



## **AGENDA** **BOARD OF DIRECTORS**

Center for Health Education  
740 SW 9<sup>th</sup> Street  
Newport, OR 97365

**January 24, 2020 - 10:00 am – Noon**

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

Columbia County Commissioners Office: 230 Strand Street 331, St. Helens, OR 97051  
Clatsop County Commissioners Office: 800 Exchange Street, Ste. 410, Astoria, OR 97103  
Tillamook County Commissioners office: 201 Laurel Ave., Tillamook, OR 97141  
Lincoln County Commissioners Office: 225 West Olive Street Room 110, Newport, Oregon 97365  
Benton County Commissioners Office: 205 NW 5th Street, Corvallis, OR 97330  
Columbia County: The Chronicle  
Clatsop County: The Daily Astorian  
Lincoln County: The News Guard  
Tillamook County: Headlight Herald  
Benton County: Gazette Times-Corvallis

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

*Telephone: 1 646 876 9923*

*Meeting ID: 261 165 264*

*Computer: <https://zoom.us/j/261165264>*

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*Those wishing to speak should sign the “Public Comment” sign-in sheet*

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- 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. DISCUSSION and POSSIBLE ACTION**  
Accept Staff’s recommendation to approve the Minutes of the October 25, 2019 Board Meeting.
- 5. DISCUSSION and POSSIBLE ACTION – Karen Litvin, Project Masters**  
Accept Staff’s recommendation to approve Strategic Plan (20 minutes)
- 6. DISCUSSION and POSSIBLE ACTION – Jason Swain, NOW CFO**  
Accept Staff’s recommendation to approve PY2018-19 Audit Report (10 minutes)

7. **DISCUSSION and POSSIBLE ACTION** – Linda Dugan, NOW Board Treasurer  
Accept Staff’s recommendation to approve PY2019-20 Budget to Actual (10 minutes)
8. **INFORMATION**  
Program Report and Update – *Karen Litvin, Project Masters (15 minutes)*
9. **INFORMATION**  
ResCare-Program Success Stories – *Camille Padilla, Diana Nish and Angeline Chan Pepper (20 minutes)*
10. **INFORMATION**  
Oregon Employment Department Economic Update – *Erik Knoder and Shawna Sykes, OED (20 minutes)*
11. **INFORMATION**  
State of Economic Development in Lincoln County – *Commissioner Hunt (10 minutes)*
12. **INFORMATION**  
State of Oregon Coast Community College – *Birgitte Ryslinge, OCCC President (15 minutes)*
13. **BOARD CHAIR REPORT** – *Tony Erickson, Chair*
14. **EXECUTIVE DIRECTOR’S REPORT** – *Heather DeSart, NOW Executive Director*
15. **BOARD MEMBER COMMENTS** – *Roundtable*
16. **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.*
17. **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 office at (541) 921—9241, or [Emily@onwib.org](mailto:Emily@onwib.org). . TTY is available at 711 or (800) 735-2900.



# MINUTES

## NORTHWEST OREGON WORKS BOARD OF DIRECTORS & CONSORTIUM MEETING

October 25, 2019 10:00 a.m. - 2:00 p.m.

The Sunset Building  
4077 SW Research Way  
Corvallis, OR 97333

**Present:**

**Board:** **Tony Erickson**, Oregon AERO, Chair; **Stephanie Hurliman**, Oregon Employment Dept.; **Bryan Campbell**, DHS, VocRehab; **Ivan Castille**, Laborers Local 737; **John Hawkins**, Service Employees International Union; **Rod Belisle**, NECA-IBEW Electrical Training Center; **Linda Dugan**, Linda Dugan Insurance, Treasurer; **Heather Clark**, Alterations by Heather; **Birgitte Ryslinge**, Oregon Coast Community College; **Josh Kvidt**, Alyrica; **Amanda Morris**, Samaritan Health Service;

**Consortium:** **Doug Hunt**, Lincoln County Commissioner; **Pat Malone**, Benton County Commissioner; **Mary Faith Bell**, Tillamook County Commissioner; **Henry Heimuller**, Columbia County Commissioner

**Conference Call-In:** **Ann Buchele**, Linn-Benton Community College;

**Excused:** **Cami Aufdermauer**, Tillamook County Habitat for Humanity; **Todd Simmons**, Tillamook Peoples' Utility District; **Zach Poole**, Pig' n Pancake, Vice Chair/Secretary; **Whitey Forsman**, Pacific Oyster; **Henry Balensifer III**, LEKTRO; **Terre Cooper**, Tillamook County Economic Development; **Pamela Wev**, Clatsop County Commissioner;

**Staff:** **Heather DeSart**; NOW Executive Director; **Debra Smith**; NOW Program Manager; **Jason Swain**; NOW Chief Financial Officer; **Emily Schwartz**; NOW Office Manager

**Guests:** **Erik Knoder** Oregon Employment Department; **Camille Padilla**, ResCare; **Angeline Chan-Pepper**, ResCare; **Kathy Wilcox**, OWI, HECC; **Jon Irvine**, Oregon AFL-CIO workforce Liaison; **Lynn Wiles**, Cornerstone Associates

### 1. CALL TO ORDER, CONFIRMATION OF POSTING, AND ROLL CALL

*Board Chairman Erickson called the Meeting to order at 10:07 am.*

*Chairman Erickson asked for confirmation of the public posting of the meeting; Emily Schwartz confirmed; Roll Call taken, and Quorum established for the Board.*



