INVEST	INNOVATE	IMPACT
○ Focus on data to prioritize investments. ○ Optimize ROI through resource management. ○ Increase resources for workforce development.	○ Pursue practices & programs that can be scaled up. ○ Develop strategic partnerships. ○ Lead efforts that result in employment and advancement.	○ Mobilize opportunities that support industry sectors. ○ Foster development of career pathways. ○ Educate communities about workforce services available.

AGENDA

BOARD OF DIRECTORS

Tillamook Bay Community College

Telephone: +16694449171,,88064505495# US

Meeting ID: 880 6450 5495

Passcode: 262877

Computer: https://us02web.zoom.us/j/88064505495?pwd=SlIveVBKdEsrK1B6dkVvTmZ5Z0dGZz09

April 26, 2024 – 10:00am thru 12:00pm

This meeting has been properly noticed and posted to the Northwest Oregon Works website for public posting in accordance with the Oregon Public Posting Laws.

This Agenda is also available at www.nworegonworks.org.

Those wishing to speak should sign the "Public Comment" sign-in sheet

A quorum of the Local Elected Officials Consortium Board may be in attendance. No actions or decisions will be taken and will be reflected in the minutes of this meeting.

1. **CALL TO ORDER, CONFIRMATION OF POSTING, and ROLL CALL**

2. **REVIEW and APPROVE AGENDA**
   Inclusion of any emergency items, or deletion of any items

3. **PUBLIC COMMENT SESSION**
   Please clearly state your name and address for the record. Each public comment will be limited to three (3) minutes at the Chair's discretion.

4. **CONSENT CALENDAR**
   - Accept Staff's recommendation to approve the Minutes of the January 26, 2024 Board Meeting.

5. **DISCUSSION and POSSIBLE ACTION** – Nadia Costa, Jones and Roth
   - Accept Staff's recommendation to approve PY 22-23 Audit Report

6. **INFORMATION** – Heather DeSart, Executive Director, NOW
   New Board Member Introductions (10 minutes)

7. **INFORMATION** – Jason Swain, CCO, NOW
   Executive Committee Updates (10 minutes)

8. **INFORMATION** –Diana Nish, Equus
   Tillamook Highlights PY 23 (10 minutes)

9. **INFORMATION** – Logan Garner, Youth Program Manager, NOW
   Youth and Tillamook County Updates (15 minutes)

10. **INFORMATION –** Kortnie Williams, Behavioral Health Program Coordinator, NOW
    Behavioral Health Funding Updates (15 minutes)

11. **INFORMATION** – Shaun Barrick, OED
    Oregon Employment Department Economic Update (20 minutes)

12. **BOARD CHAIR REPORT** – Tony Erickson, Chair

13. **EXECUTIVE DIRECTOR'S REPORT** – Heather DeSart, NOW Executive Director

14. **BOARD MEMBER COMMENTS** – Roundtable

15. **SECOND PUBLIC COMMENT SECTION**
    Please clearly state your name and address for the record. Each public comment will be limited to three (3) minutes at the Chair's discretion.

16. **ADJOURN**

Northwest Oregon Works meetings are open to the public and conform to Oregon Public Meetings Laws. A request for an interpreter for the hearing impaired or other accommodations for persons with disabilities, should be made at least 72 hours in advance of the meeting to our to our EO officer, Jason Swain at 541-921-7270 or jasons@nworegonworks.org. TTY is available at 711 or (800) 735-2900.

MINUTES

NORTHWEST OREGON WORKS
BOARD OF DIRECTORS
MEETING

January 26, 2024

Lincoln City Cultural Center

Present:

Board:
Tony Erickson, Oregon AERO, Chair; **Linda Dugan**, Linda Dugan Insurance; **Todd Simmons**, Tillamook Peoples' Utility District; **Ann Buchele**, Linn-Benton Community College; **Terre Cooper,** Tillamook County Economic Development; **Heather Taksdal,** Zwald Transport Inc.; **Whitey Forsman**, Pacific Oyster; **Stephanie Hurliman**, Oregon Employment Dept.; **Eric Sherman**, IBEW Local 932; **Kirstin Salmi**, WCT Marine; **Lauren Smith**, DHS, Vocational Rehabilitation; **Ricardo Contreras**, Casa Latinos Unidos; **Birgitte Ryslinge**, Oregon Coast Community College; **John Hawkins**, Service Employees International Union; **Mario Calderon**, Local 737; **Paul Davis**, JBT Lektro;

Excused:
Diana Teem, Olalla Center; **Carrie Norris,** Samaritan Health Service; **Gabe Gurule**, Corvallis Fire Department; **Greg Morill,** Bergson Construction Inc.; **Jordan Meier**, Driftwood Restaurant; **Zach Poole**, Pig' n Pancake, Vice Chair/Secretary;

