

*workforce***CONNECTIONS**  
**Budget & Finance Committee**  
Wednesday, October 3, 2012 -- 10:00AM – 11:30AM  
7251 W. Lake Mead Blvd., Suite 200  
Las Vegas, NV 89128

Voice stream link: <http://www.nvworkforceconnections.org/mis/listen.php>

This meeting has been properly noticed and posted in the following locations:

City of North Las Vegas, 2200 Civic Center Dr., North Las Vegas, NV  
Clark County, County Clerk's Office 500 S. Grand Central Parkway, Las Vegas, NV  
Esmeralda County Courthouse, 233 Crook Street, Goldfield, NV  
Henderson City Hall, 240 Water Street, Henderson, NV  
City Hall, Boulder City, 401 California Ave., Boulder City, NV  
*workforce***CONNECTIONS**, 7251 W. Lake Mead Blvd., Suite 200, Las Vegas, NV  
Nevada JobConnect, 3405 S. Maryland Pkwy., Las Vegas, NV  
Lincoln County 181 Main Street Courthouse, Pioche, NV  
Nye County School District, 484 S. West St., Pahrump, NV  
Pahrump Chamber of Commerce, 1302 S. Highway 160, Pahrump, NV

**This Agenda is also available at [www.nvworkforceconnections.org](http://www.nvworkforceconnections.org)**

#### **COMMENTARY BY THE GENERAL PUBLIC**

This Board complies with Nevada's Open Meeting Law, by taking Public Comment at the beginning of the meeting immediately after the Board approves the Agenda and before any other action is taken, and again before the adjournment of the meeting.

As required by Nevada's Open Meeting Law, the (Board, Committee or Council) may only consider items posted on the agenda. Should you wish to speak on any agenda item or comment on any other matter during the Public Comment Session of the agenda; we respectfully request that you observe the following:

1. Please state your name and home address for the record
2. In fairness to others, groups or organizations are requested to designate one spokesperson
3. In the interest of time, please limit your comments to three (3) minutes. You are encouraged to give brief, non-repetitive statements to insure that all relevant information is presented.

It is the intent of the (Board, Committee or Council) to give all citizens an opportunity to be heard.

Welcome to our meeting.

Auxiliary aids and services are available upon request to individuals with disabilities by notifying Dianne Tracy, in writing at 7251 W. Lake Mead, #200, Las Vegas, NV 89128; or by calling (702) 638-8750; or by fax (702) 638-8774. The TTY/TDD access number is (800) 326-6868 / Nevada Relay 711. A sign language interpreter may be made available with twenty-four (24) hours advance notice.

An Equal Opportunity Employer/Program

NOTE: MATTERS IN THIS AGENDA MAY BE TAKEN OUT OF ORDER.

**Budget & Finance Committee Members: Councilwoman Gerri Schroder, Chair; Hannah Brown, Vice-Chair; Commissioner William Kirby; Bill Bruninga; Dan Gouker; and Vida Chan Lin**

*All items listed on this Agenda are for action by the Budget & Finance Committee unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold or table. Public Hearings may be declared open by the Chairperson, as required for any of the items on this Agenda designated for discussion or possible action or to provide direction and recommendations to workforce***CONNECTIONS.**

**AGENDA**

- 1. Call to order, confirmation of posting and roll call.
- 2. DISCUSSION and POSSIBLE ACTION: Approve the agenda with inclusions of any emergency items and deletion of any items.
- 3. FIRST PUBLIC COMMENT SESSION: Members of the public may now comment on any matter posted on this Agenda, which is before this Board for consideration and action today. Please clearly state and spell your name and your address for the record. Each public comment will be limited to three (3) minutes.
- 4. DISCUSSION and POSSIBLE ACTION: Approval of the Budget & Finance Committee meeting minutes of July 31, 2012..... 1
- 5. DISCUSSION and POSSIBLE ACTION: PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013 and PY2012 WIA Budget Narrative..... 9
- 6. REVIEW, DISCUSS and ACCEPT REPORTS:
  - a. Budget vs. Actual Finance Report (*workforce***CONNECTIONS'** Operations) for the period July 1, 2012 through June 30, 2013 (Formula WIA)..... 15
  - b. PY2011/PY2012 Awards and Expenditures – Monthly Update..... 16
  - c. Adult/Dislocated Worker and Youth Funding Plans..... 19
  - d. Audit Findings for Program Year 2010 (Year Ended June 30, 2011) -- October 2012 Report.....21
  - e. PBTk Scope of Work Update..... 25

f. DETR 2011 Final Report of Technical Assistance Review of *workforce***CONNECTIONS'**  
Fiscal Operations..... 28

7. **DISCUSSION and POSSIBLE ACTION:** Professional Services Contract - Review and approve staff's recommendation to extend CST Project Consulting contract through January 31, 2014 in an additional of \$163,440.00 with a total amount not to exceed \$406,614.00 and an option to extend one additional year..... 43

8. **DISCUSSION and POSSIBLE ACTION:** Budget and Finance Committee 2013 Calendar of meeting dates/time..... 47

9. **SECOND PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier, however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name and your address for the record. Each comment will be limited to three (3) minutes.

**10. Adjournment**

*workforce***CONNECTIONS**  
**BUDGET & FINANCE COMMITTEE**  
**MINUTES**

Tuesday, July 31, 2012  
7251 W. Lake Mead Blvd., Suite 200 Conference Room  
Las Vegas, NV 89128

Members Present

Councilwoman Gerri Schroder, Chair  
Hannah Brown, Vice-Chair  
Bill Bruninga (via telephone)  
Alex Garza  
Dan Gouker

Members Absent

Commissioner William Kirby  
Vida Chan Lin

Staff Present

Debra Collins  
Heather DeSart  
Ardell Galbreth  
James Kostecki  
Melodye Stok  
Dianne Tracy  
Carol Turner  
Linda Yi

Others Present

Rhonda Dunaway, City of Henderson  
Otto Merida, Latin Chamber of Commerce  
Debra Sizemore, City of Henderson  
Dan Tafoya

(It should be noted that not all attendees may be listed above).

Agenda Item 1 - Call to order, confirmation of posting, and roll call.

The meeting was called to order at 10:13 a.m. and staff confirmed the meeting had been properly noted and posted in accordance with the Nevada Open Meeting Law.

Agenda Item 2 - Approval of Agenda with the inclusion of any Emergency Items and deletion of any Items.

***A motion to approve the agenda as presented was made by Bill Bruninga and seconded Hannah Brown. Motion carried.***

Agenda Item 3 - FIRST PUBLIC COMMENT SESSION: Members of the public may now comment on any matter posted on this Agenda, which is before this board for consideration and action today. Please clearly state and spell your name and state your address for the record. Each public comment will be limited to three (3) minutes.

***None***

Agenda Item 4 - DISCUSSION and POSSIBLE ACTION: Approval of the Budget & Finance Committee meeting minutes of June 6, 2012.

***A motion to approve the meeting minutes of June 6, 2012 as presented was made by Hannah Brown and seconded by Bill Bruninga. Motion carried.***

Agenda Item 5 – DISCUSSION and POSSIBLE ACTION: PY2011 WIA Formula Budget July 1, 2011 through June 30, 2012 and PY2011 WIA Budget Narrative.

Jim Kostecki, Finance Manager presented the change regarding the banking fees requesting an increase to line item 6120-Bank/Payroll Services in the amount of \$8,000 based on additional funds allocated to Bank Services for semi-annual bank fees and to Payroll Services to fund Paylocity payroll check and tax payment services and a decrease to line item 6850-Strategic Initiatives. The banking fees are approximately \$4,000 every 6 months with payroll fees approximately \$400-\$500 per month. Jim further stated that the banking institution had sent a new rate sheet indicating fees (all fees are per item transitional based) would be increasing approximately 9% effective August 1, 2012.

Ardell Galbreth stated his intent to meet with the banking executives that handle Workforce Connections' accounts to discuss the fees in an effort to request a waiver for some of the expenses for non-profit organizations. Discussion ensued.

***A motion was made to approve the PY2011 WIA Budget July 1, 2011 through June 30, 2012 and PY2011 WIA Budget Narrative by Bill Bruninga and seconded by Hannah Brown. Motion carried.***

Agenda Item 6 – DISCUSSION and POSSIBLE ACTION: PY2012 WIA Formula Budget July 1, 2012 through June 30, 2013 and PY2012 WIA Budget Narrative (no change since last Budget & Finance Committee Meeting).

Jim noted no change since the June 6, 2012 Budget & Finance Committee meeting with no action taken.

Agenda Item 7 – REVIEW, DISCUSS, and ACCEPT REPORTS:

- a. Budget vs. Actual Finance Report (Workforce Connections' Operations) for the period July 1, 2011 through June 30, 2012 (Formula WIA).

Jim reported on the Budget vs. Actual Finance Report on page 18 of the agenda packet with all items in green and within the allowable percentages. Jim noted that this is not the final report, as invoices remain outstanding. Jim further noted that Workforce Connections is approximately \$1.2M under budget on the WIA streams overall.

Ardell stated that there was a reduction in force and a reduction in budget line items that ended June 30, 2012.

Carol Turner stated that page 11 of the agenda packet the 2013 Budget was estimated \$1M carry forward for Adult, \$1M carry forward for Dislocated and \$3M for Youth (\$5M total) that in PY2012 20% will be taken off for operations and 80% will go out to the Service providers. The monies remaining in operations (approximately \$1.2M) will go back into the pool to be re-distributed.

- b. PY2011 Awards & Expenditures - Monthly Update.

Jim presented and summarized the PY2011 Awards and Expenditures for Adult & Dislocated Workers and Youth as of July 24, 2012 pages 19 – 21 of the agenda packet. Jim further stated that at the time of this report invoices remain outstanding and not included.

	<b>Adult Expenditures</b>	<b>Dislocated Worker Expenditures</b>	<b>% Spent</b>
WIA PY2011 Adult & DW Green Sector	57%	43%	88.74%
WIA PY2011 Adult & DW Health Sector	69%	31%	81.55%
WIA PY2011 Adult & DW Rural Services	57%	43%	83.19%
WIA PY2011 Internal Programs	100%	0%	64.58%
<b>Total PY2011 Adult &amp; Dislocated Worker</b>			
	<b>Youth In-School</b>	<b>Youth Out-Of-School</b>	<b>% Spent</b>
WIA PY2011 Youth General	42%	58%	34.77%
WIA PY2011 Youth Tri County	42%	58%	51.16%
WIA PY2011 Internal Programs	100%	0%	70.33%
<b>Total PY2011 Youth</b>			
<b>Direct Grants</b>			<b>% Spent</b>
WIA PY2010/PY2011 Governor's Reserve Youth			90.60%
WIA PY2010 Internal Programs Ongoing			88.41%
Direct Adult & DW Grants			67.55%

Jim noted (agency with asterisk on pages 19 – 21 of the agenda packet) Latin Chamber Foundation had not submitted their final invoice for June; however, the Latin Chamber Foundation did provide their General Ledgers.

Jim further noted that no funds will be retrieved from these contracts as contracts were extended through the end of next year. He further stated that although the dollars were not spent through June monies will be co-mingled with the additional funds to be spent out through next year.

Discussion ensued regarding a rating process for the various agencies conducted last year with a question posed regarding whether the agencies that did not rank, would they be funded. Carol Turner stated that the only agency that received no-cost extension funds was CCSD – Desert Rose. A no-cost extension through December 2012 was provided to insure continued client service through placement. All other agencies rated and funded (including the WIA Adult/Dislocated Worker dollars) through extended contracts approved in May.

Heather stated that this year there was no RFP provided for the Adult/Dislocated Worker. Heather provided some quantitative numbers that there were 10 contracts last year to include all current service providers. Workforce Connections did go through that evaluation process, it was not a committee it was a combination of staff (IT, Fiscal, and Programs) with an evaluation tool brought to the Adult & Dislocated Worker Committee and was approved. Based on the scoring from the three categories on the evaluation tool all agencies were brought forward aside from CCSD. There were challenges with CCSD (their expenditure rate was low) and what was determined was to provide a no-cost extension to continue serving clients. The plan is to extend one more year, our current service providers on that same evaluation process and we will bring that process forward to this committee when it is in place at the end of this fiscal year.

Carol reported that there was an additional \$1M that rolled out for the summer component whereby an RFP was conducted over a 3-week process with separate funds (10% set-aside for summer school program):

Latin Chamber	Summer Component	\$250,000
Nevada Partners, Inc.	Summer Component	\$500,000
Southern Nevada Children's First	Summer Component	\$250,000

Jim Kostecki noted a discrepancy on page 20 of the agenda packet whereby the Latin Chamber-Summer Component should read \$250,000 not \$500,000.

c. Adult/Dislocated Worker & Youth Funding Plans.

Carol Turner reported on the Adult/Dislocated Worker and Youth Funding Plan on pages 22 and 23 of the agenda packet updated through the draw on July 18, 2012.

- Projections reported through June 2013 with few remaining expenses or invoices outstanding with estimates for the next four quarters. Workforce Connections expects to carry forward approximately \$4M in the Adult/Dislocated Worker funding which should be spent through the September invoices. Good timing as the Board of Examiners will not approve the new funding inter-locals until August 14, 2012.
- Reporting on the Youth Funding Plan - estimating a remaining balance of \$704,962 through June 2013.
- One-Stop Operation (\$1.0M) is front loaded for the purchase of equipment and possible tenant improvements and estimates lessen for ongoing operations. Additionally, Ardell reported the posting of four additional staff positions to assist in the operation of the One-Stop Center: Center Manager; Coordinator or Supervisor; Resource Specialist, and Receptionist. Workforce Connections currently has Business Service Representatives on staff that DETR funds on Workforce Connections' behalf. In the One-Stop Center: 10 personnel that will include Funded Partners, anticipating DETR will have 15 – 20 personnel, and working with non-WIA partners i.e., Manpower, United Way, and Financial Guidance Center (formerly Consumer Credit Counseling Center) have expressed interest.

