



Quarterly Board Meeting
February 12, 2025 | 11:30 AM to 1:00 PM
Montgomery American Job Center
523 Madison St Ste B
Clarksville, TN 37040

[Click here for Zoom link](#)

****Please sign your name in chat box to confirm attendance**

One tap mobile:

+16469313860,,86389262323# US

Meeting ID: 863 8926 2323 Passcode: 507239

AGENDA

Call Meeting to Order-Declaration of Quorum

John Zobl

Approval of Minutes

John Zobl

Welcome & Recognition of Board Members

Marla Rye

Strategic Partner Focus:

Tech Impact

Sheila Morris

Heidi Erpelding-Welch

Strategic Priorities:



Connect People with Career Opportunities:

One-Stop-Operator Report/Regional OSO

Contractor Performance-Federal Performance

Contractor Corrective Action

George Phillips

Meagan Dobbins

EDSI

MAC



Improve Efficiency & Effectiveness of Training Programs

Eligible Training Provider Update & Requests (Vote)

Andrea Dillard



Manage Board funds to support Career Pathways

Financial Report (Vote)

Ginger Fussell



Train Workforce to Fill Employer Needs:

Rural Healthcare Grants

Marla Rye

RAPID Response

Natalie McLimore

IWT and Apprenticeship Programs

Andrea Dillard

Procurement Update:

Marla Rye

Public Comment Period:

Open

Wrap Up

John Zobl

Zoom Link: <https://us02web.zoom.us/j/86389262323?pwd=kxjvlqfVbox2A37jLdWn86vKNZkXE6.1>

Upcoming Meetings-Mark Your Calendars

May 14, 2025 | August 13, 2025 | November 12, 2025 | February 11, 2026



Northern Middle Tennessee Workforce Board Inc.

DRAFT UNTIL
APPROVED

Northern Middle Tennessee Workforce Board Meeting Minutes November 13, 2024, In-Person & via Zoom at 11:30 a.m.

Members Attending	Members Absent	Staff & Guest Attending
Mary Lear	Kristi Spurgeon	Marla Rye
Dan Caldwell	Anne Fugate	Andrea Dillard
Kelly Tyler	David Rutledge	Meagan Dobbins
Mark Peed	Greg Jones	Ginger Fussell
Tony Adams		Alyssa Spaulding
Paul Webb		Samantha Roberts
Shoshana Samuels		George Phillips
Seth Thurman		Patrick Buford
Christopher West		Betsy Foster
John Zobl		Stacey Books
Jordan Osborne		Jasmine Jones
Billy Givens		Liz McLaughlin
George Callis		Beth Duffield
Nathan Garret (Proxy Deanna Griffin)		Sarah Buckles
Freda Herndon		Mayor Vogle
Corey Johns		Mayor Hutto
Ryan Jolley		Mayor McCarver
Sellittia Johnson		James Starnes
		Tanya Evrenson
		Adam Lamb
		Lydia Bennett-Carnes
		Cathy Royals
		Teresa Smith
		Ashley Crisp-Randle
		Mayor Pogreba
		Brittany Gray
		Cassandra McNair-Brown
		Pam Furlong
		Amy Maberry
		Heather Skelton
		Kimberly Johnson

Call Meeting to Order- Declaration of Quorum

The Northern Middle Tennessee Workforce Development Board met in person at TCAT Dickson with a virtual option on Wednesday, November 13, 2024, at 11:30 a.m.

The meeting was called to order by John Zobl. Attendance was taken, and a quorum was declared. The Chairman then asked for a motion to approve the minutes. Mark Peed made the motion. Chris West seconded. With no further discussion, the minutes were unanimously approved.

Marla Rye addressed the Board and provided updates. The unemployment rate in the US is at 4.1%, Tennessee is at 3.2%, and Northern Middle is at 3%. It ranges between 3.8% to 5.4% in Northern Middle, with eight of the lowest rates in Tennessee being in the region. The Labor Force Participation in the US is 62.6%, Tennessee is 59.3%, but the Northern Middle region is 66.1%. The LFPR range is from 47.9% in Houston County to 78.2% in Trousdale County.

Marla informed the board that several board members attended the 2024 Governor's Convention in Knoxville, TN. Dan Caldwell commented that they heard from industries other than manufacturing, learned about best practices, and connected with individuals from all over the state. Marla added that 2024 was the first year TNLWD was a co-sponsor and had a designated workforce development track. She stated this emphasizes the importance of workforce development and economic development in Tennessee.

Election of Officers

The current Board officers are John Zobl as Chairman, Christopher West as Vice Chairman, and Kristi Spurgeon as secretary. The offices do not have term limits, as stated in the Bylaws, but Marla explained that an election must be held every two years. Marla opened the floor for nominations, and Cory Johns moved to re-elect all officers to their current positions by acclamation. Mark Peed seconded the motion, and with no further discussion, the election of officers was unanimously approved.

Tennessee Builders Alliance/New Nissan Stadium

Marla introduced Beth Duffield, who leads the Workforce Development Initiatives for the Tennessee Builder's Alliance, which is building the New Nissan Stadium. Her role is to build a workforce for the trade partners supporting the project. She commented that it has been difficult to follow the state guidelines and to meet training objectives. She reviewed the results of the class and populations that were being targeted to include: women, youth and offenders. She then offered a few student testimonials. John Zobl applauded Beth for their graduation rate, and Marla added that she believes their orientation plays a role in their success. Marla added that construction math is very difficult and she offered thanks to Meharry Medical College, an adult education provider, for assisting the students.

Rural Healthcare Initiatives

Marla introduced Teresa Smith with the TNLWD to talk about an investment opportunity that the State has offered. Governor Lee has established a rural healthcare task force with private and state partners. They identified three priority areas that have downstream impacts on rural Tennessee communities: access to care, workforce development, and social drivers of health. As a result, TNLWD has been tasked to collaborate with existing healthcare training institutions, apprenticeships, adult education programs, and work-based learning opportunities through the k-12 systems. Most recently, they have created a grant funding opportunity to strengthen the pipeline of healthcare professionals in rural communities. She stressed that this would look different in each community and will be available to 91 out of 95 counties. The other four counties (Hamilton, Knox, Davidson, and Shelby) are eligible to apply only if they are creating or expanding a program for the rural communities surrounding them. Funding will be divided into three categories: pre-apprenticeships and apprenticeships, a workforce development initiative, or direct participant support services. Applicants can request a combined total of \$250K from those categories. The contract period begins July 1, 2024, through June 30, 2025, and can be renewed based on performance and budget approval.

Chris West, who represents NHC, commented that it is an excellent opportunity. He reported that NHC has been developing apprenticeships to enhance existing training. Marla added that this opportunity has been emailed to all County Mayors. She has had conversations with Mayor McCarver about upskilling existing EMTs to paramedics and believed this initiative was an excellent stepping-stone to improve

rural healthcare. There have been 3 to 4 projects so far that have asked the Board for their support, and Marla believes there will be more as the due date nears. John Zobl asked Teresa about the total funding amount available. Teresa Smith replied that there was \$5.6M for 5 years, but the contract was for 2 years, and another application would be sent out.

One-Stop-Operator Report

George Phillips introduced the assistant one-stop operator, Sarah Buckles. He then offered the OSO Report. Adult Title I enrollments are up 69%. New employers registered on Jobs4TN are down from the last report, however, Wagner Peyser participants are up 46.8%. Title I staffing has stabilized, but Title III partners have become a concern due to the Labor's budget's shortfall and a subsequent hiring freeze. There are fewer KPIs than in years past. Currently, the only 3 KPIs are total Title I enrollments, Total Wagner Peyser & JVSG enrollments, and co-enrollments of Title I into Title III. All three of those goals were met for the first quarter. George added that he believes the state will roll out more KPIs.

Federal Performance Update

Meagan Dobbins delivered the Federal Performance Update. For the first quarter, all measures are being met by at least 90%, which is passing. She reminded the Board that at the last meeting, it was discussed that the State has increased our goals significantly. That is why so many measures are below the 100% target. Lower counter-proposals were denied, and Meagan expressed that it is challenging to keep improving. She anticipates more 90% passes and possibly even failing to reach targets. The Credential Attainment and Measurable Skills Gains measures are the primary areas of concern looking forward. Meagan explained that this is because most of the measures are for individuals that terminated a year or more ago.

CSP Update

Meagan Dobbins then delivered the Career Service Providers update. EDSI has exceeded the Adult/DW enrollments at 358 of the 250 goal. She is pleased with their performance so far and does not anticipate a repeat of last year's issues. This is because EDSI has decided to reduce costs to \$2,500 per individual for tuition instead of the \$6,000 cap used last year. They did fall short on their youth enrollments. Meagan added that exits are good. Since there are only three KPIs and they are reduced, staff has been able to focus more on improving case management. MAC met their enrollment goals for in-school and out-of-school youth. They have exceeded their exit goal and placement wages. John Zobl asked Marla about the CSPs MPCR. Neither contractor met the target MPCR and have provided corrective action plans.

Eligible Training Provider Update & Requests

Andrea Dillard delivered the Eligible Training Provider List (ETPL) update in three sections. The first category had new providers, including Dental Assistant School of Nashville. Andrea explained they are located in Brentwood and train dental assistants. The second category included new programs requiring Board approval. All programs were identified as having a bright local or national outlook. Most of them result in a credential. The two exceptions are from Vol State. The first is a Video Game Design and Development program and the other is Graphic Design with Photoshop. The Board can choose to approve these programs and it will be recorded as a positive if the individual completes the course and obtains employment in that specific field. The third category consists of former providers that were removed from the ETPL for missing a subsequent review. The one exception to the list was the Tennessee CDL School. At the November 2023 Board meeting, a new policy was written that if a school failed one standard, they would remain on the list for one more year and be reevaluated at the end of that year. If they failed two of their standards, they would be taken off the list. They would be eligible to reapply after one year. Tennessee CDL missed both standards and did not provide any documentation in November 2023, so they were removed from the ETPL. They are now eligible to reapply and have done

so. Mark Peed asked if they had made any changes to their program. The school was informed that moving forward, they would have to report to the Board and be monitored very closely. Mark Peed then asked why they should be considered for reapproval if they have not proposed any change to their program. In the case of the previous providers that had difficulty, they were achieving their measures so the Board mandated that they send more information than before. This way, if they do not submit their documentation on a timely basis, they can be removed from the list faster. Jordan Osborne commented that it would be akin to a probation period, and Marla agreed. Mark Peed added that he believed they should be required to submit an improvement plan with their reapplication to be considered. He continued that he is very favorable towards having more CDL drivers, but the course is costly, and the school will receive the money whether or not the individual graduates. Marla agreed that adding some stipulations to their readmittance could be wise. Mark Peed then suggested conditionally approving them if they work with Andrea on improvement. Chairman Zobl stated that they should not be approved until they report the plan before either the Committee or the Board. The Chairman then asked Andrea Dillard if that sounded reasonable. She replied that it did.

Corey Johns asked what counted as a “credential.” Based on Board policy, a credential can be counted if an individual successfully completes a class and goes to work in that field. It could also be a degree or a recognized association vouching for the course. Kelly Tyler was concerned that one class of Photoshop would not qualify someone to be employed in that area. It would be beneficial in building that skill, but it would not guarantee employment. John Zobl asked how long the individual would have to become employed. After exit, they would need to be employed within that 12-month timeframe to be a positive. Freda Herndon agreed with Kelly Tyler’s concern and added that a case-by-case approval could be better. The individual would have to speak with a supervisor to see if they have any background in the course material and if a job in the field was likely. She also suggested that the Committee document the process with the Tennessee CDL School so there is an established process. Corey Johns clarified that his question was based on the hopes of finding a better way to work with Vol State on the credential issue.

John Zobl then asked for a motion to require the Tennessee CDL School to provide an improvement plan to the Committee before being reapproved. Mark Peed made the motion, and Jordan Osborne seconded. With no further discussion, the motion was approved unanimously. Discussion resumed on the issue of the two Vol State courses that do not result in a credential. Freda Herndon recommended speaking further with Vol State to learn more about the classes and how they lead to employment before adding them. George Callis then asked Marla about a previous meeting that discussed credentials and non-credentialed pathways. She replied that the meeting had centered on medical occupations like phlebotomy that did not require a certification test. It was decided that if a phlebotomist went to training, even if they did not receive a credential, it was a skill that led to a job in that field because the training got that person the job. Mark Peed added that the NMTWB’s goal is to put people to work, not to educate them. Corey Johns added that the Photoshop course, would be applicable to several different careers. John Zobl asked for a motion to accept all new providers and programs as listed. Corey Johns made the motion, and Tony Adams seconded. With no further discussion, the motion was approved unanimously.

Financial Report

Ginger Fussell delivered the Financial Report. This time last year, contractors had a very strong quarter in dollar-driven measures and the overall volume of expenditures, but it was not sustainable. This year, however, is the opposite. Only \$2.1M was expended in the first quarter, compared to the previous year’s \$3.4M. This is primarily due to the strategies to correct the overspending issue from last year. However, these strategies have resulted in too little being spent directly on participants, which directly correlates to a lower MPCR.

Ginger Fussell then explained the changes made to the budget during the quarter. There has been a \$790K increase to the formula fund stream budgets. However, the State did not renew the RESEA program. The budget initially included 12 months of RESEA activity, but it will now have 3 months for the fiscal year, leading to a \$202K reduction in the budget. There are two new apprenticeship grants that increase the budget by \$281K. The net effect of these changes is an \$869K increase, bringing the budget to \$13M.

The MPCR in Q1 of last year was nearly 50%, but is 23.43% for the current year's Q1. Corrections to need to be made promptly to improve the MPCR. MAC was close to the 40%, but the target is 50%. Ginger commented that EDSI has contributed \$446K to the Tennessee Youth Program, which is significant. However, due to State policy, that money does not count towards MPCR even though the money goes directly to participants. Contractor billing is at \$1.6M, including the \$446K to TYEP. EDSI and MAC have submitted corrective action plans addressing MPCR improvement.

