

SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

Financial Statements, Supplementary Information
And Reports Required by Governmental Auditing
Standards and the uniform Guidance

June 30, 2018

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Shenandoah Valley Workforce Development Board, Inc.
Notes to Financial Statements
June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Shenandoah Valley Workforce Development Board, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Shenandoah Valley Workforce Development Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 Shenandoah Valley Workforce Development Board, Inc. as of June 30, 2018, 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

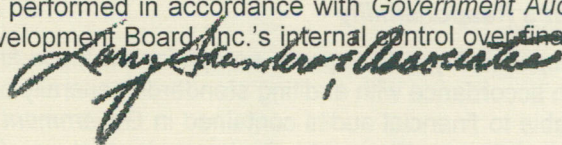
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2018, on our consideration of Shenandoah Valley Workforce Development Board, Inc.'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 Shenandoah Valley Workforce Development Board, Inc.'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 Shenandoah Valley Workforce Development Board, Inc.'s internal control over financial reporting and compliance.



Richmond, Virginia
September 25, 2018

Shenandoah Valley Workforce Development Board, Inc.
Statement of Financial Position
June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Assets			
Current Assets			
Cash	\$ 180,068	\$ -	\$ 180,068
Accounts receivable	274,520	-	274,520
Prepaid expenses	23,258	-	23,258
Total Assets	\$ 477,846	\$ -	\$ 477,846
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 419,213	\$ -	\$ 419,213
Payroll liabilities	3,592	-	3,592
Accrued annual leave	54,809	-	54,809
Total Liabilities	\$ 477,614	\$ -	\$ 477,614
Net Assets			
Unrestricted	\$ 232	\$	232
Temporarily restricted	-	-	-
Total Net Assets	\$ 232	\$ -	\$ 232
Total Liabilities and Net Assets	\$ 477,846	\$ -	\$ 477,846

Shenandoah Valley Workforce Development Board, Inc.

Statement of Activities

For the year ended June, 30 2018

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Revenue from government grants	\$ -	\$ 3,146,990	\$ 3,146,990
Other revenues	202	56,226	56,428
Satisfaction of program restrictions	3,203,216	(3,203,216)	-
Total Support and revenue	\$ 3,203,418	\$ -	\$ 3,203,418
Expenses			
Program Services			
Subcontractor services	\$ 1,742,480	\$ -	\$ 1,742,480
Personnel	510,080	-	510,080
Training service costs	286,199	-	286,199
Facilities	154,291	-	154,291
Office	7,359	-	7,359
Technology	30,111	-	30,111
Professional fees	1,730	-	1,730
Travel and meetings	41,044	-	41,044
Program supplies	16,737	-	16,737
Program outreach	6,230	-	6,230
Program administration	96,121	-	96,121
Total Program Services	2,892,382	-	2,892,382
Support Services			
Administrative expenses	310,834	-	310,834
Total Expenses	\$ 3,203,216	\$ -	\$ 3,203,216
Change in Net Assets	202	-	202
Net Assets			
Beginning	30	-	30
Ending	\$ 232	\$ -	\$ 232

Shenandoah Valley Workforce Development Board, Inc.
Statement of Cash Flows
For the year ended June, 30 2018

Cash Flows from Operating Activities

Change in net assets	\$ 202
Adjustments to reconcile change in net asset to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	68,969
(Increase) decrease in prepaid expenses	(6,624)
Increase (decrease) in accounts payable	22,032
Increase (decrease) in payroll liabilities	1,527
Increase (decrease) in accrued leave	9,655
Net cash provided by (used in) operating activities	<u>95,761</u>
 Net increase (decrease) in cash and cash equivalents	 95,761

Cash and Equivalents

Beginning	<u>84,307</u>
Ending	<u><u>\$ 180,068</u></u>

Shenandoah Valley Workforce Development Board, Inc.
Notes to Financial Statements
June 30, 2018

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities: The Shenandoah Valley Workforce Development Board, Inc. (SVWDB) is a non-profit organized to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment that are in special need of training to obtain productive employment.