Consortium:
Pat Malone, Benton County Commissioner; **Pamela Wev,** Clatsop County Commissioner; **Casey Garrett**, Columbia County Commissioner; **Casey Miller**, Lincoln County Commissioner; **Doug Olson**, Tillamook County Commissioner;

Staff:
Jason Swain, NOW CCO; **Adrienne Peters**, Project Manager; **Logan Garner**, Youth Programs Manager; **Emily Schwartz**, Accounting Technician; **Brittney Lane**, Executive Assistant; **Aylee Rhea,** Program Manager; **Heather DeSart**, Executive Director; **Kortnie Williams**, Behavioral Health Program Coordinator; **Katrina Sturgeon**, Workforce Benefit Navigator;

1. **CALL TO ORDER, CONFIRMATION OF POSTING, and ROLL CALL**
   Chairman Erickson called the Meeting to order at 10:05am.
   Chairman Erickson asked for confirmation of the public posting of the meeting; Ms. Lane confirmed; Roll Call taken, quorum was established.

2. **REVIEW and APPROVE AGENDA**
   Agenda was approved with no corrections, additions, or removals.
   MOTION: Eric Sherman SECOND: John Hawkins MOTION CARRIED.

3. **PUBLIC COMMENT SESSION**
   No public comment was made.

4. **CONSENT CALENDAR**
   - Accept staff's recommendation to approve minutes from Oct 27, 2023 Board Meeting
   - Accept staff's recommendation to approve the addition of policy P21 – WIOA Adult DW Eligibility
   - Accept staff's recommendation to approve the addition of policy P22 – WIOA Adult DW Services
   - Accept staff's recommendation to approve the addition of policy P23 – Followup Services Policy
   - Accept staff's recommendation to approve the addition of policy P24 – Allowable Uses of Funds

   MOTION: Linda Dugan SECOND: John Hawkins MOTION CARRIED.

5. **INFORMATION** – Dorcas Holzapfel, Board President, Lincoln City Cultural Center
   Cultural Center Community Update (15 minutes)
   Dorcas gave a wide view of all of the updates happening at the LC Cultural Center highlighting the new builds and additions that are happening to the building as well as the classes and community events they are hosting as well. She was emphatically happy at how many people showed up in person to our board meeting and how she hopes that their board will get to be NOW's size one day.

6. **INFORMATION** – Oregon Coast Community College
   OCCC Update (20 minutes)
   Dr. Birgitte Ryslinge and Dan Lara gave an overview of OCCC's progress and projects coming up. Additionally, Birgitte talked about her retirement and how the success of her legacy there will be passed to another, and she hopes they are just as active in our community as she has been.

7. **INFORMATION** – Paul Schuytema, Executive Director, Economic Development Alliance of Lincoln City
   Lincoln County Economic Update
   Paul talked about some events that are happening in the Lincoln City Area that the EDALC is a part of. He also talked about the Broadband Deployment Program that they are starting to get Broadband to everyone in LC in a equal access and availability. Paul also spent some minutes talking about some startup blue economy businesses that are sprouting in Lincoln City and talked about the need for more and how some of the high schools are helping promote a blue economy.

8. **INFORMATION** – Adrienne Peters, Behavioral Health Program Manager, NOW
   Behavioral Health Program Update (15 minutes)
   Adrienne discussed the new funding opportunities that NOW has gotten for the Behavioral Health side of the business. She talked about how many participants have graduated as well as how many more they've been able to enroll due to funding.

9. **INFORMATION** – Aylee Rhea, Program Director, Northwest Oregon Works
   Program and Local Plan Update, One Stop Operator Update (10 minutes)

Today Aylee discussed the Re-Entry Grant that NOW was awarded as well as the IE funds and Quest Grant. Additionally, she talked to the board about changing the One Stop Center moving from Astoria to Corvallis because the Astoria office is relocating, and the partners are not all under the same roof so they have to change it to Corvallis until Astoria gets back up and running. Unfortunately, this discussion caused some disarray due to misunderstanding, but Aylee confirmed that no jobs were being lost, just that the title is being shifted from one center to the other to stay within the policies NOW has to follow. A follow-up meeting was requested between Heather and Sarah Lu Heath.

10. **INFORMATION** –Shaun Barrick, OED
    Oregon Employment Department Economic Update (20 minutes)
    Shaun went into a detailed presentation of the Economic Overview of the State of Oregon, and then did a zoomed in discussion of how NOW's territories were looking as well as Lincoln County specifically.

11. **BOARD CHAIR REPORT** – Tony Erickson, Chair
    Tony didn't have a report to make.

