs		<u>\$ 141,999</u>	<u>\$ 0</u>	<u>\$ 22,685</u>	<u>\$ 39,772</u>	<u>\$ 62,457</u>	<u>\$ 79,542</u>
175174154	10/01/17-06/30/20						
Program Costs		<u>\$ 700,000</u>	<u>\$ 0</u>	<u>\$ 700,000</u>	<u>\$ 0</u>	<u>\$ 700,000</u>	<u>\$ 0</u>
175184154	10/01/18-06/30/21						
Program Costs		<u>\$ 300,000</u>	<u>\$ 0</u>	<u>\$ 10,869</u>	<u>\$ 3,629</u>	<u>\$ 14,498</u>	<u>\$ 285,502</u>
175184155	10/01/18-06/30/21						
Program Costs		<u>\$ 97,793</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 97,793</u>
175167413	11/01/16-10/31/20						
Administration		\$ 2,891	\$ 301	\$ 2,590	\$ 0	\$ 2,891	\$ 0
Program Costs		<u>27,562</u>	<u>611</u>	<u>9,068</u>	<u>0</u>	<u>9,679</u>	<u>17,883</u>
Totals		<u>\$ 30,453</u>	<u>\$ 912</u>	<u>\$ 11,658</u>	<u>\$ 0</u>	<u>\$ 12,570</u>	<u>\$ 17,883</u>
175171038	04/01/18-12/31/20						
Program Costs		<u>\$ 135,240</u>	<u>\$ 1,411</u>	<u>\$ 42,881</u>	<u>\$ 272</u>	<u>\$ 44,564</u>	<u>\$ 90,676</u>
175188123	07/01/18-06/30/20						
Administration		\$ 80,896	\$ 4,299	\$ 15,914	\$ 0	\$ 20,213	\$ 60,683
Program Costs		<u>859,749</u>	<u>20,796</u>	<u>284,086</u>	<u>26,904</u>	<u>331,786</u>	<u>527,963</u>
Totals		<u>\$ 940,645</u>	<u>\$ 25,095</u>	<u>\$ 300,000</u>	<u>\$ 26,904</u>	<u>\$ 351,999</u>	<u>\$ 588,646</u>

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
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>Prior Year Actual</u>	<u>Current Year Reported Actual</u>	<u>Final Reported Subsequently</u>	<u>Cumulative Claimed Actual</u>	<u>(Over)/Under Budget</u>
175173342 Program Costs	04/01/17-06/30/20	\$ 124,056	\$ 92,226	\$ 48	\$ 0	\$ 92,274	\$ 31,782
175183342 Program Costs	04/01/19-12/31/20	\$ 125,362	\$ 0	\$ 51,013	\$ 36,090	\$ 87,103	\$ 38,259
175174031 Program Costs	06/01/18-05/31/20	\$ 100,000	\$ 59,290	\$ 40,710	\$ 0	\$ 100,000	\$ 0
175184132 Program Costs	01/01/19-06/30/20	\$ 104,200	\$ 27	\$ 11,744	\$ 25	\$ 11,796	\$ 92,404
175194132 Program Costs	01/01/20-12/31/20	\$ 121,080	\$ 0	\$ 187	\$ 22	\$ 209	\$ 120,871
175193133 Program Costs	02/01/20-11/31/20	\$ 306,638	\$ 0	\$ 50,061	\$ 117,693	\$ 167,754	\$ 138,884
175184032 Program Costs	02/01/19-09/30/19	\$ 266,145	\$ 99,631	\$ 124,397	\$ 0	\$ 224,028	\$ 42,117
175181001 Program Costs	04/20/20-09/30/20	\$ 36,466	\$ 0	\$ 3,866	\$ 2,971	\$ 6,837	\$ 29,629
175186233 Program Costs	01/01/19-06/30/21	\$ 223,300	\$ 5,656	\$ 53,670	\$ 224	\$ 59,550	\$ 163,750
Grand Total							
Administration		\$ 1,206,909	\$ 93,826	\$ 190,320	\$ 5,919	\$ 290,065	\$ 916,844
Program Costs		<u>13,595,611</u>	<u>2,568,497</u>	<u>5,317,201</u>	<u>339,546</u>	<u>8,225,244</u>	<u>5,370,367</u>
Totals		<u>\$14,802,520</u>	<u>\$2,662,323</u>	<u>\$5,507,521</u>	<u>\$345,465</u>	<u>\$8,515,309</u>	<u>\$6,287,211</u>

