

**LANE WORKFORCE PARTNERSHIP**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2022**



LANE WORKFORCE PARTNERSHIP  
ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Board of Directors .....	i
Transmittal Letter .....	ii - iii
FINANCIAL SECTION	
Independent Auditor's Report .....	1 - 3
Management's Discussion and Analysis.....	4 - 8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	9
Statement of Activities.....	10
Fund Financial Statements:	
Balance Sheet.....	11
Reconciliation of the Balance Sheet to Statement of Net Position.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	13 -14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities .....	15
Notes to Basic Financial Statements .....	16 - 25
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund.....	26
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Program Balances .....	27
COMPLIANCE SECTION	
Independent Auditor's Report Required by Oregon State Regulations .....	28 - 29
Schedule of Expenditures of Federal Awards.....	30
Notes to Schedule of Expenditures of Federal Awards .....	31
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 <i>Government Auditing Standards</i> .....	32 - 33
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	34 - 36
Schedule of Findings and Questioned Costs.....	37

## INTRODUCTORY SECTION

LANE WORKFORCE PARTNERSHIP  
June 30, 2022

EXECUTIVE DIRECTOR

Ashley Espinoza

<u>BOARD OF DIRECTORS</u>	<u>TITLE</u>
Jennifer Adams	Chair
Celeste Marshall	Chair Elect
Shondra Holliday	Treasurer
Solomon Harris	Secretary
Stan Pickett	Past Chair
Allan Benavides	Board Member
Travis Brooke	Board Member
Sabrina Cunliffe	Board Member
Julie Davidson	Board Member
Fiona Gledhill	Board Member
Bettina Hannigan	Board Member
David Heavirland	Board Member
Phillip Hohnstein	Board Member
Shaun Hyland	Board Member
Katie Jeremiah	Board Member
Joshua McClaughry	Board Member
Bailey McEuen	Board Member
Jeffrey McGillivray	Board Member
Scott Littlejohn	Board Member
Grant Matthews	Board Member
Sarah Means	Board Member
Stephen Parac	Board Member
Tony Scurto	Board Member
Margaret Theisen	Board Member
Laura Vinson	Board Member
Teri White	Board Member
<u>COUNCIL</u>	<u>TITLE</u>
Joe Berney	Council Member
Mike Clark	Council Member
Greg Ervin	Council Member
Damien Pitts	Council Member

**REGISTERED ADDRESS**

1401 Willamette Street, Second Floor  
Eugene, Oregon 97401



# LANE WORKFORCE PARTNERSHIP

## *Members of the Lane Workforce Partnership Board of Directors and Citizens of Lane County*

The Lane Workforce Partnership's audit for year 2021-2022 encompasses a twelve-month period from July 1, 2021 through June 30, 2022.

The Lane Workforce Partnership, a business-led workforce development organization, and the local workforce investment board for Lane County, has been providing services to Lane County businesses and residents for over 30 years. Our mission is to ***meet the workforce needs of employers and individuals through partnerships and innovation.***

In October 2021, Kristina Payne announced that she would be stepping down as Executive Director effective December 31, 2021. She put forward a recommendation to appoint me Interim Executive Director starting January 1, 2022, promoting me from my previous role of Sector Strategy Director. In April 2022, the Executive Board made the decision to remove my Interim title and offer me the position of Executive Director of Lane Workforce Partnership.

Lane County is fortunate to have a Local Workforce Investment Board that is made up of community leaders representing business, education, labor, and public programs who as dedicated to taking on the tough issues to create and bring economic strength and vitality to our community.

With the support of the Lane Workforce Partnership Board of Directors, solution driven investments have been made to address the tightening labor market now faced by both businesses and jobseekers. Programs like On-the-Job Training assist local businesses with the costs of skilling up new hires, while providing jobseekers with the opportunity to break into new lines of work. In addition, when faced with alarming data indicating historically low numbers of youth entering the labor force, the Board brought attention to successful local Career and Technical Education programs, and connected graduating youth to local employment opportunities in good paying jobs. These are just a couple of examples of how the Lane Workforce Partnership Board is addressing the many workforce challenges being faced in Lane County today.

As a result of the Lane Workforce Partnership's \$1,400,980 million-dollar investment and our partnership with the Oregon Employment Department, over 7,100 Lane County residents received job search assistance through WorkSource Lane between July 1, 2021 and June 30, 2022.

WorkSource Lane provides one point of access for business recruitment and job seeker assistance. Between July 1, 2021 and June 30, 2022:

- 880 positions posted on iMatchSkills in targeted sectors.
- 88 job seekers were placed in targeted industries.
- Over 7,100 individuals received job and career services.
- 44 individuals received occupational training scholarships.
- 58 individuals were placed in On-the-Job Training opportunities with local businesses.
- 8 new businesses utilized the On-the-Job Training Program.

The Lane Workforce Partnership's Workforce Innovation and Opportunity Act (WIOA) youth/young adult services are provided through contracts with Lane County school districts, non-profit agencies, and public entities. The programs help youth/young adults (ages 14 – 24) to gain work readiness, academic, and occupational skills to increase their success as they transition from school to additional education or work.





## LANE WORKFORCE PARTNERSHIP

Providers of WIOA youth/young adult services in Lane County for Program Year 2021-2022 were: Connected Lane County; Lane County Division of Youth Services; and Marcola School District.

In the 2021-2022 program year, 233 young people benefited from being served through one of Lane Workforce Partnership's contracted youth/young adult services. Of the youth/young adults participating in one of our contracted programs:

- 43 participated in a work experience.
- 8 completed an internship with occupational skill gains and achieved positive evaluations.

In December 2020, the State of Oregon was awarded a Dislocated Worker Grant from the Department of Labor in response to the devastating wild fires during the summer and early fall of 2020. The purpose of the funds is to assist impacted communities in Lane County with fire restoration, recovery, and cleanup efforts. LWP received initial funding of \$1.6M with the stipulation that the funds must be expended and initial performance met to receive the balance of the award. LWP received additional funding of \$327,068 as part of a statewide re-allocation for a total amount of \$1,993,734. In September 2022, the State of Oregon's request to the DOL for an additional increment of funding was awarded. LWP received an additional \$312,911 for a total final award of \$2,306,646.