Discussion ensued regarding the Prisoner Re-Entry program and its monitoring. Heather DeSart stated that a thorough RFP conducted with adult and youth contracts awarded. The Funded Partner that received the funding for Adults has experience in servicing the population. There is a town hall meeting scheduled for tomorrow night at the Pierson Center at 5:30 p.m. with Commissioner Lawrence Weekly to address some of the barriers they are encountering in trying to access those funds and address this with the Community.

d. Audit Findings for Program Year 2010 (Year Ended June 30, 2011) – August 2012 Report.

Jim reported there has been no change to the Audit Findings Report for Program Year 2010 (Year Ended June 30, 2012) reported out at the July 24, 2012 Board meeting.

e. PBTk Scope of Work Update

Jim reported that based on the last Budget & Finance Committee meeting staff indicated they would have a Scope of Work update on Piercy Bowler Taylor & Kern (PBTk). PBTk will not be at Workforce Connections to do their site analysis until August 13, 2012.

Discussion ensued regarding the dates previous audits occurred and finalized.

***A motion was made to accept the reports with the one change for the Latin Chamber-Summer Component to \$250,000 rather than \$500,000 by Hannah Brown and seconded by Bill Bruninga. Motion carried.***

Agenda Item 8 – DISCUSSION and POSSIBLE ACTION: WIA Training funds allocated to Nevada Hospital Association in support of Medical ESL Training under the Eligible Training Provider List (ETPL) for Nevada State College courses.

Ardell reported that this agenda item was included due to issues and concerns raised during the public comments session at the Board meeting on July 24, 2012. Ardell clarified that on the Eligible Training Provider List (ETPL) there is a list of courses approved by the State of Nevada for the Funded Partners and Service Providers to choose from for clients to be trained and gainfully employed. Nevada State College has a program on the ETPL whereby an application submitted for approval by the State of Nevada was entered onto the list for the funded partners/service providers to access the training courses.

Ardell stated that Nevada Hospital Association used this list requesting training for Registered Nurses to enroll into the program for training and gainful employment in the Southern Nevada area. However, what Workforce Connections' was unaware of was Nevada State College sends the Registered Nurses to Guadalajara Mexico for the training program. He further stated that in accordance with the Workforce Investment Act and regulations, the training is appropriate outside of the country; however, travel dollars paid outside of the United States is prohibited. Workforce Connections supported this at the time due to the training needed in the community, but there are some concerns regarding the perception of Federal funds utilized for training conducted outside of the United States and since that time, Workforce Connections has discontinued the training program. Workforce Connections is working with Nevada State College to re-coop the WIA funds used for this program outside of the country. Ardell reiterated that the conduct of Nevada State College, Nevada Hospital Association; and, Workforce Connections has been appropriate.

Hannah Brown queried, was the concern based on dollars spent on travel or was the concern based on dollars spent on the training?

Heather DeSart relayed the breakdown to \$690.00 travel cost out of a \$4,000 training cost and the first cohort was six Registered Nurses enrolled in the training program with two of the Registered Nurses placed in employment. Travel costs of approximately \$4,200 total in disallowed costs.

Ardell stated that Workforce Connections is engaged in discussions with Nevada State College requesting reimbursement for the entire amount of the program, as we should not be expending training dollars outside of the country.

Alex Garza questioned, was the concern just the travel so if the travel portion that was covered by somebody else, the training is actually being overseen by Nevada State College? Whether or not they are receiving training in Guadalajara for a month their actual degree is coming from a Nevada institution and the actual benefit of what Nevada State College is doing is benefiting our community here locally and employing people locally. Has a poll been taken to ask the community what the perception is? Is it one individual? Is it multiple individuals? Is it Nevada State College? Is it employers? Is it the Governor? Where is this perceived perception coming from and how large is it? I understand that the need to follow the rules and regulations with the travel portion and perhaps should not be covered because that is written in the guidelines, but the service that this education provides far exceeds any type of individual(s) perception that may exist in the community. The reason this is so important because understanding the cultural and social nuances of individuals who are living in the shadows here



primarily Hispanic individuals who typically do not know how to advocate for their healthcare is extremely important. This is an important program and we have to find a way to be able to support it.

Ardell stated I could not agree with you more, but we need to ask ourselves a fundamental question: Could this training have been done here in the United States?

Debra Collins stated, we began this process approximately 2 years ago and we spoke to College of Southern Nevada (CSN), Dr. Hyla Winters and Jan Kramer, Dean of the Nursing School and Health Sciences. We also engaged conversation with University Nevada Las Vegas (UNLV), Dr. Carolyn Yucha. We asked first, if this particular program could be emulated here and the response was, 'absolutely no'. To say that we can have a total Immersion of someone here in the United States knowing that when the Registered Nurses leave that hospital area they will see English everywhere. This is a program of total Immersion: culture, spiritual, and healthcare. We do not have a hospital that speaks only Spanish and this is one of the benefits to help these students acquire the Spanish language, learn about the culture, learn the culinary – comprehensive in nature. The six Registered Nurses: Four Caucasians, one African American, and one Hispanic and of the six -- two have been employed. These students will be able to come into our system, dollars spent here and be able to work with their colleagues and lend them the information and training they received. This is vital!

Hannah responded that it is broader based as it gives an all-around perspective of all cultures. I am passionate about fairness and I do not know how we expect to get fairness if we are continuing to be separatists.

Alex states, this is a community issue, a community effort and here is what is important about this that we finally have an effort that is going out there to help the 700,000 – 800,000 in the community. 25% of the population Hispanics, 15-20% African Americans, the Asian community, and the Caucasian community. This is a united effort! We are taking people and teaching them about a culture, but expanding and opening their minds to benefit residents of not just Las Vegas, but Nevada as a whole. We are advocating for people, in their employment to their own personal employers to expand the services and advocacy for people who cannot advocate for themselves. This is probably the most important issue that has come before this board. If we bow down now to one or two people's public perception I would say go and poll the population and they would say this is a plus for Nevada, a plus for our residents and a plus for our citizens and a plus for the advocacy for healthcare for every man, woman, and child that resides in this state. If we have one or two people out there that disagree, we are never going to accomplish anything.

Ardell stated I fully agree to that. I just ask that the passion that you have remain because you have other board members that you will have to convince and if you could show up at the Board meetings when this is addressed because staff will certainly follow direction that we get from this committee and the Board, but we will need your support. Whatever guidance you give to us we will follow through.

Bill Bruninga queried what the guidelines were for funds going outside of the country. Ardell responded that it only prohibits the travel cost not the training. If it were that important an issue, it would be great to get sponsors to cover the entire cost of the program just to eliminate the issue. From the other side of the coin if people out there see this as taxpayer funds that should stay in this country, which does not negate the importance of the issue – that is not the point. The point is we are dealing with taxpayer dollars and so sponsorship to cover the whole program would alleviate this concern. Hannah Brown responded that Workforce Connections should only recover the travel costs.

Alex stated, Workforce Connections should recover the travel costs, but going forward we have sponsors for the travel costs. I want to make something very clear here, it is my understanding that not one taxpayer dollar is going to Guadalajara we are giving the funds to Nevada State College to prepare our nurses to serve our community. Our taxpayer dollars are going to Nevada State College. Now how they choose to educate their students to best serve the community it is still a Nevada institution that is getting taxpayer dollars. Workforce Connections has cut a check to Nevada State College not Guadalajara. Ardell responded that under the ETPL for the travel if any parts of the funds pay for travel even though we simply cut the check to Nevada State College it would be disallowed.

Dan Gouker stated that the need for the program is without question, but the travel is a disallowed cost and will become an audit finding.

Rosalie Boulware stated the State of Nevada is the final approval to all of the courses that entered on the ETPL that come to staff and she oversees. The issue is we were uninformed and there are indications on the application with breakdown of all costs: books, tuition, travel. This was never followed through and the assumption was since they did not fill in these blanks, the training would be conducted here in the State of Nevada at the college. Every aspect of the application was conveyed to them with what they have to do to complete the application then it is submitted to the State for approval. Once approved by the Nevada State postsecondary they are listed on the ETPL. However, the application, this is where the auditors come into play, they review the application to ensure that every cost that is indicated is allowable. We are in the process of modifying the application to specify the location where training programs will be held.

Heather stated that the next step is that we take this in front of the relevant committee, the ADW Committee, vet it there possibly bring them another course description with the travel removed. You will direct us (Workforce Connections staff) so if we bring this to the ADW Committee, the LEO Consortium (concern noted by Councilwoman Anita Wood) then onto the full Board. The program has been removed from the list temporarily.

*A motion was made to move this agenda item to the ADW Committee until Nevada State College receives their eligibility by Alex Garza and seconded by Bill Bruninga. Motion carried.*

Agenda Item 9 – SECOND PUBLIC COMMENT SESSION: Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier; however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name and state address for the record. Each comment will be limited to three (3) minutes.

**Daniel Tafoya, Latin Chamber of Commerce, Chairman on Education.** I would like to thank the Board for their wisdom today and their passion on this particular subject. My wife being a nurse practitioner she pulls my ear about this same subject all the time, so I was glad everyone was so well informed and passionate about this. As the Chairman of the Education Committee, we also oversee scholarships at the Latin Chamber and in speaking with Sandy Peltyn from the ‘Senor’s of Excellence,’ she has offered to look at possible scholarships to cover the travel costs for this program. That would also run through the Latin Chamber of Commerce Scholarship Committee and will be glad to fund those portions needed and step forward. Because this is a community effort and where the law stops we need to pick it up and make sure we are looking at any endeavors we need to.

**Otto Merida, 300 N. 13<sup>th</sup> Street, Las Vegas, Nevada.** I do not think I can be so eloquent as Alex Garza and Hannah Brown in reference to what has been set forth. I have been a number of times to

Guadalajara to this particular university. We talk about only sending these nurses to Guadalajara, but also bringing Mexican nurses here in order for them to have more knowledge in terms of English and so forth because it takes a lot of individuals and a lot of Americans that are being treated in Guadalajara and throughout Mexico. This is an ongoing project that we have been working on for 6 – 7 years. That I am aware, the protest that we heard is only one person that was making a fuss about this project. The benefit of this program in terms of these nurses that are coming back and any future nurses they will be able to sell their skills much better and more effectively, they will be able to speak Spanish. In reference to what Ardell mentioned we don't have anything here to do this, you have to be living month to month in that particular country to be able to live with families who speak Spanish constantly at home and so forth in order to make this program more effective. This is a win win situation for everybody. I think with the growing community, Hispanic community that we have in this country, in this state and in this county, it is something that is very effective. I think that we are helping what is going on in this community with as many health issues as one of the priorities of this Committee and the Workforce. I hope that you continue supporting this.

**Linda Yi, Workforce Connections staff.** I wanted to speak off the clock for this meeting because I wanted to speak not as working for the Nevada Healthcare Sector Council, but many of you are aware that I am a Registered Nurse and I worked at University Medical Center for 29 years in the field of maternal child nursing. And you must be aware that it is because it is the public hospital that many of the Hispanic patients came to this institution. My job was to get people into prenatal care whether they were legal or illegal citizens of this country. And the reason for that was not just because it was a good thing to do, but also because when you look in terms of taxpayer dollars of the amount of money it costs about \$350 to provide prenatal care to a woman. The amount of money it costs per day the neo-natal intensive care nursery is about \$3,500 a day. Those babies are American citizens from the day they are born and many of those bills run up into the millions of dollars that we as taxpayers paid when, in fact, we could have paid \$350 for their pre-natal care.

I will tell you that I am a faculty member for the University Of Nevada School Of Medicine and we frequently sent our OB-GYN residents to Guadalajara for their Spanish Immersion course so that when they came back they were able to speak to their patients in Spanish and they were certainly more comfortable.

I kept a book in my unit and every time that we had a different nationality come in we went through and discussed what the spiritual, what the cultural things were of that patient. We have to realize that this is their culture and there is no way that we are going to make any difference in terms of all of these people of the nation unless we are willing to make that step outside the box.

I will give you the simplest example. We had a woman that came in and she was Hispanic she was a diabetic (Hispanic population has a very high population of diabetes). She came in and had been in the hospital 3 – 4 times and each time the bill was approaching \$200,000 - \$250,000 she was pregnant, her diabetes was out of control, the doctors were trying to communicate and I finally said we need to figure out something. We found a Registered Nurse who was a diabetic educator, who spoke Spanish, who sat down with her and her family, who took her to the grocery store, not to the American grocery store, to a Latino grocery store and figured out the menu. We paid for the food out of grant monies and we kept her out of the hospital. She had a normal healthy baby. In the meantime, we had spent close to \$1M before the baby was born. You cannot separate dollars and the outcomes in these terms for a small amount of money.

Agenda Item 10 - Adjournment: The meeting adjourned at 11:49 a.m.

**workforceCONNECTIONS**  
**PY2012 WIA Formula Budget**  
**July 1, 2012 - June 30, 2013**  
**(Revised Budget - October 2012)**

Revenue by Funding Stream	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	Available for LWIB Operations		TOTAL
				10% Admin	10% Program	
PY2012 Adult	6,316,715	6,316,715	-	631,672	631,672	6,316,715
PY2012 Dislocated Worker	6,847,926	6,847,926	-	684,793	684,793	6,847,926
PY2012 Youth	6,337,899	6,337,899	-	633,790	633,790	6,337,899
PY2011 Adult Carry Forward	1,000,000	1,000,000	-	100,000	100,000	1,000,000
PY2011 Dislocated Worker Carry Forward	1,000,000	1,000,000	-	100,000	100,000	1,000,000
PY2011 Youth Carry Forward	3,000,000	3,000,000	-	300,000	300,000	3,000,000
Other Revenues (Interest)	25	25	-		25	25
Governor's Reserve - Strategic Initiative			-		-	-
<b>Total Revenue by Funding Stream</b>	<b>\$ 24,502,565</b>	<b>\$ 24,502,565</b>	<b>\$ -</b>	<b>\$ 2,450,255</b>	<b>\$ 2,450,280</b>	<b>\$ 24,502,565</b>
				Subtotal Board Operations \$ 4,900,535		

Notes:

1. PY2012 Revenues include WIA funding in the total amount of \$19,502,540.
2. Carry forward funds have been estimated for PY2011 in the amount of \$5,000,000. These fund estimates will be revised later this year when the A-133 audit is complete.
3. The Department of Labor allows local boards to expend up to 10% of their total allocation for administrative costs. WC also allocates 10% of the total allocation for program management and oversight.
4. WIA funds have a two year life at the local board level and an additional year at the state level.

