

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

Single Audit

June 30, 2019

**MaherDuessel**

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

YEAR ENDED JUNE 30, 2019

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

YEAR ENDED JUNE 30, 2019

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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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2019, 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.

### **Emphasis of Matter**

As described in Note 2 to the financial statements, the Agency adopted ASU 2016-14, "*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*," which amends the requirements for financial statements for nonprofit entities. Our opinion is not modified with respect to this matter.

### **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 March 18, 2020, 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 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 the Agency'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 the Agency's internal control over financial reporting and compliance.

*Maher Duessel*

Pittsburgh, Pennsylvania  
March 18, 2020

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

<b>Assets</b>	
Cash and cash equivalents	\$ 329,975
Grants receivable	596,323
Prepaid expense and other	49,605
<b>Total Assets</b>	<b>\$ 975,903</b>
<b>Liabilities and Net Assets</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 214,027
Accrued payroll	16,433
Deferred revenue	267,680
Due to others	119,780
<b>Total Liabilities</b>	<b>617,920</b>
<b>Net Assets:</b>	
Without donor restrictions	357,983
<b>Total Liabilities and Net Assets</b>	<b>\$ 975,903</b>

See accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

<b>Revenues:</b>	
<hr/>	
Grants	\$ 6,787,874
CareerLink	782,482
Other income	1,578
	<hr/>
Total revenues	7,571,934
	<hr/>
<b>Expenses:</b>	
<hr/>	
Programs	6,979,019
Administration	609,717
	<hr/>
Total expenses	7,588,736
	<hr/>
<b>Change in Net Assets</b>	(16,802)
<b>Net Assets:</b>	
<hr/>	
Beginning of year	374,785
	<hr/>
End of year	\$ 357,983
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See accompanying notes to financial statements.

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

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	<u>Programs</u>	<u>Administration</u>	<u>Total</u>
Salaries and related	\$ 536,850	\$ 393,772	\$ 930,622
Subcontracts	1,043,699	-	1,043,699
Occupancy	599,312	40,899	640,211
Capital expenditures	8,494	9,161	17,655
Travel	50,404	22,796	73,200
Advertising	4,032	14,091	18,123
Professional services	33,964	41,025	74,989
Insurance	-	24,248	24,248
Supplies	52,566	6,930	59,496
Staff training	15,079	12,283	27,362
Subcontracts to Beaver County Job Training	2,112,488	-	2,112,488
Subcontracts to Southwest Training Services, Inc.	2,508,418	-	2,508,418
Other	13,713	44,512	58,225
Total	<u>\$ 6,979,019</u>	<u>\$ 609,717</u>	<u>\$ 7,588,736</u>

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019

**Cash Flows From Operating Activities:**

Change in net assets	\$ (16,802)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Change in:	
Grants receivable	(264,280)
Prepaid expense and other	(21,860)
Accounts payable	42,914
Accrued payroll	1,031
Deferred revenue	(150,092)
Due to others	(28,251)
Total adjustments	<u>(420,538)</u>
Net cash provided by (used in) operating activities	<u>(437,340)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(437,340)</b>
<b>Cash and Cash Equivalents:</b>	
Beginning of year	<u>767,315</u>
End of year	<u><u>\$ 329,975</u></u>

See accompanying notes to financial statements.

# WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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### 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 CareerLink 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, 2019

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### Net Asset Classes

Resources are classified for accounting and reporting purposes into two classes of net assets (with or without donor restrictions) established according to their nature and purpose. Any contributions with donor restrictions whose restrictions are met in the same reporting period are recorded as support without donor restrictions.

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

Without Donor Restrictions – Net assets that represent resources over which the Board of Directors (Board) has discretionary control and are used to carry out the operations of the Agency in accordance with its bylaws. All of the Agency's net assets relate to funding received for job retention, placement, and credentialing.

With Donor Restrictions – Net assets that represent resources currently available for use, but expendable only for those operating purposes specified by the grantor or net assets that require the corpus to be invested and remain intact indefinitely, with the income earned from the investment being spent as designated by the donor. The Agency had no net assets with donor restrictions at June 30, 2019.

### 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 \$329,975 and \$413,770, respectively. Of the bank balance, \$250,135 is covered under FDIC insurance.

### 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.

# WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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### 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, certain personnel and facility 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 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

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# WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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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.

### Adopted Accounting Standard

For the year ended June 30, 2019, the Agency adopted ASU 2016-14 *“Not for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,”* which 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.

Beginning net assets for 2019 that were previously reported as unrestricted have been reflected as net assets without donor restriction. Beginning net assets for 2019 that were previously reported as temporarily restricted have been reflected as net assets with donor restriction.

