



**Quarterly Board Meeting**  
 February 11, 2026 | 11:30 AM  
 American Job Center-Clarksville  
 523 Madison Street Clarksville, TN 37040  
[Click here for Zoom link](#)  
 Meeting ID: 899 0894 0141 | Passcode: 824858  
 One tap mobile: +13052241968,,89908940141# US

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

## AGENDA

<b>Call Meeting to Order-Declaration of Quorum</b>	John Zobl
<b>Approval of Minutes</b>	John Zobl
<b>Welcome to Montgomery County</b>	Mayor Wes Golden
<b>Opening &amp; Updates</b>	Marla Rye
<b>Strategic Partner Focus:</b>	
TN Works	Brooks Young TN Dept. of Labor/Workforce Development
 <b>Strategic Priorities:</b>	
➡ <b><i>Train Workforce to Fill Employer Needs</i></b> <i>Follow-Up Tennessee Hospital Association</i> <i>Sector Strategy: Healthcare</i>	Marla Rye
➡ <b><i>Connect People with Career Opportunities</i></b> <i>One-Stop-Operator Report</i> <i>AJC Operations</i>	Sarah Buckles Andrea Dillard
➡ <b><i>Improve Efficiency &amp; Effectiveness of Training Programs</i></b> Eligible Training Provider Update & Requests (Vote)	Andrea Dillard
➡ <b><i>Manage Board funds to support Career Pathways</i></b> Financial Report (Vote)	Ginger Fussell
 <b>AJC Location Report</b>	Marla Rye
<b>Public Comment Period</b>	By Request
<b>Wrap Up</b>	John Zobl

Zoom Link: <https://us02web.zoom.us/j/89908940141?pwd=TOrpVIWzYj0KKpq4Ta7tclLaVzQITLc.1>

## Upcoming Meetings-Mark Your Calendars

May 13, 2026 | August 12, 2026 | November 10, 2026 | February 10, 2027



Northern Middle Tennessee  
Workforce Board Inc.

# Approval of Minutes



# Northern Middle Tennessee Workforce Board Inc.

DRAFT UNTIL APPROVED

## Northern Middle Tennessee Workforce Board Meeting Minutes November 13, 2025, In-Person & via Zoom at 11:30 a.m.

Members Attending	Members Absent	Staff & Guest Attending	Staff & Guest Attending Cont.
Ashley Horan	Anne Fugate	Marla Rye	Trish Bugg
Billy Givens	Jordan Osborne	Jim Hughes	Pam Furlong
Brandon Phinx	Kristi Spurgeon	Mayor Anderson	Heather Skelton
Corey Johns	Nathan Garrett	Ferrol Thomas	Amy Mayberry
Dan Caldwell		Tamera Parsons	Mayor Pogreba
David Rutledge		George Phillips	Cassandra McNair-Brown
Freda Herndon		Andrea Dillard	Betsy Foster
George Callis		Meagan Dobbins	Joely Berg
John Zobl		Natalie McLimore	
Kaitlin Salyer		Tracie Eversole	
Mark Peed		Ginger Fussell	
Mary Lear		Cinthya Rodriguez	
Paul Webb		Kim Rye	
Sellittia Johnson		Cathy Royals	
Seth Thurman		James Starnes	
Shoshana Samuels		Lydia Bennett-Carnes	

### Call Meeting to Order - Declaration of Quorum

The Northern Middle Tennessee Workforce Board met in person at the Williamson County Administrative Complex, with a virtual option, on Wednesday, November 12, 2025, at 11:30 a.m.

Chairman John Zobl called the meeting to order. Attendance was taken, and a quorum was declared. John requested a motion to approve the minutes. Shoshana Samuels made the motion, and Dan Caldwell seconded. With no further discussion, the minutes were unanimously approved. John welcomed attendees to Williamson County and introduced Mayor Rogers Anderson, noting that this would be his final meeting with the board in Williamson County before his retirement in August 2026. Mayor Anderson welcomed the board, thanked members for attending, and expressed appreciation for Marla Rye and her staff. Marla Rye recognized the mayor's long tenure and support of workforce initiatives, and John commended his leadership and service.

Marla then provided a federal update, reporting that the recent federal government shutdown had minimal impact on local operations due to forward funding through June 30, 2026. She noted uncertainty beyond that date related to potential federal funding and program structure changes. Funding for the SCSEP had been restored by the National Council on Aging, and efforts were underway to reengage affected participants, with funding in place through June 30, 2026.

Marla reported that labor market data was delayed due to furloughs at the state. She stated that August unemployment rates ranged from 2.8% in Cheatham County to 4.0% in Houston County, with the

Northern Middle region at 3.1% compared to 3.6% statewide and 4.3% nationally. She added that labor force participation in the region remained strong at 68.3%, exceeding both state and national averages.

She then summarized highlights from the Governor's Conference for Economic Development, where Tennessee Works was announced as a new statewide alignment of workforce and economic development partners. She stated that the initiative is funded by the state legislature, will operate under its own executive director, and will be overseen by the State Workforce Board. Marla then invited Amy Maberry to provide additional remarks. Amy stated that the initiative is focused on better alignment of services for business and industry and that the State Workforce Board will serve in an advisory role to the Tennessee Works hub by helping identify employer needs and guide workforce system strategies. Amy added that Tennessee Works has officially launched and is already engaging with businesses. She invited members to attend the upcoming State Workforce Board meeting for additional details. Marla thanked Amy and introduced new board member Ashley Horan, who is filling the seat previously held by Kelly Tyler. Ashley briefly shared her background as the Humphreys County ECD coordinator and a local small business owner. Marla reported on recent resource fairs held in response to impacts from the government shutdown affecting Fort Campbell. She stated that the American Job Center participated in events in Christian County, Kentucky, and Clarksville, serving approximately 50 individuals by providing information on available services and unemployment insurance benefits in coordination with the state. John welcomed Tamera Parsons, who led the statewide certification assessment.

#### **Strategic Partner Focus - UTCIS Board Certification Results**

Tamera Parsons presented the results of the board certification assessment, noting that board members participated through surveys, interviews, and document review. She emphasized that the assessment was an evaluation of strengths and opportunities intended to support continuous improvement and excellence. She reported that overall survey participation exceeded 70%, indicating strong engagement, and results reflected high levels of satisfaction with board performance across multiple governance areas. The board received an overall achievement rating of effective, with particularly strong results in areas related to board culture, ethics, transparency, partnerships, and stakeholder focus. Survey results showed that members rated the board highly for creating a safe, inclusive, and trusting environment, building effective partnerships, leading with transparency, and upholding ethical standards. She noted that these results place the board among higher-performing boards assessed to date.

Tamera then reviewed governance ratings, reporting that structure, governance systems, and strategic insight were rated as effective, while performance management and legal and ethical behavior were rated as functional. She highlighted strengths including clear roles and responsibilities, strong accountability practices, effective planning aligned with state and regional priorities, and demonstrated ability to execute strategic plans. Identified opportunities included enhancing staggered board orientation, formalizing succession planning, strengthening forecasting and decision-making processes, expanding performance measures beyond required KPIs, and developing indicators to assess partnership effectiveness and customer-centeredness. She concluded by identifying best-known practices observed during the assessment, including the Workforce Wednesday communications and the board's diversified, performance-based contracting strategies. She noted these practices contribute to organizational stability and could be shared as models for other boards. She stated that a detailed feedback report would be provided to Marla Rye and thanked the board for its participation. Marla thanked Tamera, and John Zobl expressed appreciation for the assessment, affirming that the findings would be reviewed and used to guide improvement, and recognized the board's ongoing commitment to strengthening its work.

## **Strategic Priorities – Healthcare**

Marla reported follow-up actions from the prior Board meeting's hospitality and tourism panel, noting that an employer meeting for the hospitality and tourism sector was scheduled for December 4 at French Landing with support from Leesa LeClaire, Laurie with the Tennessee Hospitality Association, Brandon, Selena Moore, and Nestor Reyes. The meeting is intended to identify workforce priorities directly from employers and to produce industry-driven action items.