12. **EXECUTIVE DIRECTOR'S REPORT** – Heather DeSart, NOW Executive Director
    Heather introduced our new board member, Paul Davis, to the meeting. Paul introduced himself and his history for a minute. Heather also announced that this meeting would be the last meeting for Stephanie Hurliman as she is transferring locations and will no longer be able to serve on the board. Angeline Chan-Pepper is set to take her place as the board representative for OED. Tony was also presented with an award.

13. **BOARD MEMBER COMMENTS** – Roundtable

14. **SECOND PUBLIC COMMENT SECTION**
    No public comment was made.

15. **ADJOURN**
    Meeting was adjourned at 12:00pm.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION

For the Years Ended June 30, 2023 and 2022

Jones Roth
CPAs & Business Advisors

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION
For the Years Ended June 30, 2023 and 2022

TABLE OF CONTENTS

	Page
Board of Directors	i
Independent Auditor's Report	1 - 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Cash Flows	7
Statements of Functional Expenses	8 - 9
Notes to Financial Statements	10 - 17
Single Audit Information:	
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards	19 - 20
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*	21 - 22
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	23 - 25
Schedule of Findings and Questioned Costs	26

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

June 30, 2023

EXECUTIVE DIRECTOR

Heather DeSart

BOARD OF DIRECTORS

Tony Erickson	Chair
Zach Poole	Vice Chair
Kirstin Salmi	Treasurer
Carrie Norris	Board Member
Henry Balensifer III	Board Member
Jordan Maier	Board Member
Linda Dugan	Board Member
Greg Morrill	Board Member
Whitney Forsman	Board Member
Heather Taksdal	Board Member
Todd Simmons	Board Member
Ricardo Contreras	Board Member
Diana Teem	Board Member
Terre Cooper	Board Member
Birgitte Ryslinge	Board Member
John Hawkins	Board Member
Gabe Gurule	Board Member
Mario Calderon	Board Member
Eric Sherman	Board Member
Stephanie Hurliman	Board Member
Lauren Smith	Board Member
Ann Buchele	Board Member

NORTHWEST OREGON WORKFORCE CONSORTIUM

Casey Garrett	Pat Malone	Erin Skaar
Pamela Wev	Casey Miller	

REGISTERED ADDRESS

3788 SE High School Dr.
Lincoln City, OR 97367

Jones Roth
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Oregon Northwest Workforce Investment Board
Lincoln City, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Oregon Northwest Workforce Investment Board (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oregon Northwest Workforce Investment Board as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oregon Northwest Workforce Investment Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oregon Northwest Workforce Investment Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Northwest Workforce Investment Board's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 March 8, 2024 on our consideration of Oregon Northwest Workforce Investment Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oregon Northwest Workforce Investment Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oregon Northwest Workforce Investment Board's internal control over financial reporting and compliance.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
March 8, 2024

FINANCIAL STATEMENTS

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash	$ 667,777	$ 1,626,494
Grants receivable	437,885	499,160
Prepaid expenses	21,347	21,718
Deposits and other assets	1,750	6,297
Total assets	$ 1,128,759	$ 2,153,669
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 719,890	$ 417,860
Refundable advances, current portion	95,104	1,214,333
Deferred revenue	-	25,047
Accrued compensated absences	45,483	41,298
Total current liabilities	860,477	1,698,538
Refundable advances, net of current portion	-	19,618
Total liabilities	860,477	1,718,156
Net assets		
Without donor restrictions	4,397	252,947
With donor restrictions	263,885	182,566
Total net assets	268,282	435,513
Total liabilities and net assets	$ 1,128,759	$ 2,153,669

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Government grants	$ 3,696,467	$ -	$ 3,696,467
Contributions	104,126	301,580	405,706
Other revenue	32,053	-	32,053
Net assets released from restrictions	220,261	(220,261)	-
Total support and revenues	4,052,907	81,319	4,134,226
Expenses			
Program activity:			
Employment and training	3,980,357	-	3,980,357
Supporting services:			
Management and general	315,094	-	315,094
Fundraising	6,006	-	6,006
Total expenses	4,301,457	-	4,301,457
Change in net assets	(248,550)	81,319	(167,231)
Net assets, beginning of year	252,947	182,566	435,513
Net assets, end of year	$ 4,397	$ 263,885	$ 268,282

2022		
Without Donor Restrictions	With Donor Restrictions	Total
$ 2,963,682	$ -	$ 2,963,682
-	255,000	255,000
9,953	-	9,953
103,425	(103,425)	-
3,077,060	151,575	3,228,635
2,571,067	-	2,571,067
277,011	-	277,011
7,025	-	7,025
2,855,103	-	2,855,103
221,957	151,575	373,532
30,990	30,991	61,981
$ 252,947	$ 182,566	$ 435,513