LWP received funding from the State of Oregon for the Oregon Youth Employment Program (OYEP). LWP contracted with Connected Lane County to provide innovative and creative strategies that enhance a youth/young adult's ability to move into self-sustaining employment, resulting in an upward mobile career path with higher earning potential. Workforce strategies will reflect effective collaboration with local partner agencies. The focus of the OYEP contract is to serve youth/young adults ages 14 – 24 through work-based learning opportunities including paid internships, pre-apprenticeship training, occupational skills training, and other workforce services in three high wage/high demand sectors: construction, manufacturing, and technology. OYEP is an 18-month program beginning January 2022 and ending June 2023.

Lane Workforce Partnership was awarded and received \$1.2M from the State of Oregon Prosperity 10,000 Program, a component of the Future Ready Oregon Program. The Oregon Prosperity 10,000 program is designed to invest in Lane County's private sector businesses and human capital. This is in direct response to industry demands to eliminate barriers, and upskill and retrain employees. The package has a component focused on supporting the needs of priority populations including adult learners, communities of color, people with disabilities, women, disconnected youth, veterans, and low-income Oregonians. All funding received will be spent between July 2022 and June 2023.

As a local Workforce Investment Board, Lane Workforce Partnership is charged with publishing a biennial State-of-the Workforce Report. The report summarizes the projected workforce needs for Lane County and speaks to the board initiatives to address the future needs of the community. To read the full report, please visit: <http://www.laneworkforce.org/reports>. The 2022 State of the Workforce Report will be published in December 2022.

For more information on Lane Workforce Partnership, please visit our website at: <http://www.laneworkforce.org>.

Thank you,

Ashley Espinoza  
Executive Director

## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Lane Workforce Partnership  
Eugene, Oregon

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Lane Workforce Partnership as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lane Workforce Partnership's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lane Workforce Partnership, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lane Workforce Partnership's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

**The Right People Beside You.**

> jrcpa.com

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fax (503) 648-2692



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

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A) on pages 5 through 9 and budgetary comparison information on page 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lane Workforce Partnership's basic financial statements. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.


In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 on our consideration of Lane Workforce Partnership'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 Lane Workforce Partnership'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 Lane Workforce Partnership's internal control over financial reporting and compliance.

### ***Other Reporting Required by Oregon Minimum Standards***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2022, on our consideration of Lane Workforce Partnership's compliance with certain provisions of laws, regulations, contracts and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

By:   
Sara Hummel, CPA  
Partner

Eugene, Oregon  
December 22, 2022

## Management's Discussion and Analysis

## LANE WORKFORCE PARTNERSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Lane Workforce Partnership's financial statements provides an overview of the financial activities for the fiscal year ended June 30, 2022. It is intended to be a companion piece with the transmittal letter on pages ii and iii and the financial statements which begin on page 9.

### **Financial Highlights**

Lane Workforce Partnership (LWP) is the designated Workforce Board for Lane County. LWP is an intra-governmental agency and an Oregon non-profit corporation.

LWP received the following funds in the year beginning July 1, 2021:

#### *Workforce Innovation and Opportunity Act (WIOA):*

- Budgeted WIOA funds increased overall by just \$58,878.

#### *State of Oregon General Funds (Work Experience, Industry Engagement, and Competitiveness Strategies):*

- State of Oregon General Funds represented \$297,599 (6%) of the revenues received by LWP in 2021-2022. These are funds provided under contract from the State of Oregon to support and expand existing services.

#### *Other Programs*

- LWP also received funds from other sources:
  - ✓ Business Oregon, the Oregon Cascades West Council of Governments and Lane County contributed \$75,000 to support the Viking Textile Maker Hub.
  - ✓ Oregon Community Foundation contributed \$25,000 to support the Bohemia Food Hub.

#### *Paycheck Protection Program*

LWP's current assets and other liabilities at June 30, 2020 reflected \$125,800 received from the federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) Paycheck Protection Program (PPP). The PPP is part of the federal CARES Act passed in response to the current economic crisis in the United States created by the novel coronavirus pandemic. The PPP is a loan designed to provide for small businesses to keep their workers on the payroll with loan forgiveness if the money is used in accordance with the regulations. PPP loan amounts are based on eight weeks of gross payroll costs and the funds must be used for payroll, rent, mortgage interest or utilities within 24 weeks of receipt.

During 2020-2021, LWP received and spent 100% of the approved PPP funds in accordance with the regulations. On June 11, 2021, Banner Bank issued a formal forgiveness letter for LWP's PPP Loan. The Small Business Administration (SBA) made a full payment of \$125,800 on June 8, 2021 on behalf of LWP to Banner Bank.

### **Overview of the Financial Statements**

This overview is intended to provide an introduction to LWP's basic financial statements. These statements cover three areas: 1) government-wide financial statements, 2) an explanation of changes in fund balances for all governmental funds, and 3) notes to the financial statements.

## LANE WORKFORCE PARTNERSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of LWP's finances in a manner similar to a private-sector business. These statements provide information about the activities of LWP as a whole and present a longer-term view of LWP's finances.

The government-wide financial statements are on pages 9 and 10 of this report.

### **Fund Financial Statements**

Fund financial statements report on operations in more detail than the government-wide financial statements and use fund accounting to demonstrate compliance with finance-related and legal requirements. LWP has one fund which is classified as a government fund. The fund focuses on near-term inflows and outflows of spendable resources and the balances of spendable resources at the end of the fiscal year (modified accrual basis of accounting). Such information may be useful in evaluating a government's near-term financing requirements. The differences between government activities, which are reported in the statement of net position and the statement of activities, and governmental funds is described in the reconciliation of fund balances statement.

LWP's two programs are WIOA and Other. The program activity schedule is on page 28 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. Notes are an integral part of the financial statements.

LWP's auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly presented. A user of this report should read the independent auditor's report carefully to ascertain the level of assurances being provided for each of the other parts of the financial section.