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

Board of Directors
Central Pennsylvania Workforce
Development Corporation
130 Kelly Square, Suite 1
Lewisburg, PA 17837

We have performed the procedures enumerated below, which were agreed to by the Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Human Services (the specified parties) on the clerical accuracy of the Central Pennsylvania Workforce Development Corporation's summarization of amounts reported on the Schedule of Revenues, Expenses, and Comparison with Budget for Contract #4100077209 with the Pennsylvania Department of Human Services for the year ended June 30, 2020. The Central Pennsylvania Workforce Development Corporation's management is responsible for the clerical accuracy of the Central Pennsylvania Workforce Development Corporation's summarization of amounts reported on the Schedule of Revenues, Expenses, and Comparison with Budget for Contract #4100077209 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 Central Pennsylvania Workforce Development Corporation 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 Central Pennsylvania Workforce Development Corporation's summarization of amounts reported on the Schedule of Revenue, Expenses, and Comparison with Budget for Contract #4100077209 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 #4100077209 administered by the Central Pennsylvania Workforce Development Corporation, 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 #4100077209 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 Central Pennsylvania Workforce Development Corporation's summarization of amounts reported on the Schedule of Revenues, Expenses, and Comparison with Budget for Contract #4100077209 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 Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Human Services and is not intended to be and should not be used by anyone other than the Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Human Services.

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

CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
LEWISBURG, PENNSYLVANIA
EARN GRANT
CONTRACT #4100077209
SCHEDULE OF REVENUE, EXPENSES, AND COMPARISON WITH BUDGET
YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Actual</u>
REVENUE			
Pennsylvania Department of Human Services	\$768,211	\$768,211	\$ 0
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUE	\$768,211	\$768,211	\$ 0
	<u> </u>	<u> </u>	<u> </u>
ADMINISTRATION COSTS			
Personnel			
Staff Salaries	\$ 76,200	\$ 76,300	\$ 0
Staff Fringe Benefits	<u>19,611</u>	<u>19,611</u>	<u>0</u>
Total Salaries/Fringe Benefits	\$ 95,811	\$ 95,811	\$ 0
Equipment and Supplies	750	750	0
Operating Expenses	<u>21,625</u>	<u>21,625</u>	<u>0</u>
TOTAL ADMINISTRATION COSTS	\$118,186	\$118,186	\$ 0
	<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>99,171</u>	<u>99,171</u>	<u>0</u>
Total Direct Training Costs	\$ 99,171	\$ 99,171	\$ 0
	<u> </u>	<u> </u>	<u> </u>
Total Subcontracted Expenses	\$550,854	\$550,854	\$ 0
	<u> </u>	<u> </u>	<u> </u>
TOTAL PROGRAM COSTS	\$650,025	\$650,025	\$ 0
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	\$768,211	\$768,211	\$ 0
	<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
Central Pennsylvania Workforce
Development Corporation
130 Kelly Square, Suite 1
Lewisburg, PA 17837

We have performed the procedures enumerated below, which were agreed to by the Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Human Services (the specified parties) on the reconciliation of expenditures listed on the Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation's management is responsible for the reconciliation of expenditures listed on the Central Pennsylvania Workforce Development Corporation'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 Central Pennsylvania Workforce Development Corporation 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 Central Pennsylvania Workforce Development Corporation'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. 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 Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Human Services and is not intended to be and should not be used by anyone other than the Central Pennsylvania Workforce Development Corporation and the Pennsylvania Department of Human Services.

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

**CENTRAL PENNSYLVANIA WORKFORCE DEVELOPMENT CORPORATION
LEWISBURG, 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	\$1,115,042	\$1,046,133	\$68,909	.6%	Two payments (May 2019 \$21,800 and June 2019 \$10,226) were received in the 2019-2020 year, but not listed on the confirmation. In addition, two payments (March 2020 \$17,700 and May 2020 \$6,209) were listed on the confirmation but not received as of June 30, 2020. The net effect of the above is \$8,117. In addition, the net accrued/(deferred) revenue as of July 1, 2019 totaled (\$634,124), while as of June 30, 2020, it totaled (\$573,332), which resulted in a net difference of \$60,792. In total, the net amounts equal \$68,909.