

Washington Green County Job Training Agency, Inc.

Single Audit

June 30, 2016

MaherDuessel
Certified Public Accountants

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WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

YEAR ENDED JUNE 30, 2016

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WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

YEAR ENDED JUNE 30, 2016

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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, 2016, 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, 2016, and the changes in its net assets and its cash flows

Board of Directors
Washington Greene County
Job Training Agency, Inc.
Independent Auditor's Report

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 March 27, 2017, 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.

Maher Duessel

Pittsburgh, Pennsylvania
March 27, 2017

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

Assets	
Cash and cash equivalents	\$ 407,054
Grants receivable	357,989
Prepaid expense and other	<u>26,039</u>
Total Assets	<u>\$ 791,082</u>
 Liabilities and Net Assets	
Liabilities:	
Accounts payable	\$ 179,368
Accrued payroll	27,124
Deferred revenue	140,134
Due to others	<u>141,510</u>
Total Liabilities	488,136
Net Assets:	
Unrestricted	<u>302,946</u>
Total Liabilities and Net Assets	<u>\$ 791,082</u>

See accompanying notes to financial statements.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016

Revenues:	
Grants	\$ 4,782,456
CareerLinks	<u>713,727</u>
Total revenues	<u>5,496,183</u>
Expenses:	
Programs	5,070,742
Administration	<u>413,579</u>
Total expenses	<u>5,484,321</u>
Change in Net Assets	11,862
Net Assets:	
Beginning of year	<u>291,084</u>
End of year	<u><u>\$ 302,946</u></u>

See accompanying notes to financial statements.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	<u>Programs</u>	<u>Administration</u>	<u>Total</u>
Salaries and related	\$ 477,252	\$ 228,918	\$ 706,170
Subcontracts	16,845	-	16,845
Occupancy	685,427	31,930	717,357
Capital expenditures	25,926	4,181	30,107
Travel	17,478	6,177	23,655
Advertising	26,650	3,542	30,192
Professional services	19,963	55,614	75,577
Insurance	5,192	17,039	22,231
Supplies	42,038	4,546	46,584
Staff training	29,944	1,681	31,625
Beaver County Job Training	1,484,360	-	1,484,360
Southwest Training Services, Inc.	2,234,329	-	2,234,329
Other	5,338	59,951	65,289
	<u>\$ 5,070,742</u>	<u>\$ 413,579</u>	<u>\$ 5,484,321</u>
Total			

See accompanying notes to financial statements.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2016

Cash Flows From Operating Activities:

Change in net assets	\$ 11,862
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Change in:	
Grants receivable	(224,289)
Prepaid expense and other	5,122
Accounts payable	112,346
Accrued payroll	(51,082)
Deferred revenue	(5,057)
Due to others	(5,640)
Total adjustments	(168,600)
Net cash provided by (used in) operating activities	(156,738)

Cash Flows From Financing Activities:

Borrowings on line of credit	50,000
Principal payments on line of credit	(50,000)
Net cash provided by (used in) financing activities	-

Increase (Decrease) in Cash and Cash Equivalents (156,738)

Cash and Cash Equivalents:

Beginning of year	563,792
End of year	\$ 407,054

See accompanying notes to financial statements.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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 Investment Act (WIA).

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.

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

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, \$281,000 of the Agency's net assets relate to funding received from DHS for job retention, placement, and credentialing in the EARN program. Although this revenue is earned, it can only be spent in accordance with EARN program guidelines.

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 \$407,054 and \$420,174, respectively. Funds are FDIC insured up to \$250,000.

Grants and Other Receivables

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

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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.

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 Counties. Therefore, economic and demographic influences on these areas could impact the Agency's operations.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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 Standards Update

In February 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842)*," which is intended to increase transparency and comparability among entities that enter into leasing arrangements. This ASU requires recognition of lease assets and lease liabilities on the balance sheet for nearly all leases (other than short-term leases), as well as a retrospective recognition and measurement of existing impacted leases. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2019. The new standard is required to be applied with a modified retrospective approach to each prior reporting period with various optional practical expedients. The Agency is in the process of determining the impact of the adoption of this guidance on its financial statements.

In August 2016, the FASB issued ASU No. 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. The ASU changes the net asset classification, requires presentation of expenses both by nature and function, requires 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. The changes in the standard are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Management has not yet determined the impact of this amendment on the Agency's financial statements.

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.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, 2016 were approximately \$27,150 and \$8,275, by the Agency and its employees, respectively.