PAR has completed their annual fiscal monitoring visit. She commented that it had been very thorough and time-consuming. The entrance started in August and the exit conference was in early November. There were only two items noted in the exit. The monitors sampled items out of \$1.9M in expenditures. They found one timesheet with a mathematical error on it, resulting in EDSI owing back \$532.13, which was promptly corrected and refunded. The formal report has not been issued, so we will await the results. The second observation will be about the cost allocation plan that has been used for decades without any issues. Marla stated that someone would have to tell her what has changed in the law before making any adjustments. The external financial audit with the new auditors, Stone, Rudolph & Henry, is still underway.

John Zobl asked if the corrective action plan regarding EDSI was adequate. Ginger replied that it certainly had merit and hoped it would materialize. She has received the October invoices, and there was some improvement but we had a way to go. She added that fall semester billings will be processed soon, which should help. Mark Peed made a motion to accept the financial report. Billy Givens seconded. With no further discussion, the report was unanimously accepted.

Infrastructure Cost Report

There has been significant discussion recently regarding the amount of funding spent on infrastructure by the state. Of the nine workforce board areas, the NM region is one of two areas that still have AJCs in all of their counties. Marla added that she does not believe they will mandate closing centers, but they could release a policy limiting the amount of funding spent on infrastructure. Across all 13 counties, approximately \$1M is being spent on infrastructure; of that, the WIOA Title 1 program is paying around \$526K. That equates to about 5% of the total budget, or around 8% of what the projected expenditures are going to be.

AJC Redesign/Business Services

The state's redesign for the AJC is to meet people where they are. This includes out in the community, housing projects, jails, schools and community based organizations. This redesign is happening in Davidson County. They are also looking to equip AJC staff with knowledge of all programs so they can assist any individual instead of referring them to different specialized staff members. Additionally, they want to put more emphasis on direct placements and working directly with the employers to meet their needs. Mark Peed asked to take a look at enrollment differences in the 3 pilot locations at the next meeting. Pilot projects did not start until October 1, which is why they were not discussed during this meeting.

Adjourn

With no further discussion, Chairman Zobl reminded the board of their next meeting on February 12, 2025. The meeting was adjourned.

Northern Middle Tennessee Workforce Development Board AJC Report

For September 1 to December 31, 2024

Report Date: February 12, 2025

The second quarter was an extremely busy one in our Northern Middle American Job Centers (AJCs). First of all, we implemented three separate pilot programs in three of our four Comprehensive Centers. Nashville geared toward providing outreach, by taking AJC services into the community. Clarksville focused on having Workforce Essentials provide Title I services and was designated as the lead organization in that AJC. In Gallatin, Title I services are under the direction of the Tennessee Department of Labor (TDOL). All three of these Pilots went into effect on October 1.

At that same time, Northern Middle added an Assistant OSO for the first time ever. Sarah Buckles worked for TDOL in the Rutherford County AJC since 2019. She will cover the eastern counties in Northern Middle, including Rutherford and Sumner Counties. George Phillips will ultimately be responsible for all thirteen counties in Northern Middle, but he will continue to provide day-to-day support in the western counties, including Davidson and Montgomery.

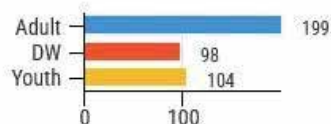
On top of all of those changes, the Nashville AJC moved from their old Metro Center location to the Nashville State Community College East Campus at 2845 Elm Hill Pike. This has already proven to be a synergistic relationship, as we both benefit from the presence of each other in the building. We opened for business in the new location on Dec 16.

28.54%

Contractual MPCR
(Including OSO Costs,
10.1.24 to 12.31.24)

Partner Program Updates

Title I Total Enrollments



Adult Education

For the quarter ending Dec 31;
3,692 received student services.
371 students received their HiSETs
597 students received a level gain

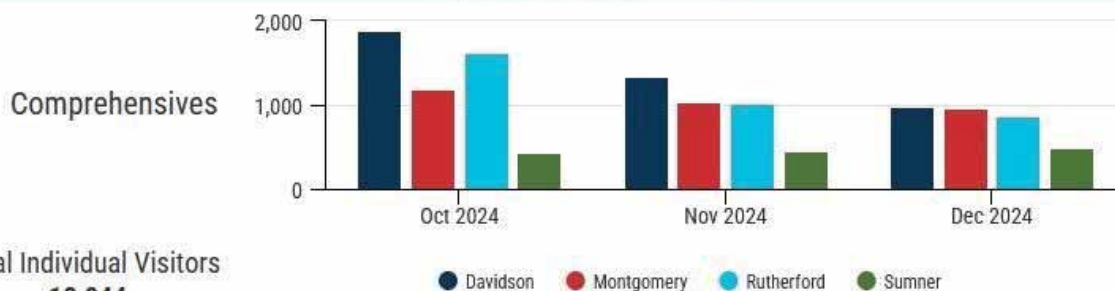
Wagner Peyser

3,719 (-15.76%) New employers registered
1,904 (-87.2%) New Job Orders in Jobs4TN
2,405 (-13.83%) Wagner Peyser Participants

Vocational Rehabilitation

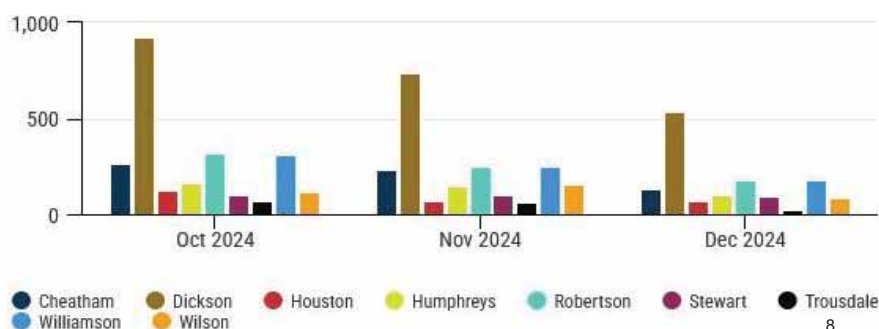
2,479 Active Cases
119 Applications
99 Currently Working
84 Successful Closures

AJC Total Traffic Counts



Total Individual Visitors
18,044
(23,151)

Affiliates



Northern Middle AJC Report

December 31, 2024

By County as of Dec 31, 2024; NM = 3.0% TN = 3.5%

Challenges Going Forward

County	Unemployment Rate (Dec 31)	Unemployment Rate (Sep 30)	Quarterly Change
Cheatham	2.8%	3.0%	-0.2
Davidson	2.9%	3.0%	-0.1
Dickson	3.1%	3.0%	+0.1
Houston	5.2%	5.4%	-0.2
Humphreys	3.5%	3.4%	+0.1
Montgomery	3.9%	4.0%	-0.1
Robertson	2.9%	3.0%	-0.1
Rutherford	3.0%	2.9%	+0.1
Stewart	3.7%	3.8%	-0.1
Sumner	2.9%	3.0%	-0.1
Trousdale	3.3%	3.4%	-0.1
Williamson	2.6%	2.8%	-0.2
Wilson	2.9%	2.9%	--

Continuing the theme from the last few quarters, staffing continues to be a massive challenge in our American Job Centers (AJCs). This is not specific to Northern Middle. All of the nine local areas across the state are feeling the pinch of having to do more work with fewer people.

This pinch is now being felt at the Team Lead level with the state. With TDOL management vacancies at the Montgomery and Sumner County AJCs, the state has decided to not backfill those vacancies. Instead, they are asking the two remaining Team Leads to split time and cover both centers. Now the same person will cover the Davidson and Montgomery County AJCs, while the other will be over Sumner and Rutherford Counties. That is a tall order.

KPIs

Enrollments	October	November	December	Q2	Target
Title I - Adult	74	60	65	199	--
Title I - DW	37	23	38	98	--
Title I - Youth	40	27	37	104	--
Title I Total	151	110	140	401	277
Jobs for Veterans	26	20	0	46	--
Wagner-Peyser	1032	672	646	2350	--
WP + JVSG	1058	692	646	2,396	2,362
WP Co-Enrollments w/Title I	42.05%	42.72%	44.34%	44%	70%

The Tennessee Department of Labor (TDOL) has created a new KPI for Program Year 2024-25 – Wagner Peyser (Title III) co-enrollments with Title I. There is an entirely new emphasis on this category as TDOL seems to value this measurement more than actual enrollment numbers; which is a much clearer indicator for what we actually do. Since enrollments has been our main focus in Northern Middle for years, you would expect us to be excelling in that are. We are.

We are currently way ahead of goal in our Title I enrollments (Actual is 401 vs Goal of 277). We are also ahead of our enrollment goal in total Wagner Peyser enrollments (2,396 vs 2,362).

We are not doing so well with the new KPI they created for this Program Year – Wagner Peyser co-enrollments with Title I. For the second quarter, the state set a goal of 70% of all Title I enrollments to be co-enrolled into Wagner Peyser. We closed the second quarter with only 44% co-enrolled.

The staff is working diligently to go back and co-enroll old Title I enrollments into Title III. These numbers should greatly improve in the third quarter.

MAC Quarterly Benchmarks 2024-2025													
Matrix:		2024									2025		
			Sep 30 (QTR 1)				Dec. 30 (QTR 2)				Cumulative June 30		
			Goal	Actual	%		Goal	Actual	%		Goal	Actual	%
Enrollments	ISY		36	36	100%		23	21	91.30%		80	57	71.3%
	OSY		14	14	100%		18	15	83.33%		60	29	48.3%
	Total		50	50	100%		41	36	87.80%		145	86	59.3%
Exits	Youth		40	68	170%		33	25	76.22%		116	95	81.9%
Positive Exits (85%)			Goal		Percent		Goal		Percent		Goal		Percent
	Youth		34	53	155.9%		28	17	61.0%		99	68	69.0%
**Actual Positive Exit Rate (80%)			Exits		Percent		Exits		Percent		Exits		Percent
	Youth		68	53	77.9%		25	17	68.0%		95	68	71.6%
Placement Wage	Youth		\$ 13.00	\$ 16.17	124.4%		\$13.00	\$16.52	127.1%		\$13.00	\$ 16.51	127.0%

EDSI 24-25 Quarterly Benchmarks

Matrix:		2024							2025				
			Sep 30 (QTR 1)				Dec. 30 (QTR 2)				Cumulative June 30		
			Goal	Actual	%		Goal	Actual	%		Goal	Actual	%
Enrollments	A/DW		250	358	143.20%		200	257	128.50%		850	615	72.4%
	Total Youth		81	65	80.25%		50	57	114.00%		231	122	52.8%
	In-School			21				17				38	
*Exits (80% of enrollments)	A/DW		200	159	79.50%		160	109	68.13%		680	346	50.9%
	Youth		65	59	91.05%		40	23	57.50%		185	107	57.9%
Positive Exits # (85% of Exits)			Goal		Percent		Goal		Percent		Goal		Percent
	A/DW		170	136	80.00%		136	107	78.7%		578	310	53.6%
	Youth		55	55	99.85%		34	23	67.6%		157	92	58.6%
** Actual Positive Exit Rate (80% Goal)			Exits		Percent		Exits		Percent		Exits		Percent
	A/DW		159	136	85.53%		109	107	98.2%		346	310	89.6%
	Youth		59	55	93.22%		23	23	100.0%		107	92	86.0%
Placement Wage			Goal		Percent		Goal		Percent		Goal		Percent
	A/DW		\$ 16.50	\$ 21.35	129.39%		\$ 16.50	\$ 20.90	126.7%		\$ 16.50	\$ 21.22	128.6%
	Youth		\$ 13.00	\$ 16.34	125.69%		\$ 13.00	\$ 16.44	126.5%		\$ 13.00	\$15.97	122.8%

Clarksville Pilot 24-25 Quarterly Benchmarks					
Matrix:		Dec. 30 (QTR 2)			
		Goal	Actual	%	
Enrollments	A/DW	30	34	113.33%	
	Total Youth	12	9	75.00%	
* Exits (80% of enrollments)	A/DW	24	37	154.17%	
	Youth	9	14	155.56%	
Positive Exits # (85% of Exits)		Goal		Percent	
	A/DW	20	31	152.0%	
	Youth	8	13	169.9%	
** Actual Positive Exit Rate (80% Goal)		Exits		Percent	
	A/DW	37	31	83.8%	
	Youth	14	13	92.9%	
Placement Wage		Goal		Percent	
	A/DW	\$ 16.50	\$ 21.81	132.2%	
	Youth	\$ 13.00	\$ 19.23	147.9%	

Gallatin Pilot 24-25 Quarterly Benchmarks					
Matrix:					
		Dec. 30 (QTR 2)			
			Goal	Actual	%
Enrollments	A/DW		15	7	46.67%
	Total Youth		10	1	10.00%
*Exits (80% of enrollments)	A/DW		12	0	0.00%
	Youth		8	4	50.00%
			Goal		Percent
Positive Exits # (85% of Exits)	A/DW		10	-	0.0%
	Youth		7	1	14.7%
			Exits		Percent
** Actual Positive Exit Rate (80% Goal)	A/DW		0	-	0.0%
	Youth		4	1	25.0%
			Goal		Percent
Placement Wage	A/DW		\$ 16.50	\$ -	0.0%
	Youth		\$ 13.00	\$ 7.25	55.8%

