



AGENDA **BOARD OF DIRECTORS**

1115 Pacific Ave, Tillamook, OR 97141

FRIDAY, April 26th, 2019 - 10:00am-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.

Telephone: 1 646 876 9923

Meeting ID: 515 195 799

Computer: <https://zoom.us/j/515195799>

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

- 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 January 25th Board Meeting.
- 5. DISCUSSION and POSSIBLE ACTION** – Jason Swain, NOW CFO
Accept staff's recommendation to approve PY2018-19 Budget to Actual (10 minutes)
- 6. DISCUSSION and POSSIBLE ACTION** – Jason Swain, NOW CFO
Accept staff's recommendation to approve PY2017-18 Audit Report (10 minutes)

7. INFORMATION

Big Picture Video - 20 minutes

<https://wsostandards.weebly.com/the-big-picture.html>

8. INFORMATION

ResCare-Program Success Stories – *Camille Padilla, Diana Nish and Angeline Chan Pepper (10 minutes)*

9. INFORMATION

State of Economic Development in Tillamook County-*Terre Cooper, Director, Economic Development Council of Tillamook County(10 minutes)*

10. INFORMATION

State of Tillamook Bay Community College- *Arlene Soto, Small Business Development Center Director, Tillamook Bay Community College (10 minutes)*

11. INFORMATION

Oregon Employment Department Economic Update – *Erik Knoder and Shawna Sykes, OED (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 office at (541) 921--7329, or debra@onwib.org. . TTY is available at 711 or (800) 735-2900.



MINUTES

NORTHWEST OREGON WORKS BOARD OF DIRECTORS MEETING

Samaritan Health Education Building
740 SW 9th St, Newport, OR 97365

Friday, January 25, 2019 - 10:00 a.m. – 12:00 p.m.

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

Present: **Tony Erickson**, Oregon AERO, Chair; **Pat Malone**, Sunrise Tree Farm, Benton County Commissioner; **Stephanie Hurliman**, Oregon Employment Dept.; **Amanda Morris**, Samaritan Health Services; **Bryan Campbell**, DHS, VocRehab; **Birgitte Ryslinge**, Oregon Coast Community College; **Ivan Castille**, Laborers Local 737; **Zach Poole**, Pig' n Pancake, Vice Chair/Secretary; **Cami Aufdermauer**, Tillamook County Habitat for Humanity; **John Hawkins**, Service Employees International Union; **Rod Belisle**, NECA-IBEW Electrical Training Center; **Linda Dugan**, Linda Dugan Insurance, Treasurer; **Heather Kay Clark**, Alterations by Heather

Conference Call-In: **Ann Buchele**, Linn-Benton Community College; **Todd Simmons**, Tillamook Peoples' Utility District; **Whitey Forsman**, Pacific Oyster

Excused: **Henry Balensifer III**, LEKTRO; **Tom Nelson**, Corvallis-Benton County Economic Development

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

Guests: **Anne Schuster**, Prior Benton County Commissioner; **Doug Hunt**, Lincoln County Commissioner; **Sara Skamser**, Foulweather Trawl, Board nominee; **Shawna Sykes**, Oregon Employment Department; **Erik Knoder** Oregon Employment Department; **Diana Nish**, **Camille Padilla** and **Angeline Chen-Pepper**, ResCare; **Lilli Guarrera**, ResCare; Youth, **José**, ResCare; **Kendall Lenhares**, OMEP; **Linda Wechsler**, OMEP; **Caroline Bauman**, Economic Development Alliance; **Alma Baxter**, DHS; **Ciera Guerrero**, ResCare; **Yvonne Gale**, ResCare; **Terre Cooper**, Economic Development, Board Nominee; **Dave Price**, Director, Small Business Development Center & Community Education, Oregon Coast Community College, **Theresa Fitzgerald**, OWI, HECC, Call in

1. **CALL TO ORDER and ROLL CALL**

Chairman Erickson called the Meeting to order at 10:00am.

Chairman Erickson asked for confirmation of the public posting of the meeting; Emily Schwartz confirmed; Roll Call taken and Quorum established. Acknowledged Ann Schuster and Board Nominee, Sara Skamser.

2. DISCUSSION and POSSIBLE ACTION

(Approve the agenda with the Inclusion of any emergency items or deletion of any items).

MOTION: Rod Belisle SECOND: John Hawkins MOTION CARRIED.