She then introduced guest speakers Jim Hughes of Williamson Health and Ferrol Thomas of the Tennessee Hospital Association (THA). Ferrol explained that THA is a statewide membership organization representing nearly all Tennessee hospitals and that its workforce work includes support for rural health and a nonprofit arm that can pursue grants. She reported THA has launched several nursing workforce initiatives, including a nurse residency program for rural and critical access hospitals, an academic preceptor incentive program to expand clinical placements, and a pre-licensure nursing apprenticeship model approved through the Board of Nursing. The apprenticeship model is expanding statewide, with multiple LPN programs active, an RN program underway, and additional employers expected to launch in January. She also noted that THA is working to extend apprenticeship-style models to other healthcare roles and emphasized that employers often lack the staff capacity to build and sustain training programs without partners.

Jim shared that Williamson Health has expanded workforce development efforts through grant funding, reporting an initial grant of nearly \$90K and an additional award of more than \$200K in the current fiscal year. He summarized three strategies supported through the funding: upskilling licensed staff to support retention and career advancement, providing skill-building opportunities for frontline staff through ESL and high school equivalency programming, and supporting academic partners by investing in nurse preceptors and strengthening transition to practice experiences. Jim also noted Williamson Health has implemented a pharmacy technician apprenticeship and is exploring additional apprenticeship pathways, including radiology and laboratory roles. In discussion, Ferrol recommended that local workforce efforts leverage THA to connect with appropriate hospital contacts, noting that many hospitals, particularly smaller facilities, do not have dedicated workforce staff. Brandon Phinx commented that interest from training providers has increased and that THA's apprenticeship toolkit and sponsorship structure have helped reduce administrative barriers for healthcare apprenticeship expansion. Mayor Rogers Anderson emphasized the need to improve NM branding and communication so employers better understand the role and services of the workforce system, and John Zobl agreed that clearer messaging could be aligned with Tennessee Works. Board members also discussed grant development capacity, with Mayor Anderson and Paul Webb describing how grant writing expertise, creative matching strategies, and ongoing grant monitoring have supported successful awards. Mayor Anderson noted opioid settlement funding is also available to counties over multiple years and could support workforce-related and recovery-focused initiatives through regional partnerships.

## **OSO Report**

George Phillips reported on the program year start, noting a strong first quarter beginning July 1 with increased enrollments and higher foot traffic. He stated that as of September 30, overall traffic had increased by more than 2,000 individuals compared to the fourth quarter of the prior year. Due to the federal government shutdown, labor market information was only available through August, and George noted that nearly all counties in the region showed a decrease in unemployment rates compared to the prior report. Staffing is an ongoing challenge, particularly on the state side in comprehensive centers, citing an extended hiring freeze and continued turnover that has increased strain on remaining staff. George reported that key performance indicators were off to a strong start, especially enrollments, and noted that co-enrollments between Wagner-Peyser and Title I programs remained slightly below target but were improving and trending in a positive direction. John Zobl thanked George for his years of service and acknowledged his upcoming retirement. Marla Rye introduced Sarah Buckles as George's

replacement, noting that she joined the Rutherford County American Job Center in 2019 on the Wagner-Peyser side and would be assuming the role moving forward.

### **AJC Operations**

Andrea Dillard reported that enrollments under the new Career Services Provider, Workforce Essentials, were off to a strong start in Q1. Adult enrollments exceeded the quarterly target, while Dislocated Worker enrollments were slightly below target. She explained that this variance is not unusual, given the more specific eligibility requirements for Dislocated Worker services and noted that the board has flexibility to shift funding between Adult and Dislocated Worker programs based on service demand, which typically trends higher for Adult services. Andrea also reviewed federal performance indicators, reporting that all Q1 measures were passing at either 90% (yellow) or 100% (green). She stated that preliminary Q2 data showed several measures below target; however, results were not final, and staff are actively monitoring performance and addressing issues prior to final reporting. Performance is reviewed regularly by staff and leadership to ensure corrective actions are implemented as needed.

Natalie McLimore provided an update on the transition of career services to Workforce Essentials effective July 1. She reported steady progress during Q1, which focused on stabilizing operations, rebuilding staffing, and training staff following the transition. Despite a reduction in staffing from 56 positions to 33 due to funding changes, the team successfully met Q1 performance measures. Natalie reported that the program was nearly fully staffed, with only one vacancy remaining in Davidson County, and credited the management team for supporting staff through the transition. She also reported on Dislocated Worker and Rapid Response activity, noting services provided in response to layoffs or closures at Bridgestone, Geodis, HD Supply, and Vanderbilt. She explained that while Dislocated Workers often receive services, many return to work quickly, which can limit formal program enrollment despite high service levels. Natalie reported that staff supported more than 12 career fairs during the first quarter, delivering over 400 services, and implemented an active workshop schedule across American Job Centers. She also announced the launch of an AI for job seekers workshop in November and reported that outreach services had resumed in Davidson County at six additional community locations following completion of staff training.

### **Eligible Training Provider Update**

Andrea then presented updates to the Eligible Training Provider List, reporting that no new providers had requested approval. For programs requiring approval, all but the program from TN Professional Training Institute were either State- or TBR-approved institutions. The TN Professional Training Institute requested to add patient care technician and medical assistant programs and result in certifications. Andrea also reported two training cost increases requiring board action: Skilled Workforce increased costs by more than 25% for the Titans Stadium Project due to expanding the program from 3 to 6 weeks, and Volunteer State reported a 35% increase in its certified medical assistant program. Seth Harper Thurman, Innovations Committee chair, reported that the committee unanimously recommended approval of the requested programs and made a motion to approve the list. Ashley Horan seconded the motion, which was passed unanimously and received no further discussion.

### **Financial Report**

Ginger Fussell reported on first-quarter financial performance for program year 2025–26, noting that the organization was 25% into the fiscal year with \$1.4M in grant utilization during Q1. Nearly all expenditures during the quarter were associated with formula grants. At quarter end, 13.8% of the formula budget and 11.9% of the overall revised budget had been expended. The total 2025–26 budget was \$12.4M and included three new grants totaling \$558k. Ginger noted that Q1 utilization in 2024–25 was higher at \$2.1M; however, that figure included \$446k spent on a TYEP grant that carried over into 2024-25. She explained that the prior TYEP grant ended June 30, 2025 with a new TYEP grant beginning July 1, 2025 and that the Career Service Provider role was transitioning during this period. From a fiscal

standpoint, Ginger stated that the CSP transition was more efficient and favorable than transitioning services to outside contractors. She reiterated that enrollment drives spending and referenced earlier reports on enrollment progress. Ginger added that minimal expenditures were reflected in Q1 for non-formula grants awarded July 1, 2025, but were expected to increase in Q2, particularly as students participate in paid work experience during holiday breaks. She reported that the only Finance Committee action item was approval of the Budget-to-Actual report and the revised 2025–26 budget of \$12.4M, reflecting the three new grants.

Marla Rye reported that the three new grants totaled \$558k. She stated that \$200k was awarded for an apprenticeship grant, equating to \$2,500 per apprentice enrolled in the Northern Middle area. A TYEP grant focused on vocational rehabilitation participants was awarded in partnership with the Department of Vocational Rehabilitation and would serve individuals with disabilities, with 32 youth anticipated to participate. Marla encouraged board members to share information about community-based organizations working with individuals with disabilities that may be interested in work-based learning opportunities, noting that participant wages could be paid through the program. She also reported that \$247k was awarded through a re-entry grant supporting two projects, one in Rutherford County and one in Humphreys County, serving justice-involved individuals, including those post-release and not necessarily associated with a jail. She explained that the Humphreys County project would partner with TCAT to provide flooring training in carpet, tile, hardwood, and LVT installation, while the Murfreesboro project would focus on advanced manufacturing.