Nashville Pilot 24-25 Quarterly Benchmarks					
Matrix:			Dec. 30 (QTR 2)		
			Goal	Actual	%
Enrollments	A/DW		65	64	98.46%
	Total Youth		41	36	87.80%
* Exits (80% of enrollments)	A/DW		52	15	28.85%
	Youth		33	25	75.76%
Positive Exits # (85% of Exits)			Goal		Percent
	A/DW		44	14	31.8%
	Youth		28	17	61.0%
** Actual Positive Exit Rate (80% Goal)			Exits		Percent
	A/DW		15	14	93.3%
	Youth		25	17	68.0%
Placement Wage			Goal		Percent
	A/DW		\$ 16.50	\$ 22.80	138.2%
	Youth		\$ 13.00	\$ 16.52	127.1%

Nashville AJC	
Relocated to: 2845 Elm Hill Pike	
Overall AJC Visitors	
10/1/24 - 12/31/24	4199
10/1/23 - 12/31/23	3247
Outreach Centers	
*Envision/VOICE Center	71
McGruder Center	69
Madison Library	51
Martha O'Bryan Center	58
NSCC - White Bridge	9
**TCAT Nashville	

**Site was set up January 2025

**WIOA Federal Reporting Score Card
NORTHERN MIDDLE WORKFORCE BOARD**

PY24 WIOA Core Performance Measures	Targets 100%	Targets 90%					
			Q1 PY 24	Q2 PY 24	Q3 PY 24	Q4 PY 24	
Adult Measures			PASS	EST	EST	EST	
Exiters			528				
Participants Served			1969				
Employment Rate 2nd Quarter after exit	84.1%	75.69%	81.5%	84.1%			
Employment Rate 4th Quarter after exit	83.8%	75.42%	77.7%	78.0%			
Median Earnings 2 nd Quarter after exit	8,500	\$ 7,650	\$ 9,060	\$ 9,770			
Credential Attainment w/in 4 Quarters after exit	74.0%	66.60%	67.6%	66.7%			
Measurable Skills Gains	72.3%	65.07%	67.5%	66.0%			
Dislocated Worker							
Exiters			242				
Participants Served			751				
Employment Rate 2nd Quarter after exit	86.4%	77.76%	83.7%	88.0%			
Employment Rate 4th Quarter after exit	86.0%	77.40%	79.0%	82.0%			
Median Earnings 2 nd Quarter after exit	10,500	\$ 9,450	\$ 11,348	\$ 11,931			
Credential Attainment w/in 4 Quarters after exit	69.1%	62.19%	69.7%	68.7%			
Measurable Skills Gains	73.9%	66.51%	71.1%	72.9%			
Youth							
Exiters			510				
Participants Served			1084				
Employment Rate 2nd Quarter after exit	87.6%	78.84%	81.8%	78.7%			
Employment Rate 4th Quarter after exit	85.3%	76.77%	82.0%	78.9%			
Median Earnings 2 nd Quarter after exit	6,000	\$ 5,400	\$ 5,820	\$ 5,595			
Credential Attainment w/in 4 Quarters after exit	75.3%	67.77%	71.7%	75.6%			
Measurable Skills Gains	61.5%	55.35%	58.9%	56.1%			
GREEN-Passing at 100% of Goal							
YELLOW-Passing at 90% of goal							
RED-Failing at less than 90% of goal							

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New Providers Requiring Board Approval for addition to the ETPL										
Provider Name	Provider Main Address	Approval Agency	Approval Documented	Sector Strategy	Years in Business	Site Visit				Notes
Tech Impact	500 Interstate Blvd South Nashville, TN 37210	Pending THEC	Pending	Information Technology						
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	State of TN Board of Cosmetology & Barber Examiners	Approved	Personal Health	2 Years					
New Programs Requiring Board Approval for addition to the ETPL										
Provider Name	Provider Main Address	Program ID	Program Name	CIP Code	Total Cost	Program Length	Credential Earned	Job Outlook	Sector Strategy	Notes
Tech Impact	500 Interstate Blvd South Nashville, TN 37210	1012220	ITWorks	111006	\$ -	16 Weeks	CompTIA A+ Certification	Bright Outlook Locally & Nationally	Information Technology	Submitted request to THEC on response Waiting
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012243	Barber to Cosmetology Crossover	120499	\$ 3,900.00	300 hours	State License	Bright Outlook Locally & Nationally	Personal Health	
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012242	Instructor	120413	\$ 3,700.00	300 hours	State License	Bright Outlook Locally & Nationally	Personal Health	** All Applicants for an instructor's license must have been licensed for three (3) continuous years prior to applying for an instructor's license, along with any other qualifications that the legislature or Board determines
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012241	Eyelash Extension	120409	\$ 3,900.00	300 hours	State License	Bright Outlook Locally & Nationally	Personal Health	
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012236	Cosmetology	120401	\$ 13,000.00	1500 hours	State License	Bright Outlook Locally & Nationally	Personal Health	
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012240	Natural Hair	120499	\$ 4,600.00	300 hours	State License	Bright Outlook Locally	Personal Health	
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012238	Manicure	1012238	\$ 6,700.00	600 hours	State License	Bright Outlook Locally & Nationally	Personal Health	
CDRS Academy of Beauty	400 Madison Street Clarksville, TN 37040	1012237	Aesthetics	120409	\$ 8,000.00	750 hours	State License	Bright Outlook Locally & Nationally	Personal Health	

Austin Peay State University	601 College Street Clarksville, TN	1012239	CDL Training - Class A	490205	\$ 5,125.00	4 Weeks	CDL	Bright Outlook Locally & Nationally	Transportation	
TCAT Nashville	100 White Bridge Road Nashville, TN 37209	1012137	Computer Operating Systems, Networking, and Cybersecurity	110901	\$ 6,196.00	12 Months	Diploma	Bright Outlook Locally & Nationally	Information Technology	
TCAT Nashville	100 White Bridge Road Nashville, TN 37209	1012135	Residential/Commercial/Industrial Electricity Program	469999	\$ 7,008.00	18 Months	Diploma	Bright Outlook Locally	Construction	
Volunteer State Community College	1480 Nashville Pike Gallatin, TN 37066-3188	1011934	Human Resource Professional	521005	\$ 2,045.00	9 Months	aPHR, PHR, SHRM-CP	Bright Outlook Locally & Nationally	Human Resources	
Former Programs Requiring Board Approval for ETPL Addition										
Provider Name	Provider Main Address	Program ID	Program Name	CIP Code	Total Cost	Program Length	Credential Earned	Job Outlook	Sector Strategy	Notes
Motlow State Community College - Smyrna	5002 Motlow College Blvd Smyrna, TN 37167	1006494	Business Major, Medical Office Concentration	520201	\$ 10,592.00	4 Semesters	Associate's Degree	Bright Outlook Locally & Nationally	Administrative	Expired from ETPL 09/10/22. Increased Cost

ETPL Truck Driving Schools Review

1. Armored Trucking Academy

- a. Approved for 1 year on 11/2023.
 - i. They should have been approved for two years since they passed both measures.
- b. Performance checked on 11/2024.
 - ii. **75% credential rate**
 - iii. **68% placement rate**
- c. Their next review date is 11/2026

2. 160 Truck Driving Academy

- a. Did not meet performance measures on 11/2023 review and appealed. They were put back on ETPL with a plan to increase outcomes.
 - i. **28% credential rate**
 - ii. **33% placement rate**
- b. Performance checked on 11/2024
 - i. 56 total WIOA-funded participants
 - ii. **39% credential rate**
 - iii. **60% placement rate**

3. Lockhart Trucking Academy

- a. Shut down operations around 12/2023.
(estimated)

4. TN CDL School

- a. Did not meet performance measures 11/2023 review. Removed from ETPL.
- b. Requested to come back on 11/2024.
Reviewed data for customers who were enrolled in training during 7/2023 – 11/2023.
 - i. 31 total WIOA-funded participants
 - ii. **67% credential rate**
 - iii. **64% placement rate**

5. Truck Driver Institute

- a. Subsequent review is scheduled for 11/2025.
They were extended for two years due to meeting performance measures.

6. United Truck Driving

- a. Subsequent review is scheduled for 11/2025.
They were extended for two years due to meeting performance measures.

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

2024-25 BUDGET PROGRESSION & SPEND TREND

	(\$ in 000's)				
	24-25 QTR 1	24-25 QTR 2	Expenses YTD	Revised FY 2024-25 12 Mo. Budget	% Spent
Northern Middle LWDA					
Infrastructure Funding Agreement	98	109	207	1,000	20.7%
Adult	659	374	1,033	3,244	31.8%
Dislocated Worker Re-purposed for Adult	153	577	730	1,000	73.0%
Dislocated Worker for DW	349	434	783	3,645	21.5%
Youth	402	501	903	2,738	33.0%
RESEA	61	0	61	263	23.2%
RESEA Budget Reduced to 3 Mos Only	0	0	0	-202	0.0%
Titan Stadium Project	28	49	77	294	26.2%
Tennessee Youth Phase 2	446	51	497	787	63.2%
Apprenticeship		3	3	156	1.9%
National Apprenticeship		0	0	125	0.0%
Rural Healthcare (Seed Funding 2/1 - 6/30/25)		0	0	119	0.0%
Total FY 24-25 Expense vs Budget	2,196	2,098	4,294	13,169	32.6%

24-25 budget last meeting	13,050	
Rural Healthcare (Seed Funding 2/1 - 6/30/25); Additional \$238 awarded for FY25-26	119	119
Revised 2024-25 budget	13,169	

* Northern Middle's grant utilization for Quarter 2 decreased by \$98k compared to the prior quarter.

\$395 of this decrease relates to the seasonal nature of the Tennessee Youth program.

Formula grant utilization actually increased by \$323k as follows: Adult + \$139k, DW + 85k and Youth + \$99k

* This year's quarterly average utilization is \$2.1M compared to last year's quarterly average of \$2.9M.

* While Formula grant utilization is on the upward trend, we were not at 50% spent in any of the three fund streams.

The highest fund stream is Adult at 41.5% determined by combining Adult and the DW re-purposed for Adult.

We don't anticipate any problem fully utilizing the program budgets for Formula funding expiring June 2025

but utilization needs to increase to prevent a large carryover of Formula funding for grants expiring June 2026.

*** Action Needed: Flexibility through June 30, 2025 to request of TDLWD permission for up to \$1M re-purposing of Dislocated Worker (admin and/or program) for Adult.**

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

Minimum Participant Cost Rate (MPCR)

TDLWD Minimum Participant Cost Rate (MPCR) - Preliminary Through December 2024

MPCR = 28.54%

	MAC Youth	EDSI Youth	EDSI Adult, Dislocated Worker, Titans	NM Demo Pilots	Other (NM, & IFA)	Total
Qualifying Expenses	\$ 91,895	\$ 153,381	\$ 660,215	\$ 27,711	\$ -	\$ 933,202
Total Program	\$ 240,491	\$ 415,456	\$ 1,932,639	\$ 100,625	\$ 580,664	\$ 3,269,875
MPCR	38.21%	36.92%	34.16%	27.54%	0.00%	28.54%

Initial
Quarter

Northern Middle is below the 40% state requirement for the 3rd consecutive quarter.

Q4 23-24 37.21%

FY Reset Jul 1 Q1 24-25 23.43%

Q2 24-25 28.54%

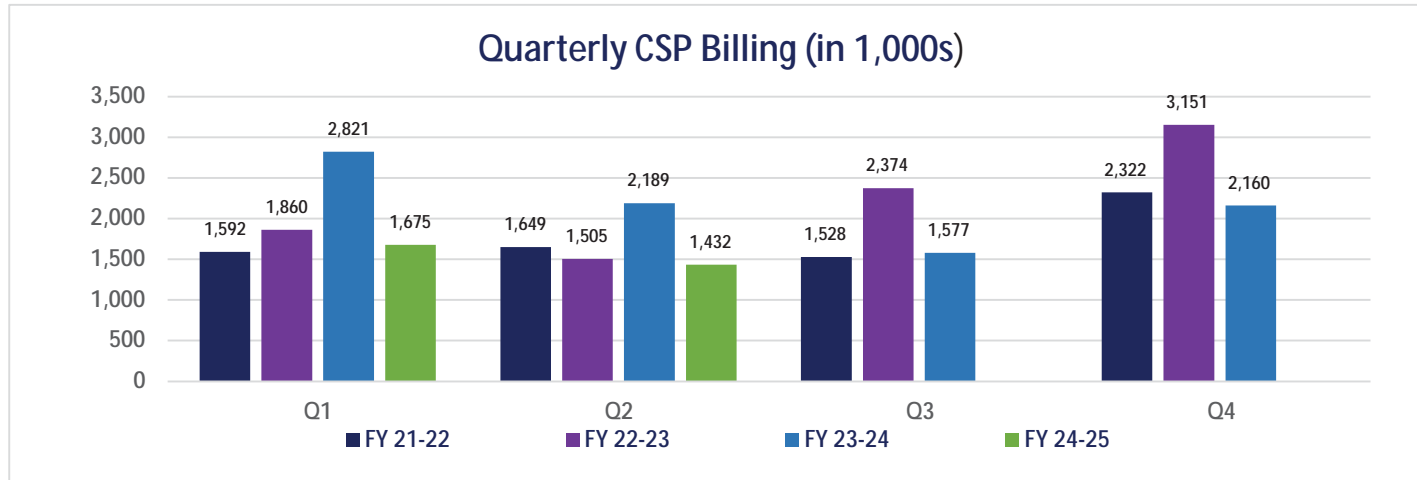
MPCR is impacted by the Labor Force Participation Rate Project, other Pilot transitions, as well as \$384k Tennessee Youth Employment expenditures which do not count toward MPCR under current policy.

If TYEP were included, NM's MPCR would be 36.04%.

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

CONTRACTED CAREER SERVICE PROVIDERS - BILLING TREND



Q2 contracted CSP billing decreased \$243k compared to last quarter and was \$757k more conservative than Q2 of the prior year. However, due to the Pilots in Montgomery and Sumner beginning Q2 FY 24-25, EDSI is billing for 2 counties less than in previous quarters. Total non-contracted billing for those two counties totaled \$100k.