3. FIRST PUBLIC COMMENT SESSION

There were no public comments.

4. DISCUSSION and POSSIBLE ACTION

Approve Minutes of the October 26, 2018 Board Meeting

MOTION: John Hawkins SECOND: Pat Malone MOTION CARRIED.

5. DISCUSSION and POSSIBLE ACTION – Jason Swain, NOW CFO

Approval of PY18-19 Budget to Actual

MOTION: John Hawkins SECOND: Ivan Castille MOTION CARRIED.

6. DISCUSSION and POSSIBLE ACTION – Heather DeSart, Executive Director.

Approve Staff’s recommendation to invest Industry Engagement funds in the Advanced Textile Manufacturing Sector Initiative. (Attached Executive Summary)

Before giving the recommendation of the Transfer of funds, Tony Erickson, Chair, recused himself and turned this section over to Vice Chair, Zach Poole, to avoid any conflict of interest.

Heather DeSart, Tony Erickson, and Heather Clark shared their expertise to explain the project. Discussion about organizations that benefited and different phases of the Initiative.

Pat Malone clarified that while the members of the Consortium are welcome to participate in discussions, they are not permitted to vote on Board actions.

MOTION: John Hawkins SECOND: Linda Dugan MOTION CARRIED.

Board Chair Erickson resumed his duties as Chair following discussion and approval.

7. INFORMATION

ResCare, NOW’s Contracted Service Provider - Camille Padilla, Project Director, Diana Nish, Youth Operations Supervisor, and Angeline Chan-Pepper, Adult Operations Supervisor, presented the ResCare story, the services they offer and who they are able to serve. Lily, Youth Development Specialist, ResCare, brought youth, (José) with her to share his Success Story with the Board.

8. INFORMATION

Workshare video featuring Chair Erickson's company was shown here.

9. INFORMATION

Due to time constraints, "The Big Picture" video was omitted from the agenda and Oregon Workforce Partnership role of Workforce Boards video was instead shown here. "The Big Picture" will be shown at a future Board Meeting.

10. INFORMATION

Oregon Employment Department gave an Economic Update for the five-county region, focusing on Lincoln County – Shawna Sykes and Erick Knoder

11. INFORMATION

One-Stop Operator Update - Linda Wechsler introduced Kendall Lenhares, OMEP, as the new One-Stop Operator. Kendall presented on her new role as One-Stop Operator. Kendall is compiling a Best Practices report that she expects to be out in early July.

Chair Erickson took a moment to announce that the Government Shutdown has ended.

12. INFORMATION

Heather DeSart announced that because we rotate our meetings between each county, she plans to have the Director of Economic Development present the state of economic development in each county, as well as the local Community Colleges to present on their state of affairs going forward.

State of Economic Development in Lincoln County with a focus on Maritime – Caroline Bauman

13. INFORMATION

Oregon Laborers Apprenticeship Program – Ivan Castille, Apprenticeship Coordinator, presented on the apprenticeship program: qualifications and outcomes.

14. INFORMATION

The state of Oregon Coast Community College was presented by Birgitte Ryslinge, President of OCCC and Dave Price, Director of SBDC & Community Education. Birgitte presented on Occupational Focus Areas of OCCC and coordinating with other coastal Community Colleges. Dave Price covered Workforce training and "Grow Your Own" programs.

15. BOARD CHAIR REPORT – Tony Erickson, Chair

Chairman Erickson expressed that the board would like to establish a Budget Committee on an as-needed basis, with Linda Dugan, as treasurer, being the Chair. Committee would provide oversight and input as Jason Swain develops new budgets. Chair Erickson asked for members of the board to volunteer and reach out to Emily Schwartz, or Heather DeSart to be part of the committee.

Chairman Erickson reminded Board Members that the Workforce Board is able to reimburse for travel.

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

- Introduced Terre Cooper who is replacing Tom Nelson as Economic Development Representative on the Board.
- Recognized our three County Commissioners who were no longer on our Consortium Board. Tim Josi and Scott Lee were not present. Anne Schuster was recognized in front of Board and thanked for her dedication to the Board.
- Board Members were recognized with gifts from Northwest Oregon Works Staff.