Ginger Fussell reported that MPCR at the end of Q1 was 38.14%, slightly below the 40% target, and stated that she was encouraged by the result, given that the quarter represented a transition period. She explained that MPCR reporting had been streamlined by fund stream since contributions from outside contractors were no longer included, and that infrastructure costs previously shown in a separate column were now embedded within each fund stream, making results appear lower than in prior presentations. Ginger referenced Natalie's earlier report regarding staffing reductions from over 50 positions to the low 30s, noting that the reduction lowered overhead and improved the outlook for MPCR performance going forward. She reported that the Career Service Provider division achieved an MPCR of 42% for Adult and Dislocated Worker combined, with Adult at 53% and Dislocated Worker at 22%. The CSP Youth program achieved an MPCR of 55% and met Work Experience and In-School Youth goals. Ginger reported that the One-Stop Operator, MCHRA, expended 21% of its 12-month contract budget at 25% of the contract term, noting that because the contract represents an overhead expense, lower utilization was a favorable outcome. She reported that NM Quality Assurance staff completed case file reviews of new Adult, Dislocated Worker, and Youth participant files with no significant observations. Procurement for external monitoring was nullified due to a lack of responses and pricing constraints. One-Stop Operator monitoring activities were ongoing with no issues, and Ginger thanked George for his service and partnership with the Northern Middle Tennessee workforce area. She also reported that the state conducted case file reviews of 40 Adult, Dislocated Worker, and Youth files with no observations or findings. Ginger stated that the TNDLWD PAR team conducted its annual review, including an onsite visit in September, and that an exit conference was expected later in the month. She concluded by reporting that the external financial audit was ongoing with Stone, Rudolph, and Henry, PLC, with fieldwork scheduled during the month.

Marla Rye reported that the Finance Committee reviewed the financial report and recommended approval by the full board. Dan Caldwell made a motion to approve the 2025–26 Financial Report with the revised budget of \$12.4M, reflecting an increase of \$558k for the three new grants. Paul Webb seconded the motion, and it was unanimously approved with no further discussion.

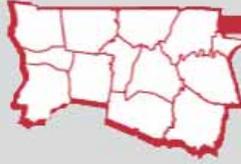
## **AJC Locations Update**

Marla Rye provided an update on the American Job Center rating scale that the board previously reviewed two meetings earlier in Murfreesboro. She explained that the centers are evaluated based on costs, enrollments, cost per enrollment, and the % of the population served, with a golf-style rating in which lower scores reflect stronger performance. Marla reported that the ratings were updated for the first quarter of the new fiscal year and that Davidson, Rutherford, Montgomery, and Houston counties remain the top-performing centers. The only significant change was Davidson County, which moved up four positions to the top ranking due to co-location with Nashville State Community College. She noted that while this location has significantly reduced costs, additional security expenses are being added and will be reflected in the second and third quarters of the fiscal year. Marla stated that Williamson, Humphreys, and Trousdale counties continue to rank at the bottom, primarily due to lower customer traffic. She shared that Trousdale County has already transitioned to operating three days per week and that similar part-time schedules may be considered for other locations. Marla added that staff will meet with the state to discuss infrastructure and potential changes for 2026, and that the board will continue to monitor performance and make adjustments as needed.

Corey Johns asked about the difference between affiliate and comprehensive American Job Centers. She stated that comprehensive centers are designated as "C" on the report and are located in Davidson, Rutherford, Montgomery, and Sumner counties, housing Department of Labor staff, Title I staff, and adult education services in some locations. Affiliate centers designated as "A" typically have only Title I staff on site. Marla also noted that future efforts under Tennessee Works are expected to align TBR institutions with American Job Centers further, citing Davidson County as a successful example. She indicated that similar alignment is being explored in other counties.

#### **Public Comment and Adjournment**

No public comments were requested. Chairman Zobl reminded the Board that the next meeting is scheduled for February 11, 2026. He then adjourned the meeting.



Northern Middle Tennessee  
Workforce Board Inc.

# Welcome & Updates



Northern Middle Tennessee  
Workforce Board Inc.

**Strategic  
Partner  
Focus:  
TN Works**



Northern Middle Tennessee  
Workforce Board Inc.

# Follow-Up Sector Strategy: Healthcare

# Strengthen Your Healthcare Workforce *Training Grants Available*

The Tennessee Hospital Association and Northern Middle Tennessee Workforce Board are partnering to help healthcare facilities across the state provide training and career growth opportunities for existing employees.



- Training period: 1/1/26 – 6/30/26
- Eligible hospitals may receive \$25,000 or more
- Funding may be used for tuition, books, training materials, and apprenticeships

Apply Today! Scan the QR code to get started.  
FAQs and full program details available at our website below.  
[nm-wb.com/images/Healthcare\\_FAQs.pdf](https://nm-wb.com/images/Healthcare_FAQs.pdf)



For more information, please contact: Ferrol Thomas (615)401-7405 | Marla Rye (931)905-3500

# Rural Healthcare

## Workforce Development Initiatives

### Executive Summary

Rural communities in Tennessee often struggle to access quality healthcare due to factors like limited facilities, long travel distances, workforce shortages, and high costs. Governor Bill Lee is prioritizing initiatives to improve rural healthcare. The Tennessee Department of Labor and Workforce Development (TDLWD) is leading efforts to address workforce shortages across various industries, with healthcare as a priority. The healthcare workforce in Tennessee's rural communities is facing significant shortages in multiple fields, including dental hygiene, nursing, social work, and medical technology. As the demand for healthcare services continues to grow, the challenge of recruiting and retaining talent is compounded by barriers that students and workers face, such as limited financial support and training opportunities.

This initiative leverages existing healthcare training structures and expands apprenticeship, Workforce Development Initiatives (WDI), and Work Based Learning to strengthen the rural healthcare pipeline. Financial support will be provided to sponsoring entities to offer training, certification, and apprenticeships, while also addressing ancillary costs like transportation, student classroom materials, student supplies, student tools of the trade, and examination fees that create barriers for participants. TDLWD, Rural Workforce Initiatives, is supporting local efforts to increase training and employment through the Rural Healthcare Initiatives grant.

### Assessment of Need

Governor Bill Lee established the Tennessee Rural Healthcare Task Force ("Task Force") as a private partnership originating within the Tennessee Department of Health to build upon the state's existing investments in rural healthcare. The Task Force developed a set of strategic recommendations that include innovative programs, policy and funding opportunities, and legislative priorities aimed at improving healthcare access across rural Tennessee. Through this work, the Task Force identified three priority areas:

- (1) Access to Care
- (2) Workforce Development
- (3) Social Drivers of Health

These provide the guiding framework for this funding opportunity and for strengthening rural healthcare service delivery across the state. Current and future Statewide healthcare workforce supply inadequacies include dental hygienist/assistants, emergency personnel, registered nurses (RNs), mental health/substance abuse social workers, social/human service assistants, licensed practical/vocational nurses, clinical laboratory technicians, respiratory therapists, and medical records and health information technicians. Additionally, students often face several barriers (e.g., limited financial support and training opportunities) related to healthcare education and employment.



Northern Middle Tennessee  
Workforce Board Inc.

# OSO Report

# Northern Middle Tennessee Workforce Development Board AJC Report

For October 1 to December 31, 2025

Report Date: February 11, 2026

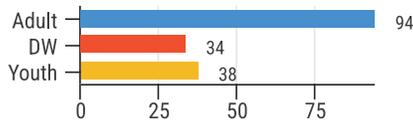
After a slow second quarter of Program Year 2025-26 ; Northern Middle got PY 2025-26 off to a strong start. Title 1 enrollments tapered off dramatically in Q2, starting in September and continued through Q2. Various reasons have been identified to the change that are affecting these numbers and are being addressed currently. The transition to Workforce Essentials has been very smooth and working with partners to get Q3 where it needs to be.

Our Wagner Peyser enrollments for the quarter just ended, are also up over what they were in Q1 of PY 2025-26. Our traffic across all of our Northern Middle American Job Centers (AJCs) also showed a 12% increase in Q2 of PY 2025-26, versus Q1 PY 2025-26. All in all, aside from the budget difficulties being faced across the state – Northern Middle is still poised to have a very strong Program Year for 2025-26.