Community Resource Allocations	Approved Budget PY2012	Proposed Budget PY2012	\$ Change			TOTAL
Adult Services	5,853,371	5,853,371	-			5,853,371
Dislocated Worker Services	6,278,340	6,278,340	-			6,278,340
Youth Services	7,470,319	7,470,319	-			7,470,319
<b>Subtotal Community Resource Allocations</b>	<b>\$ 19,602,030</b>	<b>\$ 19,602,030</b>	<b>\$ -</b>			<b>\$ 19,602,030</b>

Board Operations	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	Admin	Program	Total
Subtotal Operating Expenditures	4,900,535	4,900,535	-	1,857,034	3,043,501	4,900,535
<b>Total Expenditures</b>	<b>\$ 24,502,565</b>	<b>\$ 24,502,565</b>		<b>\$ 1,857,034</b>	<b>\$ 3,043,501</b>	<b>\$ 24,502,565</b>
<b>Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 593,221</b>	<b>\$ (593,221)</b>	<b>\$ -</b>

NOTE: PY2012 funding period is available July 1, 2012 through June 30, 2014 (after two years, funds revert to the State for one additional year)  
PY2011 funding period is available July 1, 2011 through June 30, 2013 (after two years, funds revert to the State for one additional year)

**workforceCONNECTIONS**  
**PY2012 WIA Formula Budget**  
**July 1, 2012 - June 30, 2013**  
**(Revised Budget - October 2012)**

Board Operations	Authorized FTE	Actual FTE	Approved Budget PY2012	Proposed Budget PY2012	\$ Change	Admin	Program	Total
6500 Salaries	28.88	25.88	2,413,763	2,413,763	-	796,542	1,617,221	2,413,763
7000 Accounting and Auditing			350,000	350,000	-	350,000	-	350,000
7005 Legal Fees			50,000	50,000	-	50,000	-	50,000
7010 Legal Publication Advertising			18,000	18,000	-	5,040	12,960	18,000
7020 Licenses and Permits			3,000	3,000	-	840	2,160	3,000
7025 Dues and Subscriptions			12,000	12,000	-	3,360	8,640	12,000
7030 Postage and Delivery			3,000	3,000	-	840	2,160	3,000
7035 Printing and Reproduction			12,000	12,000	-	3,360	8,640	12,000
7040 Office Supplies			15,000	15,000	-	4,200	10,800	15,000
7045 Systems Communications			50,000	50,000	-	14,000	36,000	50,000
7050 Tuition, Training, and Seminars - Staff			40,000	40,000	-	11,200	28,800	40,000
7055 Travel and Mileage - Staff			30,000	30,000	-	8,400	21,600	30,000
7060 Utilities (included in Rent)			-	-	-	-	-	-
7065 Telephone			30,000	30,000	-	8,400	21,600	30,000
7070 Rent (Offices)			365,348	365,348	-	102,297	263,051	365,348
7075 Equipment Repairs			1,500	-	(1,500)	-	-	-
7075 Facilities Maintenance			5,000	6,500	1,500	1,820	4,680	6,500
7080 Admin Support Contracts			145,000	120,000	(25,000)	120,000	-	120,000
7085 Program Support Contracts			30,000	100,000	70,000	-	100,000	100,000
7090 Non-Board Meetings and Outreach			30,000	30,000	-	8,400	21,600	30,000
7095 Board Meetings and Travel			8,000	8,000	-	-	8,000	8,000
7100 Insurance			40,000	40,000	-	11,200	28,800	40,000
7100-7120 Employee Fringe Benefits			809,818	809,818	-	267,240	542,578	809,818
7125 Employer Payroll Taxes			71,804	71,804	-	23,695	48,109	71,804
7130/7135 Payroll Services and Bank Fees			6,000	16,000	10,000	16,000	-	16,000
7200 Equipment - Operating Leases			15,000	15,000	-	4,200	10,800	15,000
7600 Youth Program Activities			15,000	15,000	-	-	15,000	15,000
7605 Adult/DW Program Activities			15,000	15,000	-	-	15,000	15,000
8500 Capital - Equipment and Furniture			75,000	75,000	-	21,000	54,000	75,000
8510 Capital - Software NVTrac - Data System			100,000	100,000	-	-	100,000	100,000
8900 Strategic Initiative - WIA			141,302	86,302	(55,000)	-	86,302	86,302
<b>Subtotal Board Operations</b>			<b>4,900,535</b>	<b>4,900,535</b>	<b>-</b>	<b>1,832,034</b>	<b>3,068,501</b>	<b>4,900,535</b>

**Workforce Connections  
Program Year 2012  
WIA Formula Budget Narrative**

Workforce Connections is responsible for providing management and oversight of the Workforce Investment Area's employment and training programs and services. The Board's staff provides direct support to the Workforce Investment Area by carrying out the Board's operations plans. Staff responsibilities include implementing Board policies and establishing techniques and methods to achieve the Board's mission. Staff administers and oversees all internal administrative service provisions, including program administration, management analysis and administration support for the Workforce Investment Board.

**Revenues:**

Workforce Investment Act (WIA) Program Year PY 2012 allotted funds are in the amount of \$19,502,540 which is allocated among the three funding streams: Adult - \$6,316,715, Dislocated Worker - \$6,847,926, and Youth - \$6,337,899.

Overall funding for PY 2012 was increased by \$1,301,929 (7.15%), compared to the Program Year 2011 WIA allocation which was \$18,200,611.

Other anticipated funding includes operating carry forward funds from Program Year 2011 WIA allocation estimated at \$5,000,000 and interest at \$25.

Total budgeted revenues for PY 2012 are \$24,502,565.

**Expenditures – Community Resource Allocation:**

On May 22, 2012, the Board approved extension of the Adult and Dislocated Worker PY2011 contracts in the amount of \$9,100,000 and a new PY2012 contract for adult re-entry services in the amount of \$700,000. In May and June 2012, the Board approved Youth PY2012 contracts in the amount of \$1,750,000 for out-of-school, \$1,944,000 for in-school youth programs, and \$300,000 for the youth re-entry program. The Board also approved an extension for Lincoln County's youth program in the amount of \$100,000 and an extension for Nye Community Coalition youth program in the amount of \$150,000.

**Administrative and Program Operating Expenditures – Board Staff:**

The Department of Labor allows local workforce investment boards to expend up to 10% of their total formula funding allocation for administrative services. For programmatic operations and oversight, over the last four years, the board of directors had allocated 16% of the total budget allocation. Effective July 1, 2012, the Board of Directors elected to reduce the programmatic amount to 10%. Such operational and management oversight includes but is not limited to:

- Providing technical assistance to contracted service providers
- Tracking and monitoring of participating clients and performance outcome
- Program oversight and monitoring of service provider contracts

- 6500 - Salaries: \$2,413,763** – Allocated costs for administrative and program staff salaries.
- 7000 - Accounting and Auditing: \$350,000** – Allocated costs for the A-133 audit as well as extended accounting, financial consulting, and technical support.
- |                     |           |
|---------------------|-----------|
| A-133 Audit         | \$175,000 |
| Accounting Services | \$175,000 |
- 7005 Legal Fees: \$50,000** – Allocated costs for legal services in areas such as board and official open meetings preparation including review of agendas, contract agreements, RFPs, and policies.
- 7010 Legal Publication Advertising: \$18,000** – Allocated costs for legal publications including job postings, Request for Proposals notices, and controlled advertisements.
- 7020 Licenses and Permits: \$3,000** – Allocated costs for software licenses and permits associated with new computers or purchased upgrades for current software.
- 7025 Dues and Subscriptions: \$12,000** – Allocated costs for memberships in trade and technical associations that benefit Workforce Connections’ outreach and oversight initiatives. They offer valuable key contacts for workforce/economic development and technical information support.
- 7030 Postage and Delivery: \$3,000** – Allocated costs for postage and mail delivery including such activities as routine postage, courier delivery service, and Federal Express delivery.
- 7035 Printing and Reproduction: \$12,000** – Allocated costs for monthly copier per copy charges and other ancillary copying and printing costs associated with Board administration and daily operations.
- 7040 Office Supplies: \$15,000** – Allocated costs for various office supplies needed for every day operations.
- 7045 Systems Communications: \$50,000** – Allocated costs for support systems such as data backup, T-1 lines, and web hosting for internal e-mail support.
- 7050 Tuition, Training, and Seminars (Staff): \$40,000** – Allocated costs for staff training and seminars for both local and out-of-town locations for fiscal, program, and systems management.
- 7055 Travel and Mileage (Staff): \$30,000** – Allocated costs for local mileage and out-of-town staff travel for grant related matters such as State and USDOL sponsored training and conferences. This account line also covers travel for staff training on an array of programmatic and fiscal activities, as well as local and rural areas site reviews and monitoring visits to ensure compliance with WIA initiatives and work plans.
- 7060 Utilities: \$0** – Allocated costs for utilities which are currently included in the monthly lease agreement.

- 7065 Telephone: \$30,000** – Allocated costs for all activities related to telephone services including local and long distance phone charges and wireless communication.
- 7070 Rent (Offices): \$365,348** – Allocated costs for Workforce Connections’ office space for staff in support of the Board’s administrative and programmatic functions.
- 7075 Equipment Repairs: \$0 – a decrease of \$1,500** – Allocated costs for equipment repair or breakdowns. This account line also provides funds for repairs to our green training vehicle. This decrease combines the Equipment Repairs line item with the Facilities Maintenance line item of the same account code.
- 7075 Facilities Maintenance: \$6,500 – an increase of \$1,500** – Allocated costs for facility repairs or maintenance not included in the monthly rent payments for Workforce Connections’ administration offices. This increase combines the Equipment Repairs line item with the Facilities Maintenance line item of the same account code.
- 7080 Admin Support Contracts: \$120,000 – a decrease of \$25,000**– Allocated costs for administrative support agreements and temporary staffing with focus on administrative, fiscal, and personnel management. A decrease in the amount of \$25,000 for an Executive Director search that was not necessary.
- 7085 Program Support Contracts: \$100,000 – an increase of \$70,000** – Allocated costs for program support agreements and temporary staffing to support program and data support activities. This increase will fund one-stop strategic planning training and web development for the one-stop and Workforce Connections website.
- 7090 Non-Board Meetings and Outreach: \$30,000** – Allocated costs for business and employer outreach initiatives to attract businesses and establish partnerships for workforce development and employer services.
- 7095 Board Meetings and Travel: \$8,000** – Allocated costs for facility and event related charges tied to board and committee meetings and Board travel to grant activities.
- 7100 Insurance: \$40,000** – Allocated costs for Board anticipated liability insurance costs for workers’ compensation, general business liability, and Board of Directors’ and officers’ omission and errors liability. This line also provides auto insurance for our green training vehicle.
- 7100-7120 Employee Fringe Benefits: \$809,818** – Allocated costs for employee benefits including medical, dental, life insurance, and Public Employees Retirement System (PERS) contributions. A rate of 35% of the total salaries is used to calculate the fringe benefits.
- 7125 - Employer Payroll Taxes: \$71,804** – Allocated costs for employer payroll taxes which are calculated at 3% of total salaries.



**7130-7135 Bank/Payroll Services: \$16,000 – an increase of \$10,000** – Allocated costs for various banking services which include wire transfers, ACH payments, and payroll services. This increase is based on additional funds allocated to Bank Services for semi-annual bank fees and to Payroll Services to fund Paylocity payroll check and tax payment services.

Bank Fees	\$9,000
Payroll Services	\$7,000

**7200 Equipment – Operating Leases: \$15,000** – Allocated costs for existing leases on copiers and postage meter equipment as well as any rental equipment needed in daily operations.

**7600 Youth Program Activities: \$15,000** – Allocated costs for youth program activities outside of daily operations such as service provider trainings and various youth conferences and summits.

**7605 Adult/DW Program Activities: \$15,000** – Allocated costs for adult and dislocated worker program activities outside of daily operations such as service provider trainings and various employability conferences.

**8500 Capital – Equipment and Furniture: \$75,000** – Allocated costs for equipment and furniture including computers, servers, and furniture for administrative and programmatic support staff.

**8510 Capital – Software NVTrac Data System: \$100,000** – Allocated costs for contractual expenditures related to the completion and maintenance of the NVTrac data tracking system.

**8900 Strategic Initiatives: \$86,302 – a decrease of \$55,000** – This account line was created to utilize and track strategic projects in support of workforce initiatives with detailed tactics and strategies in response to unanticipated high demand workforce needs. These funds are available to be allocated for future workforce initiatives approved by the Board. A decrease in the amount of \$80,000 will fund Program Support Contracts for one-stop strategic planning training and web development for the one-stop and Workforce Connections website as well as additional Payroll Services and Bank Fees for semi-annual bank fees and Paylocity payroll check and tax payment services. An increase in the amount of \$25,000 for an Executive Director search that was not necessary.