LANE WORKFORCE PARTNERSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Analysis of Lane Workforce Partnership as a Whole**

*Net Position.* Lane Workforce Partnership's net position displayed comparing years:

Table A – Lane Workforce Partnership's Net Position

	Governmental Activities	
	FY 2022	FY 2021
Current and other assets	\$ 2,574,438	\$ 551,288
Capital assets, net	88,858	-
Total assets	<u>2,663,296</u>	<u>551,288</u>
Current and other liabilities	2,418,504	443,917
Noncurrent liabilities	134,690	80,160
Total liabilities	<u>2,553,194</u>	<u>524,077</u>
Net position:		
Net investment in capital assets	(5,975)	-
Unrestricted	<u>116,077</u>	<u>27,211</u>
Total net position	<u>\$ 110,102</u>	<u>\$ 27,211</u>

*Statement of Activities.* Lane Workforce Partnership's Statement of Activities for FY2021 and FY2022:

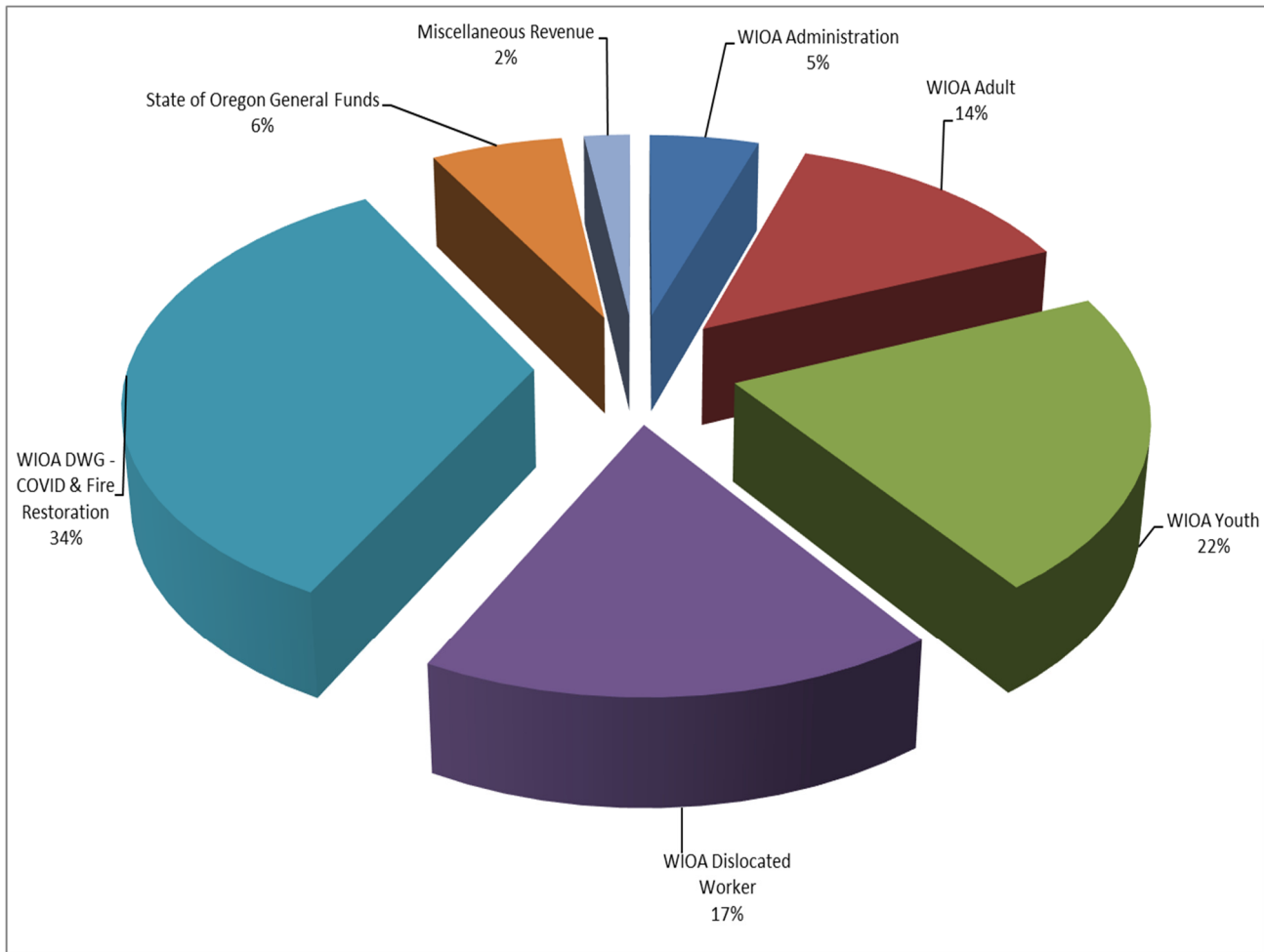
Table B – Lane Workforce Partnership's Statement of Activities

	Governmental Activities	
	FY 2022	FY 2021
Program revenues:		
Operating grants	\$ 4,957,445	\$ 3,339,989
General revenues:		
Interest income	2,420	1,507
Special items:		
PPP loan forgiveness income	-	125,800
Total revenue	<u>4,959,865</u>	<u>3,467,296</u>
Expenses:		
Employment and training	4,876,974	3,471,624
Total expenses	<u>4,876,974</u>	<u>3,471,624</u>
Change in net position	82,891	(4,328)
Net position, beginning of year	<u>27,211</u>	<u>31,539</u>
Net position, end of year	<u>\$ 110,102</u>	<u>\$ 27,211</u>

## LANE WORKFORCE PARTNERSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of Lane Workforce Partnership as a Whole, continued

Figure A – Lane Workforce Partnership's Sources of Revenue for the Year Ended June 30, 2022



### Budgetary Highlights

LWP's Executive Board and Council reviews and adopts all budgets and revisions. During 2021-2022, there was one adopted modification. The budget is modified when final carry forward from the previous year is determined and/or significant amounts of unanticipated revenue are awarded or received. It is the Board's policy to recognize revenue when awarded. Revenues recognized during the year but deemed necessary for use in subsequent year operations are placed in the *Reserve for Future Expenditure* category of the budget.