*Consortium Chairman Hunt asked for confirmation of public posting of the meeting and roll call. Ms. Schwartz confirmed; Roll Call taken, and Quorum established for the Consortium.*

**2. AGENDA REVIEW** *(Inclusion of any emergency items, or deletion of any items)*

*No changes were made to the agenda.*

**BOARD:**

**MOTION:** Rod Belisle

**SECOND:** John Hawkins

**MOTION CARRIED.**

**CONSORTIUM:**

**MOTION:** Henry Heimuller

**SECOND:** Pat Malone

**MOTION CARRIED.**

**3. SECOND PUBLIC COMMENT SESSION**

*Lynn Wiles spoke about Cornerstone Associates and what they do and the transition they are going through.*

*Commissioner Malone asked what the connection was between ResCare and Cornerstone Associates. Ms. Wiles explained that Cornerstone has worked with WorkSource and recently met with ResCare in the Corvallis WorkSource Center.*

*Commissioner Hunt wanted to know if there were any similarities between Cornerstone and Shangri-La out of Salem. Ms. Wiles explained that there were a lot of similarities, but that Shangri-La had shut down a lot more programs because of an executive order from the Governor regarding sheltered workshop areas.*

**4. DISCUSSION and POSSIBLE ACTION**

*Approve Minutes of the August 23, 2019 Board Meeting*

**BOARD**

**MOTION:** John Hawkins

**SECOND:** Rod Belisle

**MOTION CARRIED**

*Approve Minutes of the August 16, 2019 Consortium Meeting*

**CONSORTIUM:**

**MOTION:** Henry Heimuller

**SECOND:** Pat Malone

**MOTION CARRIED.**

**5. DISCUSSION and POSSIBLE ACTION** – Linda Dugan, NOW Board Treasurer

*Approval of PY 2019-20 Annual Budget revisions from the Financial Advisory Team*

*Ms. Dugan explained the changes that were added to the Annual Budget, including prior years data and broke out the revenue between state and federal funding and whether it was youth, adult or dislocated worker funding along with a page explaining the acronyms.*



*(Agenda items 5 and 6 were being discussed simultaneously, so Ms. DeSart suggested that each item be discusses separately for the sake of clarity.)*

*Commissioner Malone asked if this was the same budget that had been approved in the June meeting in Astoria. Ms. DeSart confirmed, and Mr. Swain explained that NOW provides the Board with a forecasted budget for approval, and as those estimates become reality, the revised budget is brought to the Board again for final approval.*

*Mr. Kvidt asked where the budget showed the changes in revenue, and Mr. Swain explained that to see the specific changes in revenue, the Board would have to compare this finalized version with the forecasted version they received in June.*

*Commissioner Hunt requested that going forward, the board shows where the additional costs are going into the budget if there are any. Mr. Belisle noted that all the changes discussed in the FAT meeting were made to the budget.*

**BOARD:**

**MOTION: John Hawkins                      SECOND: Rod Belisle                      MOTION CARRIED.**

**CONSORTIUM:**

**MOTION: Pat Malone                      SECOND: Henry Heimuller                      MOTION CARRIED.**

**6. DISCUSSION and POSSIBLE ACTION – Linda Dugan, NOW Board Treasurer**

*Approval of the PY 19-20 first quarter Budget to Actual*

*Ms. Dugan explained there were a few changes made to the budget to actual. Jason Swain, NOW CFO, explained in detail there were changes made to show how much funding was spent in each county for direct program costs.*

*Commissioner Heimuller asked if the costs spent in each county were spent by the contractor. Mr. Swain explained that these costs were what the contractor spent in each county’s center for programs.*

*Commissioner Hunt asked for clarification on why Columbia County was excelling in the program costs. Camille Padilla of ResCare explained the reasons why Columbia County’s costs were higher which included population size, cost of on-the-job trainings, and connections with local high schools that were formed before the NOW Board was established. Mr. Hawkins noted that the need may be about the same in each county, the services provided also rely on actual requests that come in. Mr. Kvidt asked where the other half of the spending goes. Mr. Swain explained the admin and overhead costs of NOW and the sub provider.*

**MOTION: John Hawkins                      SECOND: Rod Belisle                      MOTION CARRIED.**

**CONSORTIUM:**

**MOTION: Henry Heimuller                      SECOND: Pat Malone                      MOTION CARRIED.**



**7. DISCUSSION and POSSIBLE ACTION – Debra Smith, NOW Program Manager**

*Approval of the revised Rapid Response Policy*

*Commissioner Heimuller asked if the Rapid Response policies were mostly uniform across the other boards in Oregon. Ms. Smith confirmed.*

*Discussion around several companies that have been assisted by Rapid Response and how another aspect of Rapid Response is layoff aversion. Ms. Smith explained the different aspects of Rapid Response and what the team does to help employers and employees.*

*Mr. Hawkins asked if employers are required to notify employees of closures. Kathy Wilcox explained that only large corporations are required to.*