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (167,231)	$ 373,532
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increases) decreases in operating assets:		
Grants receivable	61,275	73,578
Prepaid expenses	371	(11,761)
Deposits and other assets	4,547	(4,425)
Increases (decreases) in operating liabilities:		
Accounts payable	302,030	(24,179)
Refundable advances	(1,138,847)	1,144,729
Deferred revenue	(25,047)	25,047
Accrued compensated absences	4,185	(11,921)
Net cash provided (used) by operating activities	(958,717)	1,564,600
Net increase (decrease) in cash	(958,717)	1,564,600
Cash, beginning of year	1,626,494	61,894
Cash, end of year	$ 667,777	$ 1,626,494

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2023 and 2022

	2023			
	Program Activity	Supporting Services		
	Employment and Training	Management and General	Fundraising	Total
Salaries	$ 514,963	$ 148,948	$ -	$ 663,911
Payroll taxes	43,297	14,736	-	58,033
Employee health benefits	105,778	41,146	-	146,924
Total salaries and related expenses	664,038	204,830	-	868,868
Professional services	72,832	15,538	6,006	94,376
Legal fees	-	-	-	-
Audit fees	3,630	20,445	-	24,075
Fees	3,715	10,136	-	13,851
Phone and internet	14,977	10,185	-	25,162
Insurance	1,434	5,936	-	7,370
Office occupancy	1,164	4,616	-	5,780
Office supplies	1,205	1,122	-	2,327
Office expense	3,231	4,550	-	7,781
Memberships	7,244	14,488	-	21,732
Postage and printing	202	805	-	1,007
Travel	38,727	8,084	-	46,811
Meetings	467	3,304	-	3,771
Trainings	2,191	5,529	-	7,720
i-Trac database	22,922	-	-	22,922
Program and community outreach	753,108	-	-	753,108
Payments to grant subrecipient providers	2,211,805	1,444	-	2,213,249
WorkSource Oregon center occupancy	59,298	4,082	-	63,380
Other WorkSource Oregon expenses	118,167	-	-	118,167
Total functional expenses	$ 3,980,357	$ 315,094	$ 6,006	$ 4,301,457

2022			
Program Activity	Supporting Services		
Employment and Training	Management and General	Fundraising	Total
$ 318,966	$ 159,859	$ -	$ 478,825
31,137	15,384	-	46,521
63,906	28,938	-	92,844
414,009	204,181	-	618,190
71,954	9,683	7,025	88,662
-	152	-	152
-	22,351	-	22,351
-	7,044	-	7,044
7,233	6,938	-	14,171
-	6,228	-	6,228
2,577	3,120	-	5,697
730	684	-	1,414
3,760	3,397	-	7,157
5,923	5,317	-	11,240
174	776	-	950
9,486	2,074	-	11,560
116	766	-	882
3,737	4,300	-	8,037
23,443	-	-	23,443
111,121	-	-	111,121
1,764,772	-	-	1,764,772
69,764	-	-	69,764
82,268	-	-	82,268
$ 2,571,067	$ 277,011	$ 7,025	$ 2,855,103

The accompanying notes are an integral part of these statements.

1. Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

Oregon Northwest Workforce Investment Board (ONWIB) was formed on July 1, 2015, as a 501(c)(3) nonprofit corporation organized in the state of Oregon. ONWIB services a five-county area in Northwest Oregon, including Benton, Clatsop, Columbia, Lincoln, and Tillamook Counties.

ONWIB is a workforce development organization dedicated to assisting employers in recruiting and retaining employees, and helping individuals find employment and progress in their careers. Specifically, ONWIB is charged with planning, oversight, and administrative responsibility for local job training programs including, but not limited to, those funded under the Workforce Innovation and Opportunity Act of 2014 (WIOA). WIOA requires that each Workforce Development Area form a Local Workforce Development Board. The Board of Directors of ONWIB was designated to meet this requirement for the geographic area of the counties in Oregon noted above.

Budget Policy

The administrative and fiscal staff prepare a budget which is submitted to the Board of Directors for approval, modification, and adoption. Once approved by the Board of Directors, it is then submitted to the Northwest Oregon Workforce Consortium (NOWC). NOWC consists of one County Commissioner from each county serviced by ONWIB.

There is no legal requirement that expenditures do not exceed appropriations; however, it is Board practice to limit expenditures to the amount appropriated.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting wherein revenues are reported when earned and expenses are reported when incurred. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Functional Allocation of Expenses

The costs of providing the program have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. ONWIB's sole program is Employment and Training Services. This program is charged with planning, oversight, and administrative responsibility for local job training programs for at-risk populations in the area.

ONWIB allocates costs between program and support activities based on a cost allocation plan. Most of ONWIB's operating expenses are allocated to program and support activities based on employee timecards unless the item can be specifically traced to a program-related activity. Subrecipient expenses are generally 100 percent program.

