

**DAUPHIN COUNTY ECONOMIC
DEVELOPMENT CORPORATION
(COMPONENT UNIT OF DAUPHIN COUNTY)
HARRISBURG, PENNSYLVANIA**

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2020

DAUPHIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
(COMPONENT UNIT OF DAUPHIN COUNTY)
SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2020

CONTENTS

	<u>Page</u>
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	1 – 2
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3 – 4
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7 – 8
Summary Schedule of Prior Audit Findings	9



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dauphin County Economic Development Corporation
Harrisburg, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Dauphin County Economic Development Corporation (the "Corporation"), a non-profit organization and a component unit of Dauphin County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 23, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Board of Directors
Dauphin County Economic Development Corporation
Harrisburg, Pennsylvania

Purpose of this Report

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

Zelenkofske Axlerod LLC

ZELENKOSFKE AXELROD LLC

Harrisburg, Pennsylvania
July 23, 2021



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dauphin County Economic Development Corporation
Harrisburg, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Dauphin County Economic Development Corporation's (the "Corporation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Corporation's major federal programs for the year ended December 31, 2020. The 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 the 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* (CFR) 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 the 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 the Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 December 31, 2020.

Report on Internal Control over Compliance

Management of the 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 the 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



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Board of Directors
Dauphin County Economic Development Corporation
Harrisburg, Pennsylvania

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 the 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Corporation as of and for the year ended December 31, 2020, and have issued our report thereon dated July 23, 2021, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Zelenkofske Axlerod LLC

ZELENKOFESKE AXELROD, LLC

Harrisburg, Pennsylvania
July 23, 2021

DAUPHIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-through Grantor/Program Title	Pass-Through Entity	Pass-Through Grantor's Number	Subrecipient Expenditures	Federal CFDA Number	(Accrued)/ Deferred Revenue at December 31, 2019	Federal Grant Receipts	Federal Grant Expenditures	Accrued/ (Deferred) Revenue at December 31, 2020
U.S. Department of Housing and Urban Development								
Community Development Block Grant/Entitlement Grants	Dauphin County	B-14-UC-42-0009	\$ -	14.218	\$ 10,365	\$ -	\$ 10,365	\$ -
Community Development Block Grant/Entitlement Grants	Dauphin County	B-15-UC-42-0009	15,281	14.218	6,584	15,281	15,281	(6,584)
Community Development Block Grant/Entitlement Grants	Dauphin County	B-16-UC-42-0009	259,318	14.218	367	247,931	259,318	11,020
Community Development Block Grant/Entitlement Grants	Dauphin County	B-17-UC-42-0009	107,605	14.218	52,258	112,359	110,607	(54,010)
Community Development Block Grant/Entitlement Grants	Dauphin County	B-18-UC-42-0009	91,065	14.218	(219,348)	464,980	290,646	45,014
Community Development Block Grant/Entitlement Grants	Dauphin County	B-19-UC-42-0009	124,086	14.218	(2,342)	145,430	387,748	244,860
COVID-19 Community Development Block Grant/Entitlement Grants	Dauphin County	B-20-UW-42-0009	765,558	14.218	-	765,558	859,183	93,625
Community Development Block Grant/Entitlement Grants - Disaster Recovery	Dauphin County	B-12-UJ-42-0001	-	14.218	5,448	-	(9,750)	(15,198)
Total CDBG Entitlement Grant Cluster			1,362,913		(146,668)	1,751,339	1,923,398	318,527
HOME Investment Partnerships Program	Dauphin County	M15-UC420214	-	14.239	-	24,000	24,000	-
HOME Investment Partnerships Program	Dauphin County	M16-UC420214	66,934	14.239	-	142,434	143,934	1,500
HOME Investment Partnerships Program	Dauphin County	M17-UC420214	59,861	14.239	(169)	58,361	59,861	1,669
HOME Investment Partnerships Program	Dauphin County	M18-UC420214	138,784	14.239	(53,927)	244,009	217,050	26,968
HOME Investment Partnerships Program	Dauphin County	M19-UC420214	25,000	14.239	-	25,000	46,973	21,973
Total CFDA #14.239			289,579		(54,096)	493,804	491,818	52,110
Total U.S. Department of Housing and Urban Development			1,652,492		(200,764)	2,245,343	2,415,216	370,637
U.S. Department of the Treasury								
Coronavirus Relief Fund	Dauphin County	C000073979	-	21.019	-	17,356,545	17,356,545	-
Total CFDA #21.019			-		-	17,356,545	17,356,545	-
Total U.S. Department of the Treasury			-		-	17,356,545	17,356,545	-
TOTAL FEDERAL AWARDS			\$ 1,652,492		\$ (200,764)	\$ 19,601,888	\$ 19,771,761	\$ 370,637

* Denotes major program

DAUPHIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2020

NOTE 1: REPORTING ENTITY

The Dauphin County Economic Development Corporation is the reporting entity for financial reporting purposes as defined in Note 1A to the Dauphin County Economic Development Corporation's financial statements.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of the Dauphin County Economic Development Corporation and is presented on the accrual basis of accounting as described in Note 1B to the Dauphin County Economic Development Corporation's financial statements. The Corporation did not use the 10% de minimis indirect cost rate.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2020 threshold for determining Type A and Type B Programs is \$750,000. The following Type A programs were audited as major:

<u>CFDA</u>	<u>Program</u>
14.218	Community Development Block Grant – Entitlement Grants
21.019	Coronavirus Relief Fund

The amount expended under programs audited as major federal programs for the year ended December 31, 2020, totaled \$19,279,943 or 97.51% of total federal awards.

DAUPHIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
• Material weaknesses identified?	<u>No</u>
• Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	<u>No</u>
• Significant deficiencies identified not considered to be material weaknesses?	<u>No</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>

Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Program (Cluster)</u>
14.218	Community Development Block Grant – Entitlement Grants
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs using risk-based approach:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

DAUPHIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

DAUPHIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

The following summary indicates the current year status of findings identified in the prior year Single Audit report:

<u>Corporation Program</u>	<u>Prior Year Finding</u>	<u>Description of Finding</u>	<u>Current Year Status</u>
CDBG Entitlement Grants Cluster	2019-001	Reporting	Resolved