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

Oregon Coast Community College

Newport Campus, CC140

Telephone: +17193594580,,88465937659#

Meeting ID: 884 6593 7659

Passcode: 763818

Computer: https://us02web.zoom.us/j/88465937659?pwd=vbpuHFDckXNLw2kpk2u1XZAMUckkag.1

January 24, 2025 – 10am to 12pm

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 October 25, 2024 Joint Board and Consortium Meeting.
   - Accept Staff's recommendation to approve the Meeting Schedule for PY 2025 - 2026.

5. **DISCUSSION and POSSIBLE ACTION** – Nadia Costa, Jones and Roth
   - Accept Staff's recommendation to approve PY 23-24 Audit Report

6. **INFORMATION** – Doug Riggs and Iris Maria Chavez, OWP Legislative Consultants
   Legislative Conversation (20 minutes)

7. **INFORMATION** –Marshall Roache, President Oregon Coast Community College
   State of Oregon Coast Community College (15 minutes)

8. **INFORMATION** – Paul Schuytema, Executive Director, Economic Development Alliance
   Lincoln County Economic Development (15 minutes)

9. **INFORMATION** – Len Tumbarello, Maritime Program Coordinator
   Check presentation to Newport Fisherman's Wives (5 min)

10. **INFORMATION** – Sam Watson, Equus
    Program Update Lincoln County (10 min)

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

October 25, 2024

Linn-Benton Community College
6500 SW Pacific Blvd, Albany, OR

Present:

Board:
Tony Erickson, Oregon AERO, Chair; **Eric Sherman**, IBEW Local 932; **John Hawkins**, Service Employees International Union; **Than Tussing**, Fast Lube and Oil; **Carrie Norris,** Samaritan Health Service; **Heather Taksdal,** Zwald Transport Inc.; **Ann Buchele**, Linn-Benton Community College; **Lauren Smith**, DHS, Vocational Rehabilitation; **Linda Dugan**, Linda Dugan Insurance; **Lisa Avery,** Linn-Benton Community College; **Paul Davis**, JBT Lektro; **Whitey Forsman**, Pacific Oyster;

Excused:
Angeline Chan-Pepper, Oregon Employment Dept.; **Gabe Gurule**, Corvallis Fire Department; **Greg Morill,** Bergson Construction Inc.; **Kirstin Salmi**, WCT Marine; **Mario Calderon**, Local 737; **Terre Cooper,** Tillamook County Economic Development; **Todd Simmons**, Tillamook Peoples' Utility District; **Zach Poole**, Pig' n Pancake, Vice Chair/Secretary;

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

Consortium Excused:
Doug Olson, Tillamook County Commissioner;

Staff:
Heather DeSart, Executive Director; **Jason Swain**, NOW CCO; **Katrina Sturgeon**, Workforce Benefit Navigator; **Logan Garner**, Youth Programs Manager; **Emily Richter**, Accounting Technician; **Brittney Lane**, Executive Assistant; **Aylee Rhea,** Program Manager; **Kortnie Williams**, Program Coordinator; **Leonard Tumbarello,** Martime Program Coordinator;

1. **CALL TO ORDER, CONFIRMATION OF POSTING, and ROLL CALL**
   Chairman Erickson called the Meeting to order at 10:02am.
   Chairman Erickson asked for confirmation of the public posting of the meeting; Ms. Lane confirmed; Roll Call taken, quorum was established.
   Commissioner Wev called the Meeting to order at 10:03am

Commissioner Wev 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 required zero modifications.
   BOARD MOTION: John Hawkins **SECOND: Paul Davis** **MOTION CARRIED.**
   CONSORTIUM MOTION: Casey Garrett **SECOND: Pat Malone** **MOTION CARRIED.**

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

4. **DISCUSSION and POSSIBLE ACTION: CONSORTIUM BOARD**
   Accept Staff's recommendation to RE-appoint the following (five) NOW Board Members – The terms of these Board Members will be October 31, 2024 – November 1, 2027.
   a. Carrie Norris – Business Rep – Samaritan Health Services
   b. Gabe Gurule – Labor Rep – Corvallis Fire Department
   c. Tony Erickson – Business Rep – Oregon AERO
   d. Whitey Forsman – Business Rep – Pacific Oyster
   e. Zach Poole – Business Rep – Pig N Pancake
   MOTION: Casey Garrett **SECOND: Pat Malone** **MOTION CARRIED.**

5. **DISCUSSION and POSSIBLE ACTION: NOW BOARD**
   Nominate & Elect/Re-elect Board Officers:
   Tony Erickson – Board Chair
   Zach Poole – Vice Board Chair
   Kirstin Salmi – Board Treasurer
   MOTION: Than Tussing **SECOND: Carrie Norris** **MOTION CARRIED.**

6. **CONSENT CALENDAR**
   • NOW BOARD –
   - Accept Staff's recommendation to approve the Minutes of the August 23, 2024 Board meeting.