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Recent Accounting Standard Adopted

During 2023, ONWIB adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases*, using the modified retrospective approach, with July 1, 2022 as the date of initial application. Lease disclosures for the year ended June 30, 2022 are made in accordance with the previous lease accounting guidance in FASB ASC 840. The most significant change in the new leasing guidance is the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

ONWIB elected the package of practical expedients permitted under the transition guidance within the new standard which, among other things, allowed ONWIB to carry forward the historical lease classification for existing leases. Adoption of the new standard did not have a material impact on ONWIB's statement of financial position, statement of activities, or net assets.

Assets, Liabilities, and Net Assets

Cash
Cash consists of cash on hand and demand deposits deposited at two financial institutions.

Receivables
Receivables are recorded in accordance with the policies enumerated above. Management of ONWIB considers all amounts included in grants receivable to be collectible; therefore, no provision for uncollectible accounts has been made.

ONWIB receives a majority of its federal funds from the U.S. Department of Labor passed through the state of Oregon, as well as several other non-federal grants. The amount receivable represents contract billings and cash requests, relating to expenditures incurred through the end of the program year, which had not been received at June 30, 2023 and 2022.

Capital assets
Capital assets are defined by ONWIB as assets with an initial individual cost of $5,000 or greater and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their fair value at the date of donation.

Depreciation is provided using the straight-line method based on the estimated useful lives of the related assets.

State and federal grantor agencies retain a reversionary interest in all capital assets that are purchased with state and federal funding.

ONWIB had no capital assets as of June 30, 2023 and 2022.

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Assets, Liabilities, and Net Assets, continued

Leases
ONWIB determines whether an arrangement is or contains a lease at inception. Under FASB ASC 842, *Leases*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed. Operating leases with an initial term greater than 12 months, wherein ONWIB is the lessee, are included in ROU assets and lease liabilities on the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term.

ONWIB has elected the short-term lease recognition exemption for all classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that ONWIB is reasonably certain to exercise, are not recorded on the statements of financial position. Lease expense is recognized for any such leases on a straight-line basis over the lease term.

Compensated absences payable
It is ONWIB's policy to permit employees to accumulate earned but unused vacation time. No liability for unpaid accumulated sick leave is recorded because ONWIB does not pay sick leave when employees separate from service with ONWIB. Accrued compensated absences totaled $45,483 and $41,298 as of June 30, 2023 and 2022, respectively.

Refundable advances
Certain grants and contributions received by ONWIB contain barriers that must be overcome before ONWIB is entitled to the funds, and a right of return requiring the funds to be repaid if expenses or outcomes as specified by the grant agreement are not incurred; therefore, the grants and contributions are considered conditional contributions. Conditional contributions or grants received in advance of when the conditions are substantially met are accounted for as refundable advances and are classified as a liability in the accompanying statements of financial position. Once conditions are substantially met, the amounts become unconditional and are recognized as revenue.

Net assets
ONWIB reports net assets as with or without donor restrictions.

- Net assets without donor restrictions – Net assets without donor restrictions consists of resources that are not subject to donor-imposed restrictions and are available for use in carrying out the mission of ONWIB. It also includes those expendable resources that have been designated for special use by the Board.

- Net assets with donor restrictions – Net assets with donor restrictions represent those amounts that are subject to donor-imposed restrictions with respect to purpose or time. Donors includes other types of contributors, including makers of certain grants.

1. Reporting Entity and Summary of Significant Accounting Policies, continued

Assets, Liabilities, and Net Assets, continued

Net assets, continued
ONWIB reduces restricted amounts, if any, first when expenditures are incurred for purposes for which restricted and unrestricted amounts are available.

Revenue amounts that are restricted are reported as an increase in net assets without donor restriction if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other restricted revenue is reported as an increase in net asset with donor restriction. When a donor restriction ends or the purpose of a restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Income Taxes

ONWIB is exempt from income tax under Internal Revenue Code (IRC) Section 501(c)(3) and is only subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the IRC. ONWIB's federal Return of Organization Exempt from Income Tax return (Form 990) for the years ended June 30, 2023 and 2022 is subject to examination by the Internal Revenue Service, generally for three years after filed.

Management evaluated ONWIB's tax positions, including unrelated business income, if any, and concluded that ONWIB had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Concentration of Credit Risk

ONWIB maintains its cash and bank deposit accounts in certain financial institutions. Interest and non-interest bearing accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. All deposits not covered by the FDIC are covered by the Public Funds Collateralization Program (PFCP) of the state of Oregon. Deposits in excess of FDIC coverage with institutions participating in the Oregon PFCP are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100 percent protected. ONWIB has not experienced any loss in such accounts.

