



LANE WORKFORCE PARTNERSHIP EXECUTIVE BOARD MEETING

Thursday, January 19, 2023

11:30am – 1:00pm

Meeting being held in-person and via the Zoom platform

In-Person: 1401 Willamette Street, Eugene (2nd Floor, Eugene Chamber Building, LWP Office)

Zoom: <https://us02web.zoom.us/j/81017033772>

AGENDA

*Mission: To Meet the Workforce Needs of Employers and Individuals
Through Partnerships and Innovation*

- I. CALL TO ORDER AND INTRODUCTIONS/*Jennifer Adams*
 - II. PUBLIC COMMENT – *In accordance with Lane Workforce Partnership’s Public Comment Policy: Speakers will be taken in the order in which they sign up and will be limited to three minutes per public comment.*
 - III. CONSENT CALENDAR
 - *Minutes of the September 15, 2022 Executive Board Meeting/ Action* Pages 1 - 5
 - *Minutes of the October 22, 2022 Executive Board Meeting / Action* Pages 6 - 9
 - IV. 2021-2022 FINANCIAL AUDIT PRESENTATION/*Discussion* Pages 10 - 61
Sara Hummel, Jones & Roth
- Per LWP Board Bylaws, the Executive Director and all staff will leave the meeting at 11:40AM and return at 12:00PM.**
- V. EXECUTIVE DIRECTOR REPORT/*Information* Pages 62 - 66
Ashley Espinoza, Lane Workforce Partnership
 - VI. HECC/OWI FINAL MONITORING REPORT/*Information* Pages 67 - 69
Tiffany Cink, Lane Workforce Partnership
 - VII. OTHER BUSINESS
 - VIII. ADJOURNMENT

Lane Workforce Partnership is an equal opportunity employer. With 48 hours of notice, auxiliary aids and services, and alternate formats are available to individuals with limited English proficiency free of cost. Requests can be made directly to LWP or with the assistance of TTY: Oregon Relay Services at 1-800-735-2900.



LANE WORKFORCE EXECUTIVE BOARD MEETING

Thursday, September 15, 2022

11:30am – 1:00pm

MINUTES

In Attendance: Jennifer Adams, Joe Berney, Mike Clark, Greg Ervin, Solomon Harris, Shondra Holliday, Stan Pickett, Damien Pitts

Staff: Ashley Espinoza, Tiffany Cink, Anne Nestell, Stephanie Lovell

Action Summary	Motion	Seconded	Status
Approved Executive Board Meeting Minutes, May 19, 2022	Shondra Holliday	Joe Berney	Unanimous Approval
Approved Lane Council Meeting Minutes, June 16, 2022	Mike Clark	Joe Berney	Unanimous Approval
Adopted Program Year 2022/2023 Budget Mod #1 as presented	Mike Clark	Greg Ervin	Unanimous Approval

I. CALL TO ORDER

Jennifer Adams called the meeting to order.

II. PUBLIC COMMENT – *In accordance with Lane Workforce Partnership’s Public Comment Policy: Speakers will be taken in the order in which they sign up and will be limited to three minutes per public comment.*

There was no public comment.

III. CONSENT CALENDAR

Shondra Holliday made a motion to approve the May 19, 2022 Executive Board meeting minutes. Joe Berney seconded and the motion was unanimously approved.

Mike Clark made a motion to approve the June 16, 2022 Lane Council meeting minutes. Joe Berney seconded and the motion was unanimously approved.

IV. FINANCE MONITORING 2021/2022 (WIOA SUB-RECIPIENTS)

The State of Oregon Higher Education Coordinating Commission issued a revised Monitoring, Corrective Actions, and Sanctions Policy on August 18, 2022. The policy requires Local Workforce Boards to monitor subrecipient contractors providing Workforce Innovation and Opportunity Act (WIOA) Title 1 Programs annually and to provide the reports to the local board including the chief local elected officials. Lane Workforce Partnership completes both Fiscal and Program Monitoring of Subrecipients in compliance with our Finance Policy #6 Audit Resolution System. Historically,

only the consolidated results of the subrecipient monitoring have been provided in our Mid-Year and Year-End Program Performance Reports.