   MOTION: Eric Sherman **SECOND: John Hawkins** **MOTION CARRIED.**

   • CONSORTIUM BOARD –
   - Accept Staff's recommendation to approve the Minutes of the June 28, 2024 Consortium Meeting.

   MOTION: Casey Garrett **SECOND: Pat Malone** **MOTION CARRIED.**

7. **DISCUSSION and POSSIBLE ACTION: NOW BOARD THEN CONSORTIUM BOARD –** Kirstin Salmi, NOW Board Treasurer and Jason Swain, NOW CFO
   Accept the Staff's recommendation to approve the finalized Annual Budget.
   Jason reviewed the budget and all changes, he also stated that NOW's audit is done and will be presented in January.

a. NOW Board

MOTION: Eric Sherman **SECOND: Heather Taksdal** **MOTION CARRIED.**

b. Consortium Board

MOTION: Casey Garrett **SECOND: Pat Malone** **MOTION CARRIED.**

8. **INFORMATION – Katie Winder, Dean of Instruction, Linn Benton Community College**
   Ms. Winder discussed the progress that LBCC has made and the enrollment progress that's had a drastic uptick since the pandemic.

9. **INFORMATION** – Christopher Jacobs, Executive Director, Corvallis Economic Development
   Christopher Jacobs presented and explained what the Economic Development Office did, who it's partnered with, what businesses they are trying to reach out to and connect with. He also explained the services that the EDO offers and how it helps bring money and people into the local economy to fortify what Benton County is trying to grow into. Christopher also introduced his team and some of their success stories to the group.

10. **INFORMATION** – Shaun Barrick, Economist, OED & Madeline Judokusumo, Workforce Analyst, OED
    Shaun gave a very detailed presentation on the Economic Status of the regions that Northwest Oregon Works serves. He also broke all the economic numbers down by county and focused on Benton County. He did say that most of the unemployment levels are back to pre-covid numbers and that it looks like the workforce might stabilize for a while based on the pattern that they've seen.

11. **INFORMATION** – Angela Turpen, Principal Youth Advisor, CSC
    Angela gave a presentation about who she is, what CSC does, and how it's work impacts the students and young adults in the area to help them get on the job training and schooling so that they can get a good paying job and do well for their lives.

12. **INFORMATION** – Logan Garner, Youth Program Manager, NOW
    Logan gave a presentation about the youth programs that are happening in Benton County as well as a small update about how all of the programs throughout Northwest Oregon Works' region is going.

13. **BOARD CHAIR REPORT** – Tony Erickson, Chair
    Tony thanked Heather DeSart for his presentation at the Working Together Conference and said that he's proud to be a part of the Board of Directors.

14. **CHIEF LOCAL ELECTED OFFICIAL REPORT** – Commissioner Wev
    Commissioner Wev talked about the Working Together Conference as well. She stated that she loved seeing NOW's representation at the conference and made note of other conferences that she wishes that she could see more of NOW's participation at.

15. **EXECUTIVE DIRECTOR REPORT –** Heather DeSart, NOW Executive Director
    Heather announced a thank you to Dr. Avery for hosting the Joint Board of Directors and Consortium Meeting. She also announced that the next Working Together Conference is in Salem in October of 2025. The last thing that Heather mentioned was that during the January Board Meeting the Board of Directors

will be asked to approve the PY 2025-2026 calendar.

16. BOARD ROUNDTABLE

No comment was made at this time.

17. PUBLIC COMMENT SESSION

No comment was made at this time.

18. ADJOURN

Chairman Erickson adjourned the meeting at 12:27pm.
Commissioner Wev adjourned the meeting at 12:27pm.
The meeting was concluded, and the zoom call was closed and ended.