**BOARD**

**MOTION:** Rod Belisle

**SECOND:** John Hawkins

**MOTION CARRIED**

***Chairman Erickson called for a short recess before the Strategic Planning Discussion***

***Strategic Planning continuation from June 28, 2019 Board and Consortium meeting: Facilitated by Karen Litvin.***

**8. STRATEGIC PLANNING DISCUSSION – Introductions and Agenda Summary**

*Ms. Litvin asked those that were not present at the previous Strategic Planning session to please introduce themselves. Amanda Morris, Samaritan Health Services, and Josh Kvidt, Alyrica, introduced themselves to the Board. Ms. Litvin then summarized the previous meeting, specifically goal setting and mission, as well as the three main points that the Board expressed were important to develop: partnerships, sectors and financial stability.*

**9. STRATEGIC PLANNING DISCUSSION – Review and Discussion of Mission**

*Ms. Litvin asked the Board what the new Mission Statement of NOW, 'To Champion Impactful Workforce Solutions' meant to them. Chairman Erickson mentioned Rapid Response was a big part of it on the back end for the employees. On the front end, he mentioned how the employers should know of the options available to them. Chairman Erickson went on to explain that WIOA funds can't be put towards marketing, so it was up to the Board members to help spread the word.*

**10. STRATEGIC PLANNING DISCUSSION – Sector Discussion**

*Ms. Litvin explained sector planning and how the Local Plan must mirror the State Plan. The three sectors that NOW has listed under the current plan are Healthcare, Maritime, and Advanced Textile Manufacturing. Ms. Dugan stated that it might be better to just specify Manufacturing. Ms. DeSart and Ms. Litvin gave updates on where the NOW was with the current sectors and how successful they have been. Ms. Litvin suggested that because Healthcare and Maritime were most likely to*



*remain sectors, the discussion should mostly revolve around Manufacturing and if the Board should not just specify it as Advanced Textile Manufacturing. Ms. Litvin explained how sectors were identified in specific areas and that there was a high projected growth in different kinds of Manufacturing in NOW's local area.*

*The Board discussed the pros and cons of opening Advanced Textile Manufacturing up to general Advanced Manufacturing. Ms. Litvin asked the Board if they would like to identify the Manufacturing sector in the Local Plan, with specific language not to lose Advanced Textile Manufacturing. There was unanimous agreement from the board.*

*The Board discussed the options around adding Leisure and Hospitality to the Local Plan even with the low wages surrounding the industry. The Board agreed to keep the sector as one of their priorities because it is a key industry in the area.*

### **Break for Lunch**

#### **11. STRATEGIC PLANNING DISCUSSION – Goal Setting**

*Ms. Litvin broke the Board up into three groups to brainstorm ideas for financial sustainability, how to expand NOW's 'knownness' with partners, and career ladders and youth employment.*

*Ms. DeSart mentioned the Youth Development Council had some resources available for youth in Columbia and Clatsop County's that would help with financial sustainability, as well as the Ford Family Foundation for truck driving training in Tillamook. She also mentioned seeing what was available in each county through the Commissioners.*

*Ms. Clark gave an overview of expanding the Board's knownness through brochures and other collateral, as well as chambers and other partners distributing information. Bringing in Economic Directors to the discussion was also discussed and Ms. DeSart explained that for regular meeting those Directors will be invited to present.*

*Ms. Dugan described what was happening with apprenticeships with youth in Clatsop County and how that seemed to be working well. There was discussion around how to retain and review youth employees and communication skills for youth and employers. Another point was different types of certifications youths could be eligible for to help them get better employment.*

#### **12. STRATEGIC PLANNING DISCUSSION – Performance Reporting**

*Ms. Litvin asked the Board what level of detail they would like to be presented with in the performance reporting. Commissioner Bell mentioned she would like to see what is happening in the identified sectors. Ms. Clark suggested presenting actual numbers of people served and potentially those indicators by county. There was agreement on trying to see how to present return on*



*investment in the future. Commissioner Bell said she would like to see where performance was at, compared to what the goals are.*

**13. STRATEGIC PLANNING DISCUSSION – Next Steps**

*Ms. Litvin explained that she will be helping NOW staff compile all the information from the two Strategic Planning Meetings and putting it together into a Local Plan, while continually asking the Board for feedback during the process.*

**14. ADJOURN**

Chair Erickson adjourned the meeting at 2:04 p.m.





## 2020 Strategic Plan

**MISSION:**

To champion impactful workforce solutions.

**VISION:**

NOW is a catalyst in workforce development that provides leadership, creates connections, fosters partnerships, and makes investments to address the employment needs of individuals and the business community.

<b>INVEST.</b>	<b>INNOVATE.</b>	<b>IMPACT.</b>
<p style="text-align: center;"><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Focus on data to prioritize investments.</li> <li>• Optimize the return on investment through sound resource management.</li> <li>• Increase resources for workforce development in the local area.</li> </ul>	<p style="text-align: center;"><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Pursue promising practices and programs that can be scaled up.</li> <li>• Develop strategic partnerships in support of workforce initiatives.</li> <li>• Lead efforts that result in employment and career advancement.</li> </ul>	<p style="text-align: center;"><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Mobilize opportunities that support critical industry sectors.</li> <li>• Foster development of career pathways for youth and adults.</li> <li>• Educate communities about the workforce services available.</li> </ul>



## 2020 Strategic Plan

### Executive Summary

Northwest Oregon Works is the local workforce development board serving Benton, Clatsop, Columbia, Lincoln, and Tillamook counties. The board is business-led, with more than fifty percent of its membership being private business and industry. The board also includes representatives from education, economic development, organized labor, community-based organizations and state agencies.