- Total budgeted revenues for 2021-2022 increased by just \$391,699 from the 2020-2021 final budget.
- The initial budget for Lane Workforce Partnership is based on planning figures and estimated carry forward funds for the year. Routinely, a first modification occurs in October or November of the program year to adjust to actual appropriated funding levels and actual carry-forward totals. As LWP applies for funding throughout the year, a second modification may be required in February or March to recognize new funding awarded.

## LANE WORKFORCE PARTNERSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Economic Factors and Next Year's Budgets and Rates**

LWP considers many factors when compiling their initial fiscal year budget. An important factor affecting the budget is the Workforce Innovation and Opportunity Act's (WIOA) annual federal appropriation. The federal appropriation is made to the State of Oregon and then distributed to local areas on a formula basis. Under WIOA, LWP operates solely as a convener of workforce services for Lane County. All direct customer services, both youth and adult, are provided by other local entities including Lane County.

In March of 2022, the State of Oregon committed to supporting the educational and training needs of Oregonians through the establishment of Future Ready Oregon. Future Ready Oregon, is a comprehensive \$200M investment package that supports the education and training Oregonians need for family-wage careers, prioritizing underserved communities. These are strategic and targeted investments that focus on advancing opportunities for historically underserved communities, including adult learners, dislocated workers, and youth. LWP received \$1,220,358 for the Prosperity 10,000 component of Future Ready Oregon. The funds are reflected in current assets and current liabilities at June 30, 2022 and will be recognized as revenue and spent during the 2022-2023 fiscal year.

The State of Oregon also committed funding for an additional General Fund Program called the Oregon Youth Employment Program (OYEP). LWP received \$288,957 in initial funding in May 2022 that will be combined with another \$288,957 and spent in 2022-2023 on Youth in Lane County.

LWP has relied on the State of Oregon General Fund which has provided between \$300,000 and \$500,000 annually for programs operated since 2014.

### **Requests for Information**

This financial report is designed to provide interested parties with a general overview of the Lane Workforce Partnership and to demonstrate Lane Workforce Partnership's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Lane Workforce Partnership, 1401 Willamette Street, Second Floor, Eugene, Oregon 97401, (541) 505-8674.

## Basic Financial Statements

## Government-wide Financial Statements



LANE WORKFORCE PARTNERSHIP  
STATEMENT OF NET POSITION  
June 30, 2022

**Assets**

**Current assets**

Cash and cash equivalents	\$ 1,847,176
Accounts receivable	1,348
Grants receivable	<u>725,914</u>
Total current assets	<u>2,574,438</u>

**Capital assets**

Equipment, net	-
Right-of-use building lease, net	<u>88,858</u>
Total capital assets, net	<u>88,858</u>

<b>Total assets</b>	<u>2,663,296</u>
---------------------	------------------

**Liabilities**

**Current liabilities**

Accounts payable	692,893
Accrued payroll and related benefits	40,092
Lease liability, current portion	21,711
Unearned revenue	<u>1,663,808</u>
Total current liabilities	<u>2,418,504</u>

**Other liabilities**

Accrued compensated absences	61,568
Lease liability, net of current portion	<u>73,122</u>
Total other liabilities	<u>134,690</u>

<b>Total liabilities</b>	<u>2,553,194</u>
--------------------------	------------------

**Net Position**

<b>Net investment in capital assets</b>	(5,975)
<b>Unrestricted</b>	<u>116,077</u>
<b>Total net position</b>	<u><u>\$ 110,102</u></u>

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

**Expenses**

Employment and training	\$ 4,876,974
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**Program revenues**

Operating grants	<u>4,957,445</u>
------------------	------------------

Net program expense	80,471
---------------------	--------

**General revenues**

Interest income	<u>2,420</u>
-----------------	--------------

<b>Change in net position</b>	82,891
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Net position, beginning of year	<u>27,211</u>
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<b>Net position, end of year</b>	<u><u>\$ 110,102</u></u>
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The accompanying notes are an integral part of these statements.

## Fund Financial Statements

LANE WORKFORCE PARTNERSHIP  
BALANCE SHEET  
June 30, 2022

**Assets**

**Assets**

Cash and cash equivalents	\$ 1,847,176
Accounts receivable	1,348
Grants receivable	<u>725,914</u>

<b>Total assets</b>	<b><u>\$ 2,574,438</u></b>
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**Liabilities and Fund Balance**

**Liabilities**

Accounts payable	\$ 692,893
Accrued payroll and related benefits	40,092
Unearned revenue	<u>1,663,808</u>

Total liabilities	<u>2,396,793</u>
-------------------	------------------

**Fund balance**

Unassigned	<u>177,645</u>
------------	----------------

Total fund balance	<u>177,645</u>
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<b>Total liabilities and fund balance</b>	<b><u>\$ 2,574,438</u></b>
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The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP  
RECONCILIATION OF THE BALANCE SHEET TO STATEMENT OF NET POSITION  
June 30, 2022

<b>Fund balance</b>	\$ 177,645
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	88,858
Lease liability did not mature in the current reporting period and therefore is not reported in the funds.	(94,833)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(61,568)</u>
<b>Net position</b>	<u>\$ 110,102</u>

The accompanying notes are an integral part of these statements.



LANE WORKFORCE PARTNERSHIP  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2022

**Revenues**

Intergovernmental revenues	\$ 4,923,595
Other revenues	<u>36,270</u>
Total revenues	<u>4,959,865</u>

**Expenditures**

Current:

Personnel services	925,255
Materials and services:	
Audits and legal services	24,700
Board expenses	8,126
Computer equipment and supplies	26,444
Copier charges	1,980
Data warehousing and storage	4,614
General office expense	19,548
Legal notices	762
Memberships	12,379
Postage	20
Printing	526
Professional development	22,960
Program information and outreach	9,088
Purchased insurance	20,555
Rent	3,840
Subscriptions	906
Telephone services	4,042
Travel and meetings	13,877

Community investments:

Itrac subscription	33,626
One stop operations	39,322
Subcontracts	3,546,886
Other community investments	138,306

Debt service:

Principal lease payments	19,413
Interest	<u>12,416</u>
Total expenditures	<u>4,889,591</u>

Excess (deficiency) of revenues over expenditures	70,274
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The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, Continued  
For the Year Ended June 30, 2022