## Partner Program Updates

### Title I Total Enrollments



### Adult Education

For the quarter ending Dec 31:  
**2084** received student services.  
**390** students received their HiSETs  
**883** students received a level gain

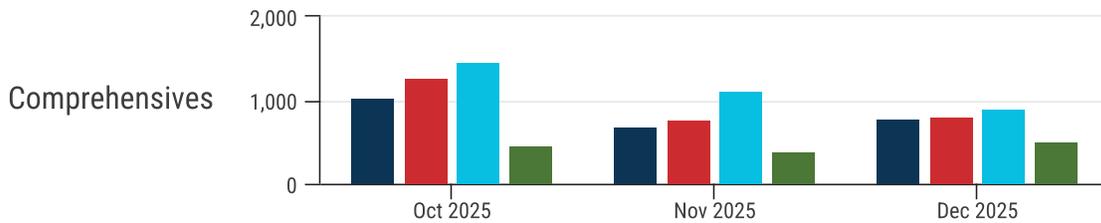
### Wagner Peyser

<b>4,133</b>	New employers registered
<b>552</b>	New Job Orders in Jobs4TN
<b>2,369</b>	Wagner Peyser Participants

### Vocational Rehabilitation

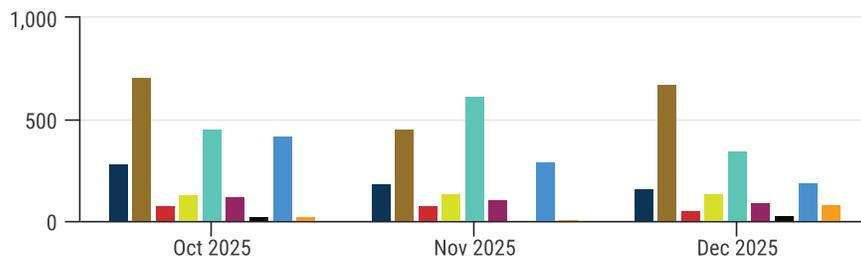
<b>2,685</b>	Active Cases
<b>880</b>	Applications
<b>178</b>	Currently Working
<b>300</b>	Successful Closures

## AJC Total Traffic Counts



Total Individual Visitors  
**16,111**  
 (20,107 - Q2)

### Affiliates



# Northern Middle AJC Report December 31, 2025

By County as of Dec 31, 2025; NM = 2.9% TN = 3.6%

Challenges Going Forward

County	Unemployment Rate (Dec 31)	Unemployment Rate (Aug 31)	Change
Cheatham	2.6%	2.8%	-0.2
Davidson	2.8%	3.0%	-0.2
Dickson	2.7%	3.0%	-0.2
Houston	3.8%	4.0%	-0.2
Humphreys	3.6%	3.7%	-0.1
Montgomery	3.6%	3.9%	-0.3
Robertson	2.8%	3.1%	-0.3
Rutherford	2.7%	3.0%	-0.3
Stewart	3.9%	3.8%	-0.3
Sumner	2.7%	3.0%	-0.1
Trousdale	2.8%	3.1%	-0.3
Williamson	2.7%	2.9%	-0.2
Wilson	2.7%	3.0%	-0.3

Staffing continues to be a problem, not only in our Northern Middle American Job Centers (AJCs) – but throughout the state. This is especially true on the Title III side, as the Tennessee Department of Labor (TDOL). However, the TDOL has stated that they will add 49 new positions throughout the state and should be posting those soon to help with the shortage. This will greatly help with shortage in Northern Middle.

Title I staffing is less of a problem, as our new Title I provider has done a good job of analyzing the staffing needs of each county and has the ability to re-fill positions if they come open.

## KPIs

Enrollments	October	November	December	Q2	Target
Title I - Adult	32	29	33	94	--
Title I - DW	19	4	11	34	--
Title I - Youth	12	9	1.17	38	--
Title I Total	105	104	56	166	277
Jobs for Veterans	13	9	6	28	--
Wagner-Peyser	996	598	667	2261	--
WP + JVSG	1009	607	673	2289	2362
WP Co-Enrollments w/Title I	52.47%	53.96%	56.42%	54.28%	90%
WP Job Placements	79	34	16	129	--

When the Tennessee Department of Labor (TDOL) created a new KPI for Program Year 2024-25 – Wagner Peyser (Title III) co-enrollments with Title I, we did not do well with that measurement. Now that Workforce Essentials has taken over Title I, this KPI has become a top priority with the board staff and working to increase. We have remained the same at 60.31% of goal for the both 1st and 2nd quarter.

We are behind our goal for PY 2025-26 in our Title I enrollments (77.79% of goal). Our enrollment goal in total Wagner Peyser enrollments (98.72%).

We are also tracking Wagner-Peyser job placements, although the state has yet to assign goals for this KPI. There were 129 placements in the 2nd quarter, compared to 92 in the 1st quarter ending in September.



Northern Middle Tennessee  
Workforce Board Inc.

# AJC Operations

# WFE PY 25-26 Quarterly Benchmarks

Matrix:		2025						2026		
		Sep 30 (QTR 1)			Dec. 30 (QTR 2)			Cumulative June 30		
		Goal	Actual	%	Goal	Actual	%	Goal	Actual	%
Enrollments	Adult	131	169	129.01%	137	94	68.61%	540	262	48.5%
	DW	69	33	47.83%	78	34	43.59%	298	67	22.5%
	In-School	22	17	77.27%	23	7	30.43%	91	24	26.4%
	Out-School	42	48	114.29%	43	32	74.42%	179	79	44.1%
	Total	264	267	101.14%	281	167	59.43%	1108	432	39.0%
*Exits (80% of Enrollments)	Adult	105	111	105.92%	110	150	136.86%	432	261	60.4%
	DW	55	27	48.91%	62	67	107.37%	238	94	39.5%
	Youth	51	95	185.55%	53	54	102.27%	210	149	71.1%
		<b>Goal</b>	<b>Actual</b>	<b>Percent</b>	<b>Goal</b>	<b>Actual</b>	<b>Percent</b>	<b>Goal</b>	<b>Actual</b>	<b>Percent</b>
Positive Exits # (85% of Exits)	Adult	89	96	107.77%	93	131	140.6%	367	227	61.8%
	DW	47	24	51.15%	53	59	111.2%	202	83	41.0%
	Youth	44	83	190.72%	45	49	109.2%	178	132	74.1%
		<b>Exits</b>	<b>Positive</b>	<b>Percent</b>	<b>Exits</b>	<b>Positive</b>	<b>Percent</b>	<b>Exits</b>	<b>Positive</b>	<b>Percent</b>
**Actual Positive Exit Rate	Adult	111	96	86.49%	150	131	87.3%	261	227	87.0%
	DW	27	24	88.89%	67	59	88.1%	94	83	88.3%
	Youth	95	83	87.37%	54	49	90.7%	149	132	88.6%
		<b>Goal</b>	<b>Actual</b>	<b>Percent</b>	<b>Goal</b>	<b>Actual</b>	<b>Percent</b>	<b>Goal</b>	<b>Actual</b>	<b>Percent</b>
Placement Wage	Adult	\$ 16.50	\$ 20.10	121.82%	\$ 16.50	\$ 18.40	111.5%	\$ 16.50	\$ 19.25	116.7%
	DW	\$ 16.50	\$ 26.15	158.48%	\$ 16.50	\$ 29.29	177.5%	\$ 16.50	\$ 27.72	168.0%
	Youth	\$ 13.00	\$ 18.15	139.62%	\$ 13.00	\$ 15.85	121.9%	\$ 13.00	\$ 17.00	130.8%



Northern Middle Tennessee  
Workforce Board Inc.

