

**Washington Greene County
Job Training Agency, Inc.**

Single Audit

June 30, 2017

MaherDuessel

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**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

YEAR ENDED JUNE 30, 2017

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**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

YEAR ENDED JUNE 30, 2017

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Independent Auditor's Report

**Board of Directors
Washington Greene County
Job Training Agency, Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of Washington Greene County Job Training Agency, Inc. (Agency), which comprise the statement of financial position as of June 30, 2017, 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 of 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 the Agency as of June 30, 2017, 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 of the Agency as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. 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 also 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 February 26, 2018, on our consideration of the Agency'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Mahe Duessel
Pittsburgh, Pennsylvania
February 26, 2018

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

Assets	
Cash and cash equivalents	\$ 364,312
Grants receivable	514,790
Prepaid expense and other	<u>8,537</u>
Total Assets	<u><u>\$ 887,639</u></u>
Liabilities and Net Assets	
Liabilities:	
Accounts payable	\$ 134,155
Accrued payroll	11,601
Deferred revenue	242,100
Due to others	<u>158,089</u>
Total Liabilities	545,945
Net Assets:	
Unrestricted	<u>341,694</u>
Total Liabilities and Net Assets	<u><u>\$ 887,639</u></u>

See accompanying notes to financial statements.

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

Revenues:	
<hr/>	
Grants	\$ 5,232,085
CareerLinks	760,340
	<hr/>
Total revenues	5,992,425
	<hr/>
Expenses:	
<hr/>	
Programs	5,431,024
Administration	522,653
	<hr/>
Total expenses	5,953,677
	<hr/>
Change in Net Assets	38,748
Net Assets:	
<hr/>	
Beginning of year	302,946
	<hr/>
End of year	\$ 341,694
	<hr/> <hr/>

See accompanying notes to financial statements.

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	<u>Programs</u>	<u>Administration</u>	<u>Total</u>
Salaries and related	\$ 491,656	\$ 332,448	\$ 824,104
Subcontracts	585,375	-	585,375
Occupancy	584,791	34,374	619,165
Capital expenditures	21,362	4,549	25,911
Travel	13,887	13,656	27,543
Advertising	6,720	11,457	18,177
Professional services	4,527	45,377	49,904
Insurance	1,085	25,948	27,033
Supplies	31,112	4,535	35,647
Staff training	8,222	7,439	15,661
Beaver County Job Training	1,697,631	-	1,697,631
Southwest Training Services, Inc.	1,977,647	-	1,977,647
Other	7,009	42,870	49,879
Total	<u>\$ 5,431,024</u>	<u>\$ 522,653</u>	<u>\$ 5,953,677</u>

See accompanying notes to financial statements.

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

Cash Flows From Operating Activities:

Change in net assets	\$ 38,748
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Change in:	
Grants receivable	(156,801)
Prepaid expense and other	17,502
Accounts payable	(45,213)
Accrued payroll	(15,523)
Deferred revenue	101,966
Due to others	16,579
	<hr/>
Total adjustments	(81,490)
	<hr/>
Net cash provided by (used in) operating activities	(42,742)
	<hr/>
Increase (Decrease) in Cash and Cash Equivalents	(42,742)
	<hr/>
Cash and Cash Equivalents:	
Beginning of year	407,054
	<hr/>
End of year	\$ 364,312
	<hr/> <hr/>

See accompanying notes to financial statements.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

1. Organization and Purpose

Washington Greene County Job Training Agency, Inc. (Agency) was established to provide eligible recipients of Washington and Greene Counties with the assistance necessary to compete, secure, and hold jobs. To this end, the Agency contracts with various entities to provide classroom and on-the-job training to eligible residents to prepare them for a particular vocation. The Agency receives federal and state funding to administer and provide the necessary training to residents.

The Agency was incorporated in 1995. Prior to September 1, 1995, the fiscal activities of the Agency were included in the financial records of the County of Washington.