<b>Change in fund balance</b>	70,274
Fund balance, beginning of year	<u>107,371</u>
<b>Fund balance, end of year</b>	<u><b>\$ 177,645</b></u>

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

<b>Changes in fund balance of governmental fund</b>	<b>\$ 70,274</b>
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Amounts reported for governmental activities in the statement  
of activities are different because:

Lease proceeds provide current financial resources to governmental funds, but the related debt increases lease liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces lease liabilities in the statement of net position. This is the amount of lease principal repayments in the current period.	19,413
--	--------

The change in accrued compensated absences does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental fund.	18,592
--	--------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of lease assets is allocated over the shorter of the lease term or the estimated useful lives of the asset and reported as amortization expense. This is the amount of amortization in the current period.	<u>(25,388)</u>
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<b>Change in net position</b>	<b><u>\$ 82,891</u></b>
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The accompanying notes are an integral part of these statements.

## Notes to Basic Financial Statements

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**1. Nature of Activities and Summary of Significant Accounting Policies**

**Organization**

Lane Workforce Partnership was formed in 1985 as a unit of local government under provisions of Oregon Revised Statutes (ORS) 190.003 to 190.110 by Lane County, Oregon and the cities of Eugene and Springfield, Oregon. Lane Workforce Partnership was subsequently also incorporated as an Oregon nonprofit corporation. In July 2015, the cities of Florence and Cottage Grove were added to the Inter-governmental Agreement with Lane County, Oregon and the cities of Eugene and Springfield, Oregon.

Lane Workforce Partnership is a workforce development organization dedicated to assisting employers in recruiting and retaining employees, and to help individuals find employment and progress in their careers. Specifically, Lane Workforce Partnership 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 (WIOA). WIOA requires that each Workforce Development Area form a Workforce Development Board. The Board of Directors of Lane Workforce Partnership was designated to meet this requirement for the geographic area of Lane County, Oregon.

Lane Workforce Partnership is managed by its Board of Directors which meet the requirements of the WIOA. The Board of Directors elects an Executive Board, which is responsible for strategic planning and leadership as well as Board development and recruitment.

**Reporting Entity**

All significant activities and organizations over which Lane Workforce Partnership exercises oversight responsibility have been included in the financial statements.

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's Board, and either a) the ability to impose will by Lane Workforce Partnership, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on Lane Workforce Partnership. Blended component units, although legally separate entities, are, in substance, part of Lane Workforce Partnership's operations and so data from these units is combined with data of Lane Workforce Partnership. Lane Workforce Partnership (nonprofit corporation) is a blended component unit of Lane Workforce Partnership (local government). The Boards of Directors of the organizations are identical. Separate financial statements are not prepared for Lane Workforce Partnership (nonprofit corporation).

Beginning July 1, 2015, the Lane Workforce Council was established and designated as the Chief Elected Official as contemplated by section 107(c)(1)(B)(i) of the Workforce Innovation and Opportunity Act. Lane Workforce Council's membership is comprised of officials from Lane County and the cities of Eugene, Springfield, Cottage Grove, and Florence.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**1. Nature of Activities and Summary of Significant Accounting Policies, continued**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of Lane Workforce Partnership. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met. Grant funds received in advance of eligibility requirements being met are recorded as unearned revenue. Fiduciary activities, if any, are excluded from the government-wide financial statements.

**Fund Financial Statements**

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. The accounts of Lane Workforce Partnership are organized in a single fund which is used to account for Lane Workforce Partnership's activities. Revenues are principally from intergovernmental sources. This fund is reported on the balance sheet and statement of revenues, expenditures, and changes in fund balance using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (i.e., within sixty days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred.

**Fund Balance**

In governmental funds, Lane Workforce Partnership's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form generally include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Board of Directors takes formal action that places specific constraints on how the resources may be used. The Board of Directors can modify or rescind the commitment at any time through taking a similar formal action.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**1. Nature of Activities and Summary of Significant Accounting Policies, continued**

**Fund Balance, continued**

Resources that are constrained by Lane Workforce Partnership's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Board of Directors approves which resources should be "reserved" during the adoption of the annual budget. Lane Workforce Partnership's Chief Operating Officer uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in Lane Workforce Partnership's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents the spendable fund balance that has not been restricted, committed, or assigned within the General Fund.

**Budgets and Budgetary Accounting**

The administrative and fiscal staff prepare a budget for each of the separate projects within the operation of Lane Workforce Partnership. The budget is submitted to the Board of Directors for approval, modification, and adoption.

Budgetary fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Expenditures are controlled by appropriations adopted by resolution of the Board of Directors. Appropriations are adopted at the broad object level of personal services, materials and services, community investments, and capital outlay. These expenditure appropriations are adopted for purposes of accountability and as a method of providing public involvement into the budget process as provided by ORS 294.905 through 294.930. There is no legal requirement that expenditures do not exceed appropriations; however, it is Board policy to limit expenditures to the amount appropriated. Appropriations lapse at the end of each year. Encumbrances are not used.

**Recent Accounting Standard Adopted**

Lane Workforce Partnership adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* for the year ended June 30, 2022. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-of-use lease asset for each lease that meets the criteria of GASB Statement No. 87. Lane Workforce Partnership adopted the standard effective July 1, 2021. There was no impact to Lane Workforce Partnership's beginning net position or fund balance as a result of implementation.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**1. Nature of Activities and Summary of Significant Accounting Policies, continued**

**Cash and Cash Equivalents**

Cash consists of cash on hand and demand deposits. Lane Workforce Partnership may invest in obligations of the U.S. Treasury and its agencies, obligations of state and local municipalities, corporate bonds, bankers' acceptances, commercial paper, repurchase agreements, time certificates of deposit, and the State Treasurer's Local Government Investment Pool.

**Receivables**

Receivables are recorded on the statement of net position in accordance with the policies enumerated above.

The management of Lane Workforce Partnership considers all amounts included in accounts and grants receivable to be collectible. Therefore, no provision for uncollectible accounts has been made.