# Eligible Training Provider Update & Requests

New Providers Requiring Board Approval for addition to the ETPL										
Provider Name	Provider Main Address	Approval Agency	Approval Documented	Sector Strategy	Years in Business					Notes
Paula Anderson Coaching and Consulting, LLC	5865 Ridgeway Center Parkway Memphis, TN 38120	THEC	Exemption Authorized Institution	Healthcare	6					
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
Paula Anderson Coaching and Consulting, LLC	5865 Ridgeway Center Parkway Memphis, TN 38120	1012926	Medical Coding Prep Course	510000	\$1,431.00	4 Months	Certified Professional Coder	Bright Outlook Locally & Nationally	Healthcare	
TCAT Dickson	740 Highway 46 Dickson, TN 37055	1012839	Barbering	120402	\$6,647.12	14 Months	Diploma	Bright Outlook Locally & Nationally	Personal Care	
Existing Programs Required Board Approval for Cost Increase and Program Extension										
Provider Name	Provider Main Address	Program ID	Program Name	CIP Code	Total Cost	Program Length	Credential Earned	Job Outlook	Sector Strategy	Notes
Middle TN State University	503 E Bell Street Murfreesboro, TN 37132	1012351	Certified Supply Chain Professional + Freight Broker/Agent Training	520203	\$2,575.00	12 Months	Certified Supply Chain Professional (CSCP)	Bright Outlook Locally & Nationally	Transportation & Logistics	Cost increase from \$2,575 to \$4,250 due to cost of related instruction and material
Remington College's Nashville Campus	441 Donelson Pike Nashville, TN 37214	1011257	Patient Care Technician	513902	\$7,395.00	8 Months	Diploma	Bright Outlook Locally & Nationally	Healthcare	Cost increase from \$7,395 to \$9,500
Tennessee State University	3500 John Merritt Blvd. P.O. Box 9621 Nashville, TN 37209	1006098	Paralegal (Voucher Included)	220302	\$3,150.00	12 months	Paralegal Certificate	Bright Outlook Locally & Nationally	Legal Services	Cost increase from \$2,495 to \$3,150
Former Programs Requiring Board Approval										
Provider Name	Provider Main Address	Program ID	Program Name	CIP Code	Total Cost	Program Length	Credential Earned	Job Outlook	Sector Strategy	Notes
Cybersecurity Institute of Lab Four Nashville	44 Vantage Way Suite 503 Nashville, TN 37228	99431	Microsoft Certified Expert: Microsoft 365 Certified Modern Desktop Administrator Associate	119999	\$4,000.00	72 Hours	Certificate of Completion	Bright Outlook Locally & Nationally	Information Technology	Previously deactivated on 10/15/24 Missed both Credential & Employment performance benchmarks

1. One New Provider
2. Two New Programs
3. Three Cost Increases
4. One resubmission



Northern Middle Tennessee  
Workforce Board Inc.

# Financial Report

NORTHERN MIDDLE TN WORKFORCE BOARD

DECEMBER 2025 FISCAL UPDATE

2025-26 BUDGET PROGRESSION & SPEND TREND

	(\$ in 000's)				
	25-26 QTR 1	25-26 QTR 2	Expenses YTD	Revised FY 2025-26 12 Mo. Budget	% Spent
<b>Northern Middle LWDA</b>					
Infrastructure Funding Agreement	113	123	236	1,000	23.6%
Adult	122	177	299	1,969	15.2%
Dislocated Worker Re-purposed for Adult	403	329	732	833	87.9%
Dislocated Worker for DW	318	371	689	3,416	20.2%
Youth	400	319	719	2,784	25.8%
<b>Total FY 25-26 Expense vs Budget - Formula Grants</b>	<b>1,243</b>	<b>1,196</b>	<b>2,439</b>	<b>9,002</b>	<b>27.1%</b>
Tennessee Youth Employment Program (TYEP) (7/1/25 to 6/30/26)	52	101	153	622	24.6%
Additional Tennessee Youth Employment Program (TYEP) pending approval (TBD to 6/30/26)	0	0	0	123	0.0%
Tennessee Youth Employment Program - Vocational Rehabilitation (TYEP VR) (10/1/25 to 6/30/26)	0	3	3	111	2.7%
Apprenticeship (7/1/25 to 6/30/26)	0		0	200	0.0%
Rural Healthcare (7/1/25 to 6/30/26)	21	115	136	239	56.9%
Incumbent Worker Statewide (12/15/25 to 6/30/26)	0	0	0	258	0.0%
Re-Entry (7/1/25 to 6/30/26)	0	0	0	247	0.0%
SAEF 3.1 State Apprentice (2/1/26 to 6/30/27) pending approval	0	0	0	60	0.0%
SAEF 3.2 State Apprentice (2/1/26 to 6/30/27) pending approval	0	0	0	150	0.0%
TN-PROWD (Re-Entry 4/1/25 - 9/30/27)	50	61	111	968	11.5%
<b>Total FY 25-26 Expense vs Budget - All Grants</b>	<b>1,479</b>	<b>1,599</b>	<b>3,078</b>	<b>12,980</b>	<b>23.7%</b>

\* Northern Middle's grant utilization in Q2 was \$120k higher than Q1 with formula spending decreasing and non-formula funding increasing.

\* Formula utilization is 27% at the mid-year mark. New funding is indicated in red text.

\* Cumulative utilization at Q2 was \$3.1M compared to prior year of \$3.7M (excludes \$497k expenditures for prior year Tennessee Youth program).

NORTHERN MIDDLE TN WORKFORCE BOARD  
DECEMBER 2025 FISCAL UPDATE

2025-26 BUDGET PROGRESSION (cont.) - NEW FUNDING

<i>25-26 budget last meeting</i>	12,389	
<i>Incumbent Worker Statewide</i>	258	
<b><i>Pending Approval:</i></b>		
<i>SAEF 3.1 State Apprentice Expansion Funding (Base) applied for; pending approval 2/1/26 to 6/30/27 up to \$60k</i>	60	
<i>SAEF 3.2 State Apprentice Expansion Funding (Competitive) applied for; pending approval 2/1/26 to 6/30/27 up to \$150k</i>	150	
<i>Additional TYEP</i>	123	591
<b>Revised 2025-26 budget</b>	<b>12,980</b>	

*\* Additional funding in the amount of \$258k was received during the quarter.  
Funding in the amount of \$333k has been applied for, and is pending approval.*

*For next year:*

*\* A funding opportunity has been announced for up to \$250,000 for FY26-27  
for Rural Healthcare Workforce Development Initiatives*

***Action Item:***

*\* During 2025-26, flexibility through June 30, 2026 to request of TDLWD permission for  
up to \$250,000 re-purposing of formula Admin for Program purposes.*

NORTHERN MIDDLE TN WORKFORCE BOARD  
 DECEMBER 2025 FISCAL UPDATE

Minimum Participant Cost Rate (MPCR)

TDLWD Minimum Participant Cost Rate (MPCR) - Preliminary Through December 2025

**MPCR = 38.19%**

	Adult/DW	Youth	TYEPs	Apprentice, Rural Health, Re-Entry	Total
Qualifying Expenses	\$ 415,932	\$ 233,931	\$ 131,443	\$ 180,052	\$ 961,358
Total Program	\$ 1,527,114	\$ 638,616	\$ 131,443	\$ 220,177	\$ 2,517,350
<b>MPCR</b>	<b>27.24%</b>	<b>36.63%</b>	<b>100.00%</b>	<b>81.78%</b>	<b>38.19%</b>

Northern Middle is below the 40% state requirement in quarter 2.