Approximately 93 percent and 100 percent of ONWIB's grants receivable at June 30, 2023 and 2022, respectively, were due from the state of Oregon.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenses. Actual results may differ from such estimates.

2. Refundable Advances

At June 30, refundable advances consisted of the following arising from conditional contributions received in advance of when the grant conditions were met:

	2023	2022
State of Oregon - HOWTO	$ 91,270	$ 140,934
State of Oregon - Prosperity 10,000	3,834	858,797
State of Oregon - Industry Engagement	-	55,562
State of Oregon - OYEP State Youth Work Experience	-	178,658
	95,104	1,233,951
Less current portion	(95,104)	(1,214,333)
Refundable advances, net of current portion	$ -	$ 19,618

3. Net Assets with Donor Restrictions

As of June 30, net assets with donor restrictions consisted of the following amounts:

	2023	2022
Coastal Maritime - Maritime Coordinator	$ 1,341	$ 1,540
CRPUD Economic Development - Sewing Classes	3,208	3,208
OCF - Youth Reengagement	-	23,957
IHN - Behavioral Health Scholarships and Tuition	216,407	153,861
Lincoln County - Maritime and Healthcare Training	14,000	-
Lincoln County – Youth Shuttle to CTE Program	15,000	-
OYEP State Youth Work Experience	13,929	-
Total net assets with donor restrictions	$ 263,885	$ 182,566

4. Leases

As of June 30, 2023, ONWIB leased office and storage space at several locations:

	Lease Terms	Short-Term Lease Cost
Administrative Office 3788 SE High School Dr Lincoln City	Monthly payments of $416 through November 30, 2022, and $433 through November 30, 2023. Option to renew for one additional year, with a 4% increase in the monthly payment. Non-cancellable lease term of less than 12 months.	$ 5,108
WorkSource Oregon Center 450 Marine Drive Astoria	Monthly payments of $806 through June 30, 2023. Non-cancellable lease term of less than 12 months.	9,672

4. Leases, continued

	Lease Terms	Short-Term Lease Cost
WorkSource Oregon Center 500 N. Columbia Hwy 30 St. Helens	Monthly payments of $893 through June 30, 2023. Non-cancellable lease term of less than 12 months.	10,716
WorkSource Oregon Center 4170 SW Research Way Corvallis	Monthly payments of $267 through June 30, 2023. Non-cancellable lease term of less than 12 months.	3,204
WorkSource Oregon Center 4157 NW Hwy 101 Lincoln City	Monthly payments of $158 through June 30, 2023. Non-cancellable lease term of less than 12 months.	1,896
WorkSource Oregon Center 120 NE Avery Street Newport	Monthly payments of $298 through June 30, 2023. Non-cancellable lease term of less than 12 months.	3,576
WorkSource Oregon Center 2101 5th Street Tillamook	Monthly payments of $1,498 until terminated in April 2023.	16,476
Storage 902 SE Uglow Ave Dallas	Month-to-month storage agreement with monthly payments of $80 through December 31, 2022 and $86 through June 30, 2023.	996
	Total short-term lease cost	$ 51,664

All of ONWIB's leases as of and for the year ended June 30, 2023 were considered short-term leases.

Lease expense for the year ended June 30, 2022 totaled $59,167 and was determined in accordance with the previous lease accounting guidance in ASC 840.

During the years ended June 30, 2023 and 2022, ONWIB leased facilities for WorkSource Oregon subrecipient providers. Total lease expense includes WorkSource Oregon lease expense of $45,540 and $53,355 for the years ended June 30, 2023 and 2022, respectively.

5. Related Party Transactions

At times, ONWIB enters into contracts with organizations whose management and/or Boards of Directors include members of the ONWIB Board of Directors or Northwest Oregon Workforce Consortium.

5. Related Party Transactions, continued

The following contracts were in effect during the year ended June 30, 2023:

Agency	Funding Title	Expense (Revenue)	Payable (Receivable)
Lincoln County	Maritime and Healthcare Training	$ (14,000)	$ -
Lincoln County	Economic Development	(15,000)	-
Oregon Employment Department	All	33,708	5,371
Community Services Consortium	WIOA Youth, TANF, ILP, Future Ready Oregon	516,542	211,727

There were no related party grant or funding contracts in effect during the year ended June 30, 2022.

ONWIB entered into a lease agreement with Oregon Coast Community College for office space at 3788 SE High School Dr. in Lincoln City. See Note 4.

Additionally, ONWIB paid Oregon Workforce Partnership (OWP) $17,000 and $10,000 during the years ended June 30, 2023 and 2022, respectively. An employee of ONWIB is on the Board of Directors of OWP. The annual membership fee covers expenses for monthly meetings, as well as the costs for partnership development with other workforce boards in Oregon, the Oregon Employment Department, and the Governor's office.