The Agency serves as the Southwest Training Services, Inc.'s (Southwest) and Beaver County Job Training's (Beaver) fiscal agent with the responsibility to administer funds under the Workforce Innovation and Opportunity Act (WIOA).

The Agency is a member of the Washington County, Mon Valley, and Greene County CareerLinks to run the Employment, Advancement, and Retention Network (EARN) program, which is designed to address the needs of Welfare clients with barriers to employment. CareerLink sites are designed to create one-stop shopping for job seekers by locating multiple agencies under one roof. The Agency also serves as fiscal agent for these CareerLink sites as well as the Beaver County CareerLink.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Agency are presented on the accrual basis. Accordingly, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. The majority of the Agency's revenues consist of expense reimbursement grants from the Commonwealth of Pennsylvania. Eligible expenses are reported to the Commonwealth of Pennsylvania on a monthly basis and are limited to the maximum reimbursable amount authorized for the contract period.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

Net Asset Classes

Resources are classified for accounting and reporting purposes into three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) established according to their nature and purpose. Any restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted support.

The assets, liabilities, and net assets of the Agency are reported in net asset classes as follows:

Unrestricted - Used to accumulate all unrestricted and board-designated resources from operations. This class represents the part of net assets of a not-for-profit organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Approximately, \$317,000 of the Agency's net assets relate to funding received from DHS for job retention, placement, and credentialing in the EARN program.

Temporarily Restricted - Represents a portion of the net assets of the Agency resulting (a) from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that can be fulfilled and removed by actions of the organization pursuant to those stipulations and (b) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, and their fulfillment and removal by action of the organization pursuant to those stipulations. The Agency has no temporarily restricted net assets.

Permanently Restricted - Represents net assets with a donor-imposed restriction that stipulates that resources be maintained permanently but permits the organization to use up or expend part or all of the income derived from the donated assets. The Agency has no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all investments with original maturities of three months or less as cash. Cash and cash equivalents are held in a bank, which carries FDIC insurance. Book balance and bank balance of all cash and cash equivalents total \$364,312 and \$428,967, respectively. Of the bank balance, \$250,135 is covered under FDIC insurance.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

Grants and Other Receivables

Grants receivable represent amounts due to the Agency at the end of the fiscal year under cost reimbursement grants.

Grants and other receivables are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been provided.

Due to Others

Due to others represents amounts due to Southwest and Beaver from the Agency, their fiscal agent, at the end of the fiscal year.

Deferred Revenue

Deferred revenue arises when resources are received by the Agency before it has legal claim to them, as when intergovernmental funds are received prior to the occurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, the deferred revenue is removed as a liability and the revenue is recognized.

Fixed Assets

Title to all fixed assets acquired with grant funds remains with the Pennsylvania Department of Labor and Industry. Thus, the cost of fixed assets is charged as an expense when incurred. Accordingly, no fixed asset or depreciation accounts have been established.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the program and administrative services benefited based on a comprehensive cost allocation plan.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

The Agency contracts almost exclusively with the state under work programs. In addition, its employees, clients, and vendors primarily reside in Washington, Beaver, and Greene Counties. Therefore, economic and demographic influences on these areas could impact the Agency's operations.

Income Taxes

Income taxes are not provided, as the Internal Revenue Service has notified the Agency that they are exempt under Section 501(c)(3), as other than a private foundation, of the Internal Revenue Code. The Agency annually files a Form 990.

Pending Pronouncements

FASB has issued statements that will become effective in future years as outlined below. Management has not yet determined the impact of these statements on the financial statements.

ASU 2016-02, "*Leases (Topic 842)*," is effective for the financial statements for the year ending December 31, 2020. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2016-14, "*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*," is effective for the financial statements for the year ending December 31, 2018. This amendment aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The ASU changes the net asset classification, requires presentation of expenses both by nature and function, requires

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

investment return reported net of investment expenses, requires placed-in-service approach for gifts of/for long-lived assets, and provides enhanced disclosures for: governing body restrictions; composition of net assets with donor restrictions; qualitative and quantitative information on liquidity; methods to allocate costs among program and support functions; and underwater donor-restricted endowment.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Pension Plan

The Agency has a defined contribution pension plan (plan). The plan provides for voluntary participation by all employees who have attained two years of service.