**\*\*\* PRIOR QUARTER MPCR = 38.14%\*\*\***

**NORTHERN MIDDLE TN WORKFORCE BOARD**  
**DECEMBER 2025 FISCAL UPDATE**  
**CONTRACTOR - BILLING PROGRESS**

One-Stop Operator Billing	In \$000's		
	Budget Spent Contract To Date	Total 12 Month Budget	% Spent 50% time elapsed (contract extended)
<b>MCHRA</b>	<b>\$ 141</b>	<b>\$ 300</b>	<b>47%</b>

(Regional Contract - 12 month extension 7/1/25 to 6/30/26)

# NORTHERN MIDDLE TN WORKFORCE BOARD

## DECEMBER 2025 FISCAL UPDATE

### MONITORING UPDATE

#### Monitoring of Workforce Essentials - Career Service Provider Division

- \* NMTWB's Quality Assurance staff completed a Case File Review of Adult, Dislocated Worker & Youth closures of the Workforce Essentials CSP division. No significant observations were found.
- \* NMTWB's Program staff provided ongoing Technical Assistance.
- \* NMTWB's fiscal staff continue to perform monthly desk reviews of the CSP division's utilization, MPCR, work experience and in-school youth goals providing technical assistance.

#### Monitoring of Mid-Cumberland HRA - One-Stop Operator

- \* The One-Stop Operator continues to promote enhanced oversight of partner accountability in supporting KPI goals.
- \* Technical assistance and training of the incoming One-Stop Operator was conducted throughout Q2 to ensure a smooth transition upon the retirement of George Phillips.
- \* The One-Stop Operator monitoring tool will be completed addressing activities specific to: partner coordination/service delivery, performance and continuous improvements and functional leadership with the One-Stop Operator providing supporting documentation. Training on this process began in Q2 with the incoming One-Stop Operator and will continue into Q3.

# NORTHERN MIDDLE TN WORKFORCE BOARD

## DECEMBER 2025 FISCAL UPDATE

### MONITORING UPDATE

#### Monitoring/Audit of Northern Middle

- \* The State's Workforce Services Program Monitoring Team conducted Case File Review of 19 Adult, DW and Youth case files with no observations or concerns.
- \* TDLWD's Workforce Services Oversight Unit was scheduled for on-site monitoring at the 4 comprehensive AJC's on January 27th & 28th. Due to weather related State office closures, this was postponed.
- \* TDLWD's Program Accountability Review (PAR) issued their monitoring report with no findings and one observation.
- \* The 2024-25 external financial audit with Stone, Rudolph and Henry, PLC concluded and the report was issued with no findings. See separate slide for additional details.

NORTHERN MIDDLE TN WORKFORCE BOARD  
DECEMBER 2025 FISCAL UPDATE

ACTION ITEMS

- \* Accept financial report and 2025-26 Revised Budget = \$12.9M (+591k)
- \* Flexibility to request repurposing of \$250k formula admin for program, if needed

NORTHERN MIDDLE TN WORKFORCE BOARD  
DECEMBER 2025 FISCAL UPDATE

FYE 6/30/25 AUDIT

PAR Monitoring for 2024-25 conducted by TDLWD's Performance Accountability Review Unit (PAR)

- \* No findings
- \* One observation regarding paid meal break. Recommendation that CSP staff and worksites be re-trained on requirement of a thirty-minute unpaid meal break.

External audit for FY 24-25 conducted by Stone, Rudolph & Henry, PLC

- \* Unmodified opinions
- \* No audit findings
- \* Low risk auditee qualification

Summary on pg 26 of the audit report.

Governance Letter also included in board materials.



Northern Middle Tennessee  
Workforce Board Inc.

# AJC Location Report



Northern Middle Tennessee  
Workforce Board Inc.

# Public Comment Period



Northern Middle Tennessee  
Workforce Board Inc.

**Next Meeting:**  
May 13, 2026



# Northern Middle Local Workforce Development Area

Tennessee Department of Labor and Workforce Development  
Office of Program Accountability Review  
Subrecipient Monitoring Report | December 2025





December 12, 2025

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 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  
Jason Cecil, TDLWD  
Jeremy Colbert, TDLWD  
Andy Summar, TDLWD  
Ivan Greenfield, TDLWD  
Ryan Allen, TDLWD  
Lorna Wright, TDLWD  
Trish Bugg, TDLWD  
Brandon Phinx, TDLWD  
John Zobl, LWDB Chair  
Comptroller of the Treasury, State of Tennessee

# Executive Summary

On December 2, 2025, 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 December 2, 2025, 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?***

No findings were noted.

**Were there any observations?**

**1. Work experience participant did not record a meal break, as required in state statute.**

One work experience participant selected in the sample did not record a meal break when working more than six (6) hours per day, according to the participant’s time sheet. Upon follow-up, the worksite confirmed that a meal break was provided. Based on the timesheet and this confirmation, the meal break was paid.

According to Section 50-2-103(h), *Tennessee Code Annotated*, employees scheduled to work six (6) or more consecutive hours must be provided a thirty-minute unpaid meal break. This is being reported as an observation because Northern Middle LWDA posted a journal entry on October 31, 2025, crediting the paid meal break in the amount of \$53.21 to grant LWNMP241YOUTH25. This amount includes: \$45.00 for the paid meal break, \$5.06 in fringe benefits, and \$3.15 in processing fees. This entry will be reflected on the October 2025 Monthly Expenditure Report.

Northern Middle LWDA/Workforce Essentials should ensure that all service provider staff and Work Experience worksites are informed of the requirement for a thirty-minute unpaid meal break, when participants are scheduled to work more than six consecutive hours, in accordance with state law.

**Which grants were monitored?**

Service Provided	Grant Number	Grant Period	Grant Max. Liability
Adult	*LWNMP231ADULT24	07/01/23 – 06/30/25	\$474,938.00
Adult	*LWNMF241ADULT24	10/01/23 – 06/30/25	\$1,939,902.44
Adult	LWNMP241ADULT25	07/01/24 – 06/30/26	\$513,365.00
Adult	LWNMF251ADULT25	10/01/24 – 06/30/26	\$2,097,963.00
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
Dislocated Worker	LWNMP241DSLWK25	07/01/24 – 06/30/26	\$628,632.00

<b>Service Provided</b>	<b>Grant Number</b>	<b>Grant Period</b>	<b>Grant Max. Liability</b>
Dislocated Worker	LWNMF251DSLWK25	10/01/24 – 06/30/26	\$2,287,545.00
Youth	*LWNMP231YOUTH24	04/01/23 – 06/30/25	\$2,510,336.98
Youth	LWNMP241YOUTH25	04/01/24 – 06/30/26	\$2,794,305.00
Youth	**LWNMP251YOUTH26	04/01/25 – 06/30/27	\$2,349,268.00
Statewide Activities - Summer Youth Phase II	*LWNMF241SYSWA24	07/01/23 – 06/30/25	\$2,578,590.00
Re-entry/Justice Involved	LWNMP231PROWD24	04/01/25 – 09/30/27	\$968,443.00
Statewide Activities – Re-entry/Justice Involved	*LWNMF251RYSWA25	06/06/25 – 06/30/25	\$15,372.50
Statewide Activities – Tennessee Titans	*LWNMF231SESWA23	03/01/24 – 06/30/25	\$353,920.00
Administrative Statewide Activities – Tennessee Titans	*LWNMF241MNSWA24	03/01/24 – 06/30/25	\$35,392.00
Statewide Activities - Apprenticeship	*LWNMF251APSWA25	09/03/24 – 06/30/25	\$156,200.00
Apprenticeship	*LWNMP232NATAP24	10/01/24 – 06/30/25	\$125,000.00
Rural Healthcare Workforce Development	*LWNMF251RHAPP25	02/01/25 – 06/30/25	\$119,471.00
Re-employment Services & Eligibility Assessment	*LWNMF221RESEA22	10/01/23 – 09/30/24	\$259,250.00
Infrastructure Funding Agreement	*LWNMP241ESIFA25	07/01/24 – 06/30/25	\$410,728.47

**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, 2025 AND 2024

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NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
DIRECTORY OF BOARD MEMBERS AND MANAGEMENT (UNAUDITED)  
JUNE 30, 2025

BOARD MEMBERS

John Zobl, Chairman  
Mark Peed, Vice-Chairman  
Kristi Spurgeon, Secretary  
Tony Adams  
Robin Baldree  
Dan Caldwell  
George Callis  
Anne Fugate  
Nathan Garrett  
Billy Givens  
Freda Herndon  
Corey Johns  
Sellittia Johnson  
Mary Lear  
Jordan Osborne  
Brandon Phinx  
David Rutledge  
Kaitlin Salyer  
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 statements of financial position as of June 30, 2025 and 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 present fairly, in all material respects, the financial position of the Board as of June 30, 2025 and 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.