6. Liquidity and Availability of Resources

ONWIB has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2023 and 2022, ONWIB's financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year from the statement of financial position date, are comprised of the following:

	2023	2022
Cash	$ 667,777	$ 1,626,494
Grants receivable	437,885	499,160
	1,105,662	2,125,654
Less financial assets unavailable for general expenditure within one year:		
Refundable advances	(95,104)	(1,233,951)
Net assets with donor restrictions	(263,885)	(182,566)
Financial assets available for general expenditure	$ 746,673	$ 709,137

7. Risk Management

ONWIB is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. ONWIB maintains coverage through commercial insurance companies for risk of loss. There were no insurance settlements exceeding insurance coverage during June 30, 2023 or 2022.

ONWIB contracted with subrecipient organizations to provide training and employment services during the years ended June 30, 2023 and 2022. While federal and state requirements and compliance for provisions of services are defined and rather strict, there are other local organizations capable of providing the necessary services in the event any of the contracted service providers ceases to perform or operate per terms of their contracts. Combined, three subrecipient organizations were paid $2,213,249 and $1,764,772 for services performed during the years ended June 30, 2023 and June 30, 2022, respectively.

8. Retirement Plan

ONWIB maintains a 401(k) retirement program for eligible employees. ONWIB matches employee contributions up to 100 percent of the first 6 percent of eligible earnings contributed by employees. All matching contributions vest immediately. ONWIB's matching contributions to the 401(k) plan totaled $23,493 and $20,504 during the years ended June 30, 2023 and 2022, respectively.

9. Reclassifications

Certain prior year financial statement amounts have been reclassified to conform to the current year presentation. Such reclassifications have no effect on the previously reported change in net assets.

10. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SINGLE AUDIT INFORMATION

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Amounts Paid to Subrecipients
U.S. Department of Labor				
Passed through State of Oregon, Higher Education Coordinating Commission (HECC):				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIOA Adult Program - Local Administration	17.258	21-010F	$ 54,984	$ 481
WIOA Adult Program	17.258	21-010F	411,269	377,588
WIOA Youth Activities - Local Administration	17.259	21-010F	74,012	482
WIOA Youth Activities	17.259	21-010F	553,597	569,721
WIOA Youth Activities - High Concentration of Eligible Youth	17.259	21-010F	9,942	-
WIOA Dislocated Worker Formula Grants - Local Administration	17.278	19-079F, 21-010F	56,143	482
WIOA Dislocated Worker Formula Grants	17.278	21-010F	419,934	399,278
WIOA Dislocated Worker Formula Grants - Rapid Response Layoff Aversion	17.278	21-010F	25,200	-
Total WIOA Cluster			1,605,081	1,348,032
WIOA National Dislocated Worker Grants - Wildfire	17.277	20-111C	23,350	22,684
Registered Apprenticeship	17.285	21-109D	33,123	-
Total passed through State of Oregon, HECC			1,661,554	1,370,716
Total U.S. Department of Labor			1,661,554	1,370,716
U.S. Department of Treasury				
Passed through State of Oregon, Oregon Department of Administrative Services (DAS):				
COVID-19 Coronavirus State Fiscal Recovery Fund - Administration	21.027	21-221F	1,353	-
COVID-19 Coronavirus State Fiscal Recovery Fund	21.027	21-221F	16,347	-
Total passed through State of Oregon, DAS			17,700	-
Total U.S. Department of Treasury			17,700	-
Total expenditures of federal awards			$ 1,679,254	$ 1,370,716

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Oregon Northwest Workforce Investment Board's (ONWIB's) financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of ONWIB, it does not present the financial position, changes in financial position, or the revenues and expenditures of ONWIB.

2. Significant Accounting Policies

Reporting Entity

The reporting entity is fully described in Note 1 to ONWIB's financial statements. The Schedule includes all federal programs administered by ONWIB for the fiscal year ended June 30, 2023.

Basis of Presentation

The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and is reported on the Schedule (if applicable). Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between ONWIB and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Uniform Guidance establishes criteria to be used in defining major programs. Major programs are those programs selected for testing using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance Subpart F 200.518. Programs with similar requirements may be grouped into a cluster for testing purposes.

Basis of Accounting

Receipts and expenditures are accounted for using the accrual basis of accounting. Revenues are recorded when earned or, in the case of grants where expenditures are the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred.

3. Indirect Cost Rate

ONWIB elected to use the ten percent (10%) de minimis indirect cost rate of modified total direct costs. A definition of modified total direct costs can be found in the Uniform Guidance Subpart A 200.1.