17. BOARD MEMBER COMMENTS – Roundtable

- *Anne Schuster gave her farewells to the Board.*
- *Linda Dugan shared information on Health Insurance and how Oregon State Senator, Betsy Johnson, will work to change the law that Oregon originally blocked for The Affordable Care act.*
- *Commissioner Doug Hunt covered the turnover in the Consortium Board. Pat Malone will be taking over for Benton County, Pamela Wev for Clatsop, and Mary Faith Bell for Tillamook. Doug Hunt and Henry Heimuller will continue to serve for their prospective counties. Commissioner Hunt recognized Birgitte Ryslinge, Heather DeSart and Kristina Payne, from Lane Workforce Partnership, for their work with Maritime.*
- *Anne Schuster mentioned she and Anne Buchele had discussed a Workforce Pipeline for mental health workers. Heather DeSart will be reaching out and bringing updates for the next Board Meeting.*

18. SECOND PUBLIC COMMENT SESSION

There were no public comments.

19. ADJOURN - Chairman Erickson adjourned the meeting at 12:30pm.

Northwest Oregon Works meetings are open to the public and will 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--7329, or info@onwib.org. TTY is available at 711 or (800) 735-2900.

**NORTHWEST OREGON WORKS
BUDGET VS. ACTUAL
JULY 1, 2018 THROUGH MARCH 31, 2019**

Line #	RESOURCES	BUDGETED RESOURCES AVAILABLE	FUNDS DRAWN/ RECEIVED	REMAINING BALANCE
1	WIOA Adult	500,037	284,007	216,030
2	WIOA Dislocated Worker	500,612	330,194	170,418
3	WIOA Youth	625,965	357,859	268,106
4	WIOA Admin	313,904	101,989	211,915
5	WIOA High Concentration Youth	67,395	40,066	27,329
6	Youth Innovation	82,309	30,888	51,421
7	State Funds Board Support	263,925	138,954	124,971
8	State Funds-Work Experience (BTWO)	165,582	87,730	77,852
9	State Funds- Industry Engagement (Sectors)	125,258	77,450	47,808
10	Veterans Stand Down	19,200	18,496	704
11	LC Hospitality and Economic Development	7,663	1,084	6,579
12	Unrestricted - General Funds revenue	30,572	260	30,312
13	TOTAL AVAILABLE RESOURCES	2,702,422	1,468,977	1,233,445

	BUDGETED SPENDING	YTD SPENDING	REMAINING BALANCE	YTD SPENDING as a % of RESOURCES	
BOARD EXPENSES					
Staffing					
14	Salaries	410,984	284,740	126,244	19.38%
15	Taxes & Benefits	91,751	82,965	8,786	5.65%
16	Total Staffing	502,735	367,705	135,030	25.03%

Operating Expenses					
17	Staff & Board Travel	25,500	17,905	7,595	1.22%
18	Facilities	15,476	11,521	3,955	0.78%
19	Professional Services - Board	17,000	8,287	8,713	0.56%
20	Telephone/Communications	5,400	3,982	1,418	0.27%
21	Audit Services	20,000	17,500	2,500	1.19%
22	Fees/Taxes	4,500	5,541	(1,041)	0.38%
23	Equipment & Maintenance	3,300	2,616	684	0.18%
24	Supplies	4,000	2,511	1,489	0.17%
25	Insurance	4,500	1,423	3,077	0.10%
26	Staff Development	16,000	11,760	4,240	0.80%
27	Memberships	14,100	12,048	2,052	0.82%
28	Total Operating Expenses	129,776	95,094	34,682	6.47%

Program Expenses					
29	I-Trac	17,000	12,601	4,399	0.86%
30	WSO Leases & Maintenance	78,807	60,321	18,486	4.11%
31	Program Outreach	44,525	23,869	20,656	1.62%
32	Professional Services	16,000	-	16,000	0.00%
33	Program General Expenses	19,200	18,496	704	1.26%
34	Total Program Expenses	175,532	115,287	60,245	7.85%

35	TOTAL BOARD EXPENSES	808,043	578,086	229,957	39.35%
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	BUDGETED SPENDING	YTD SPENDING	REMAINING BALANCE	YTD SPENDING as a % of RESOURCES	
PROVIDER EXPENSES					
36	WIOA Adult	364,000	222,434	141,566	15.14%
37	WIOA Dislocated Worker	410,000	259,438	150,562	17.66%
38	WIOA Youth	476,000	274,896	201,104	18.71%
39	OMEP (One Stop Operator)	27,000	17,991	9,009	1.22%
40	Industry Engagement	30,000	16,654	13,346	1.13%
41	Work Experience	132,000	59,666	72,334	4.06%
42	Youth Development	65,000	14,943	50,057	1.02%
43	Concentration of Youth	47,000	24,144	22,856	1.64%
44	Community Development	725	725	-	0.05%