Lane Workforce Partnership receives federal funds from the U.S. Department of Labor directly and passed through the state of Oregon, as well as several other nonfederal grants. The amounts receivable represent contract billings and cash requests, relating to expenditures incurred through the end of the program year, which had not been received at June 30, 2022.

**Capital Assets**

Capital assets, which include equipment and intangible right-of-use lease assets, are reported in the government-wide financial statements. Capital assets are defined by Lane Workforce Partnership 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. Equipment assets are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Intangible right-of-use lease assets are amortized using the straight-line method over the shorter of the respective lease term, or the estimated useful life of the underlying asset. The intangible right-of-use lease asset is being amortized over the respective remaining lease term of approximately five years.

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

**Accrued Compensated Absences**

Total unpaid compensated absences are recorded on the books of Lane Workforce Partnership based on total vested hours multiplied by current wage rates. If Lane Workforce Partnership were to become unable to continue as a viable operating entity and the liability became due, the member governments, the cities of Eugene, Springfield, Cottage Grove, and Florence, and Lane County would provide payment of accrued leave subject to the provisions and limitations of the agreement between Lane Workforce Partnership and the Chief Elected Official as described in section 107(c)(1)(B)(i) of the Workforce Innovation and Opportunity Act. As of June 30, 2022, employees of Lane Workforce Partnership had accumulated \$61,568, in unpaid compensated absences.



LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**1. Nature of Activities and Summary of Significant Accounting Policies, continued**

**Income Taxes**

Lane Workforce Partnership is exempt from federal income taxes under Internal Revenue Code Section 115.

**Property Taxes**

Lane Workforce Partnership is exempt from taxes for all real and personal property, including property held under lease or lease purchase agreements, under ORS 456.220 and ORS 456.225 of Oregon law.

**Use of Restricted Net Position**

When expenses are paid for purposes in which both net position - restricted and net position - unrestricted are available, Lane Workforce Partnership deems net position - restricted to be spent first.

**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. Financial statement items particularly sensitive to estimates are the allowance for doubtful accounts and the useful lives of property and equipment.

**2. Cash and Cash Equivalents**

As of June 30, 2022, cash and cash equivalents consisted of the following:

Cash on hand	\$ 500
Cash in bank	115,099
LGIP	<u>1,731,577</u>
Total cash and cash equivalents	<u>\$ 1,847,176</u>

**Deposits**

At June 30, 2022, the book balance of Lane Workforce Partnership's bank deposits (checking accounts) was \$115,099, and the bank balance was \$125,874. The differences are due to transactions in process. Deposits are secured by the Federal Deposit Insurance Corporation (FDIC) to legal limits. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**2. Cash and Cash Equivalents, continued**

**Custodial Risk – Deposits**

This is the risk that in the event of a bank failure, Lane Workforce Partnership's deposits may not be returned. The FDIC provides insurance for Lane Workforce Partnership's deposits with financial institutions up to \$250,000 each for the aggregate of all time and savings accounts and aggregate of all demand deposit accounts at each institution. 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. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10 percent of their quarter-end public fund deposits if they are well capitalized, 25 percent of their quarter-end public fund deposits if they are adequately capitalized, or 110 percent of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110 percent by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2022, there were no cash deposit balances in excess of federally insured limits.

**Local Government Investment Pool**

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

At June 30, 2022, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**3. Capital Assets**

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets:				
Equipment	\$ 16,206	\$ -	\$ -	\$ 16,206
Right-of-use building lease	<u>-</u>	<u>114,246</u>	<u>-</u>	<u>114,246</u>
Total capital assets	<u>16,206</u>	<u>114,246</u>	<u>-</u>	<u>130,452</u>
Accumulated depreciation and amortization:				
Equipment	(16,206)	-	-	(16,206)
Right-of-use building lease	<u>-</u>	<u>(25,388)</u>	<u>-</u>	<u>(25,388)</u>
Total accumulated depreciation and amortization	<u>(16,206)</u>	<u>(25,388)</u>	<u>-</u>	<u>(41,594)</u>
Capital assets, net of accumulated depreciation and amortization	<u>\$ -</u>	<u>\$ 88,858</u>	<u>\$ -</u>	<u>\$ 88,858</u>

Amortization expense associated with the amortization of the intangible right-of-use building lease asset totaled \$25,388 for the year ended June 30, 2022 and is included in employment and training expenses in the statement of activities.

**4. Accounts Payable**

At June 30, 2022, accounts payable consisted of the following:

Payable to grant subrecipients	\$ 471,527
Payable to subcontractors	193,740
Other	<u>27,626</u>
Total accounts payable	<u>\$ 692,893</u>

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**5. Unearned Revenue**

As June 30, 2022, unearned revenue consisted of funds for the following grants received in advance of externally imposed eligibility requirements being met:

Prosperity 10,000 Future Ready Oregon	\$ 1,220,358
Oregon Youth Employment Plan	288,957
Youth CTE Revitalization	130,000
Industry Engagement	<u>24,493</u>
Total unearned revenue	<u>\$ 1,663,808</u>

**6. Long-term Obligations**

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Lease liability	\$ -	\$ 114,246	\$ (19,413)	\$ 94,833	\$ 21,711
Compensated absences	<u>80,160</u>	<u>75,391</u>	<u>(93,983)</u>	<u>61,568</u>	<u>-</u>
Total long-term obligations	<u>\$ 80,160</u>	<u>\$ 189,637</u>	<u>\$ (113,396)</u>	<u>\$ 156,401</u>	<u>\$ 21,711</u>

**7. Leases**

Lane Workforce Partnership is committed under various leases for office space and equipment which expire at various dates through December 2025. The lease agreements for equipment are relatively insignificant to Lane Workforce Partnership's operations and are set to expire in June 2023.