Plan provisions allow employees to contribute up to the maximum percentage allowable under the limits of Internal Revenue Code Section 403(b). The Agency makes discretionary contributions, which are allocated to all eligible participants in the same proportion that each participant's compensation bears to total compensation for all participants. Employees are fully vested in the plan upon meeting the eligibility requirements.

Plan contributions for the year ended June 30, 2017 were approximately \$28,650 and \$8,700, by the Agency and its employees, respectively.

4. Leases

The Agency entered into several leases for office space. Rental expense was \$443,221 during the fiscal year ended June 30, 2017, which includes several year-to-year leases.

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

As of June 30, 2017, the future commitments for each of the fiscal years ended June 30 are as follows:

2018	\$ 286,900
2019	207,266
2020	210,334
2021	<u>108,494</u>
	<u>\$ 812,994</u>

5. Line of Credit

The Agency has a line of credit agreement with Charleroi Federal Savings Bank in the amounts of \$200,000, at an interest rate of 4.25% based on the Prime Rate (4.25% at June 30, 2017) plus 0.00%. The line of credit is collateralized by first lien and security interest in the Agency's accounts.

The Agency also has a line of credit agreement with Northwest Savings Bank in the amount of \$75,000, at an interest rate of 5.25% based on the Prime Rate (4.25% at June 30, 2017) plus 1.00%. The line of credit is collateralized by first lien on all business assets.

During the year, the Agency did not draw down nor did it make any payments on either of these lines of credit, which resulted in \$0 due at year-end.

SUPPLEMENTARY INFORMATION

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

EARN PROGRAM
CONTRACT #4100060776

SCHEDULE OF REVENUES, EXPENSES, AND COMPARISON WITH BUDGET

YEAR ENDED JUNE 30, 2017

	Budget	Actual	Over (Under) Actual
Revenues:			
Grant revenue	\$ 591,450	\$ 524,017	\$ 67,433
Expenses:			
Administration costs:			
Personnel:			
Staff salaries	46,737	42,208	4,529
Staff fringe benefits	16,655	14,023	2,632
Total personnel	63,392	56,231	7,161
Equipment and supplies	4,000	1,986	2,014
Operating expenses	23,600	20,749	2,851
Total administration costs	90,992	78,966	12,026
Direct training costs:			
Personnel:			
Staff salaries	131,534	114,278	17,256
Staff fringe benefits	53,446	50,866	2,580
Total personnel	184,980	165,144	19,836
Equipment and supplies	15,500	6,551	8,949
Operating expenses	84,782	58,160	26,622
Other program expenses	-	-	-
Total direct training costs	285,262	229,855	55,407
Subcontracted expenses	215,196	215,196	-
Total expenses	591,450	524,017	67,433
Excess of Revenue Over (Under)			
Expenses	\$ -	\$ -	\$ -

