

November 18, 2020

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

We have audited the financial statements of Oregon Northwest Workforce Investment Board for the year ended June 30, 2020, and have issued our report thereon dated November 18, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oregon Northwest Workforce Investment Board are described in Note 1 to the financial statements. As described in Note 1, Oregon Northwest Workforce Investment Board adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08: *Not-for-Profit Entities (Topic 958)* during the year ended June 30, 2020. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

- The disclosure of related party transactions in Note 3 to the financial statements.
- The disclosure of economic uncertainties due to the COVID-19 coronavirus pandemic which is disclosed in Note 6 to the financial statements.

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

#### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

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

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 18, 2020.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

During our audit, we also became aware of matters that we believe represent opportunities for strengthening internal controls and operating efficiency. These matters are described in a separate letter addressed to management and the Board of Directors and do not have any effect on our report dated November 18, 2020.

### **Other Matters**

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

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

Respectfully,



Jones & Roth, P.C.  
Eugene, Oregon

**Uncorrected Misstatements**

Client: NORTHWEST OREGON WORKS  
 Report: Proposed Adjusting Journal Entries

Account	Description	Debit	Credit	Net Income Effect
<b>PAJE01</b>				
To correct accrued payroll to reflect employee manual accrual rate.				
5100	Salaries	2,370.51	0.00	
2030	Benefits Payable	<u>0.00</u>	<u>2,370.51</u>	
<b>Total</b>		<u><b>2,370.51</b></u>	<u><b>2,370.51</b></u>	<u><b>(2,370.51)</b></u>
<b>GRAND TOTAL</b>		<u><b>2,370.51</b></u>	<u><b>2,370.51</b></u>	<u><b>(2,370.51)</b></u>