



November 19, 2015
9:00 – 11:00 a.m.
Ice House
127 West Bruce Street, Room 117
Harrisonburg, VA

- **Call to Order**
 - a) Roll Call
 - b) Introduction of Guests
 - c) Prior Meeting Minutes**Board vote required.**

Jeff Stapel
Debbie Berry
Jeff Stapel
- **SVWDB Operations (Valley Workforce Centers)**
 - a) Valley Workforce Centers Dashboard
 - b) Winchester and Harrisonburg Centers Update

Elizabeth Bouldin-Clopton
Sharon Johnson
- **SVWDB Workforce Initiatives**
 - a) Valley On-the-Job Training Update
 - b) American Apprenticeship Initiative Update
 - c) Outreach and Communications Program

Sharon Johnson
Karen Lawrence
- **Elizabeth Creamer**, Advisor for Workforce Development, Secretary of Commerce and Trade, Office of Governor Terence McAuliffe
 - Governor's Workforce Policy Agenda
 - Evolution of Virginia Workforce System
 - WIOA Implementation
- **Mary Ann Gilmer**, Vice President Workforce Development, Goodwill Industries of the Valleys
 - Goodwill as a Workforce Partner
 - Partnership Opportunities
- **Committee Reports**
 - a) Finance Committee
 - b) Compliance Committee

Brian Brown
- **Other Business**
 - Meeting Agenda 2016

Jeff Stapel
- **Public Input (Rules and Guidelines attached)**

Jeff Stapel
- **Adjournment**

Jeff Stapel

Next Meeting Date and Time: March 10, 2016, 9:00 – 11:00 a.m.
Meeting Location: Ice House, 127 West Bruce Street, Harrisonburg, VA

Public Input Rules and Guidelines

- 1) Citizens desiring to speak during the public input period must sign in on the Public Input Sign-in sheet to provide information which includes printed name, organization (if applicable) and input topic. This will allow for citizens to be recognized by the Chairman of the Board during the Public Input period.
- 2) Individuals should stand when recognized by the Chairman of the Board; speak their name, organization (if applicable) and input topic.
- 3) Individuals should direct input to the Chairman of the Board.
- 4) Individuals are limited to no more than five (5) minutes. The time limit applies per individual and not per topic. Individual input to address multiple topics is limited to five minutes.
- 5) Individuals representing a group of citizens are limited to five (5) minutes; members comprising the group represented forfeit their individual time to speak.
- 6) When there are multiple individuals requesting time for public input on a single topic and the input is the same, at the Chairman of the Board's discretion, the number of speakers may be limited in order to make effective use of Board member's time and to allow an opportunity for input on multiple topics to be heard by the Board.
- 7) All citizens are strongly encouraged to put their comments in writing to the Board prior to the meeting for inclusion in the Board materials. Such written comments should be submitted to the SVWIB office the Monday prior to the Board meeting.



September 17, 2015
9:00-11:00 a.m.

The Shenandoah Valley Workforce Development Board, Inc. (SVWDB) held a business meeting on Thursday, September 17, 2015 at the Ice House, 127 West Bruce Street, Room 117, Harrisonburg, VA. The meeting started at 9:00 a.m.

Call to Order – Jeff Stapel

Members present included:

Patrick Barker, Public	Amy Judd, Public
Kip Brannon, Private	Carol Fleming, Private
Andrew Breeding, Private	Mike Lowe, Private
Brian Brown, Public	Karen Parker, Private
Jeanian Clark, Public	Marco Pineda, Labor/CBO/Apprenticeship
Todd Cook, Labor/CBO/Apprenticeship	Janice Shanks, Private
Meredith Downey, Public	Nelson Diaz, CBO
Jackson Green, Labor/CBO/Apprenticeship	Jeff Stapel, Private
Linda Hershey, Private	Jonah Windham, Private
Donna Holloway, Public	Samuel Insana, Private
George Homan, Labor/CBO/Apprenticeship	Marshall Price, Public
Gary Keener, Public	Cindy Roberts, Public
Jo Lee Loveland-Link, Private	Kevin Ratliff (for John Downey), Public
Rob Goldsmith, CBO	Michael Wong, Public
Steve Burnette, Private	

The following guest attended this meeting: Sara Dunnigan (VBWD), Susan Clair (VDE), Sam Crickenberger (Rockbridge Economic Development), Brandon Davis (Shenandoah County Economic Development), David Silcox (VEC-Harrisonburg, Manager), Rick Slusher (VEC Regional Manager), Katie Rice (Shenandoah County Public Schools), Clay Stein (VWC/Goodwill, Sr. Director), Anna Teter (VWC/Goodwill, Area Coordinator), Melanie Blosser (VWC/Goodwill, Area Coordinator), Katy Parrish (Region 6 Adult Ed. Program Manager), Lyda Costello Kiser (LFCC), Julie Goodlick (Manager, Fishersville VEC), Jose Sierra (Telamon), Sandy Rinker (MTC), Maggie Clower (WWRC), Rick Sizemore (WWRC), Tina Helmick (DOLI), Elizabeth McCarty (CSPDC), Connie Pangle (Shenandoah County Schools), Kerry Krause (WWRC), Mike Thelk (DBUI), Janita McNemar (ABE – Augusta County), Debbie Melvin (VEDP), Catherine Kelley (LFCC) .

Staff attending the meeting: Sharon Johnson, Loretta Snow, Cathi Michie, Debbie Berry, Vanessa Robison, Darlene Jackson, Kevin Martin, Debby Hopkins

Review of Consent Agenda – Jeff Stapel

Discussion regarding items on Consent Agenda. Brian Brown discussed the Audit Review and reported that the Finance Committee had approved the report. Motion by George Homan to accept the report, seconded by Mike Wong. Motion was passed.

Brian Brown made a motion to accept the Consent Agenda as amended, Rob Goldsmith seconded, motion passed

SVWDB Outreach and Communications Program – Sharon Johnson & Karen Lawrence

Karen Lawrence, Director of KL Creative Media, gave an overview of items she has been working on for the WDB. Elements of the Outreach and Communications Program include: New Website, Media-partner and client outreach, outreach through email, and surveys.

American Apprenticeship Initiative: Valley to Virginia (V2V) – Debby Hopkins

Debby Hopkins reported on the Apprenticeship Initiative. She discussed how the grant came about based on statistics, USA behind in technical skills. Patrick requested target date for roll out in order to start marketing grant to Businesses and job seekers. Sharon thanked all of the partners for their input in proposal design and their willingness to partner throughout implementation. Regional partners have been instrumental in our obtaining grants for our region. Sharon also thanked the Board for their support of discretionary grant seeking.

SVWDB as Regional Convener – Sharon Johnson

Sharon explained the requirement for a Regional Convener, referring to handouts in packet. Brian Brown made a motions to read the resolution by title only, seconded by Rob Goldsmith, motion passed.

Jeff reviewed pages 17 & 18 of handout regarding Regional Convener duties. Brian Brown made a motion to approve the resolution, seconded by George Homan, motion passed.

**Virginia Board of Workforce Development - Sara Dunnigan, Executive Director, VBWD
Secretary of Commerce and Trade, Office of Governor Terence R. McAuliffe**

Sara presented information about the VBWD which included the role of the VBWD, priorities, challenges, accomplishments, interactions of state and local boards and strategic objectives.

Virginia Department of Education, Office of Adult Education & Literacy – Susan Clair, Director, Office of Adult Education and Literacy

Susan discussed the state's perspective on WIOA Partnering implementation. Local Adult Education Managers, Katy Parrish and Amy Judd, and Lyda Kiser, Director of Transition Programs at Lord Fairfax Community College, discussed their individual programs and how they are collaborating with the WDB service provider to provide services to clients. They also discussed their work with the various regional jails to provide basic education services to the inmates. Meredith Downey asked about substance abuse education for the inmates and was informed that was provided by others trained to provide those services.

Other Business – Jeff Stapel

Jeff discussed the need of an additional member on the Executive Committee and asked for nominations for that position. Kip Brannon volunteered to be on the committee. Mike Wong made a motion to close nominations, seconded by George Homan, motion passed.

Brian Brown made a motion to accept Kip Brannon as a member of the Executive Committee, seconded by Jeanian Clark, motion passed.

Public Input

There was no public input.

Adjournment

There being no further business the meeting was adjourned at 10:47 a.m.