### Pending Accounting Standards

The Financial Accounting Standards Board (FASB) has issued standards that will become effective in future years as outlined below. Management has not yet determined the impact of these standards on the financial statements.

ASU 2014-09, *“Revenue from Contracts with Customers (Topic 606),”* is effective for the financial statements for the year ending June 30, 2020 (as amended by ASU 2015-14). This standard provides guidance for revenue recognition related to contracts with the transfer of promised goods or services to customers and related disclosures.

ASU 2016-02, *“Leases (Topic 842),”* is effective for the financial statements for the year beginning after June 30, 2022. This standard 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.

# WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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ASU 2016-18, *“Statement of Cash Flows (Topic 230): Restricted Cash,”* is effective for the financial statements for the year beginning after June 30, 2019. This standard requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

ASU 2018-08, *“Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,”* is effective for the financial statements for the year ending June 30, 2020. This amendment provides guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions.

### 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, 2019 were approximately \$34,970 and \$18,720, by the Agency and its employees, respectively.

### **4. Leases**

The Agency entered into several leases for office space. Rental expense was \$432,355 during the fiscal year ended June 30, 2019, which includes several year-to-year leases.

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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As of June 30, 2019, the future commitments for each of the fiscal years ending June 30 are as follows:

2020	\$ 421,984
2021	250,547
2022	<u>111,749</u>
	<u>\$ 784,280</u>

**5. Line of Credit**

The Agency has a line of credit agreement with Northwest Savings Bank in the amount of \$75,000, at an interest rate of 6% based on the Prime Rate (5% at June 30, 2019) 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 the line of credit, which resulted in \$0 due at year-end.

**6. Commitments and Contingencies**

The Agency is subject to state and federal audits by grantor agencies. Applicable laws and regulations are complex and subject to interpretation. The Agency is not aware of any material pending audit findings involving prior or current years; however, compliance with such laws and regulations can be subject to future reviews and interpretation, which could result in disallowed costs.

**7. Liquidity and Availability**

The Agency manages its liquid resources by focusing on grant funding to ensure it has adequate funds to cover the programs that are being conducted, and has a line of credit it can utilize as well. Further, the Agency prepares budgets for each grant and has been active in fiscal management to ensure the entity remains liquid. Financial assets at year-end are \$926,298, all of which are expected to be available within one year to meet the cash needs for general expenditures.

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## **SUPPLEMENTARY INFORMATION**

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

EARN PROGRAM  
CONTRACT #4100077979

SCHEDULE OF REVENUES, EXPENSES, AND COMPARISON WITH BUDGET

YEAR ENDED JUNE 30, 2019

	Budget	Actual	Over (Under) Actual
<b>Revenues:</b>			
Grant revenue	\$ 591,450	\$ 570,162	\$ 21,288
<b>Expenses:</b>			
Administration costs:			
Personnel:			
Staff salaries	50,089	39,167	10,922
Staff fringe benefits	17,303	14,463	2,840
Total personnel	67,392	53,630	13,762
Equipment and supplies	2,500	2,049	451
Operating expenses	21,100	17,823	3,277
Total administration costs	90,992	73,502	17,490
Direct training costs:			
Personnel:			
Staff salaries	133,814	133,426	388
Staff fringe benefits	77,990	77,990	-
Total personnel	211,804	211,416	388
Equipment and supplies	8,119	6,006	2,113
Operating expenses	65,339	64,042	1,297
Other program expenses	-	-	-
Total direct training costs	285,262	281,464	3,798
Subcontracted expenses	215,196	215,196	-
Total expenses	591,450	570,162	21,288
<b>Excess of Revenue Over (Under)</b>			
<b>Expenses</b>	\$ -	\$ -	\$ -