Career Service Provider Billing	Q1	Q2	Q3	Q4	Total
CSP Billing FYE 6/30/22 EDSI & MAC	1,592	1,649	1,528	2,322	7,091
CSP Billing FYE 6/30/23 EDSI & MAC	1,860	1,505	2,374	3,151	8,890
CSP Billing FYE 6/30/24 EDSI & MAC	2,821	2,189	1,577	2,160	8,747
CSP Billing FYE 6/30/25 EDSI & MAC less Montgomery & Sumner beginning in Q2	1,675	1,432			3,107

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

CONTRACTOR - BILLING PROGRESS

Career Service Provider Billing	In \$000's					% Spent - * 89% time elapsed (contracts extended)
	Cumulative through Sep 2024	Total Spent Qtr Ended Dec 2024	Budget Spent Contract To Date	Total 54 Month Contract Budget		
EDSI (54 Month Comparison)	\$ 24,593	\$ 1,195	\$ 25,788	\$ 29,856	86%	*
EDSI (TN Youth bgt ended at 8/31/23)	\$ 187	\$ -	\$ 187	\$ 187	100%	
EDSI (TN Youth bgt through 6/30/25)	\$ 1,607	\$ 47	\$ 1,654	\$ 1,835	90%	
EDSI Titans Stadium (through 6/30/25)	\$ 116	\$ 46	\$ 162	\$ 278	58%	
MAC (54 Month Comparison)	\$ 1,941	\$ 144	\$ 2,085	\$ 2,403	87%	*
MAC (TN Youth bgt through 6/30/25)	\$ 70	\$ -	\$ 70	\$ 96	73%	
Contract-to-Date through Q2 2024-25	\$ 20,913	\$ 1,432	\$ 29,946			

One-Stop Operator Billing	In \$000's					% Spent - 50% time elapsed (contract extended)
	Cumulative through Sep 2024	Total Spent Qtr Ended Dec 2024	Budget Spent Contract To Date	Total 12 Month Budget		
MCHRA - (12 out of 12 Month Comparison)	\$ 69	\$ 57	\$ 126	\$ 300	42%	

NORTHERN MIDDLE TN WORKFORCE BOARD
DECEMBER 2024 FISCAL UPDATE
EDSI - ADULT/DW MPCR TREND
CONTRACT-TO-DATE & QUARTERLY 54 Months

	MPCR - Goal 50% FY 24-25			MPCR - Goal 50% FY 24-25			MPCR Adult/DW - Goal 50% FY 24-25		
EDSI	Adult			DW			A/DW Combined		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	50%	Direct \$ '000	Total \$ '000	50%	Direct \$ '000	Total \$ '000	50%
July 2024	25	131	19%	28	67	41%	53	198	27%
Aug 2024	55	217	25%	25	77	32%	80	294	27%
Sep 2024	99	321	31%	22	93	23%	121	414	29%
Oct 2024	103	270	38%	30	85	35%	133	354	38%
Nov 2024	66	220	30%	31	81	39%	97	301	32%
Dec 2024	111	257	43%	67	114	58%	178	372	48%
Total Extended 12 Months	459	1,416	32%	202	517	39%	661	1,933	34%
Cumulative CTD 54 Months	6,604	13,180	50%	2,784	5,581	50%	9,387	18,761	50%

Current Fiscal Year	MPCR - Goal 50% FY 24-25 w LFPR Project			MPCR - Goal 50% FY 24-25 w LFPR Project			MPCR Adult/DW - Goal 50% FY 24-25 w LFPR Project		
EDSI	Adult			DW			A/DW Combined		
QTR Ended 9/30/24	179	669	27%	74	237	31%	253	906	28%
QTR Ended 12/31/24	280	747	37%	128	280	46%	408	1,027	40%
FYE 6/30/25 (12 Mos)	459	1,416	32%	202	517	39%	661	1,933	34%

<p align="center">NORTHERN MIDDLE TN WORKFORCE BOARD</p> <p align="center">DECEMBER 2024 FISCAL UPDATE</p> <p align="center">EDSI YOUTH - MPCR, WORK EXPERIENCE & IN-SCHOOL</p> <p align="center">CONTRACT-TO-DATE & QUARTERLY 54 Months</p>									
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	MPCR - Goal 50%			Work Experience - Goal 20%			ISY/Youth - Goal 30% effective 07.1.23		
EDSI	Youth			Youth			Youth		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	49%	Wk Exp \$ '000	Total \$ '000	29%	ISY \$ '000	Total \$ '000	30%
July 2024	17	34	49%	10	34	30%	10	34	29%
Aug 2024	32	48	66%	17	48	35%	17	48	35%
Sep 2024	24	119	20%	27	119	23%	48	119	40%
Oct 2024	41	93	44%	33	93	36%	22	93	24%
Nov 2024	21	64	33%	30	64	47%	22	64	35%
Dec 2024	19	57	33%	25	57	44%	24	57	42%
Total Extended 12 Months	153	415	37%	142	415	34%	144	415	35%
Cumulative CTD 54 Months	3,200	6,564	49%	1,721	6,234	28%	1,890	6,234	30%

Current Fiscal Year	MPCR - Goal 50%			Work Experience - Goal 20%			ISY/Youth - Goal 30% effective 07.1.23		
EDSI	Youth			Youth			Youth		
QTR Ended 9/30/24	73	201	36%	54	201	27%	75	201	37%
QTR Ended 12/31/24	81	214	38%	89	214	41%	69	214	32%
FYE 6/30/25 (12 Mos)	153	415	37%	142	415	34%	144	415	35%

NORTHERN MIDDLE TN WORKFORCE BOARD
DECEMBER 2024 FISCAL UPDATE
MAC YOUTH - MPCR, WORK EXPERIENCE & IN SCHOOL

	MPCR - Goal 50%			Work Experience - Goal 25%			ISY/Youth - 30% Goal beginning 7/1/23		
MAC	Youth			Youth			Youth		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	51%	Wk Exp \$ '000	Total \$ '000	41%	ISY \$ '000	Total \$ '000	39%
July 2024	7	22	30%	6	22	27%	8	22	37%
Aug 2024	8	30	28%	13	30	43%	15	30	52%
Sep 2024	6	44	15%	17	44	39%	20	44	46%
Oct 2024	16	39	41%	22	39	56%	20	39	51%
Nov 2024	27	50	53%	35	50	70%	29	50	57%
Dec 2024	28	55	51%	37	55	68%	33	55	59%
Total Extended 12 Months	92	240	38%	131	240	54%	125	240	52%

	MPCR - Goal 50%			Work Experience - Goal 25%			ISY/Youth - 30% Goal beginning 7/1/23		
MAC	Youth			Youth			Youth		
QTR Ended 9/30/24	21	96	22%	36	96	37%	44	96	45%
QTR Ended 12/31/24	71	144	49%	95	144	66%	81	144	56%
FYE 6/30/25	92	240	38%	131	240	54%	125	240	52%

<p align="center">NORTHERN MIDDLE TN WORKFORCE BOARD</p> <p align="center">DECEMBER 2024 FISCAL UPDATE</p> <p align="center">PILOT - MONTGOMERY ADULT/DW MPCR TREND</p> <p align="center">CONTRACT-TO-DATE & QUARTERLY 9 Months</p>									
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	MPCR - Goal 50% FY 24-25			MPCR - Goal 50% FY 24-25			MPCR Adult/DW - Goal 50% FY 24-25		
NM/WE	Adult			DW			A/DW Combined		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	49%	Direct \$ '000	Total \$ '000	24%	Direct \$ '000	Total \$ '000	39%
Oct 2024	7	12	57%	0	5	2%	7	17	40%
Nov 2024	1	5	12%	5	11	48%	6	16	36%
Dec 2024	7	12	58%	0	5	1%	7	17	40%
Total 9 Months	14	29	49%	5	21	24%	19	50	39%
Cumulative CTD 9 Months	14	29	49%	5	21	24%	19	50	39%

	MPCR - Goal 50% FY 24-25 w LFPR Project			MPCR - Goal 50% FY 24-25 w LFPR Project			MPCR Adult/DW - Goal 50% FY 24-25 w LFPR Project		
NM/WE	Adult			DW			A/DW Combined		
QTR Ended 12/31/24	14	29	49%	5	21	24%	19	50	39%
FYE 6/30/25 (9 Mos)	14	29	49%	5	21	24%	19	50	39%

NORTHERN MIDDLE TN WORKFORCE BOARD
DECEMBER 2024 FISCAL UPDATE

PILOT - MONTGOMERY YOUTH - MPCR, WORK EXPERIENCE & IN-SCHOOL
CONTRACT-TO-DATE & QUARTERLY 9 Months

	MPCR - Goal 50%			Work Experience - Goal 20%			ISY/Youth - Goal 25%		
NM/WE	Youth			Youth			Youth		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	30%	Wk Exp \$ '000	Total \$ '000	4%	ISY \$ '000	Total \$ '000	34%
Oct 2024	2	5	34%	0	5	0%	2	5	31%
Nov 2024	3	6	43%	0	6	0%	2	6	28%
Dec 2024	0	4	0%	1	4	16%	2	4	49%
Total 9 Months	4	15	30%	1	15	4%	5	15	34%
Cumulative CTD 9 Months	4	15	30%	1	15	4%	5	15	34%

	MPCR - Goal 50%			Work Experience - Goal 20%			ISY/Youth - Goal 30% effective 07.1.23		
NM/WE	Youth			Youth			Youth		
QTR Ended 12/31/24	4	15	30%	1	15	4%	5	15	34%
FYE 6/30/25 (9 Mos)	4	15	30%	1	15	4%	5	15	34%

NORTHERN MIDDLE TN WORKFORCE BOARD
DECEMBER 2024 FISCAL UPDATE

PILOT - SUMNER - ADULT/DW MPCR TREND
CONTRACT-TO-DATE & QUARTERLY 9 Months

	MPCR - Goal 50% FY 24-25			MPCR - Goal 50% FY 24-25			MPCR Adult/DW - Goal 50% FY 24-25		
NM/WE	Adult			DW			A/DW Combined		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	17%	Direct \$ '000	Total \$ '000	1%	Direct \$ '000	Total \$ '000	9%
Oct 2024	0	3	0%	0	4	1%	0	7	1%
Nov 2024	0	3	3%	0	4	2%	0	7	2%
Dec 2024	2	6	34%	0	5	1%	2	11	19%
Total 9 Months	2	13	17%	0	12	1%	2	25	9%
Cumulative CTD 9 Months	2	13	17%	0	12	1%	2	25	9%

	MPCR - Goal 50% FY 24-25 w LFPR Project			MPCR - Goal 50% FY 24-25 w LFPR Project			MPCR Adult/DW - Goal 50% FY 24-25 w LFPR Project		
NM/WE	Adult			DW			A/DW Combined		
QTR Ended 12/31/24	2	13	17%	0	12	1%	2	25	9%
QTR Ended 3/31/25	0	0	0%	0	0	0%	0	0	0%
QTR Ended 6/30/25	0	0	0%	0	0	0%	0	0	0%
FYE 6/30/25 (9 Mos)	2	13	17%	0	12	1%	2	25	9%

<p align="center">NORTHERN MIDDLE TN WORKFORCE BOARD</p> <p align="center">DECEMBER 2024 FISCAL UPDATE</p> <p align="center">PILOT - SUMNER YOUTH - MPCR, WORK EXPERIENCE & IN-SCHOOL</p> <p align="center">CONTRACT-TO-DATE & QUARTERLY 9 Months</p>									
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	MPCR - Goal 50%			Work Experience - Goal 20%			ISY/Youth - Goal 25%		
NM/WE	Youth			Youth			Youth		
CTD CUMULATIVE	Direct \$ '000	Total \$ '000	19%	Wk Exp \$ '000	Total \$ '000	20%	ISY \$ '000	Total \$ '000	38%
Oct 2024	0	2	0%	1	2	39%	1	2	50%
Nov 2024	0	2	0%	1	2	43%	1	2	47%
Dec 2024	2	4	36%	0	4	0%	1	4	29%
Total 9 Months	2	9	19%	2	9	20%	3	9	38%
Cumulative CTD 9 Months	2	9	19%	2	9	20%	3	9	38%

	MPCR - Goal 50%			Work Experience - Goal 20%			ISY/Youth - Goal 30% effective 07.1.23		
NM/WE	Youth			Youth			Youth		
QTR Ended 12/31/24	2	9	19%	2	9	20%	3	9	38%
FYE 6/30/25 (9 Mos)	2	9	19%	2	9	20%	3	9	38%

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

MONITORING UPDATE

EDSI and MAC - Career Service Providers

- * Biweekly contractor meetings continue with EDSI and MAC re-stating expectations and concerns related to fund utilization, MPCR achievement and case management.
- * Monthly desk review of invoices is performed analyzing contract progress and dollar-driven performance.
- * EDSI exceeded their Adult/DW and Youth enrollment goals, but is behind in exits and placements.
- * MAC fell 3 short on OSY and 2 short on ISY enrollment goals; they are slightly behind on exits and missing the placement goal.
- * EDSI MPCR for Adult/DW improved to 40% in Q2 over 28% in Q1, but did not meet FYTD goal of 50%. EDSI MPCR for Youth improved to 38% in Q2 over 36% in Q1, but did not meet FYTD goal of 50%.
- * MAC MPCR for Youth improved to 49% in Q2 over 22% in Q1, but did not meet FYTD goal of 50%.
- * Both EDSI and MAC have met or exceeded MPCR, Work Exp and ISY goals over their full contract period, but neither have met MPCR during the current fiscal year which is the current Northern Middle measurement period.
- * Northern Middle program staff issued to EDSI findings, observations, technical assistance and request for corrective action related to case management. EDSI completed the required action by the deadline given.
- * Northern Middle fiscal staff are planning test work of the July to December 2024 period.