The office space lease agreement commenced January 1, 2016 with an initial term of five years, and was subsequently extended for an additional five years, expiring December 31, 2025. The lease agreement provides for escalating lease payments over the term of the lease, ranging from \$2,444 to \$2,941. The interest rate on the lease was determined by management as Lane Workforce Partnership's estimated borrowing rate of 12.99 percent. The lease agreement meets the criteria of a lease under GASB Statement No. 87. Accordingly, an intangible right-of-use lease asset and an associated lease liability of \$114,246 was recorded in Lane Workforce Partnership's statement of net position upon implementation of the new standard. At June 30, 2022, the lease liability balance totaled \$94,833.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**7. Leases, continued**

Annual requirements to amortize lease obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2023	\$ 21,711	\$ 11,072
2024	25,749	8,017
2025	30,376	4,404
2026	16,997	650
2027	-	-
Thereafter	-	-
Total	<u>\$ 94,833</u>	<u>\$ 24,143</u>

**8. Related Party Transactions**

Lane Workforce Partnership has entered into contracts with organizations whose management includes members of the Lane Workforce Partnership Board of Directors.

The following contracts were in effect during the year ended June 30, 2022:

Agency	Funding Title	Amount	
		Revenue	Expense
Lane County Department of Youth Services	WIOA	\$ -	\$ 42,643
Lane County Department of Health & Human Services	WIOA/State General Funds	-	1,400,780
Oregon Employment Department	All	-	7,594

Agency	Funding Title	Amount	
		Receivable	Payable
Lane County Department of Youth Services	WIOA	\$ -	\$ 1,242
Lane County Department of Health & Human Services	WIOA/State General Funds	-	300,156

**9. Risk Management**

Lane Workforce Partnership 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. Lane Workforce Partnership maintains coverage through commercial insurance companies for risks of loss. There were no material reductions in insurance coverage from coverage in the prior year. During each of the last three years, there have been no insurance settlements exceeding insurance coverage.

LANE WORKFORCE PARTNERSHIP  
NOTES TO BASIC FINANCIAL STATEMENTS

**10. Retirement Plan**

Lane Workforce Partnership is a participating employer in the Barrett Business Services Inc. Retirement Savings Plan, a multiple employer defined contribution 401(k) plan (the 401(k) Plan). Employees are eligible to participate in the 401(k) Plan after completing three months of service. Lane Workforce Partnership makes safe harbor matching contributions to the 401(k) Plan, on a payroll-by-payroll basis, equal to 100 percent of the first 6 percent of eligible compensation. Participants are immediately vested 100 percent in matching contributions to the 401(k) Plan. There are no assets accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Statement No. 73, paragraph 4.

For the year ended June 30, 2022, total contribution expense for the 401(k) Plan was \$35,558.

**11. Subsequent Events**

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

Required Supplementary Information

LANE WORKFORCE PARTNERSHIP  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - GENERAL FUND  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Workforce Innovation and Opportunity Act	\$ 5,119,842	\$ 5,332,503	\$ 4,485,165	\$ (847,338)
Other	595,919	1,104,184	474,700	(629,484)
Total revenues	5,715,761	6,436,687	4,959,865	(1,476,822)
<b>Expenditures</b>				
Current:				
Personnel services	969,103	924,225	925,255	1,030
Materials and services:				
Audits and legal services	29,245	29,245	24,700	(4,545)
Board expenses	15,000	15,000	8,126	(6,874)
Computer equipment and supplies	50,000	50,000	26,444	(23,556)
Copier charges	2,188	2,188	1,980	(208)
Data warehousing and storage	2,700	2,700	4,614	1,914
General office expense	15,000	15,000	19,548	4,548
Legal notices	1,250	1,250	762	(488)
Memberships	11,900	11,900	12,379	479
Postage	500	500	20	(480)
Printing	500	500	526	26
Professional development	10,000	34,000	22,960	(11,040)
Program information and outreach	12,500	12,500	9,088	(3,412)
Purchased insurance	21,000	21,000	20,555	(445)
Rent	33,030	33,030	3,840	(29,190)
Subscriptions	550	550	906	356
Telephone services	4,200	4,200	4,042	(158)
Travel and meetings	25,000	25,000	13,877	(11,123)
Community investments:				
Itrac subscription	23,200	28,100	33,626	5,526
One stop operations	40,372	40,372	39,322	(1,050)
Subcontracts	3,934,594	4,045,215	3,546,886	(498,329)
Other community investments	70,000	154,750	138,306	(16,444)
Debt service:				
Principal lease payments	-	-	19,413	19,413
Interest	-	-	12,416	12,416
Total expenditures	5,271,832	5,451,225	4,889,591	(561,634)
Excess (deficiency) of revenues over expenditures	443,929	985,462	70,274	(915,188)
<b>Net change in fund balance</b>	443,929	985,462	70,274	(915,188)
Fund balance, beginning of year	107,000	107,000	107,371	371
<b>Fund balance, end of year</b>	\$ 550,929	\$ 1,092,462	\$ 177,645	\$ (914,817)



## Supplementary Information

LANE WORKFORCE PARTNERSHIP  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
PROGRAM BALANCES  
For the Year Ended June 30, 2022

	<u>WIOA</u>	<u>Other</u>	<u>Total</u>
<b>Revenues</b>			
Workforce Innovation and Opportunity Act	\$ 4,485,165	\$ -	\$ 4,485,165
Work Experience	-	147,379	147,379
Industry Engagement	-	64,473	64,473
Workforce Strategies	-	159,078	159,078
Other	<u>3,237</u>	<u>100,533</u>	<u>103,770</u>
Total revenues	<u>4,488,402</u>	<u>471,463</u>	<u>4,959,865</u>
<b>Expenditures</b>			
Current:			
Personnel services	809,943	115,312	925,255
Materials and services:			
Audits and legal services	19,858	4,842	24,700
Board expenses	8,126	-	8,126
Computer equipment and supplies	23,036	3,408	26,444
Copier charges	1,721	259	1,980
Data warehousing and storage	4,025	589	4,614
General office expense	13,627	5,921	19,548
Legal notices	762	-	762
Memberships	9,565	2,814	12,379
Postage	18	2	20
Printing	455	71	526
Professional development	20,686	2,274	22,960
Program information and outreach	5,109	3,979	9,088
Purchased insurance	17,195	3,360	20,555
Rent	3,339	501	3,840
Subscriptions	832	74	906
Telephone services	3,512	530	4,042
Travel and meetings	13,370	507	13,877
Community investments:			
Itrac subscription	31,431	2,195	33,626
One stop operations	39,217	105	39,322
Subcontracts	3,434,897	111,989	3,546,886
Other community investments	-	138,306	138,306
Debt service:			
Principal lease payments	16,881	2,532	19,413
Interest	<u>10,797</u>	<u>1,619</u>	<u>12,416</u>
Total expenditures	<u>4,488,402</u>	<u>401,189</u>	<u>4,889,591</u>
<b>Net change in program fund balance</b>	-	70,274	70,274
Fund balance, beginning of year	<u>-</u>	<u>107,371</u>	<u>107,371</u>
<b>Fund balance, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 177,645</u></u>	<u><u>\$ 177,645</u></u>

## COMPLIANCE SECTION

## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Directors  
Lane Workforce Partnership  
Eugene, Oregon

We have audited the basic financial statements of Lane Workforce Partnership as of and for the year ended June 30, 2022, and have issued our report thereon dated December 22, 2022. We conducted our audit 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.