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

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER

YEAR ENDED JUNE 30, 2019

Contract Identifier/Number	Contract Period	Costs			(Over) Under Budget
		Authorized Budget	Prior to 7/1/18	Actual 7/1/18-6/30/19	
15 - PA-Reg~Power DWG 165151509	1/01/16-9/30/18	\$ 440,846	\$ 412,831	\$ 28,015	\$ -
16 - DW 1st SW 18/19 Slip 165164033	2/1/19-6/30/19	30,023	-	30,023	-
17 - ReEmployment-ATO Capacity Grants 165171036	2/1/18-6/30/19	95,495	-	84,851	10,644
17 - ReEmployment-ATO Apprenticeship Grants 165171037	2/01/18-2/28/19	132,000	39,126	92,874	-
17 - Adult Local 3rd Inc 165173005	4/1/18-6/30/19	534	-	534	-
17 - Adult 2nd Inc Local 165173011	10/01/17-6/30/19	922,633	809,732	112,901	-
17 - Adult 2nd Inc PY17 BEP 165173132	6/01/18-6/30/19	100,000	1,591	98,409	-
17 - Local Youth 165173301	4/01/17-6/30/19	1,108,139	852,918	255,221	-
17 - Youth Local 2nd Inc 165173306	4/1/18-6/30/19	5,670	-	5,670	-
17 - Youth SW PY17 TIW 165173342	6/1/18-6/30/19	19,480	-	8,751	10,729
17 - TANF Year Round 165173361	7/01/17-6/30/19	481,081	427,330	53,751	-
17 - DW Local 3rd Inc 165174005	4/1/18-6/30/19	948	-	948	-
17 - DW 2nd Inc Local 165174011	10/01/17-6/30/19	1,010,022	663,165	346,857	-
17 - DW RR 1st - PY17 RRAA 165174053	7/01/17-6/30/19	12,504	6,210	6,294	-
17 - DW 2nd SW PY17 SLIP 165174132	4/01/18-10/31/18	63,307	12,769	50,538	-
17 - DW 2nd Inc RR 165174151	10/01/17-12/31/19	279,885	75,910	69,039	134,936

(Continued)

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

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER

YEAR ENDED JUNE 30, 2019  
(Continued)

Contract Identifier/Number	Contract Period	Authorized Budget	Costs		(Over) Under Budget
			Actual		
			Prior to 7/1/18	7/1/18-6/30/19	
17 - Industry Partnership 165176231	7/01/17-6/30/20	50,000	2,139	31,499	16,362
17 - 17 IP 2nd Round 165176233	9/26/18-6/30/20	75,000	-	1,953	73,047
18 - 18 Adult Local 1st Inc 165183001	7/1/18-6/30/20	190,301	-	190,301	-
18 - 18 Adult 2nd Local 165183011	10/1/18-6/30/20	1,011,467	-	980,304	31,163
18 - 18 DW2 to AD2 transfers 165183013	10/1/18-6/30/20	334,000	-	60,087	273,913
18 - 18 Youth Local 165183301	4/1/18-6/30/20	1,276,895	-	999,080	277,815
18 - 18 TANF Year Round 165183361	7/1/18-6/30/20	476,160	-	436,347	39,813
18 - DW Local 1st 165184001	7/1/18-6/30/20	313,391	-	313,391	-
17 - 18 DW 2nd Local 165184011	10/1/18-6/30/20	1,151,722	-	751,211	400,511
18 - 18 DW 10% 1s Inc 18/19 SLIP 165184032	2/1/19-9/30/19	64,335	-	21,152	43,183
18 - 18 PY18 BEP 165184132	1/1/19-6/30/20	100,000	-	14,234	85,766
18 - 18 Opioid Grant 165188123	7/1/18-6/30/20	411,438	-	<u>112,291</u>	299,147
Total per financial status reports				5,156,526	
Previous year carryover				(1)	
Current year carryover				39,510	
Other programs				<u>2,392,701</u>	
				<u>\$ 7,588,736</u>	

(Concluded)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	<u>Federal CFDA Number</u>	<u>(Pass-Through) Grantor's Number</u>	<u>Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<b><u>U.S. Department of Labor and Industry</u></b>				
Passed Through Pennsylvania Department of Labor and Industry:				
WIOA cluster:				
Adult Program	17.258	165173005	\$ 534	\$ 485
Adult Program	17.258	165173011	112,901	102,601
Adult Program	17.258	165173132	98,409	89,431
Adult Program	17.258	165183001	190,301	172,939
Adult Program	17.258	165183011	<u>980,268</u>	<u>890,834</u>
Total 17.258			<u>1,382,413</u>	<u>1,256,289</u>
Youth Activities	17.259	165173301	255,221	222,090
Youth Activities	17.259	165173306	5,670	4,934
Youth Activities	17.259	165173342	8,751	7,615
Youth Activities	17.259	165183301	<u>1,038,685</u>	<u>903,851</u>
Total 17.259			<u>1,308,327</u>	<u>1,138,490</u>
Dislocated Worker Formula Grants	17.278	165164033	30,023	27,319
Dislocated Worker Formula Grants	17.278	165174005	948	863
Dislocated Worker Formula Grants	17.278	165174011	346,857	315,614
Dislocated Worker Formula Grants	17.278	165174053	6,294	5,727
Dislocated Worker Formula Grants	17.278	165174132	50,539	45,987
Dislocated Worker Formula Grants	17.278	165174151	69,039	62,820
Dislocated Worker Formula Grants	17.278	165183013	60,087	54,675
Dislocated Worker Formula Grants	17.278	165184001	313,391	285,162
Dislocated Worker Formula Grants	17.278	165184011	751,172	683,509
Dislocated Worker Formula Grants	17.278	165184032	21,147	19,242
Dislocated Worker Formula Grants	17.278	165184132	<u>14,232</u>	<u>12,950</u>
Total 17.278			<u>1,663,729</u>	<u>1,513,867</u>
Total WIOA cluster			<u>4,354,469</u>	<u>3,908,646</u>
Passed Through Pennsylvania Department of Labor and Industry:				
National Emergency Grants	17.277	165151509	28,015	22,879
Dislocated Worker National Reserve Demonstration Grants	17.280	165188123	<u>112,282</u>	<u>57,708</u>
Total U.S. Department of Labor and Industry			<u>4,494,766</u>	<u>3,989,233</u>
<b><u>Appalachian Regional Commission</u></b>				
Appalachian Area Development	23.002		<u>835,351</u>	<u>682,509</u>
Total Appalachian Regional Commission			<u>835,351</u>	<u>682,509</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
TANF Cluster:				
Passed Through the Pennsylvania Department of Human Services				
Temporary Assistance for Needy Families	93.558		673,921	231,457
Passed Through the Pennsylvania Department of Labor and Industry:				
Temporary Assistance for Needy Families	93.558	165183361	436,342	404,736
Temporary Assistance for Needy Families	93.558	165173361	<u>53,751</u>	<u>20,424</u>
Total TANF Cluster			<u>1,164,014</u>	<u>656,617</u>
Total U.S. Department of Health and Human Services			<u>1,164,014</u>	<u>656,617</u>
Total Expenditures of Federal Awards			<u>\$ 6,494,131</u>	<u>\$ 5,328,359</u>