A summary of SVWDB's significant accounting policies follows:

Basis of Accounting: The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States; revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation: The financial statements report amounts separately by classes of net assets as follows:

Unrestricted – Includes all resources that are expendable at the discretion of the SVWDB and have no grantor or donor imposed stipulation.

Temporarily Restricted – Includes resources whose use by the SVWDB is limited by grantor or donor imposed stipulation that either expire by passage of time or can be fulfilled and removed by actions of the SVWDB pursuant to those stipulations.

Cash and Cash Equivalents: For the purposes of the Statement of Cash Flows, the SVWDB considers all cash accounts that are not subject to withdrawal restrictions or penalties and all highly-liquid debt instruments purchased with a maturity of less than three months to be cash equivalents.

Accounts Receivables: Accounts receivables primarily consist of reimbursable expenditures incurred on federal grants. Accounts receivables are recorded when expenditures are made that are eligible for reimbursement by a particular grant less any estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off once deemed uncollectible. There was no provision for doubtful accounts at June 30, 2018.

Concentration of Credit Risk: The SVWDB maintains its cash in bank deposit accounts which may at times exceed federally insured limits. The SVWDB has not experienced such losses in such accounts and believes it is not exposed to any significant financial risk on cash.

The SVWDB is largely dependent on federal grant and flow-through revenues to sustain its operations; a reduction of federal funding would have a significant impact on the operations of SVWDB.

The SVWDB receives a majority of its revenue from U.S. government funded grants, all of which are subject to audit. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and subject to audit by sponsoring agencies. There exists a contingency to refund any amounts received in excess of allowable costs. The SVWDB has recognized all know liabilities to grantors.

Shenandoah Valley Workforce Investment Board, Inc.
Notes to Financial Statements
June 30, 2018

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue Recognition: Revenue from federal grants is recognized as related reimbursable expenses are incurred. Allowable expenses incurred in excess of cumulative reimbursements are reported within grant receivables.

Contribution revenue is recognized at the time an unconditional promise to give is received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions. No contribution revenue was recognized for the year ended June 30, 2018.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to programs and support services based on the activity in each respective function.

Federal Income Tax: The Internal Revenue Service as determined the SVWDB as exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. In addition, the SVWDB has been determined by the Internal Revenue Service not to be a private foundation. Income which is not related to its exempt purpose, less applicable deductions, is subject to federal and state corporate income taxes. The SVWDB has no unrelated business income for the year ended June 30, 2018.

Management has evaluated the SVWDB's tax positions and concluded that the SVWDB has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The SVWDB files income tax returns with the U.S. government and is subject to income tax examinations for the years ended June 30, 2015 to June 30, 2018.

Use of Estimates: The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Operating Leases

The SVWDB leases facilities and equipment under various operating lease agreements expiring June 2018 through March 2022. The SVWDB leases office space for its corporate office under an operating lease which expires in December 2020. The related rent expense for the year ended June, 30 2018 was \$21,329, which is included as occupancy expense on the Statement of Functional Expenses.

The SVWDB also leases space for the five workforce centers throughout the SVWDB's service region. The SVWDB also sublets a portion of the office space to other partner organizations. The related rent expense for the year ended June 30, 2018 was \$77,918, which is included as subcontractor expenses on the Statement of Functional Expenses. Rental receipts for the subleases were \$55,526 for the year ended June 30, 2018.

Shenandoah Valley Workforce Investment Board, Inc.
Notes to Financial Statements
June 30, 2018

Note 2. Operating Leases (Continued)

Future minimum rental payments under these operating leases for each of the next five years are as follows:

Years Ending June 30,	Amount
2019	\$ 95,086
2020	49,148
2021	38,367
2022	20,434
2023	-
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	\$ 203,035

Note 3. Retirement Plan

The SVWDB provides eligible employees a defined contribution plan, which qualifies under Internal Revenue Code section 403(b). Under the plan, the SVWDB contributes to a participant's account and amount equal to 11.11% of the participant's eligible compensation. Employees are eligible to contribute to the plan and all contributions are invested in various mutual funds as chosen by the participant. The SVWDB contribution to the plan for the year ended June 30, 2018 was \$61,940.