**Next Meeting date and time: Thursday, November 19, 2015, 9:00-11:00 a.m., location is Ice House,
127 Bruce Street, Room 117, Harrisonburg, VA.**

Valley Workforce Center

September 2015

21 days of operation

WIA PROGRAM INFORMATION

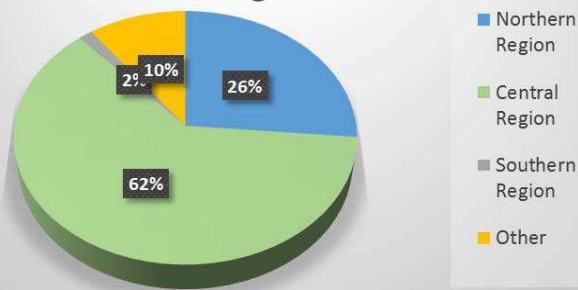
WIA Clients Program YTD	Adult	Dislocated Worker	Youth	Totals
Carryover Clients from Previous Program Year	122	80	113	315
New Enrollment for this Program Year	39	41	16	96
New Enrollments September 2015	16	29	6	51
Exited September 2015	15	12	8	35
Exits this Program Year	35	33	19	87
Total Active WIA Participants	126	88	110	324
Placement Rate	66%	85%	74%	75%
Average Wage at Placement	\$13.07	\$15.32	\$8.79	\$13.12
Exited Exclusion from Performance	0	0	0	0

TRAFFIC	MONTH	YTD
Northern New	73	423
Northern Returning	183	515
Central New	334	1,039
Central Returning	267	658
Southern New	3	28
Southern Returning	11	32
Other (outside of Area 4)		-
Classes, meetings, presentations	98	202
Total Traffic	969	2,897
Last Year Same Month		705
Monthly Avg YTD	3 months	966
Daily Avg - Month and YTD	46	45

REFERRALS		
RESOURCE ROOM	67.4%	653
WIA/SCSEP	35.9%	348
MTC/VCTC/PTC	12.7%	123
DRS/DEI	6.2%	60
DSS	8.9%	86
ADULT ED/GED/LITERACY	5.6%	54
COMMUNITY COLLEGE	15.6%	151
VETERAN'S SERVICES	1.4%	14
TELAMON	2.3%	22
ESOL	1.7%	16
VEC/EMPLOYMENT SERVICES	18.7%	181
Total Referrals from front desk this month		1,708
Total Referrals from the front desk YTD		5,456

RESIDENCY

September 2015 Attendance by Region



NORTHERN REGION	26.4%
Clarke, Frederick, Page, Shenandoah, Warren and Winchester	
CENTRAL REGION	62.0%
Augusta, Harrisonburg, Highland, Rockingham, Staunton, Waynesboro	
SOUTHERN REGION	1.4%
Bath, Buena Vista, Lexington, Rockbridge	
Other (classes, meetings, presentations)	10.1%

UNEMPLOYMENT RATE (most recent available)

	August 2015	August 2014	Percent Change
LWIA IV	4.2%	5.3%	-1.1
VIRGINIA	4.3%	5.5%	-0.8
US	5.2%	6.3%	-1.1
AUGUSTA	4.0%	4.9%	-0.9
BATH	3.1%	4.2%	-0.9
BUENA VISTA	5.1%	6.1%	-1.0
CLARKE	3.8%	4.6%	-0.8
FREDERICK	3.7%	4.8%	-1.1
HARRISONBURG	5.3%	6.4%	-1.1
HIGHLAND	2.8%	4.1%	-1.3
LEXINGTON	7.2%	8.2%	-1.0
PAGE	6.0%	7.2%	-1.2
ROCKBRIDGE	4.6%	5.7%	-1.1
ROCKINGHAM	4.0%	5.0%	-1.0
SHENANDOAH	3.9%	5.3%	-1.4
STAUNTON	4.2%	5.4%	-1.2
WARREN	4.6%	5.8%	-1.2
WAYNESBORO	4.6%	5.5%	-0.9
WINCHESTER	3.9%	5.1%	-1.2



September 2015 WIOA and Program Report

CENTER OPERATIONS

The Center operated 21 days in September, serving a total of 969 customers, with the total for the year at 2,897 customer contacts. We made 1,708 referrals from the front desk, with the annual total at 5,456 for the three months of this program year.

PRESENTATIONS

Presentations and outreach in September includes following organizations:

- Blue Ridge Community College Open House
- Refugee Resettlement – Harrisonburg
- Skyline Literacy
- Workforce Roundtable - Highland/Bath
- American Red Cross- Joining Forces Meeting
- Old Dominion Court Services
- Simbeck Trucking
- Samuels Library
- Page Chamber of Commerce
- Northern Shenandoah Valley Alliance
- Handley High School
- Lord Fairfax Community College
- Habitat for Humanity
- St. Luke Community Clinic

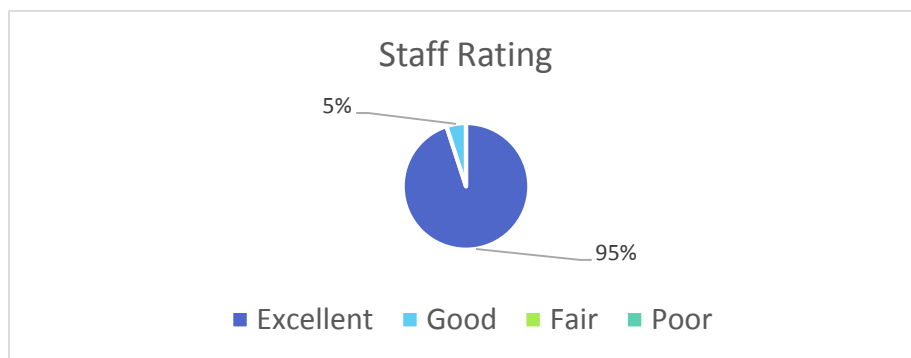
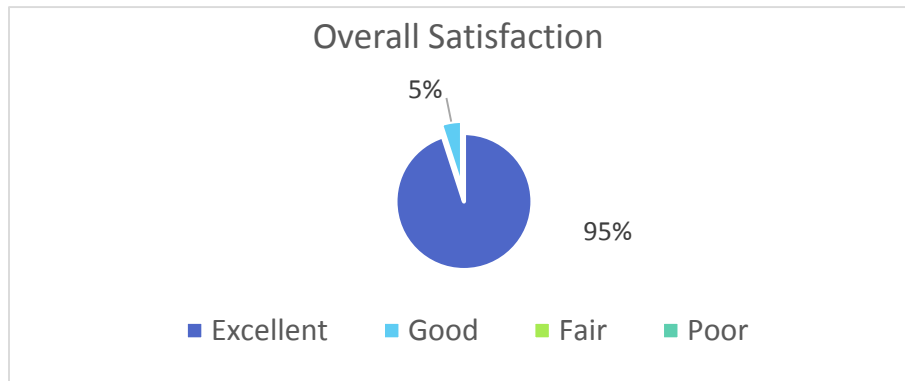
CLASSES

Classes conducted in September included:

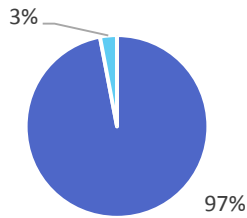
- Center orientation – workforce services overview
- Money Matter\$ - financial literacy skills
- Resume and email writing
- WIOA orientation – program information overview
- Interviewing skills
- Networking – Who Do You Know?

CUSTOMER SATISFACTION

We had 76 respondents to the customer satisfaction survey. The responses included:

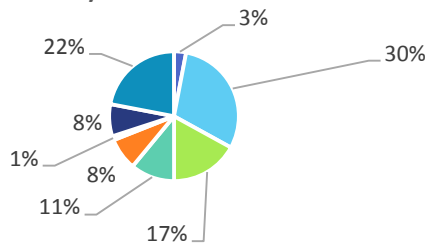


How Long Did You Wait to Receive Services



■ No Wait ■ Less Than 10 Minutes ■ More Than Ten Minutes

How Did You Hear About the Valley Workforce Center?



■ Internet/Website ■ Friend/Family Member ■ Agency Appointment
 ■ VEC ■ Newspaper ■ Employers
 ■ Walk-In ■ Adult Ed/Community College

Do you have suggestions or comments to help us improve our services, classes or workshops? (Answers are direct quotes from customers.)

- Advertise
- Longer hours;

Do you have any other comments? (Answers are direct quotes from customers.)

- She was very understanding to hear what goals I wanted to do in the medical field.
- Their mastery of the subject matter, professionalism, empathy and ability to tailor the presentation for the participants was excellent.
- She provided excellent customer service and professional information in a positive, detail-oriented, individualized manner.

SUCCESS STORIES

D. M. came to us with a desire to earn her GED. After taking the TABE test, it indicated that she was ready to test in all areas except math. She took both the science and language arts portion of the GED test and passed. She spent several weeks working on her math skills and after re-taking the math portion of the TABE, she went from a 6.2 grade level to 11.8. Desiree will take both the math and social studies portion of the GED test soon.

W. C. has been in our program for about two years. He has struggled to retain employment as a result of a car accident that left him unable to stand on his feet for long periods of time. However, after working with him, he now has two jobs. He works part time at a fast food restaurant and full time as a front desk clerk at a hotel.