**JULY 2012 REPORT**

**workforce CONNECTIONS**

PY2012 WIA Formula Expenses

Administrative and Program Operating Budget

For the Period : July 1, 2012 through June 30, 2013

**% of Program Year Concluded 8.33%**

Line Item Number	Budget				ACTUAL EXPENSES			Budget Authority Remaining			% Expended from Budget		
	Operating Expenses	Admin	Program	Total	Admin	Program	Total	Admin	Program	Total	Admin	Program	Total
6500	Salaries	796,542	1,617,221	2,413,763	23,179	91,568	114,747	773,363	1,525,653	2,299,016	2.91%	5.66%	4.75%
7000	Accounting and Auditing	350,000	0	350,000	15,511	0	15,511	334,489	0	334,489	4.43%	0.00%	4.43%
7005	Legal Fees	50,000	0	50,000	230	514	743	49,770	-514	49,257	0.46%	0.00%	1.49%
7010	Legal Publication Advertising	5,040	12,960	18,000	0	0	0	5,040	12,960	18,000	0.00%	0.00%	0.00%
7020	Licenses and Permits	840	2,160	3,000	60	135	195	780	2,025	2,805	7.16%	6.23%	6.49%
7025	Dues and Subscriptions	3,360	8,640	12,000	190	425	615	3,170	8,215	11,385	5.66%	4.92%	5.13%
7030	Postage & Delivery	840	2,160	3,000	27	61	88	813	2,099	2,912	3.21%	2.82%	2.93%
7035	Printing and Reproduction	3,360	8,640	12,000	0	0	0	3,360	8,640	12,000	0.00%	0.00%	0.00%
7040	Office Supplies	4,200	10,800	15,000	133	298	431	4,067	10,502	14,569	3.17%	2.76%	2.87%
7045	System Communications	14,000	36,000	50,000	1,058	2,368	3,426	12,942	33,632	46,574	7.56%	6.58%	6.85%
7050	Tuition, Training and Seminars	11,200	28,800	40,000	101	225	325	11,099	28,575	39,675	0.90%	0.78%	0.81%
7055	Travel and Mileage (Staff)	8,400	21,600	30,000	220	489	709	8,180	21,111	29,291	2.62%	2.26%	2.36%
7060	Utilities (Included in Rent)	0	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%
7065	Telephone	8,400	21,600	30,000	312	697	1,009	8,088	20,903	28,991	3.71%	3.23%	3.36%
7070	Rent	102,297	263,051	365,348	6,572	14,704	21,276	95,725	248,347	344,072	6.42%	5.59%	5.82%
7075	Facilities Maintenance	1,820	4,680	6,500	0	60	60	1,820	4,620	6,440	0.00%	1.27%	0.92%
7080/7085	Support Contracts	145,000	30,000	175,000	20,693	6,419	27,112	124,307	23,581	147,888	14.27%	21.40%	15.49%
7090	Non-Board Meetings & Outreach	8,400	21,600	30,000	63	140	203	8,337	21,460	29,797	0.74%	0.65%	0.68%
7095	Board Meetings and Travel	0	8,000	8,000	0	98	98	0	7,902	7,902	0.00%	1.22%	1.22%
7100	Insurance	11,200	28,800	40,000	0	0	0	11,200	28,800	40,000	0.00%	0.00%	0.00%
7120	Employee Fringe Benefits	267,240	542,578	809,818	10,924	24,440	35,364	256,316	518,138	774,454	4.09%	4.50%	4.37%
7125	Employer Payroll Taxes	23,695	48,109	71,804	592	1,326	1,918	23,103	46,783	69,886	2.50%	2.76%	2.67%
7130/7135	Payroll Services and Bank Fees	6,000	0	6,000	275	0	275	5,725	0	5,725	4.59%	0.00%	4.59%
7200	Equipment - Operating Leases	4,200	10,800	15,000	246	550	796	3,954	10,250	14,204	5.86%	5.09%	5.31%
7600	Youth Program Activities	0	15,000	15,000	0	0	0	0	15,000	15,000	0.00%	0.00%	0.00%
7605	Adult/DW Program Activities	0	15,000	15,000	0	0	0	0	15,000	15,000	0.00%	0.00%	0.00%
8500	Equipment and Furniture	21,000	54,000	75,000	114	257	371	20,886	53,743	74,629	0.54%	0.48%	0.49%
8510	Software - NV Trac Data System	0	100,000	100,000	0	0	0	0	100,000	100,000	0.00%	0.00%	0.00%
8900	Strategic Initiative (Operations)	0	141,302	141,302	0	0	0	0	141,302	141,302	0.00%	0.00%	0.00%
	<b>Total</b>	<b>1,847,034</b>	<b>3,053,501</b>	<b>4,900,535</b>	<b>80,499</b>	<b>144,772</b>	<b>225,271</b>	<b>1,766,535</b>	<b>2,908,729</b>	<b>4,675,264</b>	<b>4.36%</b>	<b>4.74%</b>	<b>4.60%</b>

7080 / 7085 Support Contracts -- Program support contracts for the one-stop system as well as NVTrac system maintenance are higher than projected, the budget will be modified in October.

Legend	
	Correct Now
	Watch
	OK

**workforce CONNECTIONS**  
**Awards and Expenditures**  
**Program Year 2011/2012 Adult/Dislocated Worker Programs**  
**As of September 25, 2012**

Amounts for Providers reflect invoiced allowable expenditures through August 2012. Starred lines only reflect expenditures through July 2012.

Amounts for Internal Programs reflect expenditures as of September 25, 2012.

All Contracts have an ending date of June 30, 2013 unless noted.

**WIA PY11-PY12 Adult and Dislocated Worker Green Sector**

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	PY11-12	
							SESP Expenses	
Bridge Counseling Associates	\$ 500,000	\$ 281,836	\$ 218,164	\$ 500,000	100.00%	\$ -	\$ 54,500	
Bridge Counseling Associates-PY12 extension	\$ 700,000	\$ 38,311	\$ 18,819	\$ 57,130	8.16%	\$ 642,870		See above line
GNJ Family Life Center	\$ 600,000	\$ 300,000	\$ 300,000	\$ 600,000	100.00%	\$ -	\$ 33,000	
GNJ Family Life Center-PY12 extension	\$ 1,200,000	\$ 74,601	\$ 28,091	\$ 102,692	8.56%	\$ 1,097,308		See above line
Goodwill of Southern Nevada*	\$ 600,000	\$ 434,209	\$ 159,896	\$ 594,105	99.02%	\$ 5,895	\$ 31,851	
Goodwill of Southern Nevada-PY12 extension	\$ 1,200,000	\$ -	\$ -	\$ -	0.00%	\$ 1,200,000		See above line
Latin Chamber Foundation*	\$ 600,000	\$ 289,266	\$ 200,317	\$ 489,584	81.60%	\$ 110,416	\$ 67,138	
Nevada Partners, Inc	\$ 600,000	\$ 300,000	\$ 300,000	\$ 600,000	100.00%	\$ -	\$ 37,832	
So. NV Regional Housing Authority*	\$ 175,000	\$ 62,422	\$ 55,674	\$ 118,096	67.48%	\$ 56,904	\$ 7,008	
<b>Total</b>	<b>\$ 6,175,000</b>	<b>\$ 1,780,645</b>	<b>\$ 1,280,962</b>	<b>\$ 3,061,607</b>	<b>49.58%</b>	<b>\$ 3,113,393</b>	<b>\$ 231,328</b>	
		58%	42%					

**WIA PY11-PY12 Adult and Dislocated Worker Health Sector**

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	PY11-12	
							SESP Expenses	
CCSD - Desert Rose (contract ends 12/31/2012)*	\$ 500,000	\$ 209,907	\$ 95,808	\$ 305,715	61.14%	\$ 194,285	\$ -	
Foundation for an Independent Tomorrow	\$ 600,000	\$ 300,000	\$ 300,000	\$ 600,000	100.00%	\$ -	\$ 1,000	
Foundation for an Independent Tomorrow-PY12 extension	\$ 1,200,000	\$ 116,526	\$ 53,861	\$ 170,387	14.20%	\$ 1,029,613		See above line
Latin Chamber Foundation*	\$ 600,000	\$ 311,363	\$ 201,952	\$ 513,316	85.55%	\$ 86,684		See Green Above
Latin Chamber Foundation-PY12 extension	\$ 1,200,000	\$ -	\$ -	\$ -	0.00%	\$ 1,200,000		See Green Above
Nevada Hospital Association	\$ 600,000	\$ 550,291	\$ 23,666	\$ 573,957	95.66%	\$ 26,043	\$ -	
Nevada Hospital Association-PY12 extension	\$ 900,000	\$ -	\$ -	\$ -	0.00%	\$ 900,000		See above line
Nevada Partners, Inc	\$ 600,000	\$ 300,000	\$ 224,737	\$ 524,737	87.46%	\$ 75,263		See Green Above
Nevada Partners, Inc-PY12 extension	\$ 1,200,000	\$ 178,933	\$ -	\$ 178,933	14.91%	\$ 1,021,067		See Green Above
So. NV Regional Housing Authority*	\$ 175,000	\$ 85,672	\$ 68,553	\$ 154,225	88.13%	\$ 20,775		See Green Above
So. NV Regional Housing Authority-PY12 extension	\$ 500,000	\$ -	\$ -	\$ -	0.00%	\$ 500,000		See Green Above
<b>Total</b>	<b>\$ 8,075,000</b>	<b>\$ 2,052,692</b>	<b>\$ 968,577</b>	<b>\$ 3,021,269</b>	<b>37.42%</b>	<b>\$ 5,053,731</b>	<b>\$ 1,000</b>	
		68%	32%					

**WIA PY11-PY12 Adult and Dislocated Worker Rural Services**

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	PY11-12	
							SESP Expenses	
Nye Communities Coalition	\$ 750,000	\$ 392,268	\$ 312,010	\$ 704,277	93.90%	\$ 45,723	\$ 13,306	
Nye Communities Coalition-PY12 extension	\$ 1,000,000	\$ -	\$ -	\$ -	0.00%	\$ 1,000,000		See above line
<b>Total</b>	<b>\$ 1,750,000</b>	<b>\$ 392,268</b>	<b>\$ 312,010</b>	<b>\$ 704,277</b>	<b>40.24%</b>	<b>\$ 1,045,723</b>	<b>\$ 13,306</b>	
		56%	44%					

**WIA PY12 Adult and Dislocated Worker Re-Entry Services**

Provider	Contract Award	Adult Expenditures	DW Expenditures	Total Invoiced	% Spent	Remaining Balance	
Foundation for an Independent Tomorrow	\$ 700,000	\$ 36,182	\$ -	\$ 36,182	5.17%	\$ 663,818	
<b>Total</b>	<b>\$ 700,000</b>	<b>\$ 36,182</b>	<b>\$ -</b>	<b>\$ 36,182</b>	<b>5.17%</b>	<b>\$ 663,818</b>	
		100%	0%				

<b>Total PY11-PY12 Adult/DW</b>	<b>\$ 16,700,000</b>	<b>\$ 4,261,787</b>	<b>\$ 2,561,548</b>	<b>\$ 6,823,335</b>	<b>40.86%</b>	<b>\$ 9,876,665</b>	
		62%	38%				

**workforce CONNECTIONS**  
**Awards and Expenditures**  
**Program Year 2011/2012 Youth Programs**  
**As of September 25, 2012**

Amounts for Providers reflect invoiced allowable expenditures through August 2012. Starred lines only reflect expenditures through July 2012.  
Amounts for Internal Programs reflect expenditures as of September 25, 2012.

**WIA PY11 Youth General**

Provider	Contract Dates	Contract Award	Youth In-School	Youth Out-Of-School	Total Invoiced	% Spent	Remaining Balance
			Expenditures	Expenditures			
CCSD Desert Rose-PY11 Year Round*	7/1/11-9/30/12	\$ 362,000.00	\$ 164,836	\$ 70,232	\$ 235,068	64.94%	\$ 126,932
GNJ Family Life Center-PY12 Youth Out of School	7/1/12-6/30/13	\$ 600,000.00	\$ -	\$ 44,913	\$ 44,913	7.49%	\$ 555,087
HELP of So. Nevada-PY11 Year Round	7/1/11-9/30/12	\$ 713,000.00	\$ 120,253	\$ 221,313	\$ 341,565	47.91%	\$ 371,435
HELP of So. Nevada-PY11 Year Round (addl summer \$)	4/1/12-9/30/12	\$ 1,200,000.00	\$ 289,294	\$ 340,836	\$ 630,129	52.51%	\$ 569,871
HELP of So. Nevada-PY12 Youth In School	7/1/12-6/30/13	\$ 922,000.00	\$ -	\$ -	\$ -	0.00%	\$ 922,000
HELP of So. Nevada-PY12 Youth Out of School	7/1/12-6/30/13	\$ 375,000.00	\$ -	\$ -	\$ -	0.00%	\$ 375,000
Latin Chamber Foundation-PY11 Summer Component*	6/1/12-6/30/13	\$ 250,000.00	\$ 34,258	\$ 14,024	\$ 48,283	19.31%	\$ 201,717
Latin Chamber Foundation-PY11 Green Consortium*	5/1/12-9/30/13	\$ 500,000.00	\$ 5,842	\$ 5,898	\$ 11,740	2.35%	\$ 488,260
Latin Chamber Foundation-PY12 Youth Out of School*	7/1/12-6/30/13	\$ 400,000.00	\$ -	\$ 257	\$ 257	0.06%	\$ 399,743
Nevada Partners, Inc-PY11 Year Round	7/1/11-9/30/12	\$ 500,000.00	\$ 163,042	\$ 167,098	\$ 330,140	66.03%	\$ 169,860
Nevada Partners, Inc-PY11 Year Round (addl summer \$)	4/1/12-6/30/12	\$ 677,909.00	\$ 197,869	\$ 480,040	\$ 677,909	100.00%	\$ -
Nevada Partners, Inc-PY11 Summer Component	6/1/12-6/30/13	\$ 500,000.00	\$ 109,403	\$ 10,436	\$ 119,839	23.97%	\$ 380,161
Nevada Partners, Inc-PY12 Youth In School	7/1/12-6/30/13	\$ 922,000.00	\$ 17,918	\$ -	\$ 17,918	1.94%	\$ 904,082
So. NV Children First-PY11 Year Round*	7/1/11-9/30/12	\$ 125,000.00	\$ 45,262	\$ 63,317	\$ 108,578	86.86%	\$ 16,422
So. NV Children First-PY11 Summer Component	6/1/12-6/30/13	\$ 250,000.00	\$ 119,368	\$ 6,168	\$ 125,536	50.21%	\$ 124,464
So. NV Children First-PY12 Out of School	7/1/12-6/30/13	\$ 375,000.00	\$ -	\$ 16,234	\$ 16,234	4.33%	\$ 358,766
<b>Total</b>		<b>\$ 8,671,909.00</b>	<b>\$ 1,267,344</b>	<b>\$ 1,440,765</b>	<b>\$ 2,708,110</b>	<b>31.23%</b>	<b>\$ 5,963,799</b>
			47%	53%			