### Compliance

As part of obtaining reasonable assurance about whether Lane Workforce Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

We performed procedures necessary to address the required comments and disclosures which included, but were not limited to, the following:


- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required.
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe Lane Workforce Partnership was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of ORS as specified in OAR 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

## **OAR 162-10-0230 - Internal Control**

In planning and performing our audit, we considered Lane Workforce Partnership's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lane Workforce Partnership's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lane Workforce Partnership's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of Lane Workforce Partnership and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

By:   
Sara Hummel, CPA  
Partner

Eugene, Oregon  
December 22, 2022

LANE WORKFORCE PARTNERSHIP  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Passed Through To Subrecipients</u>
<b>U.S. Department of Labor</b>				
Passed through State of Oregon, Higher Education Coordinating Commission (HECC):				
<i>Workforce Innovation and Opportunity Act (WIOA) Cluster:</i>				
WIOA Adult Program Administration	17.258	20-071B; 21-010B	\$ 79,691	\$ 741
WIOA Adult Program	17.258	20-071B; 21-010B	662,629	402,792
WIOA Youth Activities Administration	17.259	20-071B; 21-010B	98,792	-
WIOA Youth Activities	17.259	20-071B; 21-010B	1,030,527	877,613
WIOA Youth Activities - High Concentration of Eligible Youth	17.259	20-071B	19,485	19,485
WIOA Dislocated Worker Formula Grants - Rapid Response Lay-off Aversion and Additional Assistance Administration	17.278	19-079B	66,160	-
COVID-19 - WIOA Dislocated Worker Formula Grants - Rapid Response Lay-off Aversion	17.278	20-071B	53,340	-
WIOA Dislocated Worker Formula Grants Administration	17.278	19-079B; 20-071B; 21-010B	68,470	1,923
WIOA Dislocated Worker Formula Grants	17.278	19-079B; 20-071B; 21-010B	<u>728,795</u>	<u>593,623</u>
Total WIOA Cluster			<u>2,807,889</u>	<u>1,896,177</u>
<i>WIOA National Dislocated Worker Grants:</i>				
COVID-19 - WIOA National Dislocated Worker Grants - Disaster Recovery Administration	17.277	20-046B	9,486	-
COVID-19 - WIOA National Dislocated Worker Grants - Disaster Recovery	17.277	20-046B	112,961	86,806
COVID-19 - WIOA National Dislocated Worker Grants - Employment Recovery Administration	17.277	20-038B	9,395	-
COVID-19 - WIOA National Dislocated Worker Grants - Employment Recovery	17.277	20-038B	75,309	72,478
WIOA National Dislocated Worker Grants - Wildfire Recovery Administration	17.277	20-111B	147,009	-
WIOA National Dislocated Worker Grants - Wildfire Recovery	17.277	20-111B	<u>1,323,118</u>	<u>159,930</u>
Total WIOA National Dislocated Worker Grants			<u>1,677,278</u>	<u>319,214</u>
Total passed through State of Oregon, HECC:			<u>4,485,167</u>	<u>2,215,391</u>
Total U.S. Department of Labor			<u>4,485,167</u>	<u>2,215,391</u>
<b>Total expenditures of federal awards</b>			<u>\$4,485,167</u>	<u>\$ 2,215,391</u>

LANE WORKFORCE PARTNERSHIP  
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 Lane Workforce Partnership's (LWP's) financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of LWP, it is not intended to and does not present either the net position, changes in net position, or the general fund's revenues and expenditures.

**2. Significant Accounting Policies**

***Reporting Entity***

The reporting entity is fully described in the notes to financial statements of LWP's financial statements. Additionally, the Schedule includes all federal programs administered by LWP for the year ended June 30, 2022.

***Basis of Presentation***

The information in the Schedule is presented in accordance with the 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).

***Federal Financial Assistance***

Pursuant to the Single Audit Act Amendments of 1996 and 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, therefore, is reported on the Schedule (if applicable). Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

***Major Programs***

The Single Audit Act Amendments of 1996 and the Uniform Guidance establish criteria to be used in defining major federal financial assistance programs. Major programs for LWP are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance Subpart F 200.528. Programs with similar requirements may be grouped into a cluster for testing purposes.

***Revenue and Expenditure Recognition***

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

**3. Indirect Cost Rate**

Lane Workforce Partnership elected to use the ten percent (10%) de minimis indirect cost rate of modified total direct costs allowed under the Uniform Guidance.

**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  
Lane Workforce Partnership  
Eugene, 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 the governmental activities and each major fund of Lane Workforce Partnership as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lane Workforce Partnership's basic financial statements, and have issued our report thereon dated December 22, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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



## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity'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  
December 22, 2022

**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  
Lane Workforce Partnership  
Eugene, Oregon

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lane Workforce Partnership's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lane Workforce Partnership's major federal programs for the year ended June 30, 2022. Lane Workforce Partnership's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lane Workforce Partnership complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

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

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

Jones & Roth, P.C.

Eugene, Oregon

December 22, 2022

LANE WORKFORCE PARTNERSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

Assistance Listing Number

Name of Federal Program or Cluster

17.277

WIOA National Dislocated Worker Grants

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**FINANCIAL STATEMENT AUDIT FINDINGS**

None.

**MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS AND QUESTIONED COSTS**

None.

**PRIOR AUDIT FINDINGS**

None.