Northwest Oregon Works
PY 2025-26 Meeting Schedule

Every effort is made to focus one meeting on each of NOW's five-county areas for the 2024-2025 program year, which runs from July 1 to June 30. Meetings are held from 10:00 a.m. to 12:00 noon, Pacific Time, unless otherwise noted. Meeting times may be adjusted to accommodate tours or space availability. Northwest Oregon Works board meetings are open to the public and will conform to Oregon public meetings laws.

Date	Meeting	Location
Friday, October 24, 2025*	Annual Meeting	Columbia County
Friday, January 23, 2026	Regular Board	Benton County
Friday, April 24, 2026	Regular Board	Lincoln County
Friday, June 26, 2026*	Regular Board *(budget approval)*	Tillamook County

Dates marked with an asterisk (*) have scheduled Consortium meetings combined or to follow.
Dates marked with double asterisks (**) indicate the scheduled meeting date was changed.

Last revised: *January 2025*

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION

For the Years Ended June 30, 2024 and 2023

Jones & Roth
CPAs & Business Advisors

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION
For the Years Ended June 30, 2024 and 2023

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OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

June 30, 2024

EXECUTIVE DIRECTOR

Heather DeSart

BOARD OF DIRECTORS

Tony Erickson	Chair
Zach Poole	Vice Chair
Kirstin Salmi	Treasurer
Carrie Norris	Board Member
Linda Dugan	Board Member
Greg Morrill	Board Member
Whitey Forsman	Board Member
Heather Taksdal	Board Member
Todd Simmons	Board Member
Terre Cooper	Board Member
John Hawkins	Board Member
Gabe Gurule	Board Member
Mario Calderon	Board Member
Eric Sherman	Board Member
Lauren Smith	Board Member
Ann Buchele	Board Member
Lisa Avery	Board Member
Paul Davis	Board Member
Than Tussing	Board Member
Angeline Chan-Pepper	Board Member

NORTHWEST OREGON WORKFORCE CONSORTIUM

Casey Garrett	Pat Malone	Doug Olson
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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows 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, 2024 and 2023, 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 January 6, 2025 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.
Eugene, Oregon
January 6, 2025

FINANCIAL STATEMENTS

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash	$ 1,140,961	$ 667,777
Grants receivable	588,574	437,885
Prepaid expenses	9,563	21,347
Deposits and other assets	1,750	1,750
Total assets	$ 1,740,848	$ 1,128,759
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 592,834	$ 719,890
Refundable advances	554,423	95,104
Accrued compensated absences	56,501	45,483
Total current liabilities	1,203,758	860,477
Total liabilities	1,203,758	860,477
Net assets		
Without donor restrictions	217,010	4,397
With donor restrictions	320,080	263,885
Total net assets	537,090	268,282
Total liabilities and net assets	$ 1,740,848	$ 1,128,759

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Government grants	$ 3,404,881	$ -	$ 3,404,881
Contributions	50,365	467,750	518,115
Other revenue	12,530	-	12,530
Net assets released from restrictions	411,555	(411,555)	-
Total support and revenues	3,879,331	56,195	3,935,526
Expenses			
Program activity:			
Employment and training	3,341,373	-	3,341,373
Supporting services:			
Management and general	324,145	-	324,145
Fundraising	1,200	-	1,200
Total expenses	3,666,718	-	3,666,718
Change in net assets	212,613	56,195	268,808
Net assets, beginning of year	4,397	263,885	268,282
Net assets, end of year	$ 217,010	$ 320,080	$ 537,090

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 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

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	Program Activity	Supporting Services		
	Employment and Training	Management and General	Fundraising	Total
Salaries	$ 519,060	$ 160,572	$ -	$ 679,632
Payroll taxes	42,174	14,389	-	56,563
Employee health benefits	94,830	34,285	-	129,115
Total salaries and related expenses	656,064	209,246	-	865,310
Professional services	19,400	11,416	1,200	32,016
Audit fees	7,159	24,191	-	31,350
Fees	2,891	13,500	-	16,391
Phone and internet	14,429	13,038	-	27,467
Insurance	2,083	6,692	-	8,775
Office occupancy	1,349	5,259	-	6,608
Office supplies	3,886	2,101	-	5,987
Office expense	5,941	3,405	-	9,346
Memberships	6,519	7,881	-	14,400
Postage and printing	323	1,334	-	1,657
Travel	31,307	11,626	-	42,933
Meetings	839	2,312	-	3,151
Trainings	1,642	2,208	-	3,850
i-Trac database	26,111	-	-	26,111
Program and community outreach	685,174	-	-	685,174
Payments to grant subrecipient providers	1,784,146	1,440	-	1,785,586
WorkSource Oregon center occupancy	37,267	3,443	-	40,710
Other WorkSource Oregon expenses	54,843	5,053	-	59,896
Total functional expenses	$ 3,341,373	$ 324,145	$ 1,200	$ 3,666,718