**WIA PY11 Youth Rural and Tri-County**

Provider	Contract Dates	Contract Award	Youth In-School	Youth Out-Of-School	Total Invoiced	% Spent	Remaining Balance
			Expenditures	Expenditures			
Lincoln County School District-Tri-County-PY11 Year Round*	7/1/11-6/30/13	\$ 100,000.00	\$ 25,534	\$ 37,871	\$ 63,405	63.40%	\$ 36,595
Lincoln County School District-Tri-County-PY11 Extension	7/1/11-6/30/13	\$ 100,000.00	\$ -	\$ -	\$ -	0.00%	\$ 100,000
Nye Communities Coalition-PY11 Year Round	7/1/11-6/30/13	\$ 300,000.00	\$ 91,836	\$ 49,947	\$ 141,784	47.26%	\$ 158,216
Nye Communities Coalition-PY11 Year Round (addl summer \$)	4/1/12-6/30/12	\$ 88,753.00	\$ 53,393	\$ 35,360	\$ 88,753	100.00%	\$ -
Nye Communities Coalition-PY11 Extension	7/1/11-6/30/13	\$ 150,000.00	\$ -	\$ -	\$ -	0.00%	\$ 150,000
Nye Communities Coalition-Tri-County	7/1/11-9/30/12	\$ 150,000.00	\$ 67,908	\$ 62,024	\$ 129,931	86.62%	\$ 20,069
<b>Total</b>		<b>\$ 888,753.00</b>	<b>\$ 238,670</b>	<b>\$ 185,202</b>	<b>\$ 423,873</b>	<b>47.69%</b>	<b>\$ 464,880</b>
			56%	44%			

**WIA PY11 Youth Re-Entry**

Provider	Contract Dates	Contract Award	Youth In-School	Youth Out-Of-School	Total Invoiced	% Spent	Remaining Balance
			Expenditures	Expenditures			
Youth Advocate Programs	7/1/12-6/30/13	\$ 300,000.00	\$ -	\$ 11,804	\$ 11,804	3.93%	\$ 288,196
<b>Total</b>		<b>\$ 300,000.00</b>	<b>\$ -</b>	<b>\$ 11,804</b>	<b>\$ 11,804</b>	<b>3.93%</b>	<b>\$ 288,196</b>
			0%	100%			

<b>Total Youth</b>		<b>\$ 9,860,662.00</b>	<b>1,506,015</b>	<b>1,637,771</b>	<b>3,143,786</b>	<b>31.88%</b>	<b>\$ 6,716,876</b>
			48%	52%			

**workforce CONNECTIONS**  
**Awards and Expenditures**  
**Program Year 2011/2012 Direct Programs**  
**As of September 25, 2012**

Amounts for Providers reflect invoiced allowable expenditures through August 2012. Starred lines only reflect expenditures through July 2012.

Amounts for Internal Programs reflect expenditures as of September 25, 2012.

**WIA PY10/PY11 Governor's Reserve Youth**

<b>Provider</b>	<b>Contract Dates</b>	<b>Contract Award</b>	<b>Total Invoiced</b>	<b>% Spent</b>	<b>Remaining Balance</b>
Clark County - Summer Business Institute*	5/1/12-9/30/12	75,000	\$ 53,653	71.54%	21,347.06
<b>Total</b>		<b>75,000</b>	<b>\$ 53,653</b>	<b>71.54%</b>	<b>\$ 21,347.06</b>

**Direct Grants**

<b>Program</b>	<b>WC FTE</b>	<b>Contract Dates</b>	<b>Contract Award</b>	<b>Total Expended</b>	<b>% Spent</b>	<b>Remaining Balance</b>
Department of Justice - Get Out	0.40	10/1/12-12/31/2012	692,096	\$ 639,659	92.42%	52,437.28
Health Resources and Services Admin. (HRSA)	0	2/8/11-9/30/12	140,509	\$ 135,404	96.37%	5,105.11
Layoff Aversion PY12 - Rapid Response	2.00	7/1/12-6/30/13	250,000	\$ 34,142	13.66%	215,858.21
State Energy Sector Partnership (SESP)	3.60	8/10/10-1/29/13	3,503,000	\$ 2,687,831	76.73%	815,169.12
US Fish & Wildlife - WC	0	6/28/11-12/31/16	11,029	\$ 11,029	100.00%	-
US Fish & Wildlife - So. NV Children First	0	6/1/12-9/30/12	16,471	\$ 6,015	36.52%	10,456.25
Youth Build PY11 - CCSD Desert Rose	0	7/1/11-6/30/13	158,584	\$ 84,701	53.41%	73,882.66
Youth Build PY11 - WC	3.50	6/1/11-5/31/14	941,416	\$ 410,098	43.56%	531,318.22
<b>Total</b>	<b>9.50</b>		<b>5,713,105</b>	<b>\$ 4,008,878</b>	<b>70.17%</b>	<b>\$ 1,704,226.85</b>

**Workforce Connections  
Adult and Dislocated Worker Funding Plan  
September 27, 2012**

	Budget	Remaining Available Funds	Projections Based on Monthly Invoices				Projected PY2012 TOTAL	Remaining
			Jul-Sep 2012 Partial	Oct-Dec 2012 3 Months	Jan-Mar 2013 3 Months	Apr-Jun 2013 3 Months		
<b>REVENUES (Available as of September 24, 2012)</b>								
PY2011 Adult and DW Funding	12,439,868	2,805,656	1,425,988	1,379,668			2,805,656	-
PY2012 Adult and DW Funding (Approved by BOE 08/14/12)	13,164,641	13,164,641		2,671,332	3,880,000	4,338,460	10,889,792	2,274,849
<b>TOTAL REVENUES</b>	<b>25,604,509</b>	<b>15,970,297</b>	<b>1,425,988</b>	<b>4,051,000</b>	<b>3,880,000</b>	<b>4,338,460</b>	<b>13,695,448</b>	<b>2,274,849</b>
<b>EXPENDITURES</b>								<b>1.99 Months</b>
<b>Service Provider Contracts</b>								
PY2011 Original Contracts	6,900,000	621,988	621,988				621,988	
PY2011 Adult and DW (Contract Extensions to June 2013)	9,100,000	8,590,858	450,000	2,600,000	2,600,000	2,940,858	8,590,858	
PY2012 Reentry Program	700,000	663,818	50,000	185,000	185,000	243,818	663,818	
<b>Operations</b>								
Administration and Programs	3,032,928	2,718,784	280,000	810,000	810,000	818,784	2,718,784	
PY2012 One-Stop Operation	1,000,000	1,000,000	24,000	426,000	250,000	300,000	1,000,000	
<b>Pending Contracts</b>								
PY2012 Lincoln County Rural Services	100,000			30,000	35,000	35,000	100,000	
<b>TOTAL</b>			<b>1,425,988</b>	<b>4,051,000</b>	<b>3,880,000</b>	<b>4,338,460</b>	<b>13,695,448</b>	

PY2011 funding period is available July 1, 2011 through June 30, 2013 (after two years, funds revert to the State for one additional year)

PY2012 funding period is available July 1, 2012 through June 30, 2014 (after two years, funds revert to the State for one additional year)

**Workforce Connections  
Youth Funding Plan  
September 27, 2012**

	Budget	Available Funds	Projections Based on Monthly Invoices				Projected PY2012 TOTAL	Remaining
			Jul-Sep 2012 3 Months	Oct-Dec 2012 3 Months	Jan-Mar 2013 3 Months	Apr-Jun 2013 3 Months		
<b>REVENUES (Available as of September 24, 2012)</b>								
Governor's Reserve Incentive	75,000	8,324	8,324				8,324	-
PY2011 Youth Funding	5,760,743	2,541,906	2,448,447	93,459			2,541,906	-
PY2012 Youth Funding (Approved by BOE 8/14/2012)	6,337,899	6,337,899		1,506,541	1,600,000	1,860,000	4,966,541	1,371,358
<b>TOTAL REVENUES</b>	<b>12,173,642</b>	<b>8,888,129</b>	<b>2,456,771</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,860,000</b>	<b>7,516,771</b>	<b>1,371,358</b>
<b>EXPENDITURES</b>								<b>2.66 Months</b>
<b>PY2011 Service Provider Contracts</b>								
Current Contracts (ending date 9/30/2012)	1,850,000	704,718	412,500				412,500	
PY2011 Latin Chamber Green Consortium (ending date 9/30/2013)	500,000	488,260	15,000	90,000	90,000	90,000	285,000	
Governor's Reserve - CC Summer Business Institute	75,000	8,324	8,324				8,324	
PY2011 Lincoln County (Contract Extension)	200,000	136,595	7,500	30,000	30,000	30,000	97,500	
PY2011 Nye County (Contract Extension)	450,000	308,216	32,505	75,000	75,000	75,000	257,505	
<b>PY2011 Amendments (Board approved 3/27/12)</b>								
Nye Communities (ending 6/30/2012)	88,753	-					-	
Nevada Partners (ending 6/30/2012)	677,909	-					-	
HELP (ending 9/30/2012)	1,200,000	569,871	160,000				160,000	
<b>PY2012 Service Provider Contracts</b>								
PY2012 Youth In-School Contracts	1,844,000	1,826,082	150,000	425,000	425,000	425,000	1,425,000	
PY2012 Youth Out-of-School Contracts	1,750,000	1,688,596	72,125	430,000	430,000	430,000	1,362,125	
PY2012 Youth Re-entry	300,000	288,196	15,000	45,000	45,000	45,000	150,000	
PY2012 Youth Summer Component/Year Round	1,000,000	706,342	145,000	90,000	90,000	350,000	675,000	
<b>Operations</b>								
Administration and Programs	1,867,580	1,675,039	115,000	415,000	415,000	415,000	1,360,000	
<b>Pending Contracts</b>								
None							-	
<b>TOTAL</b>			<b>1,132,954</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>1,860,000</b>	<b>6,192,954</b>	

PY2011 funding period is available July 1, 2011 through June 30, 2013 (after two years, funds revert to the State for one additional year)

PY2012 funding period is available July 1, 2012 through June 30, 2014 (after two years, funds revert to the State for one additional year)

**workforce CONNECTIONS**

Audit Findings for PY2010  
(Year Ended June 30, 2011)

Monthly Status Report  
October 2012

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-1	Financial Reporting	<b>Lack of Policies and Procedures and GAAP adherence - improved from last year but still lacks effective policy and procedures</b>	August 2012	X	X	X	X	X	
		Status: A new financial system was implemented in January 2012. The system will improve the entry and reporting of financial data as well as assist in the implementation of more control and accountability.							
		Action: Sep 2011 - Completed configuration of the new financial system, began staff training, and determined original staff assignments.							
		Action: May 2012 - Document the final reconciliation of Financial Edge to QuickBooks for July through December.							
		Finding Status: Jun 2012 - QuickBooks policies were in place July 2011 and new policies for Financial Edge are in place July 2012. This portion of the finding should reflect substantial progress for the June 30, 2012 audit.							
		Action: Aug 2012 - Written policies and procedures were updated for Financial Edge.							
		Status: The monthly closing processes will be assigned to specific fiscal staff wherein each staff has an assigned responsibility with a due date. Completion of the closing processes and the review/approval will be documented and retained.	August 2012						
		Action: Aug 2012 - Review program closeout procedure that ensures final draws, reports, and closing documents are submitted timely.							
Finding Status: Jun 2012 - We received this audit finding on Feb 24, 2012. Reconciliation and close processes will be implemented and documented for the months Jul 2011 through Jun 2012 in Financial Edge by Jul 2012. This portion of the finding should reflect substantial progress for the June 30, 2012 audit.									
Action: Oct 2012/Jan 2013 - Develop new monthly/quarterly financial status reports.									
11-2	Financial Reporting	<b>Lack or insufficient skills and knowledge to perform governmental accounting utilizing GAAP - improved from last year but still needs improvement</b>	May 2012	X	X	X	X		
		Status: The new Finance Manager will provide the expertise necessary to provide the skills and knowledge that have been needed.							
		Action: Mar 2012 - New Finance Manager hired February 27, 2012.							
		Action: May 2012 - Extensive training on DOL fiscal regulations was provided to all administrative and program staff including Finance.							
		Finding Status: Jun 2012 - In addition to interim audit services from Jul through Sep 2011, a new Finance Manager (Feb 2012), Financial Analyst (Jul 2011), and Financial Consultant (Aug 2011) were hired to expand the expertise of the finance staff. This finding should reflect substantial progress for the June 30, 2012 audit.							