In 2020, it is the goal of Northwest Oregon Works to make data-driven investments in innovative solutions that positively impact the local workforce and business community. We will engage with partners to better align our resources and increase coordination of service delivery. We will champion the development of impactful workforce solutions, and mobilize innovative ideas and proven practices.

We continue to prioritize support for key industry sectors and occupational clusters that exist in our local area in high concentrations and are projected to experience growth. These sectors include: healthcare, manufacturing, maritime, and leisure and hospitality.

As investors in workforce development, we will ensure that our investment choices are data-driven. We will establish and monitor performance based on achievement of measurable outcomes and return on investment. We will continue to seek additional resources for workforce development and to leverage existing resources.

The staff of Northwest Oregon Works, with leadership from Executive Director Heather DeSart, will develop the strategies and tactical operations necessary to achieve the goals in this plan.

Contact Us:

[emily@onwib.org](mailto:emily@onwib.org)

[www.northwestoregonworks.org](http://www.northwestoregonworks.org)

**OREGON NORTHWEST WORKFORCE INVESTMENT BOARD**

**FINANCIAL STATEMENTS AND  
SINGLE AUDIT INFORMATION**

**For the Years Ended June 30, 2019 and 2018**



OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION  
For the Years Ended June 30, 2019 and 2018

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OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

June 30, 2019

EXECUTIVE DIRECTOR

Heather DeSart

BOARD OF DIRECTORS

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Tony Erickson	Chair
Zach Poole	Vice Chair
Linda Dugan	Treasurer
Amanda Morris	Board Member
Whitney Forsman	Board Member
Cami Aufdermauer	Board Member
Stephanie Hurliman	Board Member
Heather Clark	Board Member
Henry Balensifer III	Board Member
Josh Kvidt	Board Member
Sara Skamser	Board Member
John Hawkins	Board Member
Ivan Castille	Board Member
Rod Belisle	Board Member
Terre Cooper	Board Member
Birgitte Ryslinge	Board Member
Todd Simmons	Board Member
Bryan Campbell	Board Member
Ann Buchele	Board Member

NORTHWEST OREGON WORKFORCE CONSORTIUM

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Doug Hunt	Pat Malone	Mary Faith Bell
Pamela Wev	Henry Heimuller	

**REGISTERED ADDRESS**

3788 SE High School Dr.  
Lincoln City, OR 97367

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Oregon Northwest Workforce Investment Board, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

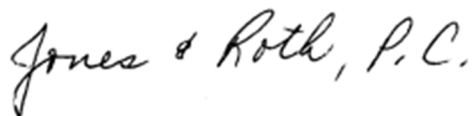
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oregon Northwest Workforce Investment Board as of June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Our audits were 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* (CFR) 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2020 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 9, 2020

## FINANCIAL STATEMENTS



OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
 STATEMENTS OF FINANCIAL POSITION  
 June 30, 2019 and 2018

	2019	2018
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 241,793	\$ 1,600
Accounts receivable	-	410
Grants receivable	331,834	403,106
Prepaid expenses	3,409	3,760
Deposits	1,872	1,872
<b>Total current assets</b>	<b>\$ 578,908</b>	<b>\$ 410,748</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 400,839	\$ 319,740
Accrued payroll and related benefits	-	15,202
Unearned revenue	-	10,000
Accrued compensated absences	34,860	27,571
Total current liabilities	435,699	372,513
<b>Net assets</b>		
Without donor restriction	33,339	30,572
With donor restriction	109,870	7,663
Total net assets	143,209	38,235
<b>Total liabilities and net assets</b>	<b>\$ 578,908</b>	<b>\$ 410,748</b>

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
 STATEMENTS OF ACTIVITIES  
 For the Years Ended June 30, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenues</b>			
Government grants	\$ 2,134,142	\$ 109,870	\$ 2,244,012
Local revenue	-	-	-
Program income	500	-	500
Net assets released from restrictions	7,663	(7,663)	-
Total support and revenues	2,142,305	102,207	2,244,512
<b>Expenses</b>			
Program activity:			
Employment and training	1,785,013	-	1,785,013
Supporting services:			
Management and general	354,525	-	354,525
Fundraising	-	-	-
Total expenses	2,139,538	-	2,139,538
<b>Change in net assets</b>	2,767	102,207	104,974
Net assets, beginning of year	30,572	7,663	38,235
Net assets, end of year	\$ 33,339	\$ 109,870	\$ 143,209

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 2,052,153	\$ 15,000	\$ 2,067,153
8,219	-	8,219
4,125	-	4,125
<u>88,921</u>	<u>(88,921)</u>	<u>-</u>
<u>2,153,418</u>	<u>(73,921)</u>	<u>2,079,497</u>
1,826,666	-	1,826,666
317,354	-	317,354
<u>1,963</u>	<u>-</u>	<u>1,963</u>
<u>2,145,983</u>	<u>-</u>	<u>2,145,983</u>
7,435	(73,921)	(66,486)
<u>23,137</u>	<u>81,584</u>	<u>104,721</u>
<u>\$ 30,572</u>	<u>\$ 7,663</u>	<u>\$ 38,235</u>