45	TOTAL PROVIDER EXPENSES	1,551,725	890,891	660,834	60.65%
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46	GRAND TOTAL EXPENSES	2,359,768	1,468,977	890,791	100.00%
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KEY
WIOA - Workforce Innovation and Opportunity Act
WSO - Work Source Oregon

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

**FINANCIAL STATEMENTS AND
SINGLE AUDIT INFORMATION**

For the Years Ended June 30, 2018 and 2017



OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
FINANCIAL STATEMENTS AND SINGLE AUDIT INFORMATION
For the Years Ended June 30, 2018 and 2017

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OREGON NORTHWEST WORKFORCE INVESTMENT BOARD

June 30, 2018

EXECUTIVE DIRECTOR

Heather DeSart

BOARD OF DIRECTORS

Tony Erickson	Chair
Debra Smith	Vice Chair/Secretary
Cami Aufdermauer	Board Member
Henry Balensifer III	Board Member
Rod Belisle	Board Member
Anne Buchele	Board Member
Bryan Campbell	Board Member
Ivan Castille	Board Member
Linda Dugan	Board Member
Whitey Forsman	Board Member
John Hawkins	Board Member
Stephanie Hurliman	Board Member
Pat Malone	Board Member
Rhonda Meidinger	Board Member
Amanda Morris	Board Member
Tom Nelson	Board Member
Zachary Poole	Board Member
Karen Sanders	Board Member
Todd Simmons	Board Member
William Lang	Board Member

NORTHWEST OREGON WORKFORCE CONSORTIUM

Lianne Thompson	Henry Heimuller	Doug Hunt
Anne Schuster	Tim Josi	

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, 2018 and 2017, 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, 2018 and 2017, 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 March 26, 2019 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
March 26, 2019

FINANCIAL STATEMENTS

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2018 and 2017

	2018	2017
Assets		
Current assets		
Cash	\$ 1,600	\$ 50,949
Accounts receivable	410	450
Grants receivable	403,106	409,359
Prepaid expenses	3,760	4,364
Deposits	1,872	1,872
Other	-	1,557
	<u>410,748</u>	<u>468,551</u>
Total current assets	\$ <u>410,748</u>	\$ <u>468,551</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 319,740	\$ 338,315
Accrued payroll and related benefits	15,202	-
Unearned revenue	10,000	-
Accrued compensated absences	27,571	25,515
	<u>372,513</u>	<u>363,830</u>
Total current liabilities	<u>372,513</u>	<u>363,830</u>
Net assets		
Unrestricted	30,572	23,137
Temporarily restricted	7,663	81,584
	<u>38,235</u>	<u>104,721</u>
Total net assets	<u>38,235</u>	<u>104,721</u>
Total liabilities and net assets	\$ <u>410,748</u>	\$ <u>468,551</u>

The accompanying notes are an integral part of these statements.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2018 and 2017

	2018		
	Unrestricted	Temporarily Restricted	Total
Support and revenues			
Government grants	\$ 2,052,153	\$ 15,000	\$ 2,067,153
Local revenue	8,219	-	8,219
In-kind revenue	-	-	-
Program income	4,125	-	4,125
Net assets released from restrictions	88,921	(88,921)	-
 Total support and revenues	 <u>2,153,418</u>	 <u>(73,921)</u>	 <u>2,079,497</u>
Expenses			
Program activity:			
Employment and training	1,826,666	-	1,826,666
Supporting services:			
Management and general	317,354	-	317,354
Fundraising	1,963	-	1,963
 Total expenses	 <u>2,145,983</u>	 <u>-</u>	 <u>2,145,983</u>
 Change in net assets	 7,435	 (73,921)	 (66,486)
 Net assets, beginning of year	 <u>23,137</u>	 <u>81,584</u>	 <u>104,721</u>
 Net assets, end of year	 <u>\$ 30,572</u>	 <u>\$ 7,663</u>	 <u>\$ 38,235</u>