WIOA SUMMARY

WIOA Clients	Adult	Dislocated Worker	Youth	Total
Carryover From Previous Program Year	122	80	113	315
New Enrollments for this Program Year	39	41	16	96
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Total Exits for this Program Year	35	33	19	87
Placement Rate at Time of Exit	66%	85%	74%	75%
Average Wage at Time of Exit	\$13.07	\$15.32	\$8.79	\$13.12
Exited and Not in Performance	0	0	0	0
Total Active WIA Clients	126	88	110	324

Total clients served by locality:

Program	Buena Vista	Harrisonburg	Staunton	Luray	Winchester	Total
Adult	25	50	37	20	29	161
Dislocated Worker	35	13	30	11	32	121
Youth	12	27	31	24	35	129
Total	72	90	98	55	96	411

Training Programs				
Field of Study	Adult	Dislocated Worker	Youth	Total
OFFICE ADMINISTRATION				
Administrative Assistant	0	2	0	2
Business Administration	0	1	0	1
Human Resources	0	1	0	1
Information Technology	0	1	0	1
MEDICAL FIELD				
Certified Nursing Assistant	4	0	4	8
Cardiovascular Technology	1	0	0	1
Dental Assistant	2	0	0	2
EKG Technician	1	0	0	1
Health Educators	1	0	0	1
Licensed Practical Nursing	4	0	0	4
Medical Billing/Coding	1	1	0	2
Medical Assistant	12	2	4	18
Pharmacy Technician	0	2	2	4
Radiologic Technicians	1	0	0	1
Registered Nurse	2	0	0	2
Veterinary Assistant	0	0	2	2
TRADE SKILLS				
Cosmetology	0	0	2	2
Customer Service	2	0	0	2
Barbering/Cosmetology	3	0	1	4
CDL/Heavy Equipment	2	2	0	4
Material Handler	0	0	1	1
HVAC	0	1	0	1
Child Care	0	0	1	0
Welding	2	0	3	5
ADULT EDUCATION				
English as Second Language	0	0	0	0
G.E.D.	3	0	1	4
Computer Literacy	0	0	0	0
CRC	21	21	9	51
Tutoring	0	0	9	9
PRE-VOCATIONAL SERVICES				
Program	Adult	Dislocated Worker	Youth	TOTAL
High School Diploma	0	0	0	0
Short-Term Pre-Vocational Classes	0	1	0	1
Internship	1	1	0	2
Work Experience	2	0	4	6
Apprenticeship	0	0	0	0
OJT	2	0	0	2
Job Search	9	13	0	22
Training/Education Providers				
Name	Adult	Dislocated Worker	Youth	TOTAL
Adult Education Provider/GED	0	0	0	0

Blue Ridge Community College	10	1	3	14
Lord Fairfax Community College	6	3	4	13
Dabney S. Lancaster Community College	7	1	1	8
Massanutten Technical Center	10	1	6	17
Valley Career and Technical Center	1	4	5	10
CDS Tractor Trailer Training	1	0	0	1
Fast Track Heath Care Education	2	0	0	2
Other Approved Provider	2	0	1	1
TOTAL	39	9	20	68

Respectfully submitted,

Elizabeth Bouldin-Clopton

Centers Manager

OJTs by Economic Locality

Locality	OJTs to Business paid through 10/15
Augusta 20.9%	\$ 526,258
Frederick 17.99%	\$ 453,073
Harrisonburg 16.14%	\$ 406,488
Winchester 12.55%	\$ 315,979
Buena Vista 12.39%	\$ 311,942
Waynesboro 5.89%	\$ 148,241
Rockingham 3.87%	\$ 97,525
Staunton 3.65%	\$ 91,945
Rockbridge 3.27%	\$ 82,406
Warren 2.36%	\$ 59,534
Shenandoah .60%	\$ 15,020
Lexington .4%	\$ 9,750

SVWDB Total \$ 2,518,162

Valley OJT - Grant Program Status

526 Total OJT Contracts with 62 Companies

H-IB OJT Grant - \$5 Million- Manufacturing/Health Care

492 Contracts: Original Goal 310; Revised Goal 450
Extension approved to 4/1/2017

Dislocated Worker Training Grant - National DW Grant

Subawardee from VCCS - \$207,547
\$165,000 + \$42,547 awarded 11/2015
36 OJTs - Achieved 36; increased to 42 OJTs; at 41
Extension of grant to 6/30/2016

Job Driven Grant - National Dislocated Worker Grant

Subawardee from VCCS; \$1.4 Million
Dislocated participants, any industry
LFCC & DSLCC OnRamp & WIOA enrolled
Community College training and/or OJTs
150 Participant Goal: To date: 30 including 5 OJTs

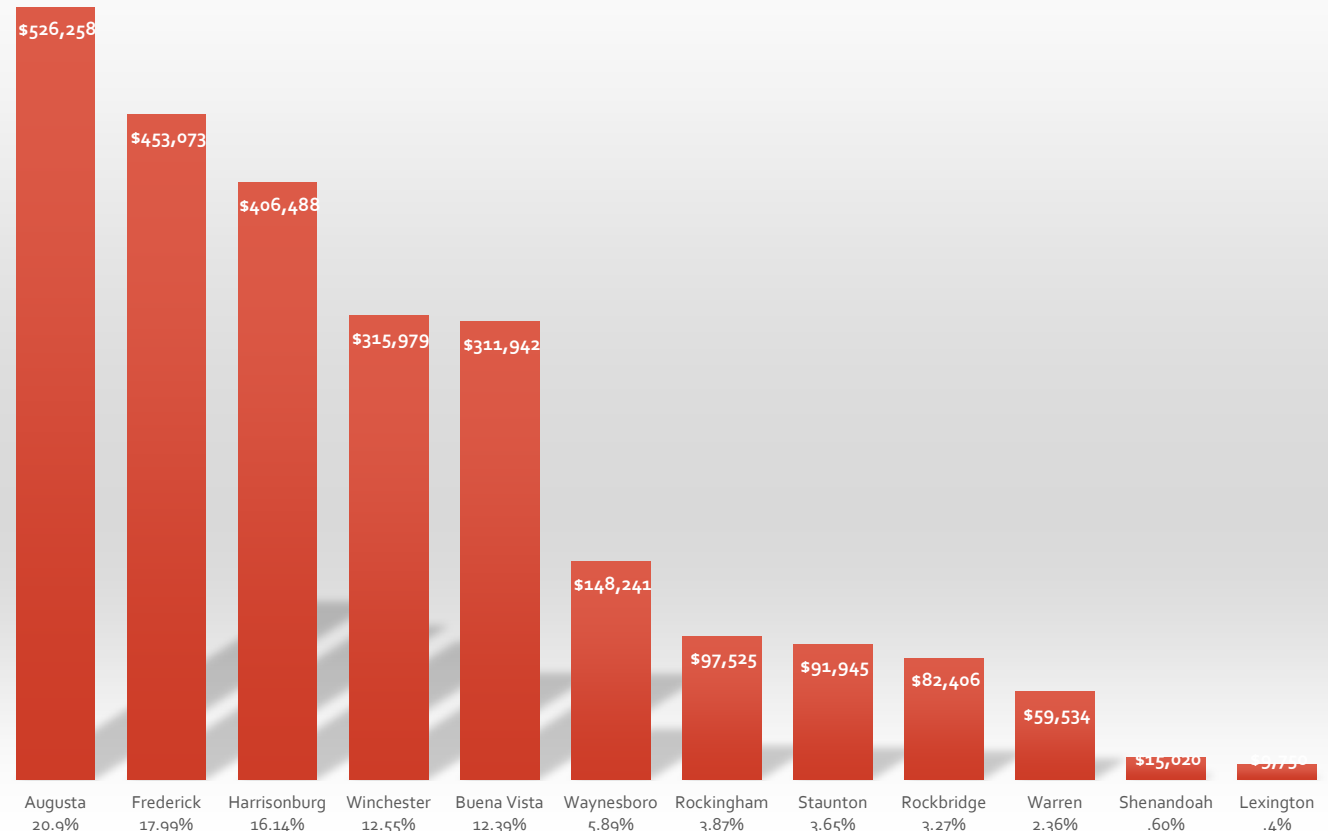
\$4 Million American Apprenticeship Grant

Notice of Award Oct 16, 2015

1st National Apprenticeship Week November 2-6

Partners hosted events; TV, Radio, Print coverage

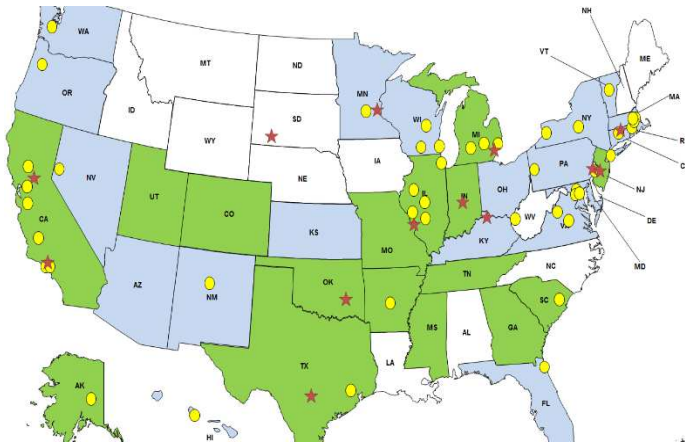
Valley OJT - Employer Payments by Locality - November 2015



American Apprenticeship Initiative Grant Facts

\$175 million awarded; 46 grants; 37 states; 12 multi-state initiatives

Location of Lead Applicants:



Yellow dots: Lead applicants

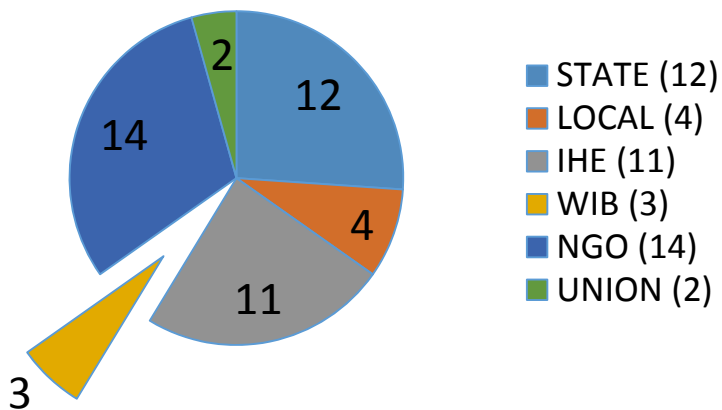
Green shade: Federal Apprenticeship Office