4. LEASES

The Agency entered into several leases for office space. Rental expense was \$552,019 during the fiscal year ended June 30, 2016, which includes several year-to-year leases. As of June 30, 2016, the future commitments for each of the fiscal years ended June 30 are as follows:

2017	\$ 281,073
2018	240,758
2019	194,643
2020	195,988
	<hr/>
	\$ 912,462
	<hr/>

During the current year, the Agency ended the Academy program, which led to the cancellation of the lease of the building from which the Academy program was run. Subsequent to year-end, \$95,400 was paid to the lessor of this building as a result of this lease cancellation. This amount paid related to the lease termination is accrued as expense in the financial statements.

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

5. LINE OF CREDIT

The Agency has two line of credit agreements, one for \$200,000 with a one local bank and another for \$75,000 with another local bank. During the year, the Agency drew down a total of \$50,000 on these lines of credit and made total payments of \$50,000, which resulted in \$0 due at year-end on the lines of credit.

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, 2016

	Budget	Actual	Over (Under) Actual
Revenues:			
Grant revenue	\$ 591,450	\$ 486,451	\$ 104,999
Expenses:			
Administration costs:			
Personnel:			
Staff salaries	50,953	35,706	15,247
Staff fringe benefits	15,864	11,442	4,422
Total personnel	66,817	47,148	19,669
Equipment and supplies	3,229	2,732	497
Operating expenses	20,946	16,912	4,034
Total administration costs	90,992	66,792	24,200
Direct training costs:			
Personnel:			
Staff salaries	132,807	126,403	6,404
Staff fringe benefits	55,040	50,798	4,242
Total personnel	187,847	177,201	10,646
Equipment and supplies	14,804	13,208	1,596
Operating expenses	79,761	65,953	13,808
Other program expenses	2,850	2,850	-
Total direct training costs	285,262	259,212	26,050
Subcontracted expenses	215,196	215,196	-
Total expenses	591,450	541,200	50,250
Excess of Revenue Over (Under)			
Expenses	\$ -	\$ (54,749)	\$ 54,749

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER

YEAR ENDED JUNE 30, 2016

Contract Identifier/Number	Contract Period	Authorized Budget	Costs		(Over) Under Budget
			Prior to 7/1/15	7/1/15-6/30/16	
13 - DW 1st Inc Rapid Response 165134051	7/1/13-6/30/16	\$ 33,446	\$ 15,102	\$ 18,344	\$ -
13 - DW 2nd - RRAA 165134154	10/01/13-6/30/16	40,913	17,593	23,320	-
13 - PY15 RRAA 165134161	7/01/15-6/30/16	11,987	-	11,987	-
13 - DW 2nd RR-Reallocation 165134162	10/01/13-6/30/16	20,000	-	20,000	-
14 - Trade WIA 165141001	9/22/14-8/14/15	20,425	20,067	358	-
14 - Adult Local 2nd 165143011	10/1/14-6/30/16	823,144	710,318	112,826	-
14 - Transfers DW2 to AD2 165143013	10/1/14-6/30/16	75,000	16,548	58,452	-
14 - Youth Local 91.25% 165143301	4/1/14-6/30/16	911,257	607,719	303,538	-
14 - TANF Summer Youth Program 165143362	4/01/15-6/30/16	75,688	2,370	73,318	-
14 - DW 2nd Inc Local 66.25% 165144011	10/1/14-6/30/16	743,245	572,830	170,415	-
14 - DW 2nd RR 165144151	7/01/15-6/30/17	420,000	-	268,595	151,405
14 - Job Driven NEG PA26 165147200	7/1/14-9/30/16	200,000	9,021	160,493	30,486
14 - WIOA Transition 165144152	10/01/14-6/30/17	33,872	-	33,872	-
14 - PY15 RRAA 165144155	7/01/14-6/30/17	75,015	-	19,877	55,138
15 - Trade WIA 165151001	4/19/16-9/17/16	13,744	-	8,930	4,814
15 - PA-Reg~Power DWG 165151509	1/01/16-6/30/17	753,840	-	41,502	712,338

(Continued)

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

STATEMENT OF EXPENDITURES BY PROGRAM IDENTIFIER

YEAR ENDED JUNE 30, 2016

(Continued)