2017		
Unrestricted	Temporarily Restricted	Total
\$ 1,998,357	\$ 277,896	\$ 2,276,253
-	-	-
9,876	-	9,876
-	-	-
<u>196,312</u>	<u>(196,312)</u>	<u>-</u>
<u>2,204,545</u>	<u>81,584</u>	<u>2,286,129</u>
1,985,659	-	1,985,659
218,969	-	218,969
<u>9,809</u>	<u>-</u>	<u>9,809</u>
<u>2,214,437</u>	<u>-</u>	<u>2,214,437</u>
(9,892)	81,584	71,692
<u>33,029</u>	<u>-</u>	<u>33,029</u>
<u>\$ 23,137</u>	<u>\$ 81,584</u>	<u>\$ 104,721</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, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ (66,486)	\$ 71,692
(Increases) decreases in operating assets:		
Accounts receivable	40	4,550
Grants receivable	6,253	(242,013)
Prepaid expenses	604	8,793
Other	1,557	3,113
Increases (decreases) in operating liabilities:		
Accounts payable	(18,575)	197,122
Accrued payroll and related benefits	15,202	(12,662)
Unearned revenue	10,000	(19,187)
Accrued compensated absences	2,056	3,122
Net cash provided (used) by operating activities	(49,349)	14,530
Net increase (decrease) in cash	(49,349)	14,530
Cash, beginning of year	50,949	36,419
Cash, end of year	\$ 1,600	\$ 50,949

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, 2018 and 2017

	2018			
	Program Activity	Supporting Services		Total
	Employment and Training	Management and General	Fundraising	
Salaries	\$ 170,631	\$ 186,792	\$ -	\$ 357,423
Payroll taxes	18,544	15,545	-	34,089
Employee health benefits	24,615	36,712	-	61,327
Relocation	-	1,557	-	1,557
Total salaries and related expenses	213,790	240,606	-	454,396
Professional services	9,988	7,779	1,963	19,730
Legal fees	-	1,009	-	1,009
Audit fees	-	19,991	-	19,991
Fees and taxes	-	4,968	-	4,968
Phone and internet	2,035	3,586	-	5,621
Insurance	-	8,814	-	8,814
Office occupancy	5,686	9,291	-	14,977
Office supplies	1,904	3,780	-	5,684
Office expense	1,253	1,593	-	2,846
Memberships	4,610	9,588	-	14,198
Postage and shipping	153	328	-	481
Travel	21,290	3,524	-	24,814
Meetings	506	721	-	1,227
Trainings	3,022	1,776	-	4,798
In-kind expenses	-	-	-	-
ITrac database	14,328	-	-	14,328
Payments to grant subrecipient providers	1,392,911	-	-	1,392,911
Community outreach	-	-	-	-
WorkSource Oregon center occupancy	78,325	-	-	78,325
Other WorkSource Oregon center expenses	76,865	-	-	76,865
Total functional expenses	<u>\$ 1,826,666</u>	<u>\$ 317,354</u>	<u>\$ 1,963</u>	<u>\$ 2,145,983</u>

2017

Program Activity	Supporting Services		
Employment and Training	Management and General	Fundraising	Total
\$ 220,595	\$ 110,744	\$ -	\$ 331,339
20,304	10,511	-	30,815
42,578	10,966	-	53,544
434	13,127	-	13,561
283,911	145,348	-	429,259
8,452	22,729	9,809	40,990
-	579	-	579
-	18,775	-	18,775
-	3,140	-	3,140
1,249	2,608	-	3,857
-	6,093	-	6,093
8,003	2,853	-	10,856
691	7,743	-	8,434
15,589	1,825	-	17,414
9,314	4,011	-	13,325
462	415	-	877
25,650	2,002	-	27,652
204	525	-	729
4,434	-	-	4,434
9,876	-	-	9,876
15,814	93	-	15,907
1,418,397	-	-	1,418,397
207	176	-	383
93,241	54	-	93,295
90,165	-	-	90,165
<u>\$ 1,985,659</u>	<u>\$ 218,969</u>	<u>\$ 9,809</u>	<u>\$ 2,214,437</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, 2018 and 2017.

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, 2018 and 2017.

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 \$27,571 and \$25,515 as of June 30, 2018 and 2017, respectively.

Net assets

ONWIB reports net assets as changes in unrestricted, temporarily restricted, or permanently restricted net assets.