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, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 104,974	\$ (66,486)
(Increases) decreases in operating assets:		
Accounts receivable	410	40
Grants receivable	71,272	6,253
Prepaid expenses	351	604
Other	-	1,557
Increases (decreases) in operating liabilities:		
Accounts payable	81,099	(18,575)
Accrued payroll and related benefits	(15,202)	15,202
Unearned revenue	(10,000)	10,000
Accrued compensated absences	7,289	2,056
Net cash provided (used) by operating activities	240,193	(49,349)
<b>Net increase (decrease) in cash</b>	240,193	(49,349)
Cash, beginning of year	1,600	50,949
Cash, end of year	\$ 241,793	\$ 1,600

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, 2019 and 2018

	2019			
	Program Activity	Supporting Services		Total
	Employment and Training	Management and General	Fundraising	
Salaries	\$ 172,021	\$ 200,873	\$ -	\$ 372,894
Payroll taxes	14,242	19,773	-	34,015
Employee health benefits	22,930	49,167	-	72,097
Relocation	-	-	-	-
Total salaries and related expenses	209,193	269,813	-	479,006
Professional services	6,226	6,221	-	12,447
Legal fees	-	-	-	-
Audit fees	-	17,500	-	17,500
Fees	-	7,384	-	7,384
Phone and internet	1,896	4,368	-	6,264
Insurance	-	2,905	-	2,905
Office occupancy	4,551	10,864	-	15,415
Office supplies	573	1,560	-	2,133
Office expense	795	2,620	-	3,415
Memberships	4,447	8,131	-	12,578
Postage and shipping	317	961	-	1,278
Travel	19,288	4,694	-	23,982
Meetings	1,770	958	-	2,728
Trainings	2,967	9,342	-	12,309
ITrac database	17,462	-	-	17,462
Payments to grant subrecipient providers	1,376,416	2,455	-	1,378,871
WorkSource Oregon center occupancy	75,226	4,749	-	79,975
Other WorkSource Oregon center expenses	63,886	-	-	63,886
Total functional expenses	<u>\$ 1,785,013</u>	<u>\$ 354,525</u>	<u>\$ -</u>	<u>\$ 2,139,538</u>

2018

Program Activity	Supporting Services		
Employment and Training	Management and General	Fundraising	Total
\$ 170,631	\$ 186,792	\$ -	\$ 357,423
18,544	15,545	-	34,089
24,615	36,712	-	61,327
-	1,557	-	1,557
213,790	240,606	-	454,396
9,988	7,779	1,963	19,730
-	1,009	-	1,009
-	19,991	-	19,991
-	4,968	-	4,968
2,035	3,586	-	5,621
-	8,814	-	8,814
5,686	9,291	-	14,977
1,904	3,780	-	5,684
1,253	1,593	-	2,846
4,610	9,588	-	14,198
153	328	-	481
21,290	3,524	-	24,814
506	721	-	1,227
3,022	1,776	-	4,798
14,328	-	-	14,328
1,392,911	-	-	1,392,911
78,325	-	-	78,325
76,865	-	-	76,865
<u>\$ 1,826,666</u>	<u>\$ 317,354</u>	<u>\$ 1,963</u>	<u>\$ 2,145,983</u>

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
NOTES TO FINANCIAL STATEMENTS

**1. 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. The organization 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). The Consortium 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.

**Assets, Liabilities, and Net Assets**

Cash

Cash consists of cash on hand and demand deposits deposited in one financial institution.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies, continued**

**Assets, Liabilities, and Net Assets, continued**

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 nonfederal 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, 2019 and 2018.

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, 2019 and 2018.

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 \$34,860 and \$27,571 as of June 30, 2019 and 2018, respectively.

Net assets

ONWIB reports net assets as with or without donor restriction.

- Without donor restriction – Net assets without donor restriction consists of resources that are available for use in carrying out the mission of ONWIB and include those expendable resources that have been designated for special use by the Board.
- With donor restriction – Net assets with donor restriction represent those amounts that are donor restricted with respect to purpose or time. 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. The amount restricted at June 30, 2019 included amounts for board support and the industry engagement project. The amount restricted at June 30, 2018 was for the industry engagement project.

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



OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies, continued**

**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, 2019 and 2018 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 noninterest 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.

**Recent Accounting Standard Update**

During the year ended June 30, 2019, ONWIB adopted the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-14: *Presentation of Financial Statements of Not-for-Profit Entities*. The standard was applied on a retrospective basis. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and related to functional allocation of expenses. The 2018 financial statements have been restated to conform to the presentation and disclosure requirements of ASU 2016-14.

**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.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies, continued**

**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. 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, include cash and accounts receivable in the amount of \$573,627 and \$405,116 as of June 30, 2019 and 2018, respectively.