Jones Roth
CPAs & Business Advisors

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
Oregon Northwest Workforce Investment Board
Lincoln City, Oregon

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 Oregon Northwest Workforce Investment Board (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Oregon Northwest Workforce Investment Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oregon Northwest Workforce Investment Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oregon Northwest Workforce Investment Board's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
March 8, 2024

Jones Roth
CPAs & Business Advisors

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

To the Board of Directors
Oregon Northwest Workforce Investment Board
Lincoln City, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Oregon Northwest Workforce Investment Board's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Oregon Northwest Workforce Investment Board's major federal programs for the year ended June 30, 2023. Oregon Northwest Workforce Investment Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oregon Northwest Workforce Investment Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Oregon Northwest Workforce Investment Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Oregon Northwest Workforce Investment Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Oregon Northwest Workforce Investment Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
March 8, 2024

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Summary of Auditor's Results

1) The independent auditor's report expresses an unmodified opinion on the financial statements of Oregon Northwest Workforce Investment Board.

2) No material weaknesses or significant deficiencies in internal control were disclosed by the audit of the financial statements.

3) No instances of noncompliance material to the financial statements were disclosed during the audit.

4) No material weaknesses or significant deficiencies were disclosed by the audit of the major federal award program.

5) The independent auditor's report on compliance for the major federal award programs for Oregon Northwest Workforce Investment Board expresses an unmodified opinion.

6) The audit disclosed no audit findings required to be reported.

7) The program tested as a major program was:

WIOA Cluster:	
WIOA Adult Program	Assistance Listing # 17.258
WIOA Youth Activities	Assistance Listing # 17.259
WIOA Dislocated Worker Formula Grants	Assistance Listing # 17.278

8) The threshold for distinguishing between Type A and Type B programs was $750,000.

9) Oregon Northwest Workforce Investment Board qualifies as a low-risk auditee.

Findings - Financial Statement Audit

None.

Findings and Questioned Costs - Major Federal Award Program Audit

None.

Prior Period Findings and Questioned Costs

None.

Jones & Roth
CPAs & Business Advisors

March 8, 2024

To the Board of Directors and Management
Oregon Northwest Workforce Investment Board
Lincoln City, Oregon

We have audited the financial statements of Oregon Northwest Workforce Investment Board for the year ended June 30, 2023, and have issued our report thereon dated March 8, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oregon Northwest Workforce Investment Board are described in Note 1 to the financial statements. As described in Note 1, Oregon Northwest Workforce Investment Board adopted Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) Topic No. 842, *Leases*, during the year ended June 30, 2023. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of the collectability of receivables and determination that no allowance for uncollectible receivables is needed. This is based on management's judgement as to the collectability of the receivables based on historical collections. We evaluated the methods, assumptions, and data used to develop the allowance for uncollectable receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

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

- The disclosure of related party transactions in Note 5 to the financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 8, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Respectfully,

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon

The beginning of the fourth quarter of our program year is an excellent time to take a look back at the ways Equus has helped change the lives of people in Tillamook County. Let's begin by looking at the numbers.

We have now completed the third quarter of our program year, and the Adult/Dislocated Worker program in Tillamook County has had the opportunity to help a total of 35 participants with $90,983.84 in WIOA, ARPA and RR25 funding. That's 19 On-the-job trainings, 15 truck driver training ITAs and 1 nursing student. We have been able to re-establish the OJT program with Tillamook County Habitat for Humanity and begin an OJT partnership with Zwald Transport while continuing to serve Tillamook County Creamery Association, who is currently experiencing unprecedented employee retention.

Our funding has helped Mike, who was couch surfing while attending CDL training at TBCC and now he is living in a beach house in Netarts and continuing to win employment contracts for independent projects. We have helped nursing student Lesley to get a much-needed hearing impaired stethoscope which will continue to aid in her career well past the end of her studies this June. And we have helped Otis, who is new to Tillamook, to establish himself with one of Tillamook's largest employers, Tillamook County Creamery.

These are just three examples of the lives that are changed for the better because of these programs. Each and every participant in our programs has a story. Some are single mothers who have been struggling to prove for their families. Others have stumbled upon hard times and need that helping hand to find the courage to try something new or forge a new path for themselves and their families. And no matter what their story, they all need someone to reach out a helping hand to lift them up and cheer for and with them when they experience successes.

And while it is good to look back at what we've accomplished, it's exciting to look at the opportunities ahead for program year '24. We will begin to work with the nursing program at Tillamook Bay Community College, which will have its first cohort of 2nd year students beginning Fall 2024. We look forward to continuing our outstanding partnership with TBCC's JoAnn Critelli and the truck driver training program, and are currently talking with several local employers about establishing on-the-job training partnerships in the coming months.

We are proud to be impact lives of individuals, families, and our communities in Tillamook County. Thank you for the opportunity to experience the gratification that comes from helping people to improve their lives.