- Unrestricted – Unrestricted net assets consist 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.
- Temporarily restricted – Temporarily restricted net assets 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, continued

Assets, Liabilities, and Net Assets, continued

- Permanently restricted – Permanently restricted net assets result from contributions with donor restrictions that mandate the original principal be invested in perpetuity. Permanently restricted net assets include, for example, permanent endowments and beneficial interests in perpetual trusts held by third parties. The majority of the earnings from permanently restricted net assets are available for general use of ONWIB. ONWIB had no permanently restricted net assets as of June 30, 2018 and 2017.

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

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, 2018 and 2017 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.

In-Kind Contributions

Donated materials and space are recorded at their fair values at the date of receipt. ONWIB received in-kind office space from Oregon Employment Department for three locations during the 2016-2017 fiscal year, at a fair value of \$9,876 for the year ended June 30, 2017. There were no in-kind contributions during the year ended June 30, 2018.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, continued

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. Leases

As of June 30, 2018, 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 quarterly basis. Rent will increase 4% per year effective October 1 of each subsequent year that the agreement remains in effect.	\$ 15,425
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.	10,063
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.	7,635
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.	<u>15,455</u>
	Total lease expenses	<u>\$ 67,824</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>		
2019	\$	48,626
2020		<u>28,934</u>
Total	\$	<u>77,560</u>

Lease expense for the years ended June 30, 2018 and 2017 totaled \$67,824 and \$86,890, respectively. During the years ended June 30, 2018 and 2017, ONWIB leased facilities for WorkSource Oregon subrecipient providers. Total lease expense includes WorkSource Oregon lease expense of \$53,764 and \$79,058 for the years ended June 30, 2018 and 2017, 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.

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	-

The following contracts were in effect during the year ended June 30, 2017:

<u>Agency</u>	<u>Funding Title</u>	<u>Expense</u>	<u>Payable (Receivable)</u>
Community Services Consortium	WIOA Title 1B	\$ 417,161	\$ 17,331
Res-Care	WIOA	824,646	228,132
Res-Care	NEG	25,537	16,298
Res-Care	State-SS	29,302	-
Res-Care	Incite – RJS	1,175	-
Res-Care	Back to Work Oregon	120,577	43,266

Additionally, ONWIB paid Oregon Workforce Partnership (OWP) \$10,000 and \$12,000 during the years ended June 30, 2018 and 2017, 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.

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
NOTES TO FINANCIAL STATEMENTS

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, 2018 or 2017.

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, 2018 and 2017. 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 sub-recipient organizations were paid \$1,392,911 during the year ended June 30, 2018 and two sub-recipient organizations were paid \$1,418,397 during the year ended June 30, 2017.

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 \$9,703 and \$5,042 during the years ended June 30, 2018 and 2017, respectively.

6. Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the current year presentation. The reclassifications have no effect on the 2017 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, 2018

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Amounts Paid to Subrecipients
U.S. Department of Labor				
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	\$ 50,399	\$ -
WIOA Adult Program	17.258	16-270 & 17-143	500,988	405,762
WIOA Youth Activities - Local Administration	17.259	16-270 & 17-143	62,754	-
WIOA Youth Activities	17.259	16-270 & 17-143	572,695	462,073
WIOA Youth Activities - High Concentration of Eligible Youth	17.259	16-270 & 17-143	46,275	-
WIOA Dislocated Worker Formula Grants - Local Administration	17.278	16-270 & 17-143	58,617	-
WIOA Dislocated Worker Formula Grants	17.278	16-270 & 17-143	<u>598,396</u>	<u>483,964</u>
Total Workforce Innovation and Opportunity Act Cluster			1,890,124	1,351,799
Passed through Incite Incorporated:				
<i>Workforce Innovation Fund:</i>				
Rethinking Job Search	17.283	018-16	33,708	995
Direct:				
<i>Homeless Veterans Reintegration Program:</i>				
Stand Down OR-005	17.805	n/a	<u>18,267</u>	<u>-</u>
Total expenditures of federal awards			<u>\$ 1,942,099</u>	<u>\$ 1,352,794</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, 2018.

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, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2019.

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.



Jones & Roth, P.C.
Eugene, Oregon
March 26, 2019

**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, 2018. 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, 2018.

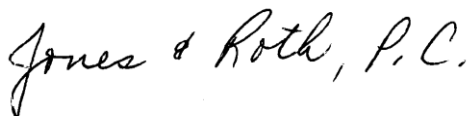
Report on Internal Control over Compliance

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
March 26, 2019

OREGON NORTHWEST WORKFORCE INVESTMENT BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

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.