Mid-Cumberland HRA - One-Stop Operator

- * The One-Stop Operator continues to promote enhanced oversight of partner accountability in supporting KPI goals.
- * The One-Stop Operator has been asked to assume more responsibility in coordinating IFA agreements and addressing monitoring findings that may arise related to the AJC.
- * A re-design of the OSO contract scope has resulted in the elimination of OSO greeters in the comprehensive centers. An assistant OSO position has been created to provide more oversight.
- * The One-Stop Operator assisted in the Nashville AJC re-location.

Pilot Projects

- * Weekly meetings with Tennessee Department of Labor are held.

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

MONITORING UPDATE

Monitoring of Northern Middle

- * TDLWD's Program Accountability Review (PAR) unit issued Northern Middle's annual monitoring report of fiscal management and reporting. There were no findings and two observations which we presented in our previous board meeting. The final report is attached.
- * FY 23-24 external financial audit report was issued by audit firm Stone, Rudolph and Henry, PLC.
 - * Unmodified opinions
 - * No audit findings
 - * Low risk auditee qualification

The audit report and governance letter are attached elsewhere in these materials.

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2024 FISCAL UPDATE

ACTION

- * 2024-25 Amended Budget = \$13.2M (+119k)
- * Flexibility to request TDLWD approval to re-purpose \$1M DW funding for Adult



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
220 French Landing Drive
Nashville, TN 37243
(615) 741-6642

Bill Lee
GOVERNOR

Deniece Thomas
COMMISSIONER

January 13, 2025

Marla Rye
Northern Middle TN Workforce Board
523 Madison Street
Clarksville, TN 37040

Subject: Congratulations on Your RHWDI Application Submission (AwardFOA-TN-RHCI-25-01)

Dear Marla,

Congratulations, and thank you for submitting your application for the Rural Healthcare Workforce Development Initiatives (RHWDI) funding opportunity! We truly appreciate the time, effort, and dedication you invested in preparing your proposal, as well as your commitment to advancing rural healthcare.

After careful review and consideration, we are pleased to inform you that your application has been conditionally approved for funding. We are excited to support your efforts to expand healthcare access in rural areas, and we believe your proposal will have a meaningful impact. Based upon the Tennessee Department of Labor and Workforce Development, Rural Healthcare Workforce Initiatives funding allocations, Northern Middle Tennessee Workforce Board Inc. has been awarded the following:

Seed Funding Amount (Feb 1, 2025 - June 30, 2025):	\$119,471.00
Grant Funding Amount (July 1, 2025 - June 30, 2026):	\$238,943.00

There are a few items in your application that require clarification, and we will also need an updated budget to move forward with the funding process. We would like the opportunity to discuss these items in more detail and guide you through the next steps. This will be a virtual meeting (via Teams) next week. The program director and an agency official with decision-making authority should be on the call (e.g., your grants writer, executive leader, contracts signatory, etc.).

Assigned Time: Wednesday, January 22, 9:00-9:30am CST

RHWDI plays a vital role in addressing the unique challenges faced by rural communities, and we are confident that your initiatives will strengthen the healthcare workforce in these areas. We encourage you to continue pursuing innovative solutions to improve the healthcare workforce.

In the coming weeks, we will provide additional details and support as you proceed with your project. Please review the following fiscal requirements to ensure your entity has completed the process.

Fiscal Requirements

1. Must be current vendor with the State of Tennessee, please visit the [Edison Supplier Portal](#) and complete the process.
2. Completion of the following documents:
 - a. Supplier Direct Deposit Authorization Form
 - b. W-9
 - c. Refer to the [Edison Supplier Portal Registration Manual](#) for additional guidance.
3. Once the required documents have been received the SmartSimple link will be sent to you to register as a new organization. For assistance with SmartSimple please contact grants.budgets@tn.gov.
4. If you currently have a SmartSimple account with the State of Tennessee, please submit the required documents in your SmartSimple account.

Thank you once again for your interest in the Rural Healthcare Workforce Development Initiatives funding opportunity. We wish you the best as you continue your efforts, and we are excited to be part of your journey.

If you have any questions, please feel free to contact me at Rural.Workforce@tn.gov.

Sincerely,



Deniece Thomas
Commissioner, TDLWD
DT/ts

Rural Healthcare Workforce Development Initiatives Grantee Awards

- 1. Align9**
- 2. Baptist Memorial Hospital**
- 3. Bethel University**
- 4. Cleveland State Community College Adult Education**
- 5. Covenant Health**
- 6. Dyersburg Health dba West Tennessee Healthcare**
- 7. Family Scholar House**
- 8. Free Medical Clinic of Oak Ridge**
- 9. Huntsville Hospital Lincoln County**
- 10. Lewis County Schools**
- 11. Lipscomb University School of Nursing**
- 12. Macon County Community Hospital**
- 13. Meharry Medical**
- 14. Mountain People's Health Councils, Inc**
- 15. Nashville State Community College**
- 16. Northeast State Community College**
- 17. Northern Middle Tennessee Workforce Board**
- 18. Roane Medical Center**
- 19. Signature Healthcare LLC**
- 20. South Central Tennessee Workforce Alliance**
- 21. Southeast Tennessee Development District**
- 22. Southern Tennessee Regional Health System**
- 23. Sweetwater Hospital Association**
- 24. Tennessee Board of Regents**
- 25. Tennessee College of Applied Technology - Dickson**
- 26. Tennessee College of Applied Technology Athens**
- 27. Tennessee College of Applied Technology Jacksboro**
- 28. Tennessee College of Applied Technology Knoxville**
- 29. Tennessee College of Applied Technology Upper Cumberland**
- 30. Tennessee Hospital Association**
- 31. Tennessee Wesleyan University**
- 32. TriStar Health**
- 33. University of Tennessee Health Science Center**
- 34. Upper Cumberland Local Workforce Development Board**
- 35. Walters State Community College**
- 36. Williamson Health**
- 37. Workforce Innovations, Inc.**
- 38. South Central Tennessee Development District/Southern Middle Local Workforce Board**

Rapid Response: Updates

Rapid Response is a service provided by the Department of Labor (DOL) through the Local Workforce Board coordination to assist workers who are facing job loss due to plant closures or mass layoffs. It offers immediate support to help affected workers transition to new employment opportunities. Rapid Response teams provide information about unemployment benefits, job training programs, job search assistance, and other support services available to affected workers. The goal is to minimize the impact of job loss and help workers navigate their next steps in the labor market.

Date of Layoff	# Affected	County	WARN Site
January 22 - March 14, 2025	294	Davidson	Bargain Hunt - Complete liquidation
January 31, 2025	75	Rutherford	Dillard's - Closure of Stones River Mall location
January 31, 2025	46	Davidson	Cummins - layoff of online employees
December 31, 2024	99	Williamson	American Health Partners
Sept 16 – Oct 31, 2024	237	Dickson	Monogram Foods – Permanent closure
February 20-June 30, 2024	40	Stewart	GH Armor Systems- Plant Closure
February 1-April 26, 2024	40	Montgomery	Aludyne – Clarksville Mass layoff but not closing
August 1-31, 2024	229	Davidson	Hearthside – Permanent closure
September 15, 2024	90	Wilson	TACHI-S Permanent closure
August 5, 2024	81	Sumner	Charles C Parks – Permanent closure
June 30, 2024	92	Davidson	Sodexio – Permanent reduction
June 24, 2024	58	Remote	XiFin – Remote workers
June 15, 2024	35	Davidson	Christie Cookies – Permanent closure
April 30, 2024	51	Wilson	APL Logistics Material handlers
April 17, 2024	97	Davidson	LGSTX Cargo Services – Permanent Closure (submitted WARN after closure)
March 15, 2024	111	Davidson	Cargill – Nashville Partial layoff of Crumble line production
February 17, 2024	80	Rutherford	Ameri-Kleen – Smyrna Closure at Taylor Farms facility - Sanitation specialist
January 1, 2024	124	Davidson	Ryman Hospitality Properties – Wild horse Salon Temporary, expected return date is July 1

1879

Upcoming - Bridgestone – 900 employees in July 2025 Rutherford

Northern Middle Program Year July 1, 2023 to June 30, 2024

Incumbent Worker Training (IWT) Grants (07.01.2024 - 06.30.2025)

	County Location	Employer	UEI	Employees Trained	Contract Start Date	Contract End Date	Contract Amount	Amount Expended
1	Sumner	Clarendale @Indian Lake	SR6UG96MEP53	15	08.01.2024	05.31.2025	\$25,000.00	
2	Davidson	Coca-Cola Consolidated, Inc	EVMRM7AZGAC6	30	09.01.2024	05.31.2025	\$21,694.00	
3	Rutherford	Fessler & Bowman	NYPLTSQU9BB5	50	08.01.2024	05.31.2025	\$24,922.00	
4	Davidson	Military Systems Group	SBYBHNZL5UJ1	12	08.01.2024	05.31.2025	\$24,948.00	
5	Sumner	The GAP	ZYZJX5WLT3M9	54	09.01.2024	05.31.2025	\$12,213.00	
6	Davidson	Vanderbilt University Medical Center	GYLUH9UXHDX5	94	08.01.2024	05.31.2025	\$25,000.00	
7	Rutherford	Schwan Cosmetics USA	W6DTG8ZMBH93	47	08.01.2024	05.31.2025	\$12,195.00	
8	Davidson	Glatfelter	VYHULQ7RCMA4	10	10.14.2024	05.31.2025	\$5,000.00	
9	Wilson	Solaren Risk Management, LLC	VWBAAWEAJP23	35	10.14.2024	05.31.2025	\$25,000.00	\$25,000.00
10	Rutherford	Roscoe Brown, Inc	FXDHCW7M9F61	28	11.01.2024	05.31.2025	\$25,000.00	
11	Davidson	Nashville Boss Inc.	X4XMG5ECRVY5	10	11.18.2024	05.31.2025	\$22,500.00	
12	Rutherford	Wiregrass Construction Company	Y2NNK2T8DSL5	2	12.12.2024	05.31.2025	\$8,120.00	
13	Montgomery	Signature Healthcare of Clarksville	XXN1SAPGW4V6	8	01.02.2025	05.31.2025	\$15,000.00	
14	Houston	Signature Healthcare of Erin	EHCXLMJ53DF3	8	01.02.2025	05.31.2025	\$15,000.00	
15	Sumner	Signature Healthcare of Portland	J9CXUEDFLZR7	8	01.02.2025	05.31.2025	\$15,000.00	
16	Sumner	Westmoreland Care & Rehab Center	JA1UVGMFRB57	8	01.02.2025	05.31.2025	\$15,000.00	
17	Sumner	Dorman Products, Inc.	R6BMHC43K7K5	4	01.02.2025	05.31.2025	\$5,500.00	
18	Rutherford	Gallagher Guitar Co, LLC		8	01.21.2025	05.31.2025	\$4,160.00	
				431			\$301,252.00	\$25,000.00

Board designated funds available: \$ 300,000.00

Apprenticeship Training Grants (09.03.2024 - 06.30.2025)

	County Location	Employer	UEI	Employees Trained	Contract Start Date	Contract End Date	Contract Amount	Amount Expended
1	Davidson	Dixon Management Group LLC	UVCJJH9SV2V3	9	10.14.2024	05.31.2024	\$22,500.00	
2	Davidson	Classic Handyman Company, Inc.	PLMNU6JEDTW9	1	10.14.2024	05.31.2025	\$2,500.00	\$2,500.00
3	Rutherford	Roscoe Brown, Inc	FXDHCW7M9F61	7	10.01.2024	05.31.2025	\$17,500.00	
4	Cheatham	Industrial Electrical Services, Inc.	MEMXUJNDRAR8	4	10.14.2024	05.31.2025	\$9,000.00	\$9,000.00
5	Montgomery	Clarksville Montgomery Co Schools	QM24BH3KM7W7	29	10.14.2024	05.31.2025	\$43,500.00	
6	Rutherford	Cultivation Network	X7B4WU2WPA59	2	10.01.2024	05.31.2025	\$5,000.00	
7	Davidson	Strings for Hope	TCPHL73T1KR8	5			\$12,500.00	
8	Montgomery	CDE Lightband	Q8H1FN7FE733	6	12.2.2024	05.31.2025	\$13,000.00	
9	Dickson	NHC		7	01.21.2025	05.31.2025	\$16,500.00	
10								
				70			\$142,000.00	\$11,500.00

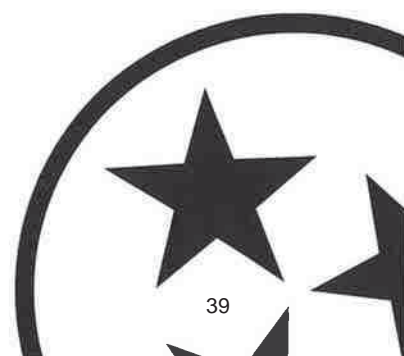
State Apprenticeship Grant Amount Available: \$142,000.00

State Apprenticeship Expansion Formula Grant (10.01.2024 - 06.30.2025)									
	County Location	Employer	UEI	Employees Trained	Employment Sector	Contract Start Date	Contract End Date	Contract Amount	Amount Expended
1	Robertson	Robertson Co BOE	L54YG2NQ33U9	20	Teachers	10.01.2024	05.31.2025	\$50,000.00	
2	Rutherford	Rutherford Co BOE	JTUXFTXFMWYZ	10	Teachers	10.01.2024	05.31.2025	\$25,000.00	\$25,000.00
3	Wilson	Lebanon Fire Dept.	LXC9BKGMC3X4	10	EMTs	01.02.2025	05.31.2025	\$25,000.00	
4	Davidson	CAT Financial Services		2	Application Developers	01.20.2025	05.31.2025	\$5,000.00	
5									
6									
7									
8									
9									
10									
								\$105,000.00	\$25,000.00
SAEF Program Funds Available: \$112,500.00									



Northern Middle Local Workforce Development Area

Tennessee Department of Labor and Workforce Development
Office of Program Accountability Review
Subrecipient Monitoring Report | November 2024





November 20, 2024

The Honorable Bob Rial
Dickson County Mayor
Northern Middle Local Workforce Development Area CLEO
4 Court Square
Charlotte, TN 37036

Marla Rye
Northern Middle Workforce Board, Executive Director
Workforce Essentials, Inc., President
523 Madison Street, Suite A
Clarksville, TN 37040

Dear Mayor Bob Rial and Ms. Rye,

Program Accountability Review (PAR) has completed its monitoring of Northern Middle Local Workforce Development Area, which included activities by board staff, fiscal agent, one-stop operator, and career service provider. The Tennessee Department of Labor and Workforce Development (TDLWD) has grant agreements with Workforce Essentials, Inc. The monitored grants are listed at the end of the monitoring report. A copy of the monitoring report is attached.