#### **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 21, 2025, 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 21, 2025

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 16,438	\$ 16,087
Federal grants receivable	1,979,803	1,548,603
State grant receivables	834,071	738,595
Other receivables	29,814	29,539
Prepaid expenses	17,207	2,452
Total current assets	<u>2,877,333</u>	<u>2,335,276</u>
 <u>PROPERTY AND EQUIPMENT</u>		
Furniture and equipment	923,313	840,935
Leasehold improvements	267,602	267,602
Total property and equipment	<u>1,190,915</u>	<u>1,108,537</u>
Less: Accumulated depreciation	1,013,326	981,701
Net property and equipment	<u>177,589</u>	<u>126,836</u>
Total assets	<u>\$ 3,054,922</u>	<u>\$ 2,462,112</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,874,983	\$ 2,329,832
Accrued payroll and related withholdings	-	3,095
Total current liabilities	<u>2,874,983</u>	<u>2,332,927</u>
 <u>NET ASSETS</u>		
Without donor restrictions - Undesignated	<u>179,939</u>	<u>129,185</u>
Total net assets	<u>179,939</u>	<u>129,185</u>
Total liabilities and net assets	<u>\$ 3,054,922</u>	<u>\$ 2,462,112</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, 2025 AND 2024

	2025	2024
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>		
Revenues, gains and other support:		
Net assets released from restrictions	\$ 10,838,448	\$ 11,623,324
Total revenues, gains and other support	10,838,448	11,623,324
Expenses:		
Program services	9,892,381	10,748,404
Supporting services	895,313	938,879
Total expenses	10,787,694	11,687,283
Net change in net assets without donor restrictions	50,754	(63,959)
<u>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</u>		
Federal and state grants	10,433,906	11,231,131
Infrastructure funding agreement - State partners	224,220	248,192
Infrastructure funding agreement - other partners	177,217	140,061
Interest income	3,105	3,938
Other	-	2
Net assets released from restrictions	(10,838,448)	(11,623,324)
Net change in net assets with donor restrictions	-	-
Net change in net assets	50,754	(63,959)
<u>NET ASSETS - BEGINNING OF YEAR</u>	129,185	193,144
<u>NET ASSETS - END OF YEAR</u>	\$ 179,939	\$ 129,185

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, 2025

	<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	\$ 7,912,394	\$ 185,953	\$ 8,098,347
Business services - incumbent worker training	224,202	-	224,202
Business services - apprenticeships	271,941	-	271,941
Infrastructure funding agreement - WIOA partners	610,855	9,010	619,865
Infrastructure funding agreement - State partners	219,624	4,596	224,220
Total pass-through, contracted, and infrastructure expenses	9,239,016	199,559	9,438,575
<u>Other Infrastructure Funding Expenses:</u>			
Infrastructure funding agreement- other partners	174,896	2,321	177,217
Total other infrastructure funding expenses	174,896	2,321	177,217
<u>Board and Staff Expenses:</u>			
<u>Contracted Services:</u>			
Salaries and benefits:			
Salaries	321,735	38,571	360,306
Health and life insurance	70,184	4,090	74,274
Payroll taxes	22,617	2,860	25,477
Retirement and other fringe benefits	16,519	3,746	20,265
Total salaries and benefits	431,055	49,267	480,322
Communication	593	606	1,199
Contract services- accounting and audit	877	14,500	15,377
Contract services- fiscal agent and shared staffing	-	584,089	584,089
Contract services - regional sponsorship	5,001	-	5,001
Depreciation	31,625	-	31,625
Insurance	5,340	27,047	32,387
Small equipment and software	2,859	16,058	18,917
Supplies	-	50	50
Travel	1,119	1,816	2,935
Total board and staff expenses	478,469	693,433	1,171,902
Total expenses	\$ 9,892,381	\$ 895,313	\$ 10,787,694

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 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	10,143,221	108,585	10,251,806
 <u>Other Infrastructure Funding Expenses:</u>			
Infrastructure funding agreement- other partners	137,809	2,252	140,061
Total other infrastructure funding expenses	137,809	2,252	140,061
 <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	379,618	145,501	525,119
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- regional sponsorship	-	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	467,374	828,042	1,295,416
 Total expenses	 \$ 10,748,404	 \$ 938,879	 \$ 11,687,283

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, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 50,754	\$ (63,959)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	31,625	63,961
Changes in:		
Federal grants receivable	(431,200)	349,329
State grants receivable	(275)	19,906
Other receivables	(95,476)	(602,394)
Prepaid expenses	(14,755)	16,068
Accounts payable	545,151	(969,910)
Accrued payroll	(3,095)	124
Net cash provided by (used in) operating activities	<u>82,729</u>	<u>(1,186,875)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	<u>(82,378)</u>	-
Net cash used in investing activities	<u>(82,378)</u>	-
<u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	351	(1,186,875)
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	<u>16,087</u>	<u>1,202,962</u>
<u>CASH AND CASH EQUIVALENTS - ENDING</u>	<u>\$ 16,438</u>	<u>\$ 16,087</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, 2025 AND 2024

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, 2025 AND 2024

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, 2025 and 2024, 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 Career Service Provider contract periods with Educational Data Systems, Inc. and Metropolitan Action Commission began January 1, 2021. The One-Stop Operator contract period began January 1, 2021, and was reprocured as a regional contract with a neighboring local workforce development area effective July 1, 2023. All three contracts were extended through June 30, 2025. Effective October 1, 2024, the TDLWD approved two demonstration pilot programs through June 30, 2025, whereby Workforce Essentials, Inc. would operate as Career Service Provider in Montgomery County and TDLWD staff would serve as Career Service Provider operationally in Sumner County with Workforce Essentials, Inc. serving in fiscal capacities. The following amounts were expended to contractors during the fiscal years ended June 30:

	2025	2024
Mid Cumberland Human Resource Agency, One Stop Operator July 2023 – June 2025	\$ 228,794	\$ 254,645
Educational Data Systems Inc., Career Service Provider Jan. 2021 – June 2025	6,752,669	8,065,809
Metropolitan Action Commission, Career Service Provider Jan. 2021 – June 2025	567,571	705,202
Workforce Essentials, Inc., Career Service Provider Oct. 2024 – June 2025	490,195	-

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2025 AND 2024

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, 2022.

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, 2025 and 2024.

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2025 AND 2024

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 96.3% and 96.6% of revenues for the years ended June 30, 2025 and 2024, 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 is not materially different from the allowance for credit losses method. The bad debt expense for the years ended June 30, 2025 and 2024 was \$-0-.The Board does not require collateral or other security for receivables.