**2. Leases**

As of June 30, 2019, ONWIB leased office space at several locations:

	<u>Lease Terms</u>	<u>Lease Payment</u>
3788 SE High School Dr Lincoln City	Lease started November 1, 2015 at \$1,200 per month, and renews on a yearly basis. Rent will increase 4% per year effective October 1 of each subsequent year that the agreement remains in effect.	\$ 15,576
450 Marine Dr Astoria	Monthly payments of \$1,069 from July 1, 2016 to December 31, 2017; Monthly payments under amended lease of \$608 from January 1, 2018 to June 30, 2020.	7,301
500 N Highway 30 St. Helens	Monthly payments of \$938 from July 1, 2017 to June 30, 2020.	11,261
4170 SW Research Way Corvallis	Monthly payments of \$605 from July 1, 2017 to March 31, 2018, \$996 from April 1, 2018 to May 31, 2018, \$199 from June 1, 2018 through June 30, 2020.	2,388
4157 NW Highway 101 Lincoln City	Monthly payments of \$381 from July 1, 2017 to June 30, 2020.	4,570
120 NE Avery St Newport	Monthly payments of \$285 from July 1, 2017 to June 30, 2020.	3,415
2101 5th St Tillamook	Monthly payments of \$1,288 from July 1, 2017 to June 30, 2018; Monthly payments under amended lease of \$1,317 from July 1, 2018 to June 30, 2019.	15,798
	Total lease expenses	<u>\$ 60,309</u>

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
NOTES TO FINANCIAL STATEMENTS

**2. Leases, continued**

Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>		
2020	\$	61,119
2021		<u>4,050</u>
Total	\$	<u>65,169</u>

Lease expense for the years ended June 30, 2019 and 2018 totaled \$60,309 and \$67,824, respectively. During the years ended June 30, 2019 and 2018, ONWIB leased facilities for WorkSource Oregon subrecipient providers. Total lease expense includes WorkSource Oregon lease expense of \$51,997 and \$53,764 for the years ended June 30, 2019 and 2018, respectively.

**3. Related Party Transactions**

ONWIB has entered into contracts with organizations whose management and/or Boards of Directors include members of the ONWIB Board of Directors or Northwest Oregon Workforce Consortium.

There were no such contracts in effect for the year ended June 30, 2019.

The following contracts were in effect during the year ended June 30, 2018:

<u>Agency</u>	<u>Funding Title</u>	<u>Expense</u>	<u>Payable (Receivable)</u>
Community Services Consortium	WIOA Title 1B	\$ 450,000	\$ 93,091
Community Services Consortium	DHS ILP Summer Jobs	22,500	-
Community Services Consortium	DHS TANF Summer Youth	8,815	-

Additionally, ONWIB paid Oregon Workforce Partnership (OWP) \$10,000 during the years ended June 30, 2019 and 2018. 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.

**4. 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, 2019 or 2018.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
NOTES TO FINANCIAL STATEMENTS

**4. Risk Management**, continued

ONWIB contracted with sub-recipient organizations to provide services for 100 percent of federal Workforce Innovation and Opportunity Act and state grant programs during the years ended June 30, 2019 and 2018. 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, two sub-recipient organizations were paid \$1,378,871 during the year ended June 30, 2019 and three sub-recipient organizations were paid \$1,392,911 during the year ended June 30, 2018.

**5. 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 \$14,332 and \$9,703 during the years ended June 30, 2019 and 2018, respectively.

**6. Reclassifications**

Certain reclassifications have been made to the 2018 financial statements to conform to the current year presentation. The reclassifications have no effect on the 2018 change in net assets.

**7. 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, 2019

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Amounts Paid to Subrecipients
<b>U.S. Department of Labor</b>				
Passed through State of Oregon, Department of Community Colleges and Workforce Development (CCWD):				
<i>Workforce Innovation and Opportunity Act Cluster:</i>				
WIOA Adult Program - Local Administration	17.258	16-270 & 17-143	\$ 41,256	\$ 818
WIOA Adult Program	17.258	16-270 & 17-143	416,560	340,083
WIOA Youth Activities - Local Administration	17.259	16-270 & 17-143	51,729	818
WIOA Youth Activities	17.259	16-270 & 17-143	521,621	419,628
WIOA Youth Activities - High Concentration of Eligible Youth	17.259	16-270 & 17-143	52,058	34,468
WIOA Dislocated Worker Formula Grants - Local Administration	17.278	16-270 & 17-143	62,425	818
WIOA Dislocated Worker Formula Grants	17.278	16-270 & 17-143	<u>467,130</u>	<u>376,366</u>
Total Workforce Innovation and Opportunity Act Cluster			1,612,779	1,172,999
Direct:				
<i>Homeless Veterans Reintegration Program:</i>				
Stand Down OR-005	17.805	n/a	<u>18,496</u>	<u>-</u>
<b>Total expenditures of federal awards</b>			<u>\$ 1,631,275</u>	<u>\$ 1,172,999</u>

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 the Organization, 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, 2019.

**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 200.68.

**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, 2019, 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 January 9, 2020.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oregon Northwest Workforce Investment Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

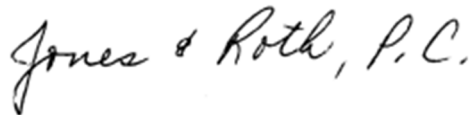


## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Jones & Roth, P.C.".

Jones & Roth, P.C.  
Eugene, Oregon  
January 9, 2020

**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**

We have audited Oregon Northwest Workforce Investment Board's compliance with the types of compliance requirements described 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, 2019. Oregon Northwest Workforce Investment Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Oregon Northwest Workforce Investment Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oregon Northwest Workforce Investment Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Major Federal Program

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 its major federal program for the year ended June 30, 2019.