**workforce CONNECTIONS**

Audit Findings for PY2010  
(Year Ended June 30, 2011)

Monthly Status Report  
October 2012

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-3	Federal Grants	<b>SEFA schedules did not agree with supporting records or documentation</b>	October 2012	X	X	X	X	X	
		Status: The FE system continues to be reconciled to the supporting draw and invoice records.							
		Finding Status: Jun 2012 - Monthly reconciliation and close processes will be implemented and documented for Jul 2011 through Jun 2012 in Financial Edge by Jul 2012. This finding should reflect substantial progress for the June 30, 2012 audit.							
		Action: Sep/Oct 2012 - Continue to reconcile PY11 invoice and drawdown transactions in FE. Document monthly procedure, review and approval.							
		Action: Ongoing - Update and reconcile FE each month through year end.							
11-4	Federal Grants	<b>Grant funds expended for purposes other than the purpose specified in drawdown.</b>	May 2012	X	X	X			
		Status: The SEFA has been kept up-to-date since April 2011. This resulted in improved drawdown calculations and reduces discrepancies.							
		Action: May 2012 - Continue to update the SEFA worksheet ensuring that discrepancies between the draw requests and the actual expenditures are identified.							
		Finding Status: Jun 2012 - Progress was made including Implementation of a working capital balance and weekly reimbursement draw process in Jan 2012. This finding should reflect substantial progress for the June 30, 2012 audit.							
		Action: Sep/Oct 2012 - Continue to transition from the SEFA to FE reporting to ensure that discrepancies between the drawdown requests and the actual expenditures are identified in a timely manner.							
		Action: Ongoing - FE must be kept up-to-date monthly to ensure accuracy.							
11-5	Federal	<b>Requests for funds need to be complete, accurate, and agree to supporting documentation.</b>	March 2012	X	X				
		Status: It currently takes DETR one to three weeks to process a drawdown request. Because Workforce Connections does not have cash available to pay expenditures and then request reimbursements, cash management can be very difficult.							
		Action: Dec 2011 - Review the split between programs for the operations drawdowns.							
		Action: Jan 2012 - Implemented a new working capital balance draw process that allows weekly reimbursement of expenses. Implement program draw percentages based on prior month's cost allocation.							
		Action: Mar 2012 - Review revenue postings and service provider payments to ensure timely and accurate funding draws with prompt disbursement of funds.							
		Action: May 2012 - DETR continues to decrease (improve) the amount of time between draw requests and receipt of revenues.							
		Finding Status: Jun 2012 - Request for funds are reconciled to FE in the new monthly reconciliation process to be completed in Jul 2012. This finding should reflect substantial progress for the June 30, 2012 audit.							
Action: Ongoing - The Finance Manager and Interim Executive Director will continue to work with DETR to review and improve the drawdown payment process.									

**workforce CONNECTIONS**

Audit Findings for PY2010  
(Year Ended June 30, 2011)

Monthly Status Report  
October 2012

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
11-5 cont.		<b>Funding federal grants in advance - excessive time elapsed between receipt of funds and disbursement of funds</b>	August 2011						
		Status: The updated monthly SEFA process has corrected the delayed payment processing for subrecipients. After a preliminary review, the drawdowns are requested from DETR. While waiting for payment, the documents are reviewed by program staff for allowable costs and then by finance staff for accuracy of the calculations and account coding.							
		Action: Apr 2012 - Continue to update the PY11 SEFA worksheet as drawdowns occur.							
		Finding Status: Jun 2012 - Disbursements continue to be made in a timely manner. This finding should not repeat for the June 30, 2012 audit.							
		Action: Ongoing - continue to review the process to ensure that documents are processed and paid in a timely manner.							
11-6	Federal Grants	<b>ARRA - timely reporting of quarterly reports</b>	July 2011	X	X				
		Status: All of the ARRA funds have been expended and there are no more reports due. The June 30, 2011 report was submitted within the 10 day deadline.							
		Action: Aug 2011 - Two ARRA reports were due for June 30, 2011. Both were submitted on time.							
		Action: Oct 2011 - One final ARRA report was submitted on time for Youthbuild.							
		Finding Status: Jun 2012 - All ARRA quarterly reports were filed timely. This finding should not repeat for the June 30, 2012 audit.							
11-7	Federal Grants	<b>Documentation supporting program participant eligibility shall be complete, accurate, and retained</b>	May/June 2012	X					
		Status: Policies and procedures have been developed and annual monitoring by program staff will ensure complete and accurate records.							
		Action: Apr/May 2012 - Program staff continue to provide technical assistance, oversight, and review of files for completion and accuracy.							
		Action: May 2012 - Fiscal and program staff will review to ensure specific issues have been resolved.							
		Action: May/Jun 2012 - Review and test eligibility for new participants.							
		Finding Status: Jun 2012 - We received this new audit finding on Feb 24, 2012. Technical assistance and monitoring has taken place with WC program staff. Many of the client files for the internal WIA programs will be transitioned to new service providers in Jul 2012. This finding should not repeat for the June 30, 2012 audit.							
Action: Ongoing - Program staff will continue to monitor records for the internal and direct programs that have participant files.									

**workforce CONNECTIONS**

**Audit Findings for PY2010  
(Year Ended June 30, 2011)**

**Monthly Status Report  
October 2012**

Finding	Type	Description	Target Date	Audit					
				PY2010	PY2009	PY2008	PY2007	PY2006	
				ended	ended	ended	ended	ended	
				6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	
				(2/24/2012)	(4/29/2011)	(06/08/2010)	(09/22/2009)	(07/22/2008)	
11-8	Federal Grants	<b>Sub-recipients awards did not contain the required information</b>	July 2011	X	X	X			X
		Status: A contract template was developed for July 2011 contracts that ensures all data elements will be collected from each service provider. Regarding the failure to identify ARRA funding, there will be no more ARRA contracts issued since all funds have been expended.							
		Action: Sept 2011 - A contract checklist was developed for PY11 contracts to ensure all data elements are collected.							
		Action: May 2012 - Training was provided on contracts and procurement to WC staff and service providers.							
		Finding Status: Jun 2012 - All contracts for program year 2011 included the new template with the required information. This finding should not repeat for the June 30, 2012 audit.							
	Action: Ongoing - Ensure all future contracts contain data.								
11-9	Federal Grants	<b>Financial reporting of Form ETA 9130 - timely submissions</b>	July 2011	X	X				
		Status: A spreadsheet was developed for monitoring all report due dates and two fiscal staff are required to monitor the spreadsheet to ensure every report is submitted in advance of its deadline.							
		Action: Nov 2011 - Quarterly direct grant reports are submitted in a timely manner.							
		Action: Jan/Feb 2012 - Quarterly direct grant reports were completed within deadlines.							
		Finding Status: Jun 2012 - All WIA quarterly reports were filed timely. This finding should not repeat for the June 30, 2012 audit.							
	Action: Ongoing - monthly monitoring must continue to take place to ensure reports meet all deadlines.								
11-10	Federal Grants	<b>Monitoring of sub-recipients - Annual Monitoring and Tracking of Findings</b>	August 2011	X	X	X			
		Status: Dept of Labor requires annual financial reviews of subrecipients. Our policy was updated. A monitoring spreadsheet has been developed to track all findings.							
		Action: Aug 2011 - the Board approved the policy change from semi-annual reviews to annual reviews effective June 2011.							
		Action: May 2012 - Continue the annual fiscal monitoring of all service provider contracts. Reports must be issued within 30 days.							
		Finding Status: Jun 2012 - Annual monitoring will be completed by May 2012 and findings follow up will continue. This finding should not repeat for the June 30, 2012 audit.							
	Action: Jul 2012 - Review final completion of fiscal monitoring finding responses.								
	Action: Ongoing - Pink Paper monthly review of fiscal and program status.								

# P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

August 23, 2012

Ardell Galbreth, Interim Executive Director  
workforce CONNECTIONS  
7251 West Lake Mead, Suite 200  
Las Vegas, Nevada 89128

Dear Mr. Ardell Galbreth:

Thank you for the opportunity to submit this letter, which sets forth our understanding of the terms and objectives of our engagement to provide professional services to workforce CONNECTIONS (the Organization). Details of scope and limitations of services to be provided, and certain responsibilities of management with respect thereto, are attached. These attachments are an integral part of this agreement.

Our fees will be based on 65% of our standard hourly rates as set forth in our proposal dated July 18, 2011. Our fees and out-of-pocket costs will be billed semi-monthly as incurred. Any fee estimates provided, whether presented herein or not, are subject to change as a result of significant changes in business activities, such as a business acquisition, or other conditions affecting audit scope. In addition, to the extent, if any, certain other circumstances arise during this engagement, many of which are noted in the attachments, our estimates could significantly be affected, and additional fees may be necessary.

Subject to the provisions set forth in the attachments, our fees (after the discount) for the requested services are estimated as follows:

Audit of basic financial statements (as defined under Governmental Accounting Standards Board (GASB) Statement No. 34, <i>Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments</i> ) (including a federal financial assistance audit, as required by OMB Circular A-133)	\$ 75,724
---	-----------

Please note that this estimate assumes that the Organization's management will be able to accurately and timely complete the Schedule of Expenditures of Federal Awards (SEFA), SEFA reconciliation, and year-end account reconciliations, which are not yet complete at the time of this estimate, and provide a higher level of assistance than in prior years. Additional time incurred as a result of such expectations not being met, after being brought to your attention and your permission to proceed being obtained, will be competed and billed at 65% of our standard hourly rates as more fully explained herein. We will make periodic progress reports, including updating our fee estimate based upon your review and approval thereof.

This letter, including the integral attachments thereto, constitutes the complete understanding between Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors, a Professional Corporation and the Organization relative to services to be rendered to the Organization and supersedes all proposals and other communications, oral or written.

Ardell Galbreth, Interim Executive Director  
workforce CONNECTIONS  
August 23, 2012  
Page 2

We are confident that we can meet or exceed the service expectations of the Organization's board of directors and senior management and look forward to enjoying a mutually satisfying professional relationship for many years to come.

Please sign and return the enclosed confirmation copy of this letter authorizing us to proceed.

Very truly yours,

***PIERCY BOWLER TAYLOR & KERN***

  
Richard H. Bowler, Engagement Principal

ACCEPTED BY:   
Ardell Galbreth, Interim Executive Director

DATE: 09/25/2012

## ATTACHMENT C ESTIMATES

### Fee Estimates

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Fee at Standard</u>	<u>Quoted Fee</u>
Principals	100	\$ 290-430	\$ 189-280	\$ 35,088	\$ 22,807
Team Leader	143	205-285	133-185	35,719	23,217
Professional Staff	<u>333</u>	100-220	65-143	<u>44,847</u>	<u>29,150</u>
	<u>576</u>			<u>\$ 115,654</u>	75,174
Transportation (mileage), postage, fax, copies, supplies, etc.					<u>550</u>
Total fee					<u>\$ 75,724</u>

### Hourly Estimates (Phases)

<u>Audit process element</u>	<u>Principals</u>	<u>Team Leaders</u>	<u>Professional Staff</u>	<u>Total</u>
Client meetings/communications	3	3	4	10
Planning	8	20	15	43
Financial statement audit procedures	17	29	108	154
OMB Circular A-133 compliance audit procedures	16	75	170	261
Draft basic financial statements and related reports/letters	38	6	6	50
Audit wrap-up and technical quality review	<u>18</u>	<u>10</u>	<u>30</u>	<u>58</u>
Total hours	<u>100</u>	<u>143</u>	<u>333</u>	<u>576</u>



OFFICE OF THE DIRECTOR

Date: September 25, 2012

To: Ardell Galbreth, Executive Director, NVWorkforceConnections

From: Dennis Perea, Deputy Director, Department of Employment, Training and Rehabilitation

cc: Frank Woodbeck, DETR, Director  
Renee Olson, DETR, ESD Administrator  
Lynda Parven, DETR, ESD Deputy Administrator  
Duane Anderson, DETR, Chief Auditor  
Grant Nielsen, DETR, Chief of WISS  
Derrick Berry, DETR, Program Specialist

Subj: 2011 Final Report of the Technical Assistance Review of NVWorkforce Connections' Fiscal Operations

This memo presents the findings contained within the Final Report of the Department of Employment, Training and Rehabilitation's (DETR) Internal Audit's (Audits) technical assistance review over the NVWorkforceConnections' fiscal procedures and operations.

Background

The mission of the NVWorkforceConnections (Southern Board) is to assist those individuals needing job training and/or seeking employment. The Southern Board seeks to develop a world-class workforce by providing direct access to essential training and apprenticeships, and by using other key strategies designed to match workers to employers so as to make a difference in their lives. Critical to this end is the Southern Board's ability to partner with key service providers, blending together aspects of each entity and then bringing forth a comprehensive package of services for delivery to Nevada's workforce.

The Southern Board serves the cities of Las Vegas, North Las Vegas, Henderson and Boulder City and the Counties of Clark, Lincoln, Nye and Esmeralda.

DETR and the Southern Board also work together as partners in moving forward and achieving the Southern Board's goals and objectives. However, it is important to note that DETR has additional responsibilities from a state /federal perspective as well, one of which includes providing continual monitoring /oversight efforts over the Southern Board's program /fiscal operations. This review helps to accomplish this end.



### Purpose /Scope of Review

The purpose of DETR Audit's review of the Southern Board's fiscal procedures and operations is to: 1) provide overall technical assistance, 2) maintain the required levels of monitoring /oversight, and 3) ensure compliance to existing State/Federal laws and regulations. During the review, Audits also worked with the Southern Board's Single Audit auditors in a cooperative and coordinated effort to ensure these purposes were met. During the review, Audits reviewed the work of the Single Audit auditors and wherever possible, accepted their work for efficiency sake and to minimize duplicated efforts.

The Southern Board's fiscal processes and procedures were reviewed for accuracy, completeness and compliance to applicable State /Federal laws and regulations.

DETR Audits sample tested 112 expenditure transactions totaling \$958,305 for accuracy, appropriateness, completeness and compliance to laws and regulations. The period of review was the fiscal /program year July 2009 through May 2011. However, depending on the audit test results, expansion of the test period may have been necessary in some instances, on an exception basis only.

The report is divided into 2 Sections, as follows:

- Observations Section – these report on issues /concerns that are not 1) directly a part of the Southern Board's operations and/or 2) given the same urgency level as an audit finding.
- Findings Section – these report on issues /concerns that require the Southern Board management to take immediate corrective action of one kind or another.

### Issues and Recommendations

Based on the results of the review, DETR Audits found that the Southern Board continued to make steady progress in establishing and maintaining an acceptable system of fiscal controls and procedures. During the audit, the Southern Board made numerous organizational changes designed to help re-structure the Board's fiscal operations so that the required corrective actions (whether they are related to corrective actions and/or normal actions), can be developed, implemented and achieved in a timely manner.