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 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
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

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, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 268,808	$ (167,231)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increases) decreases in operating assets:		
Grants receivable	(150,689)	61,275
Prepaid expenses	11,784	371
Deposits and other assets	-	4,547
Increases (decreases) in operating liabilities:		
Accounts payable	(127,056)	302,030
Refundable advances	459,319	(1,138,847)
Deferred revenue	-	(25,047)
Accrued compensated absences	11,018	4,185
Net cash provided (used) by operating activities	473,184	(958,717)
Net increase (decrease) in cash	473,184	(958,717)
Cash, beginning of year	667,777	1,626,494
Cash, end of year	$ 1,140,961	$ 667,777

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

On July 1, 2023, ONWIB adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related amendments (ASC 326), which replaced the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of lifetime expected credit losses to be recognized for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts, and for the financial assets to be presented at the net amount expected to be collected on the balance sheet. Financial assets occasionally held by ONWIB that are subject to ASC 326 are program accounts receivable accounted for under ASC 606. As there were no program accounts receivable at June 30, 2024 or 2023, the impact of adoption was not considered material to ONWIB's financial statements.

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 below. 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 of grants 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, 2024 and 2023.

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, 2024 and 2023.

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 $56,501 and $45,483 as of June 30, 2024 and 2023, 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; accordingly, the grants and contributions are considered conditional contributions. Funds for conditional contributions or grants that are received in advance of when the conditions are substantially met are accounted for as refundable advances and 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 restrictions 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 assets with donor restrictions. When a donor restriction ends or the purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2024 and 2023 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 100 percent and 93 percent of ONWIB's grants receivable at June 30, 2024 and 2023, 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:

	2024	2023
State of Oregon - HOWTO	$ -	$ 91,270
State of Oregon - Prosperity 10,000	-	3,834
State of Oregon - Prosperity 10,000 ARPA	40,778	-
State of Oregon - Industry Engagement	58,254	-
State of Oregon - Workforce Benefits Navigator	235,040	-
State of Oregon - Maritime Workforce	172,507	-
State of Oregon - GF Work Experience	16,586	-
Col-PAC - Behavioral Health Work-Based Learning Career Pathways Program	24,635	-
State of Oregon - OYEP State Youth Work Experience	6,623	-
Refundable advances	$ 554,423	$ 95,104

At June 30, 2024 and 2023, ONWIB expects the grant conditions associated with refundable advance liabilities to be substantially met in the following fiscal year, therefore, refundable advances are presented within current liabilities on the statements of financial position.

3. Net Assets with Donor Restrictions

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

	2024	2023
Coastal Maritime - Maritime Coordinator	$ -	$ 1,341
CRPUD Economic Development - Sewing Classes	3,208	3,208
OCF - Youth Reengagement	-	-
IHN - Behavioral Health Scholarships and Internships	301,872	216,407
Lincoln County - Maritime and Healthcare Training	-	14,000
Lincoln County - Youth Shuttle to CTE Program	15,000	15,000
OYEP State Youth Work Experience	-	13,929
Total net assets with donor restrictions	$ 320,080	$ 263,885

4. Leases

As of June 30, 2024, 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 $433 through November 30, 2023, and $450 through November 30, 2024. Non-cancellable lease term of less than 12 months.	$ 5,313
WorkSource Oregon Center 450 Marine Drive Astoria	Monthly payments of $461 through August 31, 2024, continues month-to-month thereafter. Non-cancellable lease term of less than 12 months.	1,845
WorkSource Oregon Center 500 N. Columbia Hwy 30 St. Helens	Monthly payments of $920 through June 30, 2024. Non-cancellable lease term of less than 12 months.	11,037
WorkSource Oregon Center 4170 SW Research Way Corvallis	Monthly payments of $236 through March 31, 2024 and $241 through June 30, 2024. Non-cancellable lease term of less than 12 months.	2,848
WorkSource Oregon Center 4157 NW Hwy 101 Lincoln City	Monthly payments of $186 through June 30, 2024. Non-cancellable lease term of less than 12 months.	2,233
WorkSource Oregon Center 120 NE Avery Street Newport	Monthly payments of $350 through June 30, 2024. Non-cancellable lease term of less than 12 months.	4,201
WorkSource Oregon Center 2101 5th Street Tillamook	Monthly payments of $353 through June 30, 2024. Non-cancellable lease term of less than 12 months.	2,825
Storage 902 SE Uglow Ave Dallas	Month-to-month storage agreement with monthly payments of $86 through December 31, 2023 and $90 through June 30, 2024.	1,056
	Total short-term lease cost	$ 31,358