Sincerely,

A handwritten signature in blue ink that reads 'Christopher A. Risher'.

Christopher Risher
Director of Internal Audit

cc: Deniece Thomas, Commissioner TDLWD
Dewayne Scott, TDLWD
Buddy Hoskinson, TDLWD
James Roberson, TDLWD
Jaylene Younge, TDLWD
Amy Mayberry, TDLWD
Ryan Jolley, TDLWD
Andy Summar, TDLWD
Ivan Greenfield, TDLWD
Lorna Wright, TDLWD
John Zobl, LWDB Chair
Ginger Fussell, Workforce Essentials
Comptroller of the Treasury, State of Tennessee

Executive Summary

On November 7, 2024, staff from the Tennessee Department of Labor and Workforce Development (TDLWD), Office of Program Accountability Review (PAR), completed an on-site review of Northern Middle Local Workforce Development Area, which included activities by board staff, fiscal agent, one-stop operator, and career service provider. The Tennessee Department of Labor and Workforce Development (TDLWD) has grant agreements with Workforce Essentials, Inc. Refer to the end of the report for a listing of the monitored grants.

Disclaimer

This report does not contain the results of participant program monitoring, including reviewing participant files for eligibility documentation and case management. These files were reviewed by staff in the Workforce Services Division and they will separately report their results. PAR did not review the participant files and, accordingly, does not express an opinion or any assurance regarding the participant eligibility documentation or case management.

Key Findings

- No findings were noted.

Northern Middle Local Workforce Development Area

Introduction

On November 7, 2024, staff from PAR completed an on-site monitoring visit of Northern Middle Local Workforce Development Area, which included activities by board staff, fiscal agent, one-stop operator, and career service provider. The Tennessee Department of Labor and Workforce Development (TDLWD) has grant agreements with Workforce Essentials, Inc. Monitoring included a review of the grants with TDLWD. Refer to the end of the report for a listing of the monitored grants.

PAR conducted the monitoring review in accordance with the Department of General Services, Central Procurement Office, *Policy 2013-007, Grant Management and Subrecipient Monitoring Policy and Procedures*, Amended June 25, 2024.

Monitoring objectives were to:

- assess the reliability of internal controls,
- verify that program objectives are being met,
- verify that civil rights requirements are being met,
- test the reliability of the financial and programmatic reporting,
- test if costs and services are allowable and eligible, and
- verify grant compliance.

A monitoring review is substantially less in scope than an audit. PAR did not audit the financial statements and, accordingly, does not express an opinion or any assurance regarding the financial statements of Workforce Essentials, Inc.. Also, this report does not contain the results of participant program monitoring, including reviewing participant files for eligibility documentation and case management. These files were reviewed by staff in the Workforce Services Division and they will separately report their results. PAR did not review the participant files and, accordingly, does not express an opinion or any assurance regarding the participant eligibility documentation or case management.

Were any issues noted during the on-site review?

1. No findings were noted.

Were there any observations?

1. The method used to allocate administrative costs may need some improvement.

Workforce Essentials, Inc. accumulates administrative costs in administrative cost pools. The cost pools are further distributed to WIOA grants, non-WIOA grants, and other programs operated by Workforce Essentials, Inc. Some salaries and benefits are directly charged to some non-WIOA grants, based on staff timesheets.

Workforce Essentials, Inc., Northern Middle LWDA's fiscal agent, cost allocation plan states, "Workforce Essentials (WE) has procedures in place to capture administrative costs to be allocation among WIOA Title I funding streams." It further states cost not directly assignable to a grant or project will be pooled. The plan discusses direct costs.

Title 2, *Code of Federal Regulations*, Section 200.405 discusses allocable costs to particular federal awards and other work of the non-federal entity.

While Title 2, *Code of Federal Regulations*, Section 200.405 and Northern Middle's cost allocation plan both discuss direct administrative costs and administrative costs that can be pooled, there appears to be differences of interpretation on which grants allow for pooling of direct expenses.

2. A discrepancy was noted between one participant timesheet and payroll records for grant LWNMP211SYSWA22.

Participant with state id 4983481 was compensated for 102 hours of work-related training for the period ending June 26, 2023, and the respective time sheet reflects 72 hours of work-related training. This discrepancy resulted in an overpayment of \$532.13 (i.e., 30 hours x \$15.00 per hour = \$450.00 + 82.13 employer taxes).

Section C.3 of the grant agreement between TDLWD and Workforce Essentials, Inc. states, "The Grantee shall be reimbursed for actual, reasonable, and necessary costs...."

This is being reported as an observation, since Workforce Essentials corrected the overpayment to the grant and received a reimbursement from the service provider prior to the end of the monitoring review. No corrections were required to the close-out report, since Workforce Essentials was able to move allowable expenses from Title I youth work experience for the same participant which had the over payment.

Which grants were monitored?

Service Provided	Grant Number	Grant Period	Grant Max. Liability
Adult	LWNMP211ADULT22*	07/01/21-06/30/23	\$409,252.09
Adult	LWNMF221ADULT22*	10/01/21-06/30/23	\$2,310,613.86
Adult	LWNMP221ADULT23*	07/01/22-06/30/24	\$536,868.00
Adult	LWNMF231ADULT23*	10/01/22-06/30/24	\$2,399,174.00
Adult	LWNMP231ADULT24	07/01/23-06/30/25	\$474,938.00
Adult	LWNMF241ADULT24	10/01/23-06/30/25	\$1,939,902.44
Dislocated Worker	LWNMP211DSLWK22*	07/01/21-06/30/23	\$683,151.55
Dislocated Worker	LWNMF221DSLWK22*	10/01/21-06/30/23	\$2,906,835.00
Dislocated Worker	LWNMP221DSLWK23*	07/01/22-06/30/24	\$687,136.00
Dislocated Worker	LWNMF231DSLWK23*	10/01/22-06/30/24	\$2,749,294.00
Dislocated Worker	LWNMP231DSLWK24	07/01/23-06/30/25	\$628,565.73
Dislocated Worker	LWNMF241DSLWK24	10/01/23-06/30/25	\$2,286,103.38
Youth	LWNM P211YOUTH22*	04/01/21-06/30/23	\$2,935,628.33
Youth	LWNMP221YOUTH23*	04/01/22-06/30/24	\$3,054,142.00
Youth	LWNMP231YOUTH24	04/01/23-06/30/25	\$2,510,336.98
Youth	LWNMP241YOUTH25**	04/01/24-06/30/26	\$2,794,305.00
Statewide Activities Summer Youth Phase 1	LWNMP211SYSWA22*	5/15/23-08/31/23	\$480,000.00
Administrative Summer Youth Phase 1	LWNMP222MNSWA23*	05/15/23-08/31/23	\$48,000.00
Statewide Activities- Summer Youth Phase 2	LWNMF231SYSWA23*	06/01/23-06/30/23	\$10,560.00
Statewide Activities- Summer Youth Phase 2	LWNMF241SYSWA24	07/01/23-06/30/25	\$2,084,151.00
Apprenticeship	LWNMP231NATAP24*	11/01/23-06/30/24	\$30,000.00
Statewide Activities- Apprenticeship	LWNMF241APSWA24*	07/01/23-06/30/24	\$193,575.00

Service Provided	Grant Number	Grant Period	Grant Max. Liability
Statewide Activities-Apprenticeship	LWNMF231APSWA23*	07/01/22-06/30/23	\$204,647.00
Administrative – Statewide Activities	LWNMF241MNSWA24	03/01/24-06/30/25	\$35,392.00
Statewide Activities	LWNMF231SESWA23	03/01/24-06/30/25	\$353,920.00
Re-entry/Justice Involved	LWNMF231RYSWA23*	10/01/22-06/30/23	\$80,000.00
Statewide – Consolidated Business Grant	LWNMF221CBSWA22*	10/15/23-06/30/24	\$252,287.00
Administrative-Consolidated Business	LWNMP231MNSWA24*	10/15/23-06/30/24	\$13,278.00
Rapid Response – Consolidate Business	LWNMF211CBRSP21*	02/15/23-06/30/23	\$190,000.00
Administrative – Consolidate Business	LWNMP221MNSWA23*	02/15/23-06/30/23	\$10,000.00
Re-employment Services & Eligibility Assessment	LWNMF211RESEA21*	10/01/22-09/30/23	\$263,934.00
Re-employment Services & Eligibility Assessment	LWNMF221RESEA22	10/01/23-09/30/24	\$259,250.00
National Dislocated Worker	LWNMF211DRDWG21*	08/21/21-08/20/23	\$550,085.00
National Dislocated Worker	LWNMF206DRDWG20*	07/01/22-06/30/23	\$1,425,739.69
Infrastructure Funding Agreement	LWNMP231ESIFA24	07/01/23-06/30/24	\$570,129.05

Figure 1. Listing of monitored grants.

*Grant was closed as of the monitoring date.

**No expenditures charged to the grant as of the monitoring date.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
AUDITED FINANCIAL STATEMENTS AND OTHER INFORMATION
JUNE 30, 2024 AND 2023

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NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
DIRECTORY OF BOARD MEMBERS AND MANAGEMENT (UNAUDITED)
JUNE 30, 2024

BOARD MEMBERS

John Zobl, Chairman
Christopher West, Vice-Chairman
Kristi Spurgeon, Secretary
Tony Adams
Robin Baldree
Dan Caldwell
George Callis
Anne Fugate
Nathan Garrett
Billy Givens
James Harper
Freda Herndon
Corey Johns
Sellittia Johnson
Ryan Jolley
Greg Jones
Mary Lear
Jordan Osborne
Mark Peed
David Rutledge
Shoshana Samuels
Seth Thurman
Kelly Tyler
Paul Webb

LOCAL ELECTED OFFICIALS OF LOCAL WIOA AREAS – EX-OFFICIO MEMBERS

Kerry McCarver , Cheatham County Mayor
Freddie O’Connell, Davidson County Mayor
*Bob Rial, Dickson County Mayor
Joey Brake, Houston County Mayor
Mike Pogreba, Humphreys County Executive
Wes Golden, Montgomery County Mayor
Billy Vogle, Robertson County Mayor
Joe Carr, Rutherford County Mayor
Robert Beecham, Stewart County Mayor
John Isbell, Sumner County Mayor
Jack McCall, Trousdale County Mayor
Rogers Anderson, Williamson County Mayor
Randall Hutto, Wilson County Mayor

*Denotes Chief Local Elected Official (CLEO)

MANAGEMENT

Ms. Marla Rye, Executive Director
Ms. Ginger Fussell, Fiscal Officer



INDEPENDENT AUDITOR'S REPORT

Board of Directors

Northern Middle Tennessee Local Workforce Development Board, Inc.

Clarksville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northern Middle Tennessee Local Workforce Development Board, Inc. (the Board) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of June 30, 2024, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Period Financial Statements

The financial statements of the Board as of June 30, 2023 were audited by other auditors whose report dated December 20, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary 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 and state financial assistance, 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 schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

Stone Rudolph & Henry, PLC

Clarksville, Tennessee
December 18, 2024

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 16,087	\$ 1,202,962
Federal grants receivable	1,548,603	1,897,932
State grant receivables	738,595	136,201
Other receivables	29,539	49,445
Prepaid expenses	2,452	18,520
Total current assets	<u>2,335,276</u>	<u>3,305,060</u>
<u>PROPERTY AND EQUIPMENT</u>		
Furniture and equipment	840,935	927,914
Leasehold improvements	267,602	267,602
Total property and equipment	<u>1,108,537</u>	<u>1,195,516</u>
Less: Accumulated depreciation	981,701	1,004,719
Net property and equipment	<u>126,836</u>	<u>190,797</u>
Total assets	<u><u>\$ 2,462,112</u></u>	<u><u>\$ 3,495,857</u></u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,329,832	\$ 3,299,742
Accrued payroll and related withholdings	3,095	2,971
Total current liabilities	<u>2,332,927</u>	<u>3,302,713</u>
<u>NET ASSETS</u>		
Without donor restrictions - Undesignated	<u>129,185</u>	<u>193,144</u>
Total net assets	<u>129,185</u>	<u>193,144</u>
Total liabilities and net assets	<u><u>\$ 2,462,112</u></u>	<u><u>\$ 3,495,857</u></u>