We currently contract with five WIOA Subrecipients:

- Oregon Manufacturing Extension Partnership (OMEP) – One Stop Operator
- Lane County Health and Human Services (HHS) – WIOA Adult and Dislocated Worker
- Lane Education Service District through Connected Lane County (CLC) – WIOA Youth
- Lane County Youth Services (LCYS) – WIOA Youth
- Marcola School District (Marcola) – WIOA Youth

OMEP is our One-Stop Operator and is a federally required part of the WIOA One Stop System. OMEP has been an outstanding partner in our work since 2017. OMEP is also the One-Stop Operator for seven of the nine Local Workforce Boards in Oregon. Audits are always clean.

HHS is our WIOA Adult and Dislocated Worker Service provider operating primarily from the WorkSource Oregon Lane office at 2510 Oakmont Way. Cindy Perry reviewed 50 participant files. The program is managed well, participants are actively being case managed, and required records are accurate and up-to-date.

CLC is one of three WIOA Youth providers during PY 2021 – 2022 and our largest provider. There were no findings or questioned costs in the Lane ESD Audit Report. Anne Nestell reviewed 30 participant files. Best practice observations included that staff have exceeded enrollment goals, CLC developed comprehensive standard operating procedures, and that staff are doing an excellent job with case management.

Neither Lane County Youth Services nor Marcola School District had any areas of significant concern although both were under expended at the time of review.

V. PROGRAM YEAR 2022/2023 BUDGET MOD 1

Tiffany Cink provided a summary on the Program Year 2022-2023 Budget Modification #1. Lane Workforce Partnership annually prepares Modification #1 to the Adopted Operating Budget to record actual carry-over from the previous year and to add additional revenue sources, if necessary. Revenue increased 6% from \$9,545,857 to \$10,134,347. The revenue increase is due to the award of a Regional Good Jobs Challenge Grant from the US Department of Commerce for the Driving Prosperity Program. Lane Workforce Partnership will receive \$886,873 through our partnership with the Southwestern Oregon Workforce Investment Board (SOWIB).

Revenue decreased by (\$256,691) in our WIOA Formula Funds based on the final allocation from the State of Oregon and lower than anticipated carry forward from our sub-recipients.

Total expenses increased 5% from \$6,693,595 to \$7,049,137.

- Reserve for Future Expenditures increased from \$2,747,262 to \$2,978,210.
- Personnel Services represent 14% of annual expenses.
- Materials and Services represent 4% of annual expenses.
- Community Investments represent 82% of total expenses.

The major changes in the budget modification are:

- ITRAC Subscription increase;
- WIOA Adult, Dislocated Worker, Dislocated Worker Emergency and State of Oregon General Funds decreased by \$79,644;
- WIOA Youth and Oregon Youth Employment Program decreased \$82,000. Due to the reduction in WIOA Youth Formula Funds allocated to Lane County from the State of Oregon, LWP made the difficult decision to end our contracts with Marcola School District and Lane County Youth Services effective October 31, 2022. The participants will be transitioned to Connected Lane County.
- Good Jobs – Driving Prosperity: Provide 100 trainees over the next two years in Lane County the opportunity to earn a Commercial Driver’s License and be connected to a network of employers for immediate hire. Project will also fund a Sector Strategist position to coordinate and manage the system in Lane County.
- Prosperity 10,000: Overall investments aligned with timing of the release of the federal ARPA portion of the award.

Mike Clark made a motion to approve adopting the Program Year 2022/2023 Budget Modification #1 as presented. Greg Ervin seconded and the motion was approved unanimously.

VI. EXECUTIVE DIRECTOR REPORT

Ashley Espinoza provided the Executive Director’s report. Highlights included:

- Connecting on a more regular basis with Jennifer Adams who has been helpful in discussing HR practices such as hybrid employee navigation and common themes in recruitment and retention. Ms. Espinoza appreciated her presence at the National Association of Workforce Boards Conference back in April.
- Thanked Solomon Harris for meeting with Tiffany Cink to discuss the budget and treasurer duties. LWP has adopted the suggestions Mr. Harris had for presenting the budget to the board.
- Stan Pickett has been a crucial board member and an industry champion. Mr. Pickett attended the Constructing a Brighter Future event held at LCC the end of August. Constructing a Brighter Future is a collaboration between Lane ESD, LCC, Lane County schools, Everyone Village, and Square One Village. This project defines the true meaning of partnership as it builds from an existing network of Lane County educators, local transitional housing organizations, community-based organizations, industry and workforce to align and support local housing shortages with the construction of 30 temporary shelters. Lyle Lang with LWP is helping to facilitate the project along with Shareen Vogel and Lee Kounovsky with Lane ESD and John Stapleton with Pivot Architecture.
- Tim Foster with Grant Associates came to our region to learn more about the work going on in Oregon and met with our staff along with Stan Pickett, Deanna Strachan-Wilson (Manager of Workforce Programs with Lane County), and Russ Pierson, Interim Associate Vice President of Career Technical Education and Workforce Development with LCC. We toured the Innovation Hub/Onward Eugene at 942 Olive and Connected Lane County, Spark on 7th.
- Ms. Espinoza has been talking with Joe Berney about opportunities for youth after they graduate. Talks focus around work site culture, building out our pipeline, engaging organizations working with these populations, and developing a plan and strategy for activation. Planning a meeting with construction groups in October.