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER

YEAR ENDED JUNE 30, 2017

Contract Identifier/Number	Contract Period	Costs			(Over) Under Budget
		Authorized Budget	Actual		
			Prior to 7/1/16	7/1/16-6/30/17	
14 - DW 2nd RR 165144151	7/01/15-6/30/17	\$ 374,322	\$ 268,595	\$ 105,727	\$ -
14 - Job Driven NEG PA26 165147200	7/1/14-9/30/16	200,000	169,514	30,486	-
14 - PY15 RRAA 165144155	7/01/14-6/30/17	75,015	19,877	55,138	-
15 - Trade WIA 165151001	4/19/16-11/18/16	27,215	8,930	18,285	-
15 - PA-Reg~Power DWG 165151509	1/01/16-6/30/18	753,840	41,502	239,532	472,806
15 - Adult Local WIOA 2nd Inc 165153011	10/01/15-6/30/17	758,322	639,539	118,783	-
15 - Transfers DW2 to AD2 165153013	10/01/15-6/30/17	55,600	-	55,600	-
15 - Adult 5% SW BEP PY16 165153133	3/01/17-6/30/18	112,027	-	11,855	100,172
15 - Youth WIOA Local 165153301	4/01/15-6/30/17	858,426	760,193	98,233	-
15 - TANF Youth 165153361	4/01/15-6/30/17	264,779	241,303	23,476	-
15 - TANF Youth Summer 165153362	1/01/16-9/30/16	173,760	30,420	143,340	-
15 - DW WIOA Local 2nd Inc 165154011	10/01/15-6/30/18	836,748	665,673	171,075	-
15 - RRAA 165154052	7/01/15-6/30/17	25,000	-	25,000	-
15 - RRAA 2nd Inc 165154151	10/01/16-6/30/18	127,000	-	34,543	92,457
15 - DW 2nd WIOA Activities 165154152	10/01/15-6/30/17	66,286	29,615	36,671	-
15 - Sector Partnership 165155100	11/01/15-6/30/18	571,587	1,121	261,789	308,677

(Continued)

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER

YEAR ENDED JUNE 30, 2017
(Continued)

Contract Identifier/Number	Contract Period	Authorized Budget	Costs		(Over) Under Budget
			Actual		
			Prior to 7/1/16	7/1/16-6/30/17	
15 - Sect Part - RSAB 165155103	7/01/15-6/30/18	88,290	30,670	45,360	12,260
15 - IP BC 165156237	7/01/15-6/30/17	100,000	12,000	88,000	-
15 - IP AM 165156238	7/01/15-6/30/17	100,000	-	100,000	-
16 - Adult 1st Inc Local 165163001	7/01/16-6/30/17	100,203	-	100,203	-
16 - Adult Local 2nd 165163011	10/01/16-6/30/18	686,702	-	640,111	46,591
16 - WIOA Youth 165163301	4/01/16-6/30/18	824,101	3,018	777,969	43,114
16 - TANF Youth 165163361	7/1/16-6/30/18	269,690	-	269,230	460
16 - TANF Summer Youth 165163362	7/1/16-6/30/18	195,800	-	31,698	164,102
16 - DW 1st Inc Local 165164001	7/1/16-6/30/17	142,725	-	142,725	-
16 - DW Local 2nd Inc 165164011	10/1/16-6/30/18	760,470	-	690,183	70,287
16 - DW 2nd Summer Youth Internship 165164133	10/1/16-6/30/18	14,800	-	2,532	12,268
16 - DW RRAA 2nd Inc 165164151	10/1/16-6/30/18	94,152	-	-	94,152
16 - Industry Partnership 165166231	7/1/16-6/30/17	200,000	-	<u>200,000</u>	-
Total per financial status reports				4,517,544	
Previous year carryover				-	
Current year carryover				-	
Other programs				<u>1,436,133</u>	
				<u>\$ 5,953,677</u>	

(Concluded)