The accompanying notes are an integral part of the financial statements.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>		
Revenues, gains and other support:		
Net assets released from restrictions	\$ 11,623,324	\$ 12,395,619
Total revenues, gains and other support	<u>11,623,324</u>	<u>12,395,619</u>
Expenses:		
Program services	10,748,404	11,387,635
Supporting services	938,879	984,948
Total expenses	<u>11,687,283</u>	<u>12,372,583</u>
Net change in net assets without donor restrictions	<u>(63,959)</u>	<u>23,036</u>
<u>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</u>		
Federal and state grants	11,231,131	11,906,460
Infrastructure funding agreement - State partners	248,192	276,897
Infrastructure funding agreement - other partners	140,061	209,140
Interest income	3,938	3,088
Other	2	34
Net assets released from restrictions	<u>(11,623,324)</u>	<u>(12,395,619)</u>
Net change in net assets with donor restrictions	<u>-</u>	<u>-</u>
Net change in net assets	(63,959)	23,036
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>193,144</u>	<u>170,108</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 129,185</u>	<u>\$ 193,144</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
<u>Pass-through, Contracted, and Infrastructure</u>			
<u>Expenses:</u>			
One-stop operator, career service provider and workforce board services	\$ 8,806,620	\$ 91,556	\$ 8,898,176
Business services - disaster relief	20,245	-	20,245
Business services - incumbent worker training	194,439	-	194,439
Business services - apprenticeships	297,718	-	297,718
Infrastructure funding agreement - WIOA partners	582,797	10,239	593,036
Infrastructure funding agreement - State partners	241,402	6,790	248,192
Total pass-through, contracted, and infrastructure expenses	<u>10,143,221</u>	<u>108,585</u>	<u>10,251,806</u>
<u>Other Infrastructure Funding Expenses:</u>			
Infrastructure funding agreement- other partners	137,809	2,252	140,061
Total other infrastructure funding expenses	<u>137,809</u>	<u>2,252</u>	<u>140,061</u>
<u>Board and Staff Expenses:</u>			
<u>Contracted Services:</u>			
Salaries and benefits:			
Salaries	284,810	120,018	404,828
Health and life insurance	51,074	12,140	63,214
Payroll taxes	20,027	7,454	27,481
Retirement and other fringe benefits	23,707	5,889	29,596
Total salaries and benefits	<u>379,618</u>	<u>145,501</u>	<u>525,119</u>
Communication	708	654	1,362
Contract services- accounting and audit	-	13,192	13,192
Contract services- fiscal agent and shared staffing	10,741	650,035	660,776
Contract services- recruitment	-	4,869	4,869
Depreciation	63,961	-	63,961
Insurance	8,044	11,608	19,652
Miscellaneous	100	-	100
Office expense	26	-	26
Small equipment and software	3,750	55	3,805
Supplies	-	116	116
Travel	426	2,012	2,438
Total board and staff expenses	<u>467,374</u>	<u>828,042</u>	<u>1,295,416</u>
Total expenses	<u>\$ 10,748,404</u>	<u>\$ 938,879</u>	<u>\$ 11,687,283</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
<u>Pass-through, Contracted, and Infrastructure Expenses:</u>			
One-stop operator, career service provider and workforce board services	\$ 9,309,812	\$ -	\$ 9,309,812
Business services - disaster relief	264,716	-	264,716
Business services - incumbent worker training	289,191	-	289,191
Business services - apprenticeships	194,415	-	194,415
Infrastructure funding agreement - WIOA partners	501,861	8,315	510,176
Infrastructure funding agreement - State partners	268,987	7,910	276,897
Total pass-through, contracted, and infrastructure expenses	<u>10,828,982</u>	<u>16,225</u>	<u>10,845,207</u>
<u>Other Infrastructure Funding Expenses:</u>			
Infrastructure funding agreement- other partners	206,245	2,895	209,140
Total other infrastructure funding expenses	<u>206,245</u>	<u>2,895</u>	<u>209,140</u>
<u>Board and Staff Expenses:</u>			
<u>Contracted Services:</u>			
Salaries and benefits:			
Salaries	219,828	186,583	406,411
Health and life insurance	51,317	26,365	77,682
Payroll taxes	15,528	13,538	29,066
Retirement and other fringe benefits	17,646	6,398	24,044
Total salaries and benefits	<u>304,319</u>	<u>232,884</u>	<u>537,203</u>
Communication	844	661	1,505
Contract services- accounting and audit	-	12,592	12,592
Contract services- fiscal agent and shared staffing	750	660,231	660,981
Contract services- regional sponsorship	-	7,000	7,000
Contract services- recruitment	-	34,687	34,687
Depreciation	39,475	-	39,475
Insurance	-	11,139	11,139
Office expense	-	70	70
Small equipment and software	5,046	737	5,783
Supplies	100	1,240	1,340
Travel	1,874	4,587	6,461
Total board and staff expenses	<u>352,408</u>	<u>965,828</u>	<u>1,318,236</u>
Total expenses	<u>\$ 11,387,635</u>	<u>\$ 984,948</u>	<u>\$ 12,372,583</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (63,959)	\$ 23,036
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	63,961	39,475
Changes in:		
Federal grants receivable	349,329	433,219
State grants receivable	19,906	225,972
Other receivables	(602,394)	(33,502)
Prepaid expenses	16,068	(4,751)
Accounts payable	(969,910)	567,538
Accrued payroll	124	(148)
Net cash provided by (used in) operating activities	<u>(1,186,875)</u>	<u>1,250,839</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	<u>-</u>	<u>(62,511)</u>
Net cash used in investing activities	<u>-</u>	<u>(62,511)</u>
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	<u>(1,186,875)</u>	<u>1,188,328</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	<u>1,202,962</u>	<u>14,634</u>
<u>CASH AND CASH EQUIVALENTS - ENDING</u>	<u>\$ 16,087</u>	<u>\$ 1,202,962</u>

The accompanying notes are an integral part of these financial statements.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Northern Middle Tennessee Local Workforce Development Board, Inc. (the Board) is a not-for-profit organization initially established to begin services on July 1, 2000 as a policy-making board for a nine county Local Workforce Development Area 8 (LWDA 8) formerly known as the North Tennessee Workforce Area under the Workforce Investment Act of 1998.

In May 2018, the Tennessee Department of Labor and the State Workforce Board approved the realignment of Tennessee's workforce development system. The realignment reduced the number of workforce areas in the State from thirteen to nine. Specifically, LWDA 8 (9 counties to include Cheatham, Dickson, Houston, Humphreys, Montgomery, Robertson, Stewart, Sumner, and Williamson) and LWDA 9 (4 counties to include Davidson, Rutherford, Trousdale and Wilson) merged over a 90-day transition period beginning July 1, 2018 into the Northern Middle Tennessee Local Workforce Development Area. The not-for-profit corporate name, which was formerly North Tennessee Workforce Board, Inc. was changed to Northern Middle Tennessee Local Workforce Development Board, Inc. to better align with the merged area designation.

The Board facilitates programs to prepare youth, and up-skill adults and dislocated workers for entry and/or re-entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment to increase economic self-sufficiency. It also serves to support the economic growth of the merged thirteen county service delivery area which includes Cheatham, Davidson, Dickson, Houston, Humphreys, Montgomery, Robertson, Rutherford, Stewart, Sumner, Trousdale, Williamson and Wilson counties. A Board of Directors comprised of business representatives and other labor, education, economic development and specialty populations govern the affairs of the Board.

The Board is funded by the Tennessee Department of Labor and Workforce Development (TDLWD) under the Workforce Innovation and Opportunity Act (WIOA) using pass-through funds provided by the United States Department of Labor. WIOA was signed into law on July 22, 2014 and supersedes the Workforce Investment Act of 1998. In general, the WIOA took effect on July 1, 2015, the first full program year after enactment, unless otherwise noted. Section 107 of WIOA addresses requirements of Local Workforce Development Boards.

The administrative headquarters of the Board is located within the Workforce Essentials, Inc. building adjacent to the Montgomery County American Job Center at 523 Madison Street, Suite A in the City of Clarksville, Tennessee, the Montgomery County seat. Clarksville is approximately fifty miles northwest of Nashville, Tennessee via Interstate 24.

The thirteen county governments of the Board, represented by their Local Elected Officials, are fiscally responsible for the proper use of WIOA/TDLWD funds within that area. This is outlined in an interlocal agreement. County Local Elected Officials nominate members of the Northern Middle Tennessee Local Workforce Development Board so that all counties, as well as the demographic makeup of the area served, are represented. The Local Elected Officials (LEOs) elect a Chief Local Elected Official (CLEO) who appoints the fiscal agent and approves the members of the Board of Directors. Designating an entity as a fiscal agent does not relieve the counties of their fiduciary responsibility.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (Cont'd)

Organization and Nature of Activities (Cont'd)

Effective July 2019, Workforce Essentials, Inc. became the fiscal agent and staff to the Board as approved by the Consortium of County Mayors and the Northern Middle Tennessee Local Workforce Development Board. This required Workforce Essentials to withdraw from the One-Stop Operator and Career Service Provider contract in the Northern Middle Tennessee area.

As fiscal agent through June 30, 2024 and 2023, Workforce Essentials, Inc. was responsible for the following functions:

- Receive funds;
- Ensure sustained fiscal integrity and accountability for expenditures of funds in accordance with Office of Management and Budget circulars, WIOA, and the corresponding Federal Regulations and State policies;
- Respond to audit financial findings;
- Maintain proper accounting records and adequate documentation;
- Prepare financial reports;
- Provide technical assistance to subrecipients regarding fiscal issues, and
- Other duties as required by direction of the board.

A One-Stop Operator and Career Service Providers were competitively procured for the 13-county region. The contract period began January 1, 2021. The following amounts were expended to contractors during the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Mid Cumberland Human Resource Agency, One Stop Operator July 2021 – June 2024	\$ 254,645	\$ 249,118
Jobs for Tennessee Graduates, Career Services Provider-Youth July 1, 2022 – June 30, 2023	-	100,000
Monroe Harding, Career Services Provider-Youth July 1, 2022 – June 30, 2023	-	82,296
Liberty Station, Career Services Provider-Youth July 1, 2022 – June 30, 2023	-	38,605
Educational Data Systems Inc., Career Service Provider Jan. 2021 – June 2024	8,065,809	8,393,520
Metropolitan Action Commission, Career Service Provider Jan. 2021 – June 2024	705,202	518,608

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (Cont'd)

Organization and Nature of Activities (Cont'd)

The Board, for financial statement purposes, includes all of the assets and liabilities relevant to the operations of the Board. The financial statements presented herein do not include any other agencies or organizations which are separate and distinct units of themselves.

The Board is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. It has not been determined to be a private foundation and is considered by the Internal Revenue Service (IRS) to be a public charity. Accordingly, no provision for income taxes has been made. However, the Board does file informational returns required by the IRS. The Board is no longer subject to federal or state income tax examinations by tax authorities for fiscal years ended before June 30, 2021.

Use of Estimates

The Board's financial statements are presented in accordance with accounting principles generally accepted in the United States of America which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from estimates in the near term and variances can have a material effect on the financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The Board utilizes the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

The Financial Accounting Standards Board (FASB) has established standards concerning contributions and financial statement presentation applicable to non-governmental, not-for-profit organizations such as the Board. These standards require that unconditional promises to give (pledges) be recorded as receivables and revenues and require the Board to distinguish among contributions received for each net asset category in accordance with donor imposed restrictions. A description of the two net asset categories follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains and losses that are not restricted by grants or donors are included in this classification. All expenditures are reported in the net assets without donor restrictions class of net assets since the use of restricted contributions in accordance with the grantors' or donors' stipulations results in the release of the restriction.

Net Assets With Donor Restrictions

Net assets with donor restrictions are limited as to use by donor- or grantor-imposed restrictions. Some restrictions expire with the passage of time or may be satisfied by use for the specific purpose. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets with donor restrictions represent funds received from donors or grantor agencies in excess of actual expenditures at the end of the fiscal year. These amounts, if not expended, must be returned to the donor/grantor upon completion of the grant. The Board had no net assets with donor restrictions at June 30, 2024 and 2023.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (Cont'd)

Concentrations of Credit Risk/Funding

Financial instruments that potentially subject the Board to concentrations of credit risk consist principally of cash and accounts receivable. The Board is exposed to credit risk by placing its cash in financial institutions. The Board has mitigated this risk by placing its cash with federally-insured financial institutions. The Board receives grants from both the federal and state governments. Funding from these sources constituted 96.6% and 96.1% of revenues for the years ended June 30, 2024 and 2023, respectively. The Board would have to greatly reduce services provided if assistance was significantly reduced. All outstanding grants receivable are from governmental agencies. The Board does not obtain collateral for receivables.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Board considers bank deposits and all highly liquid instruments with original maturities of 90 days or less when purchased to be cash and cash equivalents.

Receivables

Receivables are stated at unpaid balances; all receivables are considered to be fully collectible. Bad debts are charged to expense using direct write-off method, which doesn't differ materially from the allowance for credit losses method. The bad debt expense for the years ended June 30, 2024 and 2023 was \$-0-.The Board does not require collateral or other security when extending credit to its customers.

Property and Equipment

Property and equipment are valued at historical cost or, if contributed, at their estimated fair value on the date of receipt. Equipment purchased with a unit cost in excess of \$5,000 and sensitive equipment with a unit cost in excess of \$100 are capitalized. Equipment purchased with grantor funds must be returned to the grantor when the Board ceases operations or when the Board disposes of the equipment. Capital assets are evaluated for impairment or abandonment when necessary.

All of the Board's net property and equipment at June 30, 2024 and 2023 are purchased with restricted resources. If the Board does not continue to use these assets in its program operations or disposes of the assets, the title of the assets is subject to revert to the grantor.

The cost of additions, major renovations and betterments are capitalized while those for maintenance and repairs are charged to expense as incurred. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated useful lives on the straight-line basis. The estimated useful lives by type of asset are as follows:

Equipment & Furniture	3-10 years
Vehicles	3 years
Improvements	10-15 years
Building	30-40 years

Revenue Recognition

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any restriction. Grant revenues are recognized as the related expenditures are incurred.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (Cont'd)

Revenue Recognition (Cont'd)

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets without donor restrictions. The Board reports gifts of cash and other assets as support and net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment, other long-lived assets and gifts of cash that must be used to acquire long-lived assets are reported as support and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as support and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions to net assets without donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

For grants qualifying as exchange transactions, revenue is recognized in the period when eligible expenditures are incurred under the terms of the grant. Such grant funds received prior to expenditure are recorded initially as unearned revenue.