All of ONWIB's leases as of and for the years ended June 30, 2024 and 2023 were considered short-term leases. Lease expense for the years ended June 30, 2024 and 2023 totaled $31,358 and $51,664, respectively.

During the years ended June 30, 2024 and 2023, ONWIB leased facilities for WorkSource Oregon subrecipient providers. Total lease expense includes WorkSource Oregon lease expense of $24,989 and $45,540 for the years ended June 30, 2024 and 2023, 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.

The following contracts were in effect during the year ended June 30, 2024:

Agency	Funding Title	Expense (Revenue)	Payable (Receivable)
Oregon Employment Department	All	$ 30,967	$ 61,346
Community Services Consortium	WIOA Youth, TANF, ILP, Future Ready Oregon	276,086	81,532

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

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) $22,500 and $17,000 during the years ended June 30, 2024 and 2023, 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, 2024 and 2023, 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:

	2024	2023
Cash	$ 1,140,961	$ 667,777
Grants receivable	588,574	437,885
	1,729,535	1,105,662
Less financial assets unavailable for general expenditure within one year:		
Refundable advances	(554,423)	(95,104)
Net assets with donor restrictions	(320,080)	(263,885)
Financial assets available for general expenditure	$ 855,032	$ 746,673

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, 2024 or 2023.

ONWIB contracted with subrecipient organizations to provide training and employment services during the years ended June 30, 2024 and 2023. 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 $1,785,586 and $2,213,249 for services performed during the years ended June 30, 2024 and June 30, 2023, 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 $26,361 and $23,493 during the years ended June 30, 2024 and 2023, respectively.

9. 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, 2024

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	$ 44,240	$ 480
WIOA Adult Program	17.258	21-010F	505,629	424,535
WIOA Youth Activities - Local Administration	17.259	21-010F	64,383	480
WIOA Youth Activities	17.259	21-010F	735,850	589,839
WIOA Youth Activities - High Concentration of Eligible Youth	17.259	21-010F	20,512	-
WIOA Dislocated Worker Formula Grants - Local Administration	17.278	21-010F	32,644	480
WIOA Dislocated Worker Formula Grants	17.278	21-010F	373,100	311,503
WIOA Dislocated Worker Formula Grants - Rapid Response Funding - Local Administration	17.278	23-023F	6,956	-
WIOA Dislocated Worker Grants - Rapid Response Funding	17.278	23-023F	62,607	-
WIOA Dislocated Worker Formula Grants - Rapid Response OWI - Local Administration	17.278	21-010F-001	3,384	-
WIOA Dislocated Worker Grants - Rapid Response OWI	17.278	21-010F-001	71,428	-
Total WIOA Cluster			1,920,733	1,327,317
WIOA Reentry Employment Opportunities Administration	17.270	004-24	5	-
WIOA Reentry Employment Opportunities	17.270	004-24	114	-
Total WIOA Reentry Employment Opportunities			119	-
Registered Apprenticeship	17.285	21-109D	52,777	-
Total passed through State of Oregon, HECC			1,973,629	1,327,317
Total U.S. Department of Labor			1,973,629	1,327,317
U.S. Department of Treasury				
Passed through State of Oregon, Oregon Department of Administrative Services (DAS):				
COVID-19 Coronavirus State Fiscal Recovery Fund - Workforce Benefits Navigator Administration	21.027	23-015E	10,578	-
COVID-19 Coronavirus State Fiscal Recovery Fund - Workforce Benefits Navigator	21.027	23-015E	126,202	-
COVID-19 Coronavirus State Fiscal Recovery Fund - Prosperity 10k ARPA Administration	21.027	21-221F	42,908	-
COVID-19 Coronavirus State Fiscal Recovery Fund - Prosperity 10k ARPA	21.027	21-221F	382,938	353,338
Total passed through State of Oregon, DAS			562,626	353,338
Total U.S. Department of Treasury			562,626	353,338
U.S. Department of Health and Human Services				
Passed through State of Oregon, Higher Education Coordinating Commission (HECC):				
Temporary Assistance for Needy Families	93.558	23-009F	5,475	-
Total passed through State of Oregon, HECC			5,475	-
Total U.S. Department of Health and Human Services			5,475	-
Total expenditures of federal awards			$ 2,541,730	$ 1,680,655

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, 2024.