Note 4. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year thus the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied. The SVWDB is evaluating the impact of this guidance on its financial statements.

In February 2016, the FASB issued ASU 2016-02 Leases, amending the Accounting Standards Codification (ASC) 842. This update requires lessees to recognize operating and financing lease liabilities and corresponding right-of-use assets on the Statement of Financial Position. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019. The SVWDB is evaluating the impact of this guidance on its financial statements.

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, amending the ASC 958. This updated is intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities.

Note 5. New Accounting Pronouncements (Continued)

The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of the SVWDB's financial statements, it is not expected to alter the SVWDB's reported financial position.

Note 4. Subsequent Events

The SVWDB evaluated subsequent events through, September 25, 2018 the date the financial statements were available to be issued.

Shenandoah Valley Workforce Development Board, Inc.

Statement of Functional Expenses

For the year ended June, 30 2018

Program Services					
	WIOA Adult	WIOA Dislocated	WIOA Out of School Youth	WIOA In School Youth	
Subcontractor services	\$ 812,576	\$ 360,001	\$ 547,943	\$ 20,871	
Personnel	42,826	46,195	37,955	4,059	
Training service costs	-	2,615	-	-	
Facilities	36,610	27,091	38,531	548	
Office	5,398	717	674	114	
Technology	5,340	6,302	10,507	880	
Professional fees	14	10	28	-	
Travel and meetings	5,248	5,163	6,236	105	
Program supplies	183	83	8,723	384	
Program outreach	-	-	-	-	
Program administration	43,003	4,904	43,555	4,659	
	\$ 951,198	\$ 453,081	\$ 694,152	\$ 31,620	

Shenandoah Valley Workforce Development Board, Inc.
Statement of Functional Expenses
For the year ended June, 30 2018

Program Services					
	H-1B AAI Grant	Career Pathways Grant	Go Virginia	Other	
Subcontractor services	\$ -	\$ 1,089	\$ -	\$ -	
Personnel	350,776	23,366	4,903	-	
Training service costs	248,209	35,375	-	-	
Facilities	-	-	-	51,511	
Office	456	-	-	-	
Technology	2,568	499	-	4,015	
Professional fees	1,678	-	-	-	
Travel and meetings	21,122	2,634	536	-	
Program supplies	2,465	4,399	-	500	
Program outreach	6,230	-	-	-	
Program administration	-	-	-	-	
	\$ 633,504	\$ 67,362	\$ 5,439	\$ 56,026	

Shenandoah Valley Workforce Development Board, Inc.

Statement of Functional Expenses

For the year ended June, 30 2018

	Program Services	Support Services	Total
	Total Program Services	Administrative Expenses	Total Expenses
Subcontractor services	\$ 1,742,480	\$ -	\$ 1,742,480
Personnel	510,080	182,674	692,754
Training service costs	286,199	-	286,199
Facilities	154,291	-	154,291
Office	7,359	38,427	45,786
Technology	30,111	33,163	63,274
Professional fees	1,730	21,400	23,130
Travel and meetings	41,044	24,820	65,864
Program supplies	16,737	-	16,737
Program outreach	6,230	10,350	16,580
Program administration	96,121	-	96,121
	\$ 2,892,382	\$ 310,834	\$ 3,203,216