Nonetheless, while the Southern Board did make steady progress, there continue to be areas, per the review (and other audits), where improvement /attention needs to be provided. Specifically:

### Observations Section

#### **1. Board Committee Meeting Issues**

A review of various Board Committee Meeting minutes disclosed a number of issues /concerns which need to be addressed as follows:

##### **A. Emerging Markets/Partnership Resource Development (EM/PRD) Committee**

A review of the minutes for the EM/PRD Committee found that the minutes were often incomplete and/or confusing. In addition, it was difficult determining the exact make-up of the committee and as a result, it was difficult determining whether or not, a required quorum was reached. Specific problems were as follows:



- Unable to determine exact make-up of committee – varied significantly from 5 to 14 members.....it appears that the membership was normally 7 to 8 members
- Unable to determine if quorum was reached due to fact that membership varied so widely
- Not all meeting minutes were posted on the Website and sometimes, a prior meeting was posted more than once
- Detailed information on the meeting minutes was not always accurate (sometimes, information from previous minutes was included in error).

**B. Adult & Dislocated Worker (A&DW) Committee**

A review of the minutes for the A&DW Committee found that the minutes were often incomplete and/or confusing. In addition, as noted previously for the EM/PRD Committee, it was again difficult determining the exact make-up of the committee and as a result, it was difficult determining whether or not, a required quorum was reached (see issues noted below). Specific problems were as follows:

- Many committee members did not regularly attend committee meetings. Some missed several meetings and some missed 3 or more in a row and were not removed from the Committee per the Southern Board policies.
- Unable to determine exact make-up of committee – varied significantly
- There was one instance found where a quorum was questionable..... refer to the 1/12/11 meeting
- Not all meeting minutes were posted on the Website and sometimes, a prior meeting was posted more than once
- Detailed information on the meeting minutes was not always accurate (sometimes, information from previous minutes was included in error).

NRS 241.020 (Open Meeting Law) states in part that all meetings of public bodies must be open and public, and all persons must be permitted to attend any meeting of these public bodies.

NRS 241.0355 states in part, that a public body that is required to be composed on elected officials only may not take action by vote unless at least a majority of all the members of the public body vote in favor of the action.

NRS 241.036 states in part, that the action of any public body taken in violation of any provision of this chapter is "void."

**Recommendations**

DETR Audits recommends that NVWorkForceConnections management work to improve the overall reporting of minutes for the Southern Board and associated Committee meetings. In addition, the required "attendance of members" for both Board and Committee Meetings should also be re-emphasized. Meetings where a "quorum" has not been reached should be cancelled and re-scheduled for a later date. Any business actions transacted at meetings where a "quorum" has not been reached would be considered null and void.

### **NVWorkforceConnections' Response**

- Each committee is comprised of several members – some of which are appointed, removed/resigned for various reasons. Official meeting minutes indicate the number and who are appointed to serve as a committee member. Copies of the meeting minutes were provided to the assigned auditor.
- A quorum can be determined based on the number and names of the individuals indicated in the recorded meeting minutes. No votes or actions were taken on any agenda item without a quorum.
- An initial review of WorkforceConnections' website did not include the most current meeting minutes; however, immediate corrective action was made and now all meeting minutes are promptly posted on WorkforceConnections' website.
- After reviewing recorded meeting minutes, there was no evidence of recording errors or information duplication.
- In accordance with WorkforceConnections' bylaws, some committee members have been removed due to absenteeism.

### **DETR Audits' Response**

DETR Audits' agrees with NVWorkforceConnections' response and reiterates the need for accurate and timely recording/reporting of minutes. It should be noted that in reviewing available documentation, DETR Audits feels that due to the lack of updated information (whether online or at the meetings themselves), the determination of "current" committee membership and whether or not, a quorum occurred became difficult, at times. The new change to have meeting minutes posted promptly /accurately should help alleviate this difficulty.

Plus, the removal of committee members who repeatedly failed to attend required meetings sends a needed message to those remaining members that their commitment is necessary.

## **2. Cost Allocation Issues**

A review of the current Cost Allocation (CA) plan disclosed some potential issues /concerns. The CA plan states that the Southern Board allows another 16% for program administration (beyond the 10% administration limit) but the basis for this is not sufficiently justified /documented. DETR Audits recognizes there may be some flexibility related to the "program administration rate" as determined beyond that of the 10% limit allowed for the Local Board but the rationale for allowing a higher rate needs to be periodically re-examined and re-evaluated (so that administrative-type expenditures can be sufficiently controlled). Should NVWorkforceConnections' allow for situations where the program administration rate is higher than 10%, then this situation should be properly documented, justified and approved (by the State).

In addition, the CA plan also states that the YouthBuild and the Dept of Justice grants do not receive any allocated portions of operational costs. DETR Audits questions this because, regardless of the allowableness of the expenses, all grants typically, are required to receive an allocated portion of the operational indirect costs, unless the grants are allowed some kind of special circumstances.

Office of Management & Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, states in part that although this Circular ***adopts the concept of full allocation of indirect costs***, there are some Federal statutes which restrict the reimbursement of certain indirect costs. Where such restrictions exist, it may be necessary to develop a special rate for the affected award. Where a "restricted" rate is required, the procedure for developing a non-restricted rate will be used except for the additional step of the elimination from the indirect cost pool those costs for which the law prohibits reimbursement.

### **Recommendations**

DETR Audits recommends that NVWorkforceConnections management develop and implement the following:

- A documented basis which supports a "program administration" rate higher than 10%,
- A revised Cost Allocation plan that allocates indirect operational costs to all grants or obtain a written statement and/or approval from the Federal Grantor agency allowing for the exclusion of certain costs (either direct or indirect) in the grant proposal.

### **NVWorkforceConnections' Response**

- WorkforceConnections' has reduced its administrative and programmatic budget allocation to no more than 20% for each Program Year, i.e., 10% administrative allocation and 10% programmatic. Beyond this, concerted fiscal accountability action has been initiated to ensure more funds and resources are allocated to community services activities.
- A revised Cost Allocation Plan has been prepared that reflects 10% programmatic allocation along with streamlined fiscal accountability.
- With regard to the YouthBuild and Department of Justice grants, a significant error was made with the issuance/award of these grants and WorkforceConnections' management staff is attempting to work with associated federal grant officers to make corrections.
- After reviewing recorded meeting minutes, there was no evidence of recording errors or information.

### **DETR Audits' Response**

DETR Audits' agrees with NVWorkforceConnections' response and applauds the cost cutting measures that have been made, however, management may still want to consider further cost cutting efforts once the situation has stabilized. The ability to increase actual funding and resources at the sub-recipient level is critical for maximizing outreach efforts towards clients.

### **3. Audit and Audit Resolution Process**

A review of the audit and audit resolution process disclosed continuing problems as follows:

- Delinquent Single Audits - the required Annual Single Audits have a completion deadline and this has not always been met. However, it should be noted that nearly all requested time extensions did receive prior approval from DETR Audits, at least initially. There were a couple of instances where approvals for further extensions of time may not have been requested.
- Repeated Audit Findings & Lacking Corrective Actions - there has been a history of repeated audit findings and a general lack of corrective actions. And while it appears that the NVWorkforceConnections management is strongly pushing the implementation of corrective actions, this effort must continue until the audit findings are fully resolved, especially those that have been repeating.

To ensure that the required system of internal controls is developed /established /maintained, it is critical that audits are performed timely and that audit findings are dealt with and corrected in a timely fashion. Repeated audit findings, especially fiscal findings that have significant impact, show that the management system in place is lacking and needs more emphasis.

Workforce Investment Act (WIA) State Compliance Policies, Section 3.2 (II)(B) states that the Local Workforce Investment Boards and their subrecipients must ensure that they are in compliance with all audit requirements such as having a timely audit conducted in accordance with the Single Audit Act of 1984.....

#### **Recommendations**

DETR Audits recommends that NVWorkforceConnections management ensure that the required audits are completed timely and any associated audit findings are dealt with and corrective measures implemented as quickly as possible.

#### **NVWorkforceConnections' Response**

- WorkforceConnections' has hired additional staff including a new Finance Manager with a CPA, a Senior Financial Analyst, and a fiscal consultant as well as instituted financial accountability and process controls to detect and correct financial transaction errors. For the first time in many years, the PY2010 Single Audit was completed and delivered on time—actually ahead of schedule.
- To eliminate repeated/recurring audit findings, WorkforceConnections' management has developed key monitoring and process review controls along with monthly reports to WorkforceConnections' budget committee and Board of Directors. Such reports detail and highlight the status of each audit finding and associated corrective action with corresponding projected corrective action completion date.

#### **DETR Audits' Response**

DETR Audits' agrees with NVWorkforceConnections' response.

## Findings Section

### 1. Internal Control Issues

Control over contracts needs to be improved. Contractors were not always held accountable for their contract budgets and/or deliverables. Specifically:

#### A. Paying for Duplicated or Excessive Contract Services

There were several contracts where “**duplicated or excessive**” contract services were paid for because the contractor appears to have incorrectly estimated the potential project costs and ultimately, needed more funding to complete the work. Contractors that estimate their projected costs too low should not be rewarded, but rather should be held accountable for their cost projections. For each case listed, the contract was processed as a “sole source” contract. Specifically, the contracts in question are as follows:

- The Strategic Progress contract had four (4) separate amendments which increased funding, from an original amount of \$6,000 to over \$40,000. It appears that many of the work deliverables were paid for more than once because they were included in subsequent amendments. In one instance, the scope of work /deliverables identified in Amendment #1 was essentially the same as that identified in Amendment #2, except that the contractor was to be paid more. **This contract was processed as a “sole source” contract.**
- The SQLTek (Kelly Jain) contract had at least one amendment which increased funding from \$60,000 to over \$170,000. It appears that various aspects of the scope of work from the original contract were also included in the scope of work for Amendment #1. Unfortunately, the details for the scope of work in Amendment #1 were not very detailed and comparing them to the original contract was at times, difficult but a few comparisons can still be made. For instance, the scope of work in the original contract and amendment #1 contained items for training users /staff. In addition, both the original contract and amendment #1 contained items for defining, documenting, building, mapping and connecting or interfacing which related to key aspects of the new tracking system. However, the lack of any valid details in the scope of work/deliverables would not allow for any further comparisons to be made. **This contract was processed as a “sole source” contract.**
- The Tribal Minds contract had three (3) separate amendments which increased funding, from an original amount of \$20,000 to \$77,000. The Tribal Minds contract provided services for the Project 5000 effort. It appears that many of the work deliverables were paid for more than once because they were included in subsequent amendments. For example, the scope of work /deliverables identified in Amendment #2 was essentially the same as that identified in Amendment #3.

CFR 29 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Subpart C, Sec 97.36 (b) (4) states in part that Grantee and subgrantee procedures will provide for a review of proposed procurements to “avoid” purchase of unnecessary or duplicative items.

Office of Management & Budget (OMB) Circular A-87, attachment A, states in part that governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices. Furthermore, OMB Circular A-87 states in part that to be allowed under Federal awards, costs must meet general criteria, including, but not limited to, being necessary and reasonable. The duplication of services /costs is inconsistent with the general principles of non-duplication and efficiency in the WIA statute, regulations and OMB Circulars.

**B. Questionable Expenses**

Our review found questionable business expenses totaling \$638 as follows:

- Finance charges and/or late fees were incurred totaling \$315. In general, these costs were unnecessary and the expense should have been paid in full.
- Two (2) Garmin Navigation units were purchased for \$323, but their business purpose was not made clear and less costly alternatives were available.

Good internal controls and good business practices dictate that adequate controls over expenditures /payments be established.

WIA State Compliance Policies, Financial Section, Allowable Costs, Section 3.1 states that the cost of legal expenses required for the administration of WIA programs is allowable.

29 CFR, Subpart C, Sec 97.20 (b)(3), Standards for Financial Management Systems – Internal Control, states in part that effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

**C. Invoices Lacking Prior Fiscal Approval**

A number of paid invoices lacked prior fiscal approval (ie, not given before the actual payment was scheduled (for proper planning /budgeting)). Without obtaining the required prior fiscal approvals, the necessary fiscal controls needed to oversee critical areas of budgeting and fiscal compliance are bypassed and/or diminished.

29 CFR, Subpart C, Sec 97.20 (b)(3), Standards for Financial Management Systems – Internal Control, states in part that effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

- D. Costs not distributed and/or reported** – A review of the NVWorkforceConnections' Expenditure Report for June 30, 2011 showed that there was a balance of over \$14,000 left in the 9999 general ledger "suspense" or "holding" account. This means that these expenditures were not properly distributed to their real accounts and as a result, have not been fully recognized and reported as expenditures through June 2011. NVWorkforceConnections' fiscal staff indicated that these expenditures were fully distributed later as "audit adjusting" entries but while DETR Audits did observe subsequent adjustments totaling about \$200,000; support was lacking for the \$14,000 balance remaining in account 9999.

29 CFR, Subpart C, Sec 97.20(b)(1) – Financial Reporting - states in part that accurate, current and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

### **Recommendations**

DETR Audits recommends that NVWorkforceConnections management ensure that:

- A.** Proper contract procedures are followed, especially when contract amendments are involved. Approval of contract deliverables that are considered "duplicative or excessive" in nature, should not be allowed.

When specifying any new "scope of work" items, an effort must be made to ensure that the new contract deliverables are clearly delineated in the amended contract specifications and not simply identified as the same "scope of work" items from a previous amendment, etc.

- B.** Expenses for items totaling \$623 that could be considered as either "personal" or "business" should have adequate documentation available to show their legitimate "business" purpose (and are necessary), otherwise, they cannot be funded by state /federal dollars.
- C.** Prior fiscal approvals should be obtained for all invoices that are processed /paid.
- D.** The balance of \$14,000 plus of expenditures left in the "suspense" account #9999 gets properly allocated /distributed /reported for the 2011 fiscal year.



### **WorkforceConnections' Response**

For Item A - please note that such duplication of contract services was at the request of the Governor's Workforce Investment Board using Governor's discretionary funds. In an effort to instill collaborative, supportive workforce development initiatives to follow the state's request, WorkforceConnections responded by promptly executing contract at the direction of the Governor's Workforce Investment Board.