Blue shade: State Apprenticeship Agency

(25 states including Virginia are represented by State Apprenticeship Agencies)

Red Stars: HUD designated Promise Zones targeted for economic development

LEAD APPLICANT BREAKDOWN



Only three (3) grants were awarded to Workforce

Investment Boards:

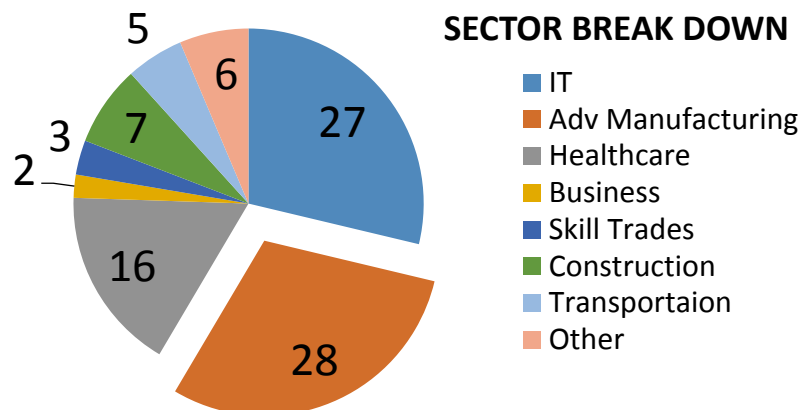
Milwaukee, WI,
Utica, NY, and the

Shenandoah Valley

IHE: Institutes of Higher Education

NGO: Non-Governmental Organizations

SECTOR BREAK DOWN



V2V American Apprenticeship Initiative - \$4 Million DOL Grant – Project Highlights

- I. Lead Applicant: Shenandoah Valley Workforce Development Board
- II. Primary Partners:
 - a. Virginia Department of Labor and Industry Division of Registered Apprenticeship
 - b. Related Technical Instruction Partners: LFCC, BRCC, DSLCC, MTC, VCTC
 - c. Virginia Manufacturers Association (MT-1 Credential)
- III. Period of Performance: October 1, 2015 – September 30, 2020
- IV. Project Description: The V2V Apprenticeship Initiative will expand registered apprenticeships in advanced manufacturing occupations, introduce an innovative apprenticeship model for production technician occupations, and increase participation of underrepresented populations in apprenticeships (female, minorities, disabled, veterans, transitioning military).
- V. Typical existing occupations: Mechatronics Technician, Maintenance Mechanic, Maintenance Electrician, Plasma Coating & Metalizing Tech, Control Tech, Systems Engineer Tech, Machinist, CNC Machinist, Telecommunications Tower Tech, Industrial Manufacturing Tech, Refrigeration Mechanic, Production Supervisor, Multi-craft Maintenance Technician, Welder, Production Welder and many more.
- VI. New Apprenticeship Model: Industrial Manufacturing Technician with MT-1 credential as core related technical instruction will be developed and promoted throughout Virginia partnering with Virginia Manufacturers Association.
- VII. Key performance metrics: New apprentices registered: 600; Completers: 33%/200; Employer Sponsors: 175; Newly registered programs: 18; Expansion of existing programs: 37; Number of apprentices in targeted populations: 10%/60

BUSINESS JOURNAL: 'DRIVING ECONOMIC VITALITY'

Shenandoah Valley Workforce Development Board A Trusted Resource For Career Training



Travis Simmons of Grottoes welds pipe sections onto a catalytic converter at Walker Manufacturing in Harrisonburg on Oct. 20. (Photo by Daniel Lin / DN-R)



Only jobs that pay at least \$10 an hour are eligible for on-the-job-training support from the Shenandoah Valley Workforce Development Board. (Photo by Daniel Lin / DN-R)



Blue Ridge Machine Works machinist Jesse Ulmer of Mount Solon sets up a machine in the company's machine shop in Grottoes. (Photo by Daniel Lin / DN-R)



Set-up operator Lance Langston of Mount Jackson uses a drill press as part of the manufacturing process for catalytic converters at the Walker Plant in Harrisonburg on Oct. 20. (Photo by Daniel Lin / DN-R)

BUSINESS JOURNAL: ‘DRIVING ECONOMIC VITALITY’

Shenandoah Valley Workforce Development Board A Trusted Resource For Career Training

Posted: October 27, 2015

By **VIC BRADSHAW**

HARRISONBURG — When Tenneco Inc. needs help to prepare potential employees to work at its Harrisonburg plant, Andy Breeding said it can rely on the Shenandoah Valley Workforce Development Board.

Breeding is human resources manager for the plant that has approximately 670 workers focused on producing exhaust systems for passenger and commercial vehicles and marine vessels. He said the the board has helped the company cover the cost of training required to close the gap between the skills a potential employee has and what he or she needs to do the job.

“The biggest asset with the [on-the-job training] grants was to help us offset the cost of training individuals,” said Breeding, who’s been in his post nearly three years. “It’s like a win-win situation for us: We have some money to offset training, and the employee is able to learn a new skill.”

While the board has helped a wide array of companies throughout the region meet workforce needs, many of its dollars back manufacturers.

And every job it helps fill means a person has been removed from the unemployment roles or has improved his or her skills and taken a better job.

Data provided by the workforce board indicates that 2,996 people from Frederick and Clarke counties to the north and Rockbridge and Bath to the south have received career coaching and training services through its five workforce centers and on-the-job-training initiatives in recent years.

More than 500 people have been hired into manufacturing jobs with local employers through OJT programs. Those companies also received more than \$2.5 million in wage subsidies for training them. The programs also helped people get needed training, paying for more than 2,400 to attend classes to earn industry credentials.

“We’re driving economic vitality through workforce development,” said Sharon Johnson, the board’s CEO, who recently began a two-year term as chairwoman of the Virginia Association of Workforce Developers. “We must focus on meeting workforce needs.”

Good At Their Job

Like all the roughly 550 workforce development boards across America, the local one operates programs for dislocated workers, adults and youths (ages 18 to 24), and they're pretty successful. Those programs help with everything from training to providing needed equipment and protective gear, such as tools or work uniforms.

Eighty-two percent of the dislocated workers enrolled in its programs last year have found a job, and a whopping 96 percent still held their jobs as of June 30. For its adult program, 80 percent entered the workforce and 85 percent of those hired were on the job when the fiscal year ended.

Of the youths it worked with, 71 percent were placed in employment or education.

But the Valley board has resources many other regions don't because it's landed U.S. Department of Labor grants to fund workforce training. That's brought in an additional \$15.6 million since 2009 to help employers meet their workforce needs.

This year has been a banner one for the board. In February, it received a \$5 million grant to provide education, training and job placement for the long-term unemployed. In September, it landed another \$4 million to support local employers' registered apprenticeship programs.

Johnson said staff members try to identify regional workforce needs, then seek grants to help meet those needs.

"They play a very significant role in that they've been very successful in securing federal grant dollars to train workers in the Valley to help out our existing and prospective employers," Brian Shull, Harrisonburg's economic development director, said of the workforce board. "We've seen a direct impact with some of our local employers."

Tenneco is at or near the top of that list. Breeding said the company has hired more than 50 people whose training was supported by funding through the board, with the company receiving \$160,000 to support those activities.

Model Operation

The workforce board operates out of offices in the Ice House in Harrisonburg, with seven full- and two part-time staff members managing a budget of almost \$5.4 million this fiscal year. It also contracts Goodwill Industries of the Valley to run workforce centers in Harrisonburg, Luray, Staunton, Winchester and Buena Vista that employ 19.

Johnson said the nonprofit organization works with economic development professionals and education leaders primarily from community colleges and career and technical education centers to meet employer and employee needs.

For example, project director Debby Hopkins said the board recently learned about a pending layoff of 40 people in the Winchester area. The board quickly arranged a job fair for those workers, and more than half were expected to receive job offers within weeks of their termination.

The jobs it helps fill also pay fairly well, she said. For example, only jobs paying more than \$10 an hour are eligible for OJT support.

The base programs the board operates are employee-focused, as people in them are matched to potential jobs said, Johnson. Grant-funded training efforts allow its employees to work directly with companies to help meet specific needs.

Some local hospitals, she said, have leveraged grant funding to help cover the cost of getting their employees the education required to improve their skills and meet modern needs, such as a bachelor's degree in nursing.

Shull said the workforce board "is looked at as one of the most effective in the state of Virginia and often is held up as a model in other areas."