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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 6, 2025.

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.
Eugene, Oregon
January 6, 2025

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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of 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.
Eugene, Oregon
January 6, 2025

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

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:

   COVID-19 Coronavirus State Fiscal Recovery Fund Assistance Listing # 21.027

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

January 6, 2025

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

In planning and performing our audit of the financial statements of Oregon Northwest Workforce Investment Board (NOW) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the NOW's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NOW's internal control. Accordingly, we do not express an opinion on the effectiveness of the NOW's internal controls.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 6, 2025, on the financial statements of NOW.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various NOW personnel, and we will be pleased to discuss them further in detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

Sincerely,

Jones & Roth P.C.

Jones & Roth, P.C.
Eugene, Oregon

2024 Audit Observations

2024-001 Subrecipient Monitoring

Our audit procedures over subaward agreements revealed an instance where certain federal award identifying information was missing from the subaward agreement, and other information was dispersed throughout the agreement and not presented in a clear section that identified the federal award information. In this instance, the federal subaward information was communicated through a modification to an original subaward agreement with the subrecipient as the additional funding was sourced under a separate federal program than those in the original subaward agreement. While the original subaward more clearly identified the required federal award information, the award information in the modification agreement did not. The organization is required to provide the following identifying information for each federal award to subrecipients: subrecipient's name, subrecipient's unique entity identified (UEI), federal award identification number (FAIN), federal award date, subaward period of performance start and end date, subaward budget period start and end date, amount of federal funds obligated in the subaward, total amount of federal funds obligated to the subrecipient by the pass-through entity, total amount of the federal award committed to the subrecipient by the pass-through entity, federal award project description, name of the federal awarding agency, name of pass-through entity and contact information for awarding official of the pass-through entity, Assistance Listing (AL) number, AL name, identification of the dollar amount made available under each federal award and the AL number, identification of whether the federal award is for research and development, and the indirect cost rate for the federal award.

We recommend revising subaward agreement templates to include a summary page that includes all the required federal award identifying information to be communicated to subrecipients. We also recommend implementing a policy to periodically review and revise the templates to remain consistent with current federal regulations.

2024-002 Fiscal Procedures and Internal Controls Policies

During our review of the organization's Fiscal Procedures and Internal Controls document, we noted some inconsistencies in the documentation of control duties, with respect to both performance of the control activity and review, across different sections of the document. For example, the bank account reconciliations section of the document indicates bank reconciliations are performed by the Accounting Technician and reviewed by the Chief Financial Officer and the Executive Director, where the Separation of Duties section of the document indicates the CFO reconciles the bank accounts. We also found the document includes references to titles of employees responsible for performing certain control duties when the organization no longer has an employee in that role.

We recommend a thorough review of the fiscal procedures and internal control document be performed to verify internal consistency. We also recommend the document be reviewed annually to ensure the document still accurately reflects the procedures performed and the individuals responsible for performing them.

2024-003 Subrecipient versus Contractor Determination

It was brought to our attention during audit procedures that a subsequent review of an agreement NOW entered into with an external organization under NOW's federally funded Workforce Benefits Navigator program had identified certain aspects of the agreement that were more consistent with a subrecipient relationship between NOW and the external organization, as opposed to the contractor relationship originally intended.

While the amount of the agreement was below reportable thresholds for audit purposes, we recommend a policy be implemented where, prior to execution of an agreement, a member of management with the appropriate knowledge and understanding of the applicable federal rules and regulations performs a thorough review of third-party agreements that are sourced with federal funds to ensure the terms of the agreements are consistent with their intended purpose. We also recommend documentation of management's review, considerations, and the ultimate subrecipient versus contractor determination be maintained and clearly communicated to all appropriate parties the agreement, both internal and external.