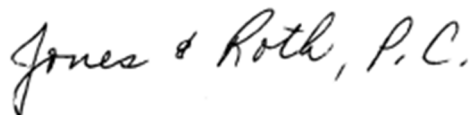
## Report on Internal Control over Compliance

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

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

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

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



Jones & Roth, P.C.  
Eugene, Oregon  
January 9, 2020

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2019

**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 program 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	CFDA# 17.258
WIOA Youth Activities	CFDA# 17.259
WIOA Dislocated Worker Formula Grants	CFDA# 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.

**NORTHWEST OREGON WORKS  
BUDGET VS. ACTUAL  
JULY 1, 2019 THROUGH DECEMBER 31, 2019**

Line #	RESOURCES	BUDGETED RESOURCES AVAILABLE	FUNDS DRAWN/ RECEIVED	REMAINING BALANCE	REMAINING BALANCE %
<b>FEDERAL FUNDING</b>					
1	WIOA Admin <i>(Prior Year Carryover)</i>	169,891	25,955	143,936	85%
2	WIOA Adult <i>(Prior Year Carryover)</i>	83,438	83,438	-	0%
3	WIOA Youth <i>(Prior Year Carryover)</i>	102,343	102,343	-	0%
4	WIOA DW <i>(Prior Year Carryover)</i>	136,063	136,063	-	0%
5	WIOA HCY <i>(Prior Year Carryover)</i>	15,337	15,037	300	2%
6	WIOA Admin <i>(Current Year Allocation)</i>	137,577	-	137,577	100%
7	WIOA Adult <i>(Current Year Allocation)</i>	356,351	103,205	253,146	71%
8	WIOA Youth <i>(Current Year Allocation)</i>	441,440	179,128	262,312	59%
9	WIOA DW <i>(Current Year Allocation)</i>	440,400	81,969	358,431	81%
10	WIOA HCY <i>(Current Year Allocation)</i>	12,570	-	12,570	100%
11	DHS Summer Youth Employment Program	37,207	1,648	35,559	96%
<b>STATE FUNDING</b>					
12	Work Experience *	85,715	30,613	55,102	64%
13	Competitive Strategy **	293,246	131,021	162,225	55%
14	Industry Engagement **	81,880	22,796	59,084	72%
15	Unrestricted - General Funds revenue	30,812	401	30,411	99%
<b>LOCAL FUNDING</b>					
16	Hospitality and Economic Development	2,126	1,392	734	35%
17	<b>TOTAL AVAILABLE RESOURCES</b>	<b>2,426,396</b>	<b>915,009</b>	<b>1,511,387</b>	<b>62%</b>

	BUDGETED SPENDING	YTD SPENDING	REMAINING BALANCE	REMAINING BALANCE %	YTD Expenses as a % of Funds Received	
<b>BOARD EXPENSES</b>						
<b>Admin Staffing</b>						
18	Salaries	170,382	83,510	86,872	51%	9.1%
19	Taxes & Benefits	66,611	25,553	41,058	62%	2.8%
20	<b>Total Staffing</b>	<b>236,993</b>	<b>109,063</b>	<b>127,930</b>	<b>54%</b>	<b>11.9%</b>
<b>Operating Expenses</b>						
21	Staff & Board Travel	25,700	13,531	12,169	47%	1.5%
22	Facilities	16,096	7,996	8,100	50%	0.9%
23	Professional Services - Board	19,000	6,945	12,055	63%	0.8%
24	Telephone/Communications	7,000	4,022	2,978	43%	0.4%
25	Audit Services	19,300	17,200	2,100	11%	1.9%
26	Fees	6,400	2,351	4,049	63%	0.3%
27	Equipment & Maintenance	3,500	1,215	2,285	65%	0.1%
28	Supplies	3,500	1,649	1,851	53%	0.2%
29	Insurance	5,790	2,346	3,444	59%	0.3%
30	Staff Development	8,000	1,657	6,343	79%	0.2%
31	Memberships	14,000	5,308	8,692	62%	0.6%
32	Community Outreach	-	50	(50)	-	0.0%
33	<b>Total Operating Expenses</b>	<b>128,286</b>	<b>64,270</b>	<b>64,016</b>	<b>50%</b>	<b>7.0%</b>

<b>Program Expenses</b>						
34	I-Trac	19,305	6,592	12,713	66%	0.7%
35	WSO Leases & Maintenance	79,800	37,628	42,172	53%	4.1%
36	Program Outreach	13,426	4,967	8,459	63%	0.5%
37	Professional Services	45,400	10,732	34,668	76%	1.2%
38	Salaries	186,311	90,470	95,841	51%	9.9%
39	Taxes & Benefits	62,018	24,551	37,467	60%	2.7%
40	<b>Total Program Expenses</b>	<b>406,260</b>	<b>174,940</b>	<b>231,320</b>	<b>57%</b>	<b>19.1%</b>
41	<b>TOTAL BOARD EXPENSES</b>	<b>771,539</b>	<b>348,273</b>	<b>423,266</b>	<b>55%</b>	<b>38.1%</b>