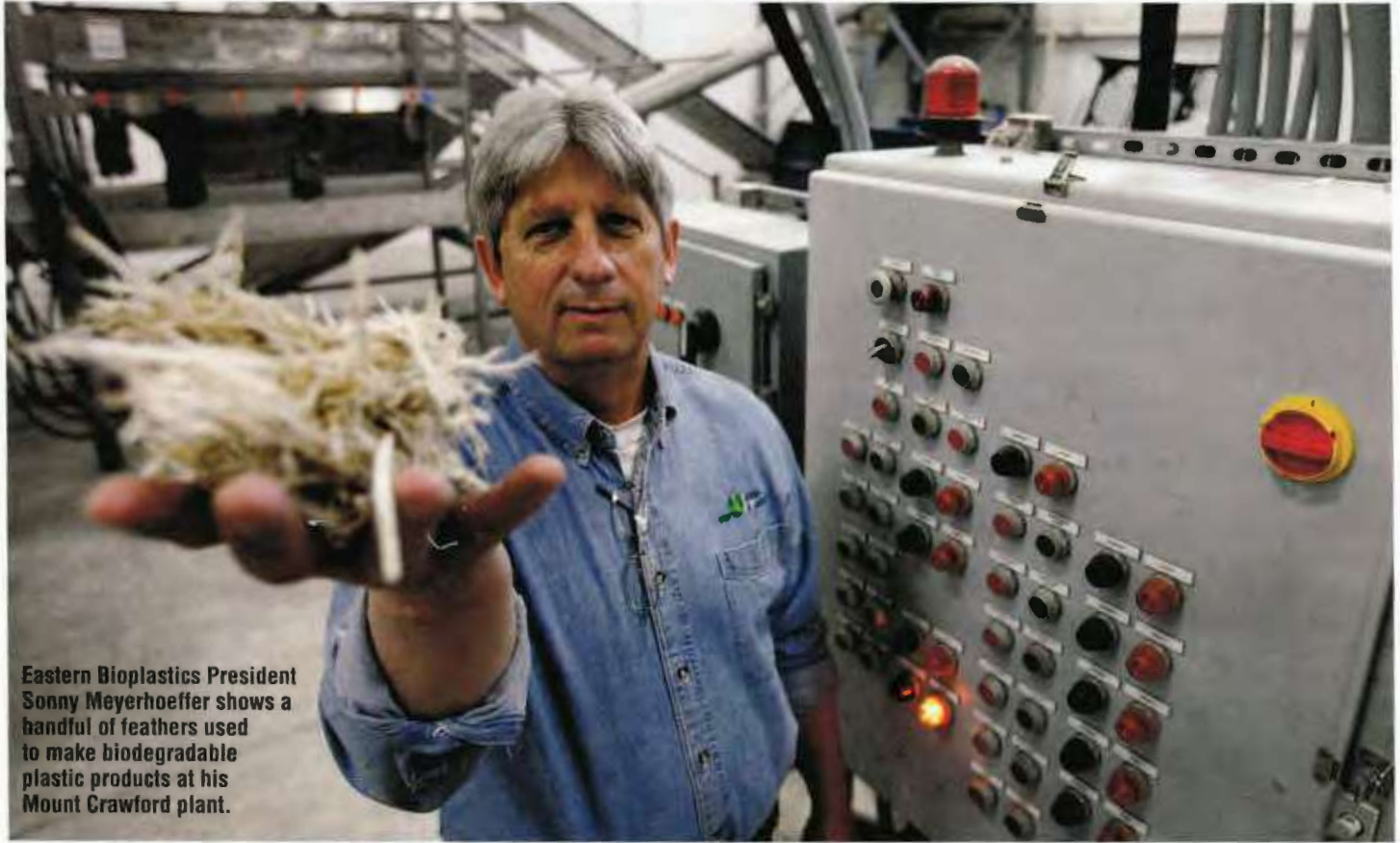
But Hopkins said it could do more.

"Businesses have services available to help with their workforce needs that so many don't know about. We can help if they reach out," she said. "And for individuals with low incomes or who have lost their jobs, or youth who are trying to find their way, we have resources."

Contact Vic Bradshaw at 574-6279 or vbradshaw@dnronline.com

Birds of a feather

Valley building on its agricultural heritage



Eastern Bioplastics President Sonny Meyerhoeffer shows a handful of feathers used to make biodegradable plastic products at his Mount Crawford plant.

by James Heffernan

If you've ever been stuck behind a truck loaded with live poultry on a Shenandoah Valley road, you may have wondered: What happens to all of those feathers after processing?

Eastern Bioplastics in Mount Crawford converts poultry feathers into plastic resins and oil-absorbing material for commercial applications.

The company is one example of how new ventures with agricultural roots are being developed in the valley. With four of the top five farm counties in the state, the region, for example, is positioning itself as a player in the emerging ag-bio sector in Virginia. The sector "is a natural extension of the valley's agricultural heritage," says Carrie Chenery, the executive director of the Shenandoah Valley Partnership (SVP) and a native of Rockbridge County. "We see it as a huge opportunity."

Eastern Bioplastics works with manufacturers to develop composite resins that can be combined with other materials during production. Much of the company's development to date has involved feather fiber-reinforced injection molding used to make office furniture, automotive parts, horticulture containers and sporting goods. Because the plastics industry relies on crude oil and natural gas, the use of poultry feathers, a renewable resource, can help reduce its carbon footprint.

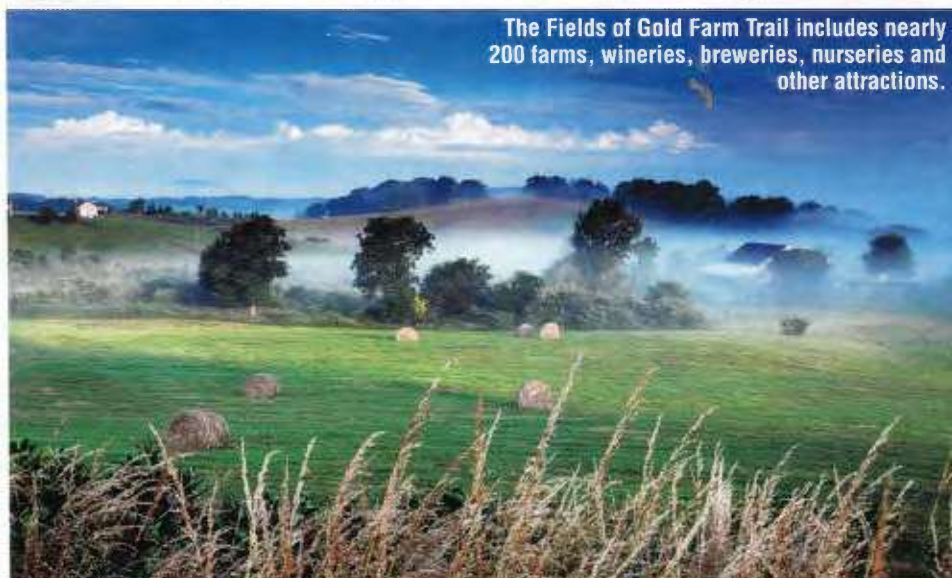
Another practical application for poultry feathers is as an absorbent. Eastern Bioplastics recently introduced a feather-based material, Environmental Bioprotector, which is capable of absorbing seven times its weight. The absorbent can be used to capture leaks under machinery or to remove oil from water-based solutions. The material is available

in sock or pillow form and as a powder.

Founded by Sonny Meyerhoeffer, who formed the Virginia Poultry Growers Cooperative, Eastern Bioplastics' leadership team also includes research and development engineer Justin Barone, who was on the U.S. Department of Agriculture team that first discovered that the keratin protein in feathers could be processed into a biodegradable polymer.

"Feather fibers are a waste product that we've turned into a benefit," says Oriana Meyerhoeffer, an Eastern Bioplastics sales representative. "They're green, sustainable and functional. And our resins are able to be used in existing machinery."

If the health of the local poultry industry is any indication, Eastern Bioplastics will have no shortage of feathers for the foreseeable future.



The Fields of Gold Farm Trail includes nearly 200 farms, wineries, breweries, nurseries and other attractions.

Virginia Poultry Growers Cooperative is building a new 80,000-square-foot turkey processing facility in Hinton. The \$62 million expansion during the next three years will be supported by additional investment in the company's feed mill in Broadway and its grain elevator in Linville.

The cooperative was hatched in 2004 as a way to save nearly 170 farms and 1,800 jobs in the wake of the decision to close the local Pilgrim's Pride processing plant. The co-op is now the eighth-largest turkey processor in the U.S. and one of the largest suppliers of organic and antibiotic-free meat. It purchases and processes about 7 million turkeys per year.

In a statement in July announcing the expansion, Gov. Terry McAuliffe said the cooperative "highlights the role that agriculture can and will play in building the new Virginia economy."

The region, in fact, was well represented at the Governor's Agriculture and Industrial Biotechnology Conference in September. The event, held at the Institute for Advanced Learning and Research in Danville, brought together public and private partners represent-

ing existing ag-bio businesses as well as research universities and marketing and economic development officials.

The valley already counts a number of biotech companies. In addition to Eastern Bioplastics, the region is home to Micron Bio-Systems in Buena Vista, part of a global biotechnology firm that develops science-based solutions to agricultural challenges, including animal nutrition, land use and environmental changes.

The region also is home to pharmaceutical giant Merck, which has a manufacturing facility in Elkton, and drug researcher SRI Shenandoah Valley, located in a 240-acre research park in Rockingham County. The valley also hosts medical manufacturers Hollister Inc. in Stuarts Draft and Thermo Fisher Scientific in Middletown, a leading supplier of lab products and equipment.

Fields of Gold

In early 2011, local leaders met to discuss how to take advantage of converging interests in agriculture, tourism and the local foods movement, and to develop a program that would benefit the region as a whole. These discussions laid the foundation for Fields of Gold, a

partnership involving local governments, economic development and tourism entities, agribusiness and valley farmers.