- Working with Damien Pitts around bridging the gap between the youth experience to what's next. How are we supporting and shepherding through the public system? We are getting a group together to start having these discussions.
- Worked with Shondra Holliday around the EDA Grant. Although LWP was not awarded, we partnered with the Southern Oregon Workforce Investment Board (SOWIB) who was awarded funds for the transportation sector. Here in Lane County over the next two years, 100 individuals will have the opportunity to earn a CDL and be connected to a network of employers for immediate hire.
- Onward Eugene has been a really good partnership for us. We have entered into a contract with them to be the business service arm for LWP. Onward's responsibilities include: providing leadership to Lane County's Industry Sector Partnerships; general business support and reporting tasks; connecting the workforce with industry opportunities; growing the entrepreneurial ecosystem; and delivering EUG Launchpad. Onward is currently hiring for a Child Care Sector Strategist. This position is being funded by United Way of Lane County.
- LWP is hosting a WIOA Service Provider Training for both our adult and youth providers next week. The training will focus on fiscal and program contract management.
- The 2022 State of the Workforce Report will be available early December.
- Opportunity Oregon, a new organization in Springfield that supports those in the criminal justice system provided a tour to the LWP Team, ODOT, Lane County Re-entry Task Force, and Willamette Workforce Partnership.
- Prosperity 10K: We received several applications for Customized Training and Industry Wide Training. We will be making awards the end of September.
- Met with Oregon State Legislature – Representative John Lively. He is the Vice-Chair of the Economic Recovery and Prosperity Committee which is now the Economic Development and Small Business Committee. With the legislative session coming up, workforce is still on the docket so Ms. Espinoza and Rep. Lively are going to keep meeting on a regular basis.
- Meet regularly with Jennifer Adams, Julia Steinberg (Higher Education Coordinating Commission), LWP Executive Leadership Team, LWP Staff, Julie Davidson (Oregon Employment Department), Grant Matthews (LCC), John Stapleton (Workforce Champion/Pivot Architecture), Miles Pendleton (NAACP), Onward Eugene Team, and Brittany Quick-Warner (Eugene Chamber).
- Upcoming meetings:
 - September 19th starting at 11:00am – St. Vincent de Paul Safe Sleep Site at 410 Garfield and Dusk to Dawn. You are welcome to join. Questions being addressed with these tours are around low-barrier/flexible employment opportunities, wrap-around services, case management, and strength-based resumes.
 - September 20th – Duck Rise Council Event. Program through U of O to provide students of color internship opportunities out in the community.
 - September 23rd – meeting with Justin Chin, Director of High School Connections at LCC to discuss Lane County's shifting demographics and the K-12 pipeline into careers and post-secondary education.
 - September 29th – meeting with BOLI around setting up Pre-apprenticeship and Apprenticeship programs – want to learn the mechanics of it. Will be talking specifically about Behavioral Health although BOLI is open to talking about other sectors. Groups attending the meeting include: Lane County, Emergence, Connected Lane County, and Oregon Employment Department.
 - Involved with strategic planning with the Bethel School District. Ms. Espinoza serves on the Bethel School Board.

- Ms. Espinoza serves on the State Apprenticeship and Training Council and has been supporting BOLI with their Future Ready Oregon funding. Recently approved round one of those grants, currently working on round two and anticipate up to two more rounds of funding to be awarded.
- WORKing Together Conference put on by the nine Oregon Workforce Boards is coming up in November in Bend, Oregon. Great opportunity to meet business leaders, community stakeholders, etc. Ms. Espinoza encourages everyone to attend if available. Early registration closes tomorrow.
- Full board meeting next Thursday – will be a hybrid meeting.
- LWP is hiring for the position of Community Engagement Director. We are starting interviews on September 26th.