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, 2019

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### **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, 2019

**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 Greene County  
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, 2019, 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 March 18, 2020.

## **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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
March 18, 2020

## Independent Auditor's Report on Compliance for the 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 the 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 program for the year ended June 30, 2019. The Agency's major federal program is 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 program 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 the major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

### ***Opinion on the 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 its major federal program for the year ended June 30, 2019.

### **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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 a 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 the  
Major Program and on Internal Control over Compliance

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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.

*Maher Duessel*

Pittsburgh, Pennsylvania  
March 18, 2020

# WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

### 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

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, 2019**

**NONE**

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

**SINGLE AUDIT REPORT DISTRIBUTION LISTING**

**YEAR ENDED JUNE 30, 2019**

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

Electronic

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

Attention: Single Audit Coordinator

Electronic

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

**DHS – SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS RECONCILIATION**

June 30, 2019

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Human Services (DHS) and the Washington Greene County Job Training Agency (Agency), solely to assist you with respect to the reconciliation schedule required by the DHS Single Audit Supplement for the year ended June 30, 2019. The Agency's management is responsible for the financial schedules and exhibits. The sufficiency of the procedures is solely the responsibility of those specified in the report. 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.

The procedures to be performed on the reconciliation schedule are as follows:

- A.) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- B.) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- C.) Recalculate the amounts listed under the "Difference" column and the "% Difference" column.
- D.) Agree the amounts listed under the "Difference" column to the audited books and records of the County.
- E.) Agree the "Detailed Explanation of the Differences" to the audited books and records of the County.
- F.) Based on the procedures detailed in paragraphs (A) through (E) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (list each separately).

See the attached Exhibit XX for the results of the procedures performed.

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 audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the reconciliation schedule required by this agreement. Accordingly, we do not express such an opinion or conclusion. Had we

Board of Directors  
Washington Greene County  
Job Training Agency, Inc.  
Independent Accountant's Report on Applying  
Agreed-Upon Procedures

performed additional procedures, other matters might have come to our attention that would have been reported to you.

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This report is intended solely for the information and use of the Commonwealth of Pennsylvania Department of Human Services and Washington Greene County Job Training Agency, Inc., and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not intended to be, and should not be, used by anyone other than these specified parties.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
March 18, 2020

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

RECONCILIATION - 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, 2019

**Exhibit XX**

CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference	% Difference	Detailed Explanation of the Differences
Adult Program	17.258	\$ 1,382,413	\$ 1,357,887	\$ 24,526	2%	1
Youth Activities	17.259	1,308,327	1,362,987	(54,660)	-4%	1
National Emergency Grants	17.277	28,015	73,834	(45,819)	-62%	1
Dislocated Worker Formula Grants	17.278	1,663,729	1,704,801	(41,072)	-2%	1
Dislocated Worker National Reserve Demonstration Grants	17.280	112,282	107,722	4,560	4%	1
Temporary Assistance for Needy Families	93.558	1,164,014	1,307,279	(143,265)	-11%	1

n/a - Amounts are in agreement

1. The difference is due to timing based on the audit confirmation reflecting cash payments versus the modified accrual accounting of federal expenditures on the schedule of federal expenditures. Management believes this calculation represents federal expenditures.