Contract Identifier/Number	Contract Period	Authorized Budget	Costs		(Over) Under Budget
			Prior to 7/1/15	Actual 7/1/15-6/30/16	
15 - Local WIOA Adult 1st Inc 165153001	7/01/15-6/30/17	69,155	-	69,155	-
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 - 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	4/1/15-6/30/16	173,760	-	30,420	143,340
15 - DW WIOA Local 1st Inc 165154001	7/01/15-6/30/17	161,908	-	161,908	-
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 - DW 2nd WIOA Activities 165154152	10/01/15-6/30/17	66,286	-	29,615	36,671
15 - Sector Partnership 165155100	11/01/15-6/30/17	500,000	-	1,121	498,879
15 - Sect Part - RSAB 165155103	7/01/15-6/30/17	88,290	-	30,670	57,620
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 - WIOA Youth 165163301	4/01/16-6/30/17	824,101	-	3,018	821,083
Total per financial status reports				3,970,442	
Previous year carryover				(59,161)	
Current year carryover				-	
Other programs				1,573,040	
				<u>\$ 5,484,321</u>	

(Concluded)

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2016

<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>
<u>U.S. Department of Labor and Industry</u>				
Passed Through Pennsylvania Department of Labor and Industry:				
Trade Adjustment Assistance	17.245	165141001	\$ 358	\$ 358
Trade Adjustment Assistance	17.245	165151001	8,930	8,930
Total 17.245			9,288	9,288
Passed Through Pennsylvania Department of Labor and Industry:				
WIA/WIOA cluster:				
Adult Program	17.258	165143011	82,143	80,136
Adult Program	17.258	165153001	69,155	67,466
Adult Program	17.258	165153011	639,539	623,916
Total 17.258			790,837	771,518
Youth Activities	17.259	165143301	278,692	252,314
Youth Activities	17.259	165153301	760,194	688,242
Youth Activities	17.259	165163301	3,018	2,732
Total 17.259			1,041,904	943,288
Dislocated Worker Formula Grants	17.278	165134051	18,344	15,710
Dislocated Worker Formula Grants	17.278	165134154	23,320	19,972
Dislocated Worker Formula Grants - Rapid Response	17.278	165134161	11,987	10,266
Dislocated Worker Formula Grants	17.278	165134162	20,000	17,129
Dislocated Worker Formula Grants	17.278	165143013	64,881	55,566
Dislocated Worker Formula Grants	17.278	165144011	160,359	137,337
Dislocated Worker Formula Grants	17.278	165144151	268,595	230,033
Dislocated Worker Formula Grants	17.278	165144152	33,872	29,009
Dislocated Worker Formula Grants	17.278	165144155	19,877	17,023
Dislocated Worker Formula Grants	17.278	165154001	161,908	138,663
Dislocated Worker Formula Grants	17.278	165154011	665,673	570,104
Dislocated Worker Formula Grants	17.278	165154152	29,615	25,363
Total 17.278			1,478,431	1,266,175
Total WIA/WIOA cluster			3,311,172	2,980,981
Passed Through Pennsylvania Department of Labor and Industry:				
National Emergency Grants	17.277	165147200	160,494	129,466
National Emergency Grants	17.277	165151509	41,502	33,478
National Emergency Grants	17.277	165155100	1,121	904
National Emergency Grants	17.277	165155103	30,670	24,741
Total 17.277			233,787	188,589
Total U.S. Department of Labor and Industry			3,544,959	3,169,570
<u>U.S. Department of Health and Human Services</u>				
Passed Through the Pennsylvania Department of				
Human Services and the Pennsylvania Department of				
Labor and Industry:				
Temporary Assistance for Needy Families	93.558	165143362	73,318	36,898
Temporary Assistance for Needy Families	93.558	165153361	241,302	121,439
Temporary Assistance for Needy Families	93.558	165153362	30,420	15,309
Temporary Assistance for Needy Families	93.558		711,698	358,174
Total U.S. Department of Health and Human Services			1,056,738	531,820
Total Expenditures of Federal Awards			\$ 4,610,985	\$ 3,710,678

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, 2016

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, 2016

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, 2016, 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 27, 2017.

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.

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

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

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
March 27, 2017

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, 2016. 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 Its 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, 2016.

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 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.

Maher Duessel

Pittsburgh, Pennsylvania
March 27, 2017

WASHINGTON GREENE COUNTY JOB TRAINING AGENCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2016

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
WIA Cluster:	
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA 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, 2016

NONE

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

SINGLE AUDIT REPORT DISTRIBUTION LISTING

YEAR ENDED JUNE 30, 2016

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

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