Shenandoah Valley Workforce Development Board, Inc.
Schedule of Expenditures of Federal Awards
For the year ended June, 30 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Federal Contract Number	Pass Through Entity Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
Department of Labor					
Pass-Through Awards:					
Virginia Community College System					
<i>Workforce Innovation and Opportunity (WIOA) Cluster</i>					
WIOA Adult Program	17.258	AA-28347-16-55-A-51	LWDA 4-16-01T	\$ 779,586	\$ 658,280
WIOA Adult Program	17.258	AA-30941-17-55-A-51	LWDA 4-17-04	213,729	154,296
WIOA Dislocated Worker Program	17.278	AA-28347-16-55-A-51	LWDA 4-16-01T	419,130	327,029
WIOA Dislocated Worker Program	17.278	AA-30941-17-55-A-51	LWDA 4-17-04	60,372	32,972
WIOA Youth Program	17.259	AA-28347-16-55-A-51	LWA 4-16-03	732,769	542,662
WIOA Youth Program	17.259	AA-30941-17-55-A-51	LWDA 4-17-04	37,085	26,152
<i>Total Workforce Innovation and Opportunity (WIOA) Cluster</i>				2,242,671	1,741,391
Total Pass-Through Awards				2,242,671	1,741,391
Direct Awards:					
<i>Research & Development Cluster</i>					
H-1B Technical Skills Training Grant	17.268	AP-28027-15-60-A-51	N/A	816,986	17,582
Total Direct Awards				816,986	17,582
Total Department of Labor				3,059,657	1,758,973

Shenandoah Valley Workforce Development Board, Inc.
Schedule of Expenditures of Federal Awards
For the year ended June, 30 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Federal Contract Number	Pass Through Entity Identifying Number	Federal Expenditures	Amounts Provided to Subrecipients
Department of Education					
Pass-Through Awards:					
Virginia Department of Aging and Rehabilitative Services					
Rehabilitation Services Demonstration and Training Programs	84.235N	H-235-N-15-00-08	MOA No. 16-195	79,529	-
Total Department of Education				<u>79,529</u>	<u>-</u>
Total Expenditures of Federal Awards				<u><u>\$ 3,139,186</u></u>	<u><u>\$ 1,758,973</u></u>

Shenandoah Valley Workforce Development Board, Inc.
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2018

Note 1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Guidance, Cost Principles, and Audit Requirements for Federal Awards*.

Summary of Significant Accounting Policies: The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Guidance, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The SVWDB has not elected to use the 10-percent de minimis indirect cost rate.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Shenandoah Valley Workforce Development Board, Inc.

Report on Compliance for Each Major Federal Program

We have audited Shenandoah Valley Workforce Development Board, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Shenandoah Valley Workforce Development Board, Inc.'s major federal programs for the year ended June 30, 2018. Shenandoah Valley Workforce Development Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Shenandoah Valley Workforce Development Board, Inc.'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 Shenandoah Valley Workforce Development Board, Inc.'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 Shenandoah Valley Workforce Development Board, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Shenandoah Valley Workforce Development Board, Inc. 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, 2018.

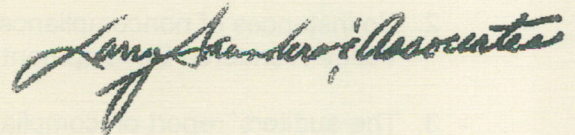
Report on Internal Control Over Compliance

Management of Shenandoah Valley Workforce Development Board, Inc. 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 Shenandoah Valley Workforce Development Board, Inc.'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 Shenandoah Valley Workforce Development Board, Inc.'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.

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.

A handwritten signature in dark ink, appearing to read "Larry Anderson". The signature is fluid and cursive, with a large, stylized initial "L".

Richmond, Virginia
September 25, 2018

SHENANDOAH VALLEY WORKFORCE DEVELOPMENT BOARD, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the (general purpose) financial statements of Shenandoah Valley Workforce Development Board.
2. No instances of noncompliance material to the financial statements of Shenandoah Valley Workforce Development Board, Inc.
3. The auditors' report on compliance for the major federal program for Shenandoah Valley Workforce Development Board, Inc. expresses an unmodified opinion.
4. The Programs tested as a major program included: WIOA cluster and H1-B.
5. The threshold for distinguishing Type A and Type B programs were \$750,000 type A and \$500,000 for type B.
6. Shenandoah Valley Workforce Development Board, Inc. was determined to be a low-risk auditee.

B. FINDINGS AND QUESTIONED COST

None noted