VII. OTHER BUSINESS

Joe Berney mentioned that he has endowed scholarships and the first of these scholarships will be awarded this Saturday in honor of Hispanic Heritage Month at the Unity House in Springfield. These scholarships are being granted on the basis of a work and service ethic amongst the most vulnerable in Springfield. All three recipients will be attending college.

VIII. ADJOURNMENT

Stan Pickett adjourned the meeting.



LANE WORKFORCE EXECUTIVE BOARD MEETING

Thursday, October 20, 2022

11:30am – 1:00pm

MINUTES

In Attendance: Jennifer Adams, Shondra Holliday, Joe Berney, Greg Ervin, Damien Pitts
Absent: Stan Pickett, Solomon Harris, Mike Clark
Staff: Ashley Espinoza, Anne Nestell, Tiffany Cink, Cindy Perry, Stephanie Lovell

I. CALL TO ORDER

Jennifer Adams called the meeting to order.

II. PUBLIC COMMENT – *In accordance with Lane Workforce Partnership’s Public Comment Policy: Speakers will be taken in the order in which they sign up and will be limited to three minutes per public comment.*

There was no public comment.

III. CONSENT CALENDAR

There were not enough members present at any given point during the meeting to approve the September 15, 2022 minutes.

IV. LWP YEAR-END PERFORMANCE REPORT

Cindy Perry provided a summary. Ms. Perry talked about the purpose behind the Mid-Year and Year-End Performance reports along with the structure of the reports. Performance highlights from the Year-End report included:

- 7,105 people were provided services at WorkSource Lane;
- 233 youth were served through WIOA Youth Programs;
- 116 Adults received training services;
- Entered Employment Rate between 95% - 125% of Goal:
 - Adult – 71%
 - Dislocated Worker – 68.1%
 - Youth – 80%
- The Transportation Industry Sector Partnership was launched;
- LWP was awarded the HOWTO Grant from OHA (Oregon Health Authority)
- LWP is a partner in the Driving Prosperity Grant awarded to SOWIB (Southern Oregon Workforce Investment Board) through EDA’s Good Jobs Challenge

V. EXECUTIVE DIRECTOR REPORT

Ashley Espinoza provided the Executive Director's report. Highlights included:

- LWP's Community Engagement Director position has been filled by Jesse Quinn. Mr. Quinn will be starting on October 21, 2022.
- Board Engagement:
 - LWP will be contracting with the consulting firm, CEWI (The Center for Workforce Excellence International). CWEI is committed to building stronger, more efficient workforce development systems across communities in the United States and Internationally.
 - The project and collaboration goals are to improve the knowledge of our staff, the effectiveness of the organization and our board, and the impact of the Lane County Workforce System.
 - This will be accomplished through:
 - Oregon and Lane County Public Workforce System Research and Analysis;
 - Local Workforce Development Area Assessment;
 - Research, analysis, assessment/presentation/training outline;
 - Staff training;
 - Board training.
- Service Provider Training:
 - The joint training held on September 21st included our youth, adult, dislocated worker, and business services providers. The training focused on:
 - Fiscal Requirements;
 - LWP Policies;
 - Monitoring;
 - On-the-Job Training and Work Experience;
 - Common WIOA (Workforce Innovation and Opportunity Act) measures.

A follow-up survey was sent to help better inform future trainings.

- LWP and BOLI's Apprenticeship and Training Division held a joint meeting with Behavioral Health providers and professionals in Lane County. This provided an opportunity to learn more about setting up a successful apprenticeship and pre-apprenticeship training program as well as answering questions.
- The Business Services team comprised of Onward, Oregon Employment Department, and Lane County Health & Human Services attended the Next Generation Sector Partnership's 101 workshop. A debriefing lunch was held the following week to answer questions and talk about our work and coordination in the future.
- Prior to Ms. Espinoza coming into the Executive Director role, the previous Executive Director set up a contract with Classy, an online fundraising platform so that LWP could step in as a board to support fundraising for our partners when it comes to workforce development. Connected Lane County is utilizing our platform to launch their Spark at Booth Kelly community campaign.