		BUDGETED	YTD	REMAINING	YTD SPENDING	
PROVIDER EXPENSES		SPENDING	SPENDING	BALANCE	BALANCE %	as a % of RESOURCES
42	WIOA Adult	331,000	139,782	191,218	58%	15.3%
43	WIOA Youth	448,000	214,035	233,965	52%	23.4%
44	WIOA Dislocated Worker	331,000	163,733	167,267	51%	17.9%
45	OMEP (One Stop Operator )	25,300	11,913	13,387	53%	1.3%
46	Work Experience	68,500	21,574	46,926	69%	2.4%
47	Concentration of Youth	15,000	15,037	(37)	0%	1.6%
48	Summer Youth Employment Program	30,000	662	29,338	98%	0.1%
49	<b>TOTAL PROVIDER EXPENSES</b>	<b>1,248,800</b>	<b>566,736</b>	<b>682,064</b>	<b>55%</b>	<b>61.94%</b>
50	<b>GRAND TOTAL EXPENSES</b>	<b>2,020,339</b>	<b>915,009</b>	<b>1,105,330</b>	<b>55%</b>	<b>100.00%</b>

**KEY**

WIOA - Workforce Innovation and Opportunity Act

WSO - Worksource Office

DHS - Department of Human Services

DW - Dislocated Worker

OMEP - Oregon Manufacturing Extension Partnership

\* Represents One Year Planned Spending of a Two Year Contract

\*\* Represents One Year Planned Spending of a Two Year Contract With Some Prior Year Carryover

Program Costs Spent By County as of 12/31/19 YTD	Clatsop	Columbia	Tillamook	Lincoln	Benton	Totals
Subprovider Direct Program Costs	\$ 73,372	\$ 118,177	\$ 61,051	\$ 80,133	\$ 79,980	\$ 412,713.00
Board Direct Program Costs	\$ 5,226	\$ 12,246	\$ 12,385	\$ 6,750	\$ 7,613	\$ 44,220.00
<b>Total</b>	<b>\$ 78,598</b>	<b>\$ 130,423</b>	<b>\$ 73,436</b>	<b>\$ 86,883</b>	<b>\$ 87,593</b>	<b>\$ 456,933.00</b>
	17%	29%	16%	19%	19%	



## Performance for 2019-20 Quarter 2

Strategic Plan Performance	25%	50%	75%	100%
Focus on data to prioritize investments.				
Optimize the return on investment through sound resource management.				
Increase resources for workforce development in the local area.				
Pursue promising practices and programs that can be scaled up.				
Develop strategic partnerships in support of workforce initiatives.				
Lead efforts that result in employment and career advancement.				
Mobilize opportunities that support critical industry sectors.				
Foster development of career pathways for youth and adults.				
Educate communities about the workforce services available.				

Local Contract Performance Indicators	Goals	Total	% Complete	Benton	Clatsop	Columbia	Lincoln	Tillamook
Number of New Youth Participants Enrolled	40	44	110%	15	9	13	6	1
Number of Youth Work Experience Placements	50	15	24%	11	7	4	2	
Number of Youth Earning Industry Recognized Credential	7	0	0%					
Number of High School Diplomas/GEDs Earned	16	3	19%	1	1	1		
Number of National Career Readiness Certificates Earned by Youth	20	11	55%	4		3	4	
Number of Youth Participants Employed	30	0	0%					
Percentage of Youth Participants with Measurable Skill Gains	50%	9%	18%			4		
Number of Adults/Dislocated Workers that Attended WSO Workshop(s)	500	130	26%	38	20	20	42	10
Number of Participants Enrolled in Individualized Services	175	93	53%	11	12	28	16	26
Number of Adults/Dislocated Workers Employed	133	0	0%					
Number of Adults/Dislocated Workers Enrolled in Individualized Training	25	15	60%	1	1	2	5	6
Number of Adults/Dislocated Workers Completed Individualized Training	20	17	85%	2	1	11	1	2
Number of Adults/Dislocated Workers Enrolled in On-the-Job Training	25	29	116%		3	8	5	13
Number of Adults/Dislocated Workers Completed On-The-Job Training	20	22	110%		3	6	3	10
Number of Adults/Dislocated Workers Retained 90 Days after OJT	20	6	30%		2	1		3



## Performance for 2019-20 Quarter 2

WIOA Core Performance Indicators	Statewide Goal	Statewide Attained	Local Goal	Local Attained
Youth Employment Retention 2 Quarters	62.5%	64.1%	62.5%	65.2%
Youth Employment Retention 4 Quarters	59.0%	60.7%	59.0%	57.7%
Youth Median Earnings	\$0	\$3,746	\$0	\$4,122
Youth Credential Attainment	68.0%	51.2%	68.0%	46.7%
Youth Measurable Skill Gains	0.0%	37.2%	0.0%	25.0%
Adult Employment Retention 2 Quarters	71.0%	70.5%	71.0%	70.4%
Adult Employment Retention 4 Quarters	69.0%	70.9%	69.0%	70.9%
Adult Median Earnings	\$6,100	\$6,570	\$6,100	\$6,036
Adult Credential Attainment	45.0%	57.8%	45.0%	77.1%
Adult Measurable Skill Gains	0.0%	35.1%	0.0%	10.3%
DW Employment Retention 2 Quarters	71.0%	71.6%	71.0%	70.6%
DW Employment Retention 4 Quarters	69.0%	71.8%	69.0%	70.8%
DW Median Earnings	\$6,100	\$6,856	\$6,100	\$6,214
DW Credential Attainment	45.0%	60.8%	45.0%	71.4%
DW Measurable Skill Gains	0.0%	35.8	0.0%	11.4%