Residents and valley visitors can travel along the Fields of Gold Farm Trail, which includes nearly 200 farms, wineries, breweries, nurseries, roadside stands, bed-and-breakfasts, farm-to-table restaurants, farmers markets and festivals.

"The trail is really an agritourism roadmap for the region," says Chenery, the SVP executive, adding that smaller producers and entrepreneurs have benefited by marketing their products collectively.

The program was recognized this year with a Community Economic Development Award from the Virginia Economic Developers Association.

Workforce development

In addition to developing agricultural ventures, the valley is developing its future manufacturing workforce by expanding the use of registered apprenticeships.

The Shenandoah Valley Workforce Development Board recently was awarded a \$4 million grant from the U.S. Department of Labor to launch the Valley to Virginia (V2V) Apprenticeship Initiative, an effort involving more than a dozen partners in business and education.

The project will target skilled trades such as mechatronics, industrial maintenance technicians, machine operators, welders and production technicians. Key business partners include A.G. Stacker, Andros Foods North America, Ball Advanced Aluminum Technologies Corp., The Hershey Co., Kraft Foods, Thermo Fisher Scientific, R.R. Donnelley, Tenneco and the Virginia Manufacturers Association.

Grant funds will be used to offset the cost of related instruction in apprenticeship programs typically offered at technical schools and community colleges. The initiative also will develop work-readiness training for pre-apprentice candidates through Goodwill Industries of the Valleys.

"This grant award is a huge shot in the arm for regional apprenticeship programs aimed at enhancing the skilled workforce in advanced manufacturing," says Sharon Johnson, CEO of the Shenandoah Valley Workforce Develop-

Shenandoah Valley at a glance

Population (2014 est.)	Change from 2010	Unemployment (August)	Average weekly wage	Per-capita income (2013)	Adults (25+) with bachelor's degree
525,564	3.30%	4.2%	\$728	\$38,105	28%

Sources: Virginia Employment Commission, Virginia Economic Development Partnership, Weldon Cooper Center for Public Service (University of Virginia)

ment Board.

V2V is expected to build support for the Registered Apprenticeship Journeyman credential, which is expected to produce 600 new registered apprenticeships throughout Virginia.

Shenandoah Valley Partnership also has begun the in-Demand/Valley Career Hub campaign designed to increase awareness of high-wage, high-growth, high-demand career opportunities in the region that require some training beyond high school but do not necessarily require a four-year college degree. SVP has enlisted Harrisonburg television station WHSV-TV3 to produce a series of three-minute video spots in support of the initiative. They will air every other week over the next year.

"These are good jobs, high-paying jobs, and they're available right here in our community," Chenery says.

Blue Ridge Community College, which partners with Blue Ridge Aviation to operate a flight school in the region, is now offering the state's first public commercial pilot program. The 17-credit-hour curriculum provides the educational

Blue Ridge Community College now offers a commercial pilot program.



background, skills and federal certification required to become a commercial pilot. Students are required to pay additional fees to cover the cost of the flight training.

"The creation of the commercial pilot program is very timely, as the aviation industry, particularly the nation's airlines, are struggling to find qualified pilots," says Greg Campbell, executive director of the Shenandoah Valley Regional Airport. "This program will create opportunities for those interested in a career as a commercial pilot and access to the training

that will be necessary to fill pilot jobs in the future."

New investments

The valley also continues to see a wide range of economic activity, led by the warehousing sector.

FedEx Ground has begun construction on a new distribution center in the Green Hills Industrial Park in Staunton. The facility will measure more than 200,000 square feet on approximately 30 acres. The new center will replace an ex-

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isting station in Fishersville and is part of a nationwide FedEx network expansion to boost daily package volume capacity and enhance speed and service. It is scheduled for completion next summer.

Meanwhile, Threshold Enterprises, a distributor of nutritional supplements and natural health and beauty products, has opened a new East Coast distribution center in Frederick County. The 78,000-square-foot warehouse in the Stonewall Industrial Park will enable faster delivery times for the company's East Coast customers, who previously were served by Threshold's facility in Santa Cruz, Calif.

Andros Foods North America — formerly Bowman Apple Products — is expanding its Mount Jackson plant and creating 160 jobs, marking one of the largest corporate investments in Shenandoah County's history. The company's plans include adding space and equipment to increase production of apple-based products.

Another Shenandoah County business, Shentel, is acquiring Waynesboro-based nTelos in a \$640 million deal,

which includes wireless network assets, stores and approximately 300,000 retail subscribers in the mid-Atlantic region. A Sprint wireless affiliate, Shentel will convert nTelos retail wireless customers to that brand.

Quality of life

Valley cities continue to be ranked among the Best Small Places for Business and Careers, according to Forbes. Winchester (No. 15), Harrisonburg (No. 32) and Staunton (No. 55) were all named to the magazine's list for 2015.

The list is based on economic factors such as "gross metro product" — the total value of the local metro area's goods and services — job growth, unemployment, median household income and college attainment, as well as quality-of-life considerations.

Winchester was cited for its rich Civil War history and annual Apple Blossom Festival, while Harrisonburg is known for its vibrant downtown historic district, and Staunton is home to the Frontier Culture Museum, the Woodrow Wilson Presidential Library and The American Shake-

peare Center.

One valley attraction not mentioned in the Forbes list is The Factory Antique Mall in Verona, which is now the largest antique mall in the U.S. At 120,000 square feet, the mall houses more than 225 dealers and has recorded record-breaking sales every year since 2008.

Opened in 1996, the Factory Antique Mall will celebrate 20 years of business next year. Over the years, the mall has seen an increase in interest from film and television production companies in using antiques as props.

Recent patrons include the AMC series "Turn," which focuses on George Washington's spies during the Revolutionary War; Steven Spielberg's movie "Lincoln," which won the award for Best Production Design at the 2013 Oscars; and "Mercy Street," a new PBS American drama series set in Virginia during the Civil War.

"The Factory Antique Mall is a unique shopping destination and brings in customers from around the U.S.," says general manager Jason Brinkley. "Customers are willing to travel hours to visit the mall." **VB**

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Jeff Stapel, Chairman
Mike Lowe, Vice-Chairman

Paul McFarland, Secretary/Treasurer
Sharon Johnson, Chief Executive Officer

Communications & Outreach Program Report October/November 2015

Website: site launched 8/25, stats through 11/11

1,354 unique users

3.84 pages per session/2:57 minutes

7,191 page views

72% new visitors

Sources: organic search 56.9%

Social Media: sites launched 8/25, content and posting plan in place, statistics review available 2/28/16

Media Outreach: 2 media releases distributed 10/5 and 10/29

Media Coverage October/November 2015

Driving Economic Vitality: Shenandoah Valley Workforce Development Board a Trusted Resource for Career Training

[Daily News Record Business Journal](#), October 27, 2015

Va. Commerce Secretary Talks Job Market, Needs

[Daily News Record Making Career Connections](#), October 28, 2015

Birds of a Feather: Valley building on its agricultural heritage

[Virginia Business](#), November 2015

1 on 1 Thursday: Apprenticeships and On-the-Job Training

[WHSV](#), November 8, 2015

Va. Employment Commission Seeks to Pair Apprentices with Employers

[NBC29](#), November 9, 2015

Email Outreach: Email lists and templates established, 1 announcement email distributed

Target: Valley OJT employers, 286 subscribers, 64 opens (27.1%), 7 clicks (3.0%)

industry average: opens 23.4%, clicks 3.0%

Shenandoah Valley Workforce Development Board, Inc.
Statement of Financial Position
As of September 30, 2015

Unaudited

Assets

Current Assets

Cash and cash equivalents	\$	27,483
Accounts receivable		169,463

Total Assets	\$	196,946
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$	161,985
Accrued leave		32,138

Total Liabilities	\$	194,123
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Net Assets

Unrestricted	\$	30
Temporarily restricted		2,793

Total Net Assets	\$	2,823
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Total Liabilities and Net Assets	\$	196,946
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Shenandoah Valley Workforce Development Board, Inc.
Statement of Activities - With FY2016 Budget
Unaudited

	For the period ended September 30, 2015			FY2016 Budget	% of Total Budget
	Unrestricted	Temporarily Restricted	Total		
Changes in Net Assets					
Support and revenue					
WIOA Grants	\$ -	\$ 467,116	\$ 467,116	\$ 4,018,000	12%
OJT Grant	-	94,059	94,059	558,500	17%
NEGrant	-	9,397	9,397	17,000	55%
JD NEGrant	-	71,102	71,102	1,045,000	7%
DEI Grant	-	2,801	2,801	18,000	16%
WIOA Transitions	-	1,251	1,251	6,100	21%
Other revenue	-	1,926	1,926	-	0%
Satisfaction of Program Restrictions	644,859	(644,859)	-	-	0%
Total Support and revenue	\$ 644,859	\$ 2,793	\$ 647,652	\$ 5,662,600	11%