For items B thru D, WorkforceConnections did not respond in writing, however, per prior discussions with WorkforceConnections' management, for Items B & C, all expenses will be properly signed off/approved to ensure they have legitimate business purposes. And for Item D, all expenditures held in the "suspense" account #9999 will be properly allocated to their correct expenditure categories /accounts prior to account closure activities.

### **DETR Audits' Response**

For Item A, DETR Audits' takes notice of NVWorkforceConnections' response and will endeavor to inform DETR executive management of any potential concerns in the future.

## **2. Bank Account /Reconciliation Issues**

DETR Audits' review of the NVWorkforceConnections' bank statements and related bank account reconciliations disclosed a number of issues as follows:

- Cancelled checks were not available for review. Without having the ability to review cancelled checks, the overall control offered by the periodic bank account reconciliation is diminished, thereby, increasing the overall risk to the organization.
- The bank accounts were not maintained in interest-bearing accounts as required.

Good internal controls and good business practices dictate that adequate controls over expenditures /payments be established.

29 CFR, Part 97.20 (b)(3), Standards for Financial Management Systems – Internal Control, states in part that effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

### **Recommendations**

DETR Audits recommends that NVWorkForceConnections management improve overall control over its bank account and bank account reconciliation procedures. Specifically,

- Copies of cancelled checks should be obtained and made a part of the periodic bank account reconciliation process.

Note: NVWorkforceConnections fiscal staff indicated that cancelled check information will be available for review after December 2011.



- The bank accounts should be maintained in interest-bearing accounts and all interest earnings included as program income.

Note: NVWorkforceConnections fiscal staff indicated the bank accounts were converted to “interest bearing” accounts in December 2011.

#### **NVWorkforceConnections’ Response**

WorkforceConnections has instituted strong fiscal controls with monthly bank reconciliation with cancelled checks and information available for review. With the implementation of the WorkforceConnections’ new financial software, detailed financial transactions and information is available for review with instant retrieval of data and system reports.

#### **DETR Audits’ Response**

DETR Audits’ agrees with NVWorkforceConnections’ response.

### **3. Cash Management Issues**

The Southern Board management needs to improve its processes concerning the issue of cash advances to sub-recipients. A number of problems were disclosed as follows:

- Multiple sub-recipient requests for advances were processed following the initial working capital advance used to start the program year.
- Multiple sub-recipient requests for advances were processed even though, prior advances were still outstanding and/or had not been properly reconciled in the Board’s records.

Good internal controls and good business practices dictate that adequate controls over expenditures /payments be established.

29 CFR, Part 97.20 (b)(3), Standards for Financial Management Systems – Internal Control, states in part that effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

#### **Recommendations**

DETR Audits recommends that NVWorkforceConnections management establish tighter controls over the advances made to its sub-recipients, especially in those situations, when multiple advances have already been made.

Note: DETR Audits recognizes that the NVWorkforceConnections fiscal staff have developed and implemented tighter controls since the start of our review and it is hoped that this will be sufficient to improve controls in this area.

#### **NVWorkforceConnections’ Response**

WorkforceConnections has instituted strong fiscal controls and accountability. Even with the uncertain cash draw timeline from DETR, WorkforceConnections’ financial staff has developed a solid systematic process to manage its cash account effective in response to operational and employment and training services delivery.

### **DETR Audits' Response**

DETR Audits' withholds a response until the new controls /system can be sufficiently evaluated.

#### **4. Procurement Issues**

In general, the Southern Board followed the appropriate procedures in their RFP processes as their processes were fairly accurate, and in compliance with laws and regulations. However, Audits did identify some areas that need correction and/or improvement. Specifically, they are as follows:

- Proper Employee Code of Conduct needs to be emphasized to all staff who participate in the RFP processes.
- A final management review of the final RFP ratings was not always done that would identify any anomalies and/or wide range discrepancies in final rating scores.

29 CFR, Part 97.20 (b)(3), Standards for Financial Management Systems – Internal Control, states in part that effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

29 CFR, Part 97.36 (c)(1), Procurement Standards – Competition states in part, that all procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 97.36.

### **Recommendations**

DETR Audits recommends that NVWorkforceConnections management develop and /or establish the following:

- Proper Employee Code of Conduct needs to be emphasized to all staff who participate in the RFP processes.
- A final management review of the final ratings needs to be done so that any wide range discrepancies in final rating scores are addressed and/or can be appropriately explained. This will help to ensure a consistent application of the evaluation criteria currently in place.

### **NVWorkforceConnections' Response**

Since the onset of DETR's audit, WorkforceConnections has implemented additional controls and checkpoints process in publishing and processing Request for Proposal. Each proposal review/evaluator is thoroughly briefed and acknowledges WorkforceConnections' Code of Conduct Standards in writing. Final ratings are reviewed and approved by the executive director or assigned deputy director.

### **DETR Audits' Response**

DETR Audits' agrees with NVWorkforceConnections' response.

## 5. Fixed Assets/Inventory Issues

A review of the Southern Board's inventory disclosed some issues/concerns. Specifically, NVWorkforceConnections needs to have a better plan for its projected PC server purchases and accountability over its PC inventory needs to be improved as well.

### A. Need an Improved PC Purchasing Plan

A minimum of thirteen (13) PC servers were bought since December 2009 (about a 2 year period). These PC servers were all bought individually (or on a piece-meal basis). This seems to be a high number, however, the circumstances (ie, advent of ARRA) may have dictated that these servers were needed. In the future, it would be helpful if the NVWorkforceConnections' "IT purchasing plan" included specific PC server purchases, if possible.

### B. Need to Improve PC Accountability

DETR Audits found a number of problems with the PC inventory as follows:

- Key inventory items lacked critical identifying information, such as an id number or serial number, etc. Also, the specific location was lacking as well. For example, PC servers located in the Data Center need to be reported with additional information that show such assets are located in the Data Center. Plus, a Dell R710 Server for provider "NPI" did not have a specific Inventory Account number. This causes accountability problems and makes performing a physical inventory difficult.
- A sample physical inventory disclosed problems locating certain PC servers, as they either could not be located or were listed incorrectly in the inventory records. The specific items were as follows:
  - Dell Poweredge 2850 Server - Item # 1JPFQ81
  - Dell Poweredge R710 Server – Item # FLS3VL1
  - Dell Poweredge R510 Server – Item # CJ5FWL1
- **Note:** *While IT staff did indicate that these servers were eventually found, the differing response as to their location continues to cause questions about their whereabouts and needs to be followed up.*
- Several current inventory account numbers in the inventory system did not tie back /reconcile easily to other detailed records maintained separately by the IT Section.

WIA State Compliance Policies, Property Management, Section 3.11 states in part that Grantees must maintain an inventory of all real or nonexpendable personal property, which was purchased with WIA funds.....In addition, the Grantees must perform on-site property reviews to determine that property is appropriately tagged and that state and local property management procedures are established and adhered to and .....to ensure that a property inventory is taken annually and that property records are reconciled.

29 CFR, Part 97.32 (d)(1), Equipment, states that property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and the cost of the property, the location.....etc.....

29 CFR, Part 97.32 (d)(2), Equipment, states that a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

29 CFR, Part 97.32 (d)(3), Equipment, states that a control system must be developed to ensure adequate safeguards to prevent loss, damage or theft of the property. Any loss, damage or theft shall be investigated.

**Recommendations:**

DETR Audits recommends the following steps be taken by NVWorkforceConnections management.

- Develop an improved overall plan for future IT equipment needs, especially with a focus on any projected PC server needs.
- Tag and account for all equipment, including expensive PC servers. Additional identifying information (such as Tag #'s, specific location (ie, Data Center versus Board HQ), serial number, etc) must be added to the current inventory to adequately identify the PC equipment.
- Emphasize the fact that updated inventory controls and procedures are crucial to safeguarding assets. Fiscal staff must reconcile the 2 inventory databases (worksheets) currently maintained and **merge them into one official inventory record that is accurate, complete and reliable.**
- In addition, fiscal staff need to perform the required detailed investigative steps (and document what is done and the outcome) when any equipment (especially personal computers, laptops, servers) is reported to be lost and/or missing.

**NVWorkforceConnections' Response**

For Item A – Please note that the equipment listed/indicated on the inventory report are/were not all servers. WorkforceConnections purchased an array of IT equipment, i.e., from internet routers to desktop computers to servers; however, many of the purchases were in support of and assigned to WorkforceConnections' service providers.

For Item B – WorkforceConnections has developed an IT utilization plan whereby computers and other IT equipment are purchased or replaced during timely equipment life cycles. Additionally, inventory controls have been strengthened with added assurance that all appropriate equipment is properly accounted for by designated locations.

### **DETR Audits' Response**

DETR Audits' agrees with NVWorkforceConnections' response but also strongly suggests additional elements as follows:

- With respect to Item A, controls can be improved by having individuals "separate and distinct from IT staff" to perform the required annual physical equipment inventories. In addition, IT equipment having values greater than \$5,000 (as well as having greater levels of portability) should be handled under the strictest of protocols. And whenever situations occur where IT equipment and/or other expensive equipment turns up missing or cannot be easily located or identified, immediate actions should be taken.
- With respect to Item B, controls can be improved by having one equipment inventory instead of two. Efforts should be undertaken to verify the accuracy of the existing inventories while working to combine them. In addition, all equipment (meeting the criteria established by the Board) needs to be identified with a specific, unique account code /identifier (ie, Tag #) and reported.

**AMENDMENT 2**

**PROFESSIONAL SERVICES CONTRACT**

This is an amendment to the existing Contract Agreement made on the 15th day of August 2011, by and between and *workforce*CONNECTIONS, whose address is **7251 West Lake Mead Blvd., Las Vegas, Nevada, 89128**, hereinafter referred to as the “*wC*”, and CST Project Consulting whose principal place of business is located at 6440 Sky Pointe Drive, Suite 140-388, Las Vegas, Nevada 89131 hereinafter referred to as “Consultant”.

In addition to the goods and services outlined in the basic contract agreement, Consultant shall provide certain professional fiscal support services and deliverables as set forth in this statement of work as follow:

WHEREAS, *wC* desires to engage the services of the Consultant to perform for *wC* consulting services regarding the accounting and fiscal functions and/or the operations of *wC*.

NOW, THEREFORE, it is agreed as follows:

1. **Term:** The respective duties and obligations of the Consultant shall be effective upon August 15, 2011 and ending on **January 31, 2014, with an option to extend one additional year.**
2. **Scope of Work.** (Outlined in Attachment A of herein contract agreement)
3. **Compensation.**
  - a. The cost of the Consultant’s services rendered to *wC* is pursuant to the terms and scope of work in this agreement. Addition, *wC* shall reimburse the Consultant for any reasonable “out of pocket expenses” incurred by the Consultant pursuant to the terms and scope of work of this agreement such as “average per diem rate, travel, lodging, supplies and materials.” The Consultant shall submit to *wC* an itemized statement of hours of services performed and expenses pursuant to the terms and scope of work of this agreement.
  - b. The Consultant’s compensation shall be in the amount of **\$90.00** per hour for the first 480 hours, and 72.00 per for any additional prior to January 31, 2014, not to exceed **\$163,440.**

- c. **Invoices must indicate the tasks performed along with the computed compensation hours and rate. The invoice must be submitted to the wC at the beginning of each month.** All payments shall be due within thirty (30) days of receipt of accurate invoice. Failure to pay the agreed upon amount as indicated in paragraphs 3.a. and 3.b of this section shall constitute a breach of contract.

IN WITNESS WHEREOF, the parties hereto, through their duly authorized officers, have executed this Agreement on the \_\_\_\_\_ October, 2012.

**CST Project Consulting**

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
Carol S. Turner  
Manager

***workforce*CONNECTIONS**

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
Ardell Galbreth  
Executive Director

**SCOPE OF WORK**

**CONSULTANT SHALL PLACE DETAILED EMPHASIS IN THE FOLLOWING AREAS:**

1. Work with *workforceConnections*' accounting and management staff to rectify longstanding fiscal and programmatic audit findings
2. Prepare and provide high-level research and analysis highlighting *workforceConnections*' fiscal compliance status, i.e., descriptive reports outlining current fund balances at least monthly
3. Review general ledger revenue and expenditure, and prepare reports targeting key fiscal points and indicators that allow senior managers to determine *workforceConnections* overall fiscal health accountability
4. Review subrecipients' expenditure reports and reconcile such reports with *workforceConnections*' invoice payments
5. Review *workforceConnections*' bank reconciliation reports and brief management on results
6. Prepare customized presentations that highlight *workforceConnections*' financial business practices and processes involving key financial measures
7. Review *workforceConnections*' budget and report actual expenditure rates in comparison to projected goals/authorized authority
8. Review audit findings and formulate corrective action plans along with follow-up reports at least monthly



**AMENDED BUDGETED  
SCOPE OF SERVICES:**

**Activity**

**Projected Cost**

Technical Assistance in the Area of Fiscal Accountability Services

<b>Line Item</b>	<b>Cost</b>
<b>Reference Attachment A Scope of Work</b>	<b>Total Cost of Original Contract: \$79,990</b>
	<b>Total Cost of Amendment #1: \$163,184</b>
	<b>Total Cost of Amendment #2: \$163,440</b>
<b>TOTAL COST of Agreement</b>	<b>Not to Exceed: \$406,614*</b>

**\*TOTAL COMPENSATION IS FOR THE ENTIRE TERM OF THIS CONTRACT**

## **BUDGET COMMITTEE 2013 CALENDAR**

~~Wednesday, January 2, 2013~~ Wednesday, January 16, 2013 @ 10:00am

Wednesday, February 6, 2013 10:00am

Wednesday, March 6, 2013 10:00am

Wednesday, April 3, 2013 10:00am

Wednesday, May 1, 2013 10:00am

Wednesday, June 5, 2013 10:00am

Wednesday, July 3, 2013 10:00am

Wednesday, August 7, 2013 10:00am

Wednesday, September 4, 2013 10:00am

Wednesday, October 2, 2013 10:00am

Wednesday, November 6, 2013 10:00am

Wednesday, December 4, 2013 10:00am