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, 2025 and 2024 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 improvements are capitalized while those for maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives by type of asset are as follows:

Equipment and 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, 2025 AND 2024

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. These 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. During the years ended June 30, 2025 and 2024, fundraising costs were \$-0-

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, 2025 AND 2024

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

Date of Management's Review

The Board has evaluated subsequent events through December 21, 2025, 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 \$17,294 and \$21,217 at June 30, 2025 and 2024, 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 any amounts in excess of FDIC limits are 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:

	2025	2024
Unrestricted cash	\$ 16,438	\$ 16,087
Other receivable	29,814	29,539
Total	\$ 46,252	\$ 45,626

4. Federal Grants Receivable

Grants receivable consisted of the following amounts:

	2025	2024
Reemployment Service and Eligibility Assessment	\$ -	\$ 52,784
WIOA – Adult Program	997,957	384,671
WIOA – Youth Activities	443,287	306,088
WIOA – Dislocated Worker Formula	453,308	775,060
Partners for Reentry Opportunities in Workforce Development	4,870	-
Apprenticeship USA	80,381	30,000
Total federal grants receivable	\$ 1,979,803	\$ 1,548,603

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2025 AND 2024

5. Operating Leases

The Board leases various buildings from Workforce Essentials, Inc., who either owns the building or leases the space from 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 and benefits of administrative personnel, and other similar items. These costs are allocated or charged to each of the entities or programs that utilize the Centers. Under the IFAs, each entity or program must reimburse the Board for its portion of the aforementioned facility costs. During the years ended June 30, 2025 and 2024, total expenses under these agreements were \$1,021,304 and \$981,290, respectively. Of this amount, \$297,264 less contra-rents of \$108,190 for the year ended June 30, 2025 and \$312,264 less contra-rents of \$108,240 for the year ended June 30, 2024 relate specifically to building leases. 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:

	2025	2024
Without donor restrictions:		
Released from restrictions	\$ 10,838,448	\$ 11,623,324
Total revenues without donor restrictions	10,838,448	11,623,324
With donor restrictions:		
Federal and state grants:		
Reemployment Service and Eligibility Assessment	61,205	245,439
COVID-19 Disaster Recovery WIOA National		
Dislocated Worker Grant	-	17,505
Workforce Innovation and Opportunity Act Cluster:		
Adult Program	3,406,061	2,474,146
Youth Activities	2,230,903	3,129,736

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
JUNE 30, 2025 AND 2024

8. Sources of Revenue (Cont'd)

	<u>2025</u>	<u>2024</u>
Dislocated Worker	3,137,041	3,838,174
Partners for Reentry Opportunities in Workforce Development	4,870	-
Apprenticeship USA	121,696	30,000
Re-entry	7,425	-
Apprenticeship USA - State	150,217	187,943
Rural Health Apprenticeship	113,995	-
Summer Youth Phase 2	1,200,493	1,308,188
Infrastructure Funding Agreement – State partners	224,220	248,192
Local grants, contributions and other revenue:		
Infrastructure Funding Agreement – other partners	177,217	140,061
Interest	3,105	3,938
Other	-	2
Released from restrictions	<u>(10,838,448)</u>	<u>(11,623,324)</u>
Total revenues with donor restrictions	<u>-</u>	<u>-</u>
 Total revenues	 <u>\$ 10,838,448</u>	 <u>\$ 11,623,324</u>

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title	Grant Number Or Pass-Through Grantor's Contract Number	Assistance Listing Number	Accrued Receivable (Payable) July 1, 2024	Receipts	Expenditures	Accrued Receivable (Payable) June 30, 2025	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	LWNMF221RESEA22	17.225	\$ 52,784	\$ 113,989	\$ 61,205	\$ -	\$ 61,205
Total Reemployment Service and Eligibility Assessment			52,784	113,989	61,205	-	61,205
<u>Workforce Innovations and Opportunity Act Cluster:</u>							
Adult	LWNMP231ADULT24	17.258	(295)	47,495	47,790	-	47,790
Adult	LWNMF241ADULT24	17.258	380,116	1,478,480	1,101,602	3,238	1,004,322
Adult	LWNMP241ADULT25	17.258	-	146,621	398,300	251,679	142,664
Adult	LWNMF251ADULT25	17.258	-	1,115,329	1,858,369	743,040	1,773,197
Statewide - Administrative Consolidated Business	LWNMP231MNSWA24	17.258	4,850	4,850	-	-	-
Total Adult			384,671	2,792,775	3,406,061	997,957	2,967,973
Youth	LWNMP221YOUTH23	17.259	16,267	16,267	-	-	-
Youth	LWNMP231YOUTH24	17.259	289,821	629,996	458,531	118,356	373,479
Youth	LWNMP241YOUTH25	17.259	-	1,447,441	1,772,372	324,931	1,650,497
Total Youth			306,088	2,093,704	2,230,903	443,287	2,023,976

(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, 2025

Federal Grantor/Program Title	Grant Number Or Pass-Through Grantor's Contract Number	Assistance Listing Number	Accrued Receivable (Payable) July 1, 2024	Receipts	Expenditures	Accrued Receivable (Payable) June 30, 2025	Passed Through to Subrecipients
Dislocated Worker	LWNMF231DSLWK23	17.278	202,138	202,138	-	-	-
Dislocated Worker	LWNMP231DSLWK24	17.278	190,018	362,366	172,348	-	133,088
Dislocated Worker	LWNMF241DSLWK24	17.278	149,256	2,104,554	2,128,840	173,542	1,969,737
Dislocated Worker	LWNMP241DSLWK25	17.278	-	177,555	297,636	120,081	220,186
Dislocated Worker	LWNMF251DSLWK25	17.278	-	225,234	384,649	159,415	384,274
Statewide - Consolidated Business	LWNMF221CBSWA22	17.278	135,992	135,992	-	-	-
Statewide - Administrative Apprenticeship	LWNMF241MNSWA24	17.278	5,297	15,688	10,401	10	10,372
Statewide - Titans Stadium Project	LWNMF231SESWA23	17.278	92,359	235,266	143,167	260	143,167
Total Dislocated Worker			<u>775,060</u>	<u>3,458,793</u>	<u>3,137,041</u>	<u>453,308</u>	<u>2,860,824</u>
Total Workforce Innovations and Opportunity Act Cluster			<u>1,465,819</u>	<u>8,345,272</u>	<u>8,774,005</u>	<u>1,894,552</u>	<u>7,852,773</u>
Partners for Reentry Opportunities in Workforce Development	LWNMP231PROWD24	17.270	-	-	4,870	4,870	4,870
Apprenticeship USA	LWNMP231NATAP24	17.285	30,000	30,000	-	-	-
Apprenticeship USA	LWNMP232NATAP24	17.285	-	41,315	121,696	80,381	9,191
Total Apprenticeship USA			<u>30,000</u>	<u>71,315</u>	<u>121,696</u>	<u>80,381</u>	<u>9,191</u>
Total U.S. Department of Labor			<u>1,548,603</u>	<u>8,530,576</u>	<u>8,961,776</u>	<u>1,979,803</u>	<u>7,928,039</u>
Total Federal Awards			<u>1,548,603</u>	<u>8,530,576</u>	<u>8,961,776</u>	<u>1,979,803</u>	<u>7,928,039</u>
<u>State Financial Assistance</u>							
Re-Entry	LWNMF251RYSWA25	N/A	-	-	7,425	7,425	224
Apprenticeship USA	LWNMF241APSWA24	N/A	59,846	59,846	-	-	-
Apprenticeship USA	LWNMF251APSWA25	N/A	-	61,179	150,217	89,038	8,208
Rural Health Apprenticeship	LWNMF251RHAPP25	N/A	-	25,685	113,995	88,310	4,547
Statewide - Tennessee Youth Phase 2	LWNMF241SYSWA24	N/A	618,669	1,196,152	1,200,493	623,010	1,117,939
Infrastructure Funding Agreement	LWNMP231ESIFA24	N/A	60,080	60,080	-	-	-
Infrastructure Funding Agreement	LWNMP241ESIFA25	N/A	-	197,932	224,220	26,288	-
Total State Financial Assistance			<u>738,595</u>	<u>1,600,874</u>	<u>1,696,350</u>	<u>834,071</u>	<u>1,130,918</u>
Total Federal Awards and State Financial Assistance			<u>\$ 2,287,198</u>	<u>\$ 10,131,450</u>	<u>\$ 10,658,126</u>	<u>\$ 2,813,874</u>	<u>\$ 9,058,957</u>

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2025

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 fifteen 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, 2025, 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 21, 2025.

**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 21, 2025



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, 2025. 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, 2025.

*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 21, 2025

NORTHERN MIDDLE TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025

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)	Name of Federal Program or Cluster
WIOA Cluster:	
17.258	WIOA Adult
17.259	WIOA Youth
17.278	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, 2025

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 YEAR FINDINGS  
YEAR ENDED JUNE 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

None

RELATED TO COMPLIANCE

None



December 21, 2025

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, 2025, and have issued our report thereon dated December 21, 2025. 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 12, 2025. 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. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. 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 21, 2025.

#### *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