Expenses

WIOA Grants Expenses					
Administration					
Personnel	\$ 69,297	\$ -	\$ 69,297	\$ 361,000	19%
Operations	4,679	-	4,679	13,000	36%
Office operations	1,520	-	1,520	8,800	17%
Financial	6,082	-	6,082	27,600	22%
Travel	7,069	-	7,069	37,000	19%
Total Administration	88,647	-	88,647	447,400	20%
Program Services					
Adult contracts	123,642	-	123,642	744,000	17%
Dislocated worker contracts	67,751	-	67,751	496,000	14%
Youth contracts	122,450	-	122,450	660,000	19%
Special youth pilot	4,372	-	4,372	175,000	2%

Goodwill One Stop Services	13,772	-	13,772	68,000	20%
Incumbent worker training	-	-	-	291,000	0%
Professional services	-	-	-	5,000	0%
Valley Workforce (Leases, IT, etc.)	51,466	-	51,466	170,000	30%
Purchase of new computers	4,521	-	4,521	15,000	30%
Board website, branding & outreach	3,109	-	3,109	57,000	5%
Total Program Services	391,083	-	391,083	2,681,000	15%
Total WIOA Grants Expenses	479,730	-	479,730	3,128,400	15%

OJT Grant Expenses					
Administration					
Personnel	42,776	-	42,776	180,000	24%
Outreach	436	-	436	7,500	6%
Office operations	2,904	-	2,904	8,200	35%
Financial	149	-	149	300	50%
Travel	3,042	-	3,042	14,500	21%
Total Administration	49,307	-	49,307	210,500	23%
Total Program Services	37,465	-	37,465	348,000	11%
Total OJT Grant Expenses	86,772	-	86,772	558,500	16%

NEGrant Expenses					
Administration					
Personnel	3,113	-	3,113	2,500	125%
Office operations	41	-	41	0	410000%
Travel	814	-	814	100	814%
Total Administration	3,968	-	3,968	2,600	153%
Total Program Services	5,440	-	5,440	14,400	38%
Total NEGrant Expenses	9,408	-	9,408	17,000	55%

JD NEGrant Expenses					
Administration					
Personnel	30,735	-	30,735	101,000	30%
Office operations	599	-	599	3,000	20%
Travel	3,618	-	3,618	10,000	36%
Total Administration	34,952	-	34,952	114,000	31%
Total Program Services	30,039	-	30,039	931,000	3%
Total JD NEGrant Expenses	64,991	-	64,991	1,045,000	6%

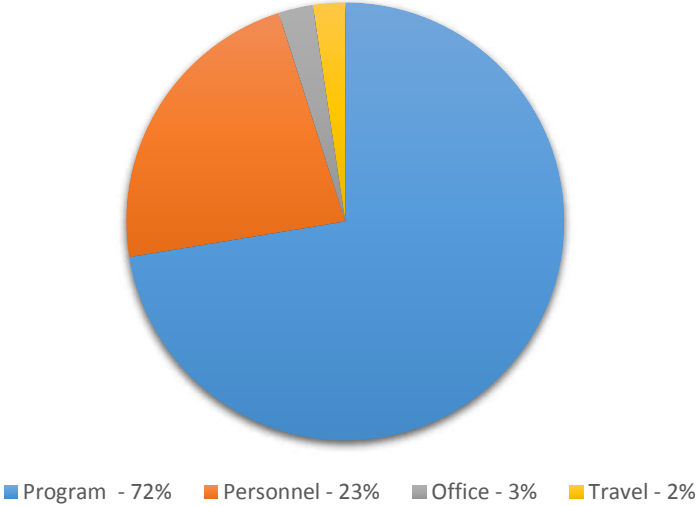
DEI Grant Expenses					
Total Program Services	2,782	-	2,782	18,000	15%
Total DEI Grant Expenses	2,782	-	2,782	18,000	15%

WIOA Transitions Grant Expenses					
Administration					
Personnel	410	-	410	4,000	10%
Office operations	3	-	3	100	3%
Travel	763	-	763	2,000	38%
Total Administration	1,176	-	1,176	6,100	
Total WIOA Transitions Grant Expenses	1,176	-	1,176	6,100	

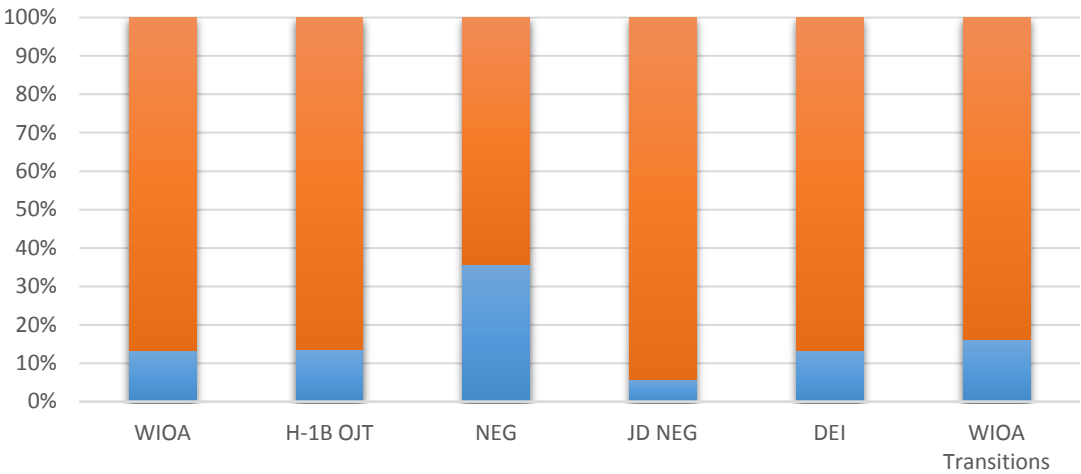
Total Expenses	644,859	-	644,859	4,773,000	14%
Change in Net Assets	\$ -	\$ 2,793	\$ 2,793	\$ 889,600	

Net Assets, Beginning	30	-	30
Net Assets, Ending	\$ 30	\$ 2,793	\$ 2,823

YTD Expenditures



% of Budget to Actual Expenditures



SHENANDOAH VALLEY WORKFORCE INVESTMENT BOARD, INC.

Financial Statements and Supplemental Data

June 30, 2015

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Shenandoah Valley Workforce Investment Board, Inc.
Notes to Financial Statements
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shenandoah Valley Workforce Investment Board, Inc. (SVWIB)

Report on the Financial Statements

We have audited the accompanying financial statements of SVWIB (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SVWIB as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

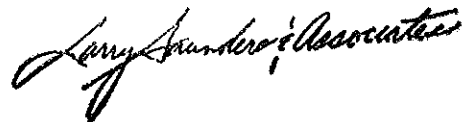
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2015, on our consideration of SVWIB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SVWIB's internal control over financial reporting and compliance.



Richmond, Virginia
September 3, 2015

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Financial Position
June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Assets			
Current Assets			
Accounts receivable	\$ 541,867	\$ -	\$ 541,867
Prepaid expenses	12,500	-	12,500
Total Assets	\$ 554,367	\$ -	\$ 554,367
Liabilities and Net Assets			
Current Liabilities			
Checks written in excess of bank balance	\$ 17,690	\$ -	\$ 17,690
Accounts payable	503,078	-	503,078
Payroll liabilities	896	-	896
Accrued annual leave	32,673	-	32,673
Total Liabilities	\$ 554,337	\$ -	\$ 554,337
Net Assets			
Unrestricted	\$ 30	\$ -	\$ 30
Temporarily restricted	-	-	-
Total Net Assets	\$ 30	\$ -	\$ 30
Total Liabilities and Net Assets	\$ 554,367	\$ -	\$ 554,367

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Activities
For the year ended June, 30 2015

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Revenue from government grants	\$ -	\$ 3,897,593	\$ 3,897,593
Other revenues	41	390	431
Satisfaction of program restrictions	3,897,983	(3,897,983)	-
Total Support and revenue	\$ 3,898,024	\$ -	\$ 3,898,024
Expenses			
Program Services			
Subcontractor services	\$ 1,894,564	\$ -	\$ 1,894,564
Personnel	289,973	-	289,973
Training service costs	1,208,415	-	1,208,415
Occupancy	425	-	425
Office	22	-	22
Technology	13,906	-	13,906
Professional fees	501	-	501
Travel and meetings	12,128	-	12,128
Program supplies	1,983	-	1,983
Program outreach	31,945	-	31,945
Program administration	192,905	-	192,905
Total Program Services	3,646,767	-	3,646,767
Support Services			
Administrative expenses	251,257	-	251,257
Total Expenses	\$ 3,898,024	\$ -	\$ 3,898,024
Change in Net Assets	-	-	-
Net Assets			
Beginning	30	-	30
Ending	\$ 30	\$ -	\$ 30

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Cash Flows
For the year ended June, 30 2015

Cash Flows from Operating Activities

Change in net assets	\$ -
Adjustments to reconcile change in net asset to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(149,814)
(Increase) decrease in prepaid expenses	5,051
Increase (decrease) in accounts payable	97,582
Increase (decrease) in payroll liabilities	(11,512)
Increase (decrease) in accrued leave	(13,475)
Net cash provided by (used in) operating activities	<u>(72,168)</u>
 Net increase (decrease) in cash and cash equivalents	 (72,168)

Cash and Equivalents

Beginning	<u>54,478</u>
Ending	<u><u>\$ (17,690)</u></u>

Shenandoah Valley Workforce Investment Board, Inc.
Notes to Financial Statements
June 30, 2015

Note 1. Nature of Activities and Significant Accounting Policies

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

A summary of SVWIB's significant accounting policies follows:

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

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

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

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

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

Accounts Receivables: Accounts receivables primarily consist of reimbursable expenditures incurred on federal grants. Accounts receivables are recorded when expenditures are made that are eligible for reimbursement by a particular grant less any estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off once deemed uncollectible. There was no provision for doubtful accounts at June 30, 2015.