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	Federal CFDA Number	(Pass-Through) Grantor's Number	Expenditures	Amounts Provided to Subrecipients
U.S. Department of Labor and Industry				
Passed Through Pennsylvania Department of Labor and Industry: Trade Adjustment Assistance	17.245	165151001	\$ 18,285	\$ 18,285
Passed Through Pennsylvania Department of Labor and Industry: WIOA cluster:				
Adult Program	17.258	165153011	118,783	112,833
Adult Program	17.258	165153133	11,855	11,261
Adult Program	17.258	165163001	100,203	95,184
Adult Program	17.258	165163011	640,112	608,048
Total 17.258			870,953	827,326
Youth Activities	17.259	165153301	98,232	88,223
Youth Activities	17.259	165163301	777,968	698,696
Total 17.259			876,200	786,919
Dislocated Worker Formula Grants	17.278	165144151	105,727	90,815
Dislocated Worker Formula Grants	17.278	165144155	55,138	47,361
Dislocated Worker Formula Grants	17.278	165153013	55,600	47,758
Dislocated Worker Formula Grants	17.278	165154011	171,075	146,946
Dislocated Worker Formula Grants	17.278	165154052	25,000	21,474
Dislocated Worker Formula Grants	17.278	165154151	34,543	29,671
Dislocated Worker Formula Grants	17.278	165154152	36,671	31,499
Dislocated Worker Formula Grants	17.278	165164001	142,725	122,595
Dislocated Worker Formula Grants	17.278	165164011	690,183	592,840
Dislocated Worker Formula Grants	17.278	165164133	2,532	2,175
Total 17.278			1,319,194	1,133,134
Total WIOA cluster			3,066,347	2,747,379
Passed Through Pennsylvania Department of Labor and Industry:				
National Emergency Grants	17.277	165147200	30,486	25,061
National Emergency Grants	17.277	165151509	239,532	196,906
National Emergency Grants	17.277	165155100	261,790	215,204
National Emergency Grants	17.277	165155103	45,360	37,288
Total 17.277			577,168	474,459
Total U.S. Department of Labor and Industry			3,661,800	3,240,123
Appalachian Regional Commission				
Appalachian Area Development	23.002		19,490	13,544
Total Appalachian Regional Commission			19,490	13,544
U.S. Department of Health and Human Services				
Passed Through the Pennsylvania Department of Human Services and the Pennsylvania Department of Labor and Industry:				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	165153361	23,477	13,070
Temporary Assistance for Needy Families	93.558	165153362	143,340	79,798
Temporary Assistance for Needy Families	93.558	165163361	269,230	149,882
Temporary Assistance for Needy Families	93.558	165163362	31,698	17,646
Temporary Assistance for Needy Families	93.558		641,361	357,049
Total TANF Cluster			1,109,106	617,445
Total U.S. Department of Health and Human Services			1,109,106	617,445
Total Expenditures of Federal Awards			\$ 4,790,396	\$ 3,871,112

See accompanying notes to schedule of expenditures of federal awards.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Washington Greene County Job Training Agency, Inc. (Agency). The information in this Schedule is presented in accordance with the 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).

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Agency has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Washington Greene County
Job Training Agency, Inc.**

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended June 30, 2017

**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
Washington GreeneCounty
Job Training Agency, Inc.**

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 Washington Greene County Job Training Agency, Inc. (Agency), which comprise the statement of financial position as of June 30, 2017, 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 February 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (internal control) to determine the 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 the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’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.

Board of Directors
Washington Greene County
Job Training Agency, Inc.
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 determination of financial statement amounts. 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.

Maher Duessel

Pittsburgh, Pennsylvania
February 26, 2018

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**Board of Directors
Washington Greene County
Job Training Agency, Inc.**

Report on Compliance for Each Major Federal Program

We have audited Washington Greene County Job Training Agency, Inc.'s (Agency) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Agency's major federal programs for the year ended June 30, 2017. The Agency'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 the Agency'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 the Agency'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 Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency 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, 2017.

Report on Internal Control over Compliance

Management of the Agency 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 Agency'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 the Agency'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.

Board of Directors
Washington Greene County
Job Training Agency, Inc.
Independent Auditor's Report on Compliance
for Each Major Program

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.

Mahe Duessel

Pittsburgh, Pennsylvania
February 26, 2018

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? yes no

7. Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

WIOA Cluster:

17.258

WIOA Adult Program

17.259

WIOA Youth Activities

17.278

WIOA Dislocated Worker Formula Grants

93.558

Temporary Assistance for Needy Families

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? yes no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

NONE

**WASHINGTON GREENE COUNTY
JOB TRAINING AGENCY, INC.**

SINGLE AUDIT REPORT DISTRIBUTION LISTING

YEAR ENDED JUNE 30, 2017

Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

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Commonwealth of Pennsylvania
Office of the Budget
Comptroller Operations
Bureau of Audits
555 Walnut Street
Forum Place, 9th Floor
Harrisburg, PA 17101

Attention: Single Audit Coordinator

Electronic