Revenue (other than contributions) is recognized when services are rendered and/or reimbursable charges are incurred under the terms of the agreement. Revenue received in advance of services provided and/or reimbursable charges being incurred are recorded as unearned revenue.

Contributed Nonfinancial Assets

The Board recognizes the fair value of contributed services received if such services (a) create or enhance long lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. In-kind contributions are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

Restrictions on Revenues

Revenues are considered to be available for unrestricted use unless specifically restricted by the donor or grantor.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs. Certain administrative expenses are allocated among programs on a monthly basis based on each program's non-administrative (direct) expenditures. Certain indirect program costs are allocated based on monthly clients served by each program.

Advertising Costs

The Board expenses advertising costs as incurred.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (Cont'd)

Change in Presentation

Certain items from the prior year have been reclassified to conform to current year presentation.

Change in Accounting Principles

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – Credit Losses (Topic 326) (ASU 2016-13). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires expected credit losses (previously allowance for uncollectible accounts) to be measured based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. The Board adopted ASU 2016-13 retrospectively as of July 1, 2022. However, due to the immateriality of uncollectible accounts in the past, no current estimated credit loss is considered necessary.

Date of Management's Review

The Board has evaluated subsequent events through December 18, 2024, the date which the financial statements were available to be issued.

2. Cash and Cash Equivalents

Cash and cash equivalents were represented by deposits in a financial institution totaling \$21,217 and \$1,204,460 at June 30, 2024 and 2023, respectively, all of which was insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool. Since January 2019, the Board's deposits have been classified as public funds and amounts in excess of FDIC limits were insured through State of Tennessee Bank Collateral Pool.

3. Liquidity and Availability

The Board maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board's working capital and cash flows have seasonal variations during the fiscal year attributable to timing of cash receipts for program services. Additionally, the Board receives support from government agencies through annual grants which are paid on an expense reimbursement basis, typically within 45 days of the request for reimbursement.

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the balance sheet date is comprised of the following:

	<u>2024</u>	<u>2023</u>
Unrestricted cash	\$ 16,087	\$ 1,202,962
Other receivable	29,539	49,445
Total	<u>\$ 45,626</u>	<u>\$ 1,252,407</u>

4. Federal Grants Receivable

Grants receivable consisted of the following amounts:

	<u>2024</u>	<u>2023</u>
Reemployment Service and Eligibility Assessment	\$ 52,784	\$ 39,550
COVID-19 Disaster Recovery WIOA National		
Dislocated Worker	-	62,031
WIOA – Adult Program	384,671	888,802
WIOA – Youth Activities	306,088	533,146
WIOA – Dislocated Worker Formula	775,060	374,403
Apprenticeship USA	30,000	-
Total federal grants receivable	<u>\$ 1,548,603</u>	<u>\$ 1,897,932</u>

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

5. Operating Leases

The Board leases various buildings from Workforce Essentials, Inc. and other entities throughout the service area that are used as American Job Centers (AJC). Many of these buildings are shared with other organizations and/or programs (One-Stop Partners) that provide interrelated services within the service area as part of the one-stop initiative. The Board has entered into infrastructure funding agreements (IFA) with these One-Stop Partners. Under these agreements, the Board is responsible for the provision of office space, the administration of the office space, the provision of equipment and supplies to support the operation of these facilities, and the coordination of resources to prevent duplication and ensure the effective/efficient delivery of workforce services. The costs of operating the American Job Centers include rent, supplies, utilities, phone, internet, repairs, maintenance, salaries/benefits of administrative personnel and other similar items. These costs are allocated or charged to each of the entities/programs that utilize the Centers. Under the IFAs, each entity/program must reimburse the Board for its portion of the aforementioned facility costs. During the years ended June 30, 2024 and 2023, total expenses under these agreements were \$981,290 and \$996,212, respectively. Leases with Workforce Essentials, Inc. and other entities, and IFAs are cancelable on notice and renew annually, otherwise.

6. Risk Management and Insurance

The Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board has elected to obtain various insurance policies to transfer risks to commercial insurance companies. Claims have not exceeded insurance coverage in any of the preceding three years.

7. Contingencies

Funding for the Board's programs is provided by federal, state, and local government agencies. These funds are to be used for designated purposes only. If, based on the grantor's review, the funds are considered not to have been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the Board for its program disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the Board's programs is predicated upon the grantor's satisfaction that the funds are being spent as intended and the grantor's intent to continue its programs.

8. Sources of Revenue

The following is total revenue disaggregated by type:

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Released from restrictions	\$ 11,623,324	\$ 12,395,619
Total revenues without donor restrictions	<u>11,623,324</u>	<u>12,395,619</u>
With donor restrictions:		
Federal and state grants:		
Reemployment Service and Eligibility Assessment	245,439	230,400
COVID-19 Disaster Recovery WIOA National		
Dislocated Worker Grant	17,505	1,442,193
Workforce Innovation and Opportunity Act Cluster:		
Adult Program	2,474,146	2,550,052
Youth Activities	3,129,736	3,646,941
Dislocated Worker	3,838,174	3,791,232
Apprenticeship USA	30,000	-

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2024 AND 2023

8. Sources of Revenue (Cont'd)

	<u>2024</u>	<u>2023</u>
Re-entry	-	40,337
Apprenticeship USA - state	187,943	204,647
Summer Youth Phase 2	1,308,188	660
Infrastructure Funding Agreement – State partners	248,192	276,897
Local grants, contributions and other revenue:		
Infrastructure Funding Agreement – other partners	140,061	209,140
Interest	3,938	3,088
Other	2	32
Released from restrictions	<u>(11,623,324)</u>	<u>(12,395,619)</u>
Total revenues with donor restrictions	<u>-</u>	<u>-</u>
 Total revenues	 <u>\$ 11,623,324</u>	 <u>\$ 12,395,619</u>

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

Federal Grantor/Program Title	Grant Number Or Pass-Through Grantor's Contract Number	Assistance Listing Number	Accrued Receivable (Payable) July 1, 2023	Receipts	Expenditures	Accrued Receivable (Payable) June 30, 2024	Passed Through to Subrecipients
<u>U.S. Department of Labor</u>							
Passed through State of TN Department of Labor and Workforce Development							
Reemployment Service and Eligibility Assessment	LWNMF211RESEA21	17.225	\$ 39,550	\$ 94,794	\$ 55,244	\$ -	\$ 55,244
Reemployment Service and Eligibility Assessment	LWNMF221RESEA22	17.225	-	137,411	190,195	52,784	190,195
Total Reemployment Service and Eligibility Assessment			39,550	232,205	245,439	52,784	245,439
COVID 19 - Disaster Recovery WIOA National Dislocated Worker Grant	LWNMF206DRDWG20	17.277	54,499	54,499	-	-	-
COVID 19 - Disaster Recovery WIOA National Dislocated Worker Grant	LWNMF211DRDWG21	17.277	7,532	25,037	17,505	-	17,505
Total COVID 19 - Disaster Recovery WIOA National Dislocated Worker Grant			62,031	79,536	17,505	-	17,505
Workforce Innovations and Opportunity Act Cluster:							
Adult	LWNMP221ADULT23	17.258	130,282	261,731	131,449	-	131,449
Adult	LWNMF231ADULT23	17.258	746,889	1,808,112	1,061,223	-	1,026,493
Adult	LWNMP231ADULT24	17.258	9,338	427,444	417,811	(295)	418,107
Adult	LWNMF241ADULT24	17.258	-	458,185	838,301	380,116	770,525
Statewide - Administrative Summer Phase 1	LWNMP222MNSWA23	17.258	2,293	16,502	14,209	-	14,209
Statewide - Administrative Consolidated Business	LWNMP231MNSWA24	17.258	-	6,303	11,153	4,850	11,153
Total Adult			888,802	2,978,277	2,474,146	384,671	2,371,936
Youth	LWNMP221YOUTH23	17.259	442,528	1,351,896	925,635	16,267	894,503
Youth	LWNMP231YOUTH24	17.259	-	1,761,985	2,051,806	289,821	1,918,900
Statewide - Summer Youth Phase 1	LWNMP211SYSWA22	17.259	90,618	242,913	152,295	-	152,295
Total Youth			533,146	3,356,794	3,129,736	306,088	2,965,698

(Continued)

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONT'D)
YEAR ENDED JUNE 30, 2024

Federal Grantor/Program Title	Grant Number Or Pass-Through Grantor's Contract Number	Assistance Listing Number	Accrued Receivable (Payable) July 1, 2023	Receipts	Expenditures	Accrued Receivable (Payable) June 30, 2024	Passed Through to Subrecipients
Dislocated Worker	LWNMF231DSLWK23	17.278	170,996	2,479,835	2,510,977	202,138	2,313,323
Dislocated Worker	LWNMP221DSLWK23	17.278	163,169	568,237	405,068	-	357,891
Dislocated Worker	LWNMP231DSLWK24	17.278	-	266,200	456,218	190,018	320,520
Dislocated Worker	LWNMF241DSLWK24	17.278	-	8,007	157,263	149,256	157,263
Statewide - Consolidated Business	LWNMF211CBRSP21	17.278	40,438	40,438	-	-	-
Statewide - Administrative Consolidated Business	LWNMP221MNSWA23	17.278	(200)	(200)	-	-	-
Statewide - Consolidated Business	LWNMF221CBSWA22	17.278	-	75,000	210,992	135,992	-
Statewide - Administrative Apprenticeship	LWNMF241MNSWA24	17.278	-	-	5,297	5,297	5,297
Statewide - Titans Stadium Project	LWNMF231SESWA23	17.278	-	-	92,359	92,359	92,359
Total Dislocated Worker			374,403	3,437,517	3,838,174	775,060	3,246,653
Total Workforce Innovations and Opportunity Act Cluster			1,796,351	9,772,588	9,442,056	1,465,819	8,584,287
Apprenticeship USA	LWNMP231NATAP24	17.285	-	-	30,000	30,000	1,500
Total U.S. Department of Labor			1,897,932	10,084,329	9,735,000	1,548,603	8,848,731
Total Federal Awards			1,897,932	10,084,329	9,735,000	1,548,603	8,848,731
<u>State Financial Assistance</u>							
Re-Entry	LWNMF231RYSWA23	N/A	9,356	9,356	-	-	-
Apprenticeship USA	LWNMF241APSWA24	N/A	-	128,097	187,943	59,846	13,725
Apprenticeship USA	LWNMF231APSWA23	N/A	86,455	86,455	-	-	-
Summer Youth Phase 2 Early Implementation	LWNMF231SYSWA23	N/A	660	660	-	-	-
Statewide - Summer Youth Phase 2	LWNMF241SYSWA24	N/A	-	689,519	1,308,188	618,669	1,308,188
Infrastructure Funding Agreement	LWNMP221ESIFA23	N/A	39,728	39,728	-	-	-
Infrastructure Funding Agreement	LWNMP231ESIFA24	N/A	-	188,112	248,192	60,080	-
Total State Financial Assistance			136,199	1,141,927	1,744,323	738,595	1,321,913
Total Federal Awards and State Financial Assistance			\$ 2,034,131	\$ 11,226,256	\$ 11,479,323	\$ 2,287,198	\$ 10,170,644

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2024

NOTE A – Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the schedule) includes the federal grant activity of the Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – 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. The Board has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

Northern Middle Tennessee Local Workforce Development Board, Inc.

Clarksville, Tennessee

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 Northern Middle Tennessee Local Workforce Development Board, Inc. (the Board) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 December 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing 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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Stone Rudolph & Henry, PLC

Clarksville, Tennessee
December 18, 2024



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

Board of Directors
Northern Middle Tennessee Local Workforce Development Board, Inc.
Clarksville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northern Middle Tennessee Local Workforce Development Board, Inc.'s (the Board) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board 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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Stone Rudolph & Henry, PLC

Clarksville, Tennessee
December 18, 2024

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP [unmodified, qualified, adverse, or disclaimer]:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major federal programs [unmodified, qualified, adverse, or disclaimer]: Unmodified

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

Identification of major federal programs:

Assistance Listing Number(s)

17.225

WIOA Cluster:

17.258

17.259

17.278

Name of Federal
Program or Cluster

Unemployment Insurance

WIOA Adult

WIOA Youth

WIOA Dislocated Worker

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.
SUMMARY SCHEDULE OF PRIOR FEDERAL AWARD FINDINGS
YEAR ENDED JUNE 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None

RELATED TO COMPLIANCE

None



December 18, 2024

To the Board of Directors
Northern Middle Tennessee Local Workforce Development Board, Inc
Clarksville, Tennessee

We have audited the financial statements of the Northern Middle Tennessee Local Workforce Development Board, Inc. (the Board) for the year ended June 30, 2024, and have issued our report thereon dated December 18, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 26, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in Note 1 to the financial statements. During the year ended June 30, 2024, the Board implemented *Accounting Standard Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326)*. We noted no transactions entered into by the Board during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation of property and equipment is based on estimated useful lives. We evaluated the key factors and assumptions used to develop the depreciation and accumulated depreciation in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the collectability of receivables is based on assumptions by management. We evaluated key factors and assumptions used to develop the collectability of receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure for concentration of revenue pertaining to funding in Note 1 to the financial statements is sensitive due to the immediate and material financial impact that a significant reduction in funding from government grants may have on the Board's operations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. One adjusting entry and two reclassification entries were required for the financial statements to be presented in conformity with generally accepted accounting principles taken as a whole. Those entries primarily pertained to infrastructure agreement revenue and depreciation expense, and were typical as compared to previous audits.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Board's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Board's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Board and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Stone Rudolph & Henry, PLC