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

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

The SVWIB receives a majority of its revenue from U.S. government funded grants, all of which are subject to audit. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and subject to audit by sponsoring agencies. There exists a contingency to refund any amounts received in excess of allowable costs. Management believes that disallowed costs, if any, will be immaterial to the financial statements.

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

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

Contribution revenue is recognized at the time an unconditional promise to give is received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenue, depending on the existence and/or nature of any donor restrictions. No contribution revenue was recognized for the year ended June 30, 2015.

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

Federal Income Tax: The Internal Revenue Service as determined the SVWIB as exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. In addition, the SVWIB has been determined by the Internal Revenue Service not to be a private foundation. Income which is not related to its exempt purpose, less applicable deductions, is subject to federal and state corporate income taxes. The SVWIB has no unrelated business income for the year ended June 30, 2015.

Management has evaluated the SVWIB's tax positions and concluded that the SVWIB has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The SVWIB files income tax returns with the U.S. government and is subject to income tax examinations for the years ended June 30, 2012 to June 30, 2015.

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

Note 2. Operating Leases

The SVWIB leases facilities and equipment under various operating lease agreements expiring June 2015 through December 2020. For the year ended June 30, 2015, the SVWIB entered into a lease agreement for its corporate office under an operating lease beginning January 1, 2015 through December 30, 2020. The related rent expense for 2015 was \$11,740, which is included as occupancy expense on the Statement of Functional Expenses.

The SVWIB also entered into operating lease agreements for five workforce centers throughout the SVWIB's service region. The SVWIB also sublet a portion of the office space to other partner organizations. The related rent expense for 2015 was \$61,465, which is included in both occupancy expense and subcontractor expense on the Statement of Functional Expenses. Rental receipts for the sublease were \$1,560 for the year ended June 30, 2015.

Shenandoah Valley Workforce Investment Board, Inc.
Notes to Financial Statements
June 30, 2015

Note 2. Operating Leases (Continued)

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

Years Ending June 30,	Amount
2016	\$ 66,431
2017	34,106
2018	22,264
2019	21,147
2020	21,570
Thereafter	10,892
	<u>\$ 176,410</u>

Note 3. Retirement Plan

The SVWIB provides eligible employees a defined contribution plan, which qualifies under Internal Revenue Code section 403(b). Under the plan, the SVWIB contributes to a participants account and amount equal to 11.11% of the participant's eligible compensation. Employees are eligible to contribute to the plan and all contributions are invested in various mutual funds as chosen by the participant. The SVWIB contribution to the plan for the year ended June 30, 2015 was \$47,490.

Note 4. Subsequent Events

The SVWIB evaluated subsequent events through September 3, 2015, the date the financial statements were available to be issued. In connection with the enactment of Public Law 113-128, effective July 30, 2015, the Workforce Innovation and Opportunity Act (WIOA), the SVWIB changed its name to the Shenandoah Valley Workforce Development Board, Inc. (SVWDB). Article IV and Article V of the Organization's Amended Articles of Incorporation was amended to reflect the new name, and the Organization's By-Laws were restated to reflect the change of name and references to WIOA.

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Functional Expenses
For the year ended June, 30 2015

	Program Services			
	WIA Adult	WIA Dislocated Worker	WIA Out of School Youth	WIA In School Youth
Subcontractor services	\$ 588,866	\$ 455,178	\$ 392,946	\$ 308,170
Personnel	32,673	44,281	13,372	-
Training service costs	-	-	-	-
Occupancy	35	-	-	-
Office	9	2	3	8
Technology	5,198	1,009	4,330	3,369
Professional fees	-	-	-	-
Travel and meetings	408	84	440	341
Program supplies	26	6	13	10
Program outreach	1,204	263	535	402
Program administration	60,853	82,472	24,905	24,639
	\$ 689,272	\$ 583,295	\$ 436,544	\$ 336,939

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Functional Expenses
For the year ended June, 30 2015

Program Services					
	WIOA		Dislocated		
	Transitions	H-1B OJT Grant	Worker NEG	Job Driven NEG	
Subcontractor services	\$ -	\$ 100,962	\$ -	\$ 48,442	
Personnel	5,802	163,794	12,581	17,470	
Training service costs	-	1,088,377	120,038	-	
Occupancy	-	-	-	-	
Office	-	-	-	-	
Technology	-	-	-	-	
Professional fees	-	501	-	-	
Travel and meetings	922	9,520	-	413	
Program supplies	-	896	-	194	
Program outreach	1,128	5,106	1,703	-	
Program administration	-	-	36	-	
	\$ 7,852	\$ 1,369,156	\$ 134,358	\$ 66,519	

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Functional Expenses
For the year ended June, 30 2015

	Program Services		
	DEI Grant	Business Services	Other
Subcontractor services	\$ -	\$ -	\$ -
Personnel	-	-	-
Training service costs	-	-	-
Occupancy	-	-	390
Office	-	-	-
Technology	-	-	-
Professional fees	-	-	-
Travel and meetings	-	-	-
Program supplies	838	-	-
Program outreach	-	21,604	-
Program administration	-	-	-
	\$ 838	\$ 21,604	\$ 390

Shenandoah Valley Workforce Investment Board, Inc.
Statement of Functional Expenses
For the year ended June, 30 2015

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
	<u>Total Program Services</u>	<u>Administrative Expenses</u>	<u>Total Expenses</u>
Subcontractor services	\$ 1,894,564	\$ -	\$ 1,894,564
Personnel	289,973	128,464	418,437
Training service costs	1,208,415	610	1,209,025
Occupancy	425	39,475	39,900
Office	22	14,712	14,734
Technology	13,906	23,008	36,914
Professional fees	501	10,023	10,524
Travel and meetings	12,128	10,195	22,323
Program supplies	1,983	-	1,983
Program outreach	31,945	24,770	56,715
Program administration	192,905	-	192,905
	<u>\$ 3,646,767</u>	<u>\$ 251,257</u>	<u>\$ 3,898,024</u>

Shenandoah Valley Workforce Investment Board, Inc.
Schedule of Expenditures of Federal Awards
For the year ended June, 30 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Federal Expenditures
Department of Labor		
Pass-Through Awards:		
Virginia Community College System		
<i>Workforce Investment Act (WIA) Cluster</i>		
WIA Adult Program	17.258	\$ 734,488
WIA Dislocated Worker Program	17.278	677,167
WIA Youth Program	17.259	810,296
WIA National Emergency Grants (NEG)	17.277	217,126
<i>Total Workforce Investment Act (WIA) Cluster</i>		<u>2,439,077</u>
Virginia Department of Aging and Rehabilitative Services		
<i>Employment Service Cluster</i>		
Employment Service/Wagner-Peyser Funded Activities	17.207	<u>838</u>
Total Pass-Through Awards		2,439,915
Direct Awards:		
<i>Research & Development Cluster</i>		
H-1B Technical Skills Training Grant	17.268	<u>1,457,719</u>
Total Direct Awards		1,457,719
Total		<u><u>\$ 3,897,634</u></u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Shenandoah Valley Workforce Investment Board, Inc. (SVWIB)

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of SVWIB (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 3, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SVWIB's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SVWIB's internal control. Accordingly, we do not express an opinion on the effectiveness of SVWIB's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

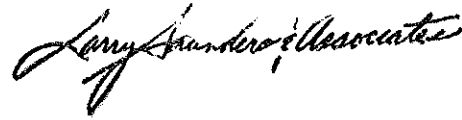
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, reading "Larry J. Anderson & Associates".

Richmond, Virginia
September 3, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Shenandoah Valley Workforce Investment Board, Inc. (SVWIB)

Report on Compliance for Each Major Federal Program

We have audited SVWIB's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of SVWIB's major federal programs for the year ended June 30, 2015. SVWIB's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of SVWIB's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SVWIB's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SVWIB's compliance.

Opinion on Each Major Federal Program

In our opinion, SVWIB complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.


Report on Internal Control Over Compliance

Management of SVWIB is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SVWIB's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SVWIB's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Richmond, Virginia
September 3, 2015

SHENANDOAH VALLEY WORKFORCE INVESTMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the (general purpose) financial statements of Shenandoah Valley Workforce Investment Board, Inc.
2. The auditors' report on compliance for the major federal award programs for Shenandoah Valley Workforce Investment Board, Inc. expresses an unmodified opinion.
3. The programs tested as major programs included: Workforce Investment Act Cluster, The Higher Growth and the OJT grants.
4. The threshold for distinguishing Types A and B programs were \$300,000 and \$100,000, respectively.
5. Shenandoah Valley Workforce Investment Board, Inc. was determined to be a low risk auditee.

B. FINDINGS

None noted



Board Meeting Dates 2016

Meetings are bimonthly on the 2nd Thursday from 9:00 – 11:00 a.m.

March 10, 2016

May 12, 2016

July 14, 2016

Sept. 8, 2016

Nov. 10, 2016

Meeting Location

Ice House

127 West Bruce Street, Room 117

Harrisonburg, VA 22803