- LWP is in the process of completing the 2022 State of the Workforce Report. It has been a wonderful collaboration with Oregon Employment Department, Economists, Onward Eugene, program partners, and LWP staff.
- Events:
 - WorkSource is hosting a career event on Thursday, October 20th from 10:00am 2:00pm. This will be an in-person event.
 - November 2nd: the Food and Beverage Manufacturing Sector Partnership will be holding a Food Business Unpacked event.
 - Connected Lane County will be holding a middle school career expo November 8th – November 10th. The 3-day event will have middle schoolers coming for 90-minute sessions and meeting with 12 – 15 different employers and participating in hands-on learning. They are still actively recruiting for business representation. If interested, please contact Connected Lane County.
 - Lane Community College is hosting a Women in Trades event at LCC on November 6th from 4:00pm – 6:00pm.

At this point in the meeting, there was to be an Executive Session but there were not enough members in attendance to hold an Executive Session.

VI. FUTURE READY OREGON-PROSPERITY 10K

Tiffany Cink provided a summary on where LWP is investing funding from the Future Ready Oregon Program.

LWP, as one of nine Oregon Workforce Investment Boards will share in \$47M from the Governor’s Future Ready Oregon Program. The funds are comprised of both federal American Rescue Plan Act (ARPA) and State of Oregon General Funds. LWP’s share will be over \$3.3M with \$1,220,359 that must be spent by June 30, 2023.

The Prosperity 10,000 Program includes three different funding streams:

- \$1,220,359 in State of Oregon General funds must be spent by June 30, 2023.
- \$1,452,490 in Federal ARPA funds are available until December 31, 2026. LWP has received an award letter but not a contract.
- \$713,660 in Federal ARPA funds for Workforce Navigators. This is an estimated amount as LWP has not received official notification for these funds.

During Program Year 2022-2023, LWP has budgeted to spend \$1,583,481 which doesn’t include any of the anticipated Worker Navigator funds.

The overall Prosperity 10,000 Program focus is “on advancing opportunities for historically underserved communities, including adult learners, dislocated workers, and youth.”

The targeted populations for the Prosperity 10,000 Program include:

- Historically marginalized and underserved communities;
- People of color;
- Women;
- Rural communities;
- Veterans;

- Disability community;
- People with low incomes.

Each of the contracts/agreements LWP has negotiated include a requirement to prioritize services to the above listed populations.

Of the \$1,583,481, 83% is in contract:

- \$385,000: WIOA Adult/DW Training and OJTs
- \$371,263: Customized Training Solutions for Employers
- \$251,114: Industry-Wide Training for Businesses
- \$150,000: Youth Transportation and Spark Lab Springfield
- \$125,000: SNAP/STEP Customer Support Services
- \$35,709: WorkSource Oregon Lane Dell Hubs

The awards for the Industry-Wide Trainings and Customized Training Solutions were made on September 30, 2022 after review and scoring of all applications received by September 1, 2022. LWP awarded 14 businesses with funds totaling \$622,377. LWP received a total of 24 applications and in addition to the 14 Prosperity 10,000 awards, LWP is investing in three other projects with a combination of Driving Prosperity and Industry Engagement funding.

VII. OTHER BUSINESS

Greg Ervin mentioned that Cottage Grove is in the process of revitalizing the skate park and there will be an event held this Saturday.

VIII. ADJOURNMENT

Jennifer Adams adjourned the meeting.

December 22, 2022

To the Board of Directors and Management
Lane Workforce Partnership
Eugene, Oregon


In planning and performing our audit of the financial statements of Lane Workforce Partnership as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Lane Workforce Partnership's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lane Workforce Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Lane Workforce Partnership's internal controls.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding that matter. This letter does not affect our report dated December 22, 2022 on the financial statements of Lane Workforce Partnership.

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

This communication is intended solely for the information and use of management, the Board of Directors, and others within Lane Workforce Partnership, 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

Current Year Audit Observation

2022-001:

Observation and Recommendation: We noted in applying our audit procedures that for two employees during one pay period, the Organization incorrectly allocated payroll expense among program activities as a result of utilizing the employees' payroll allocation percentages from an incorrect pay period.

We recommend Lane Workforce Partnership update its current process to ensure a review and verification of the payroll allocation reports being utilized for allocation entries is being performed by someone other than the individual preparing the allocation calculations.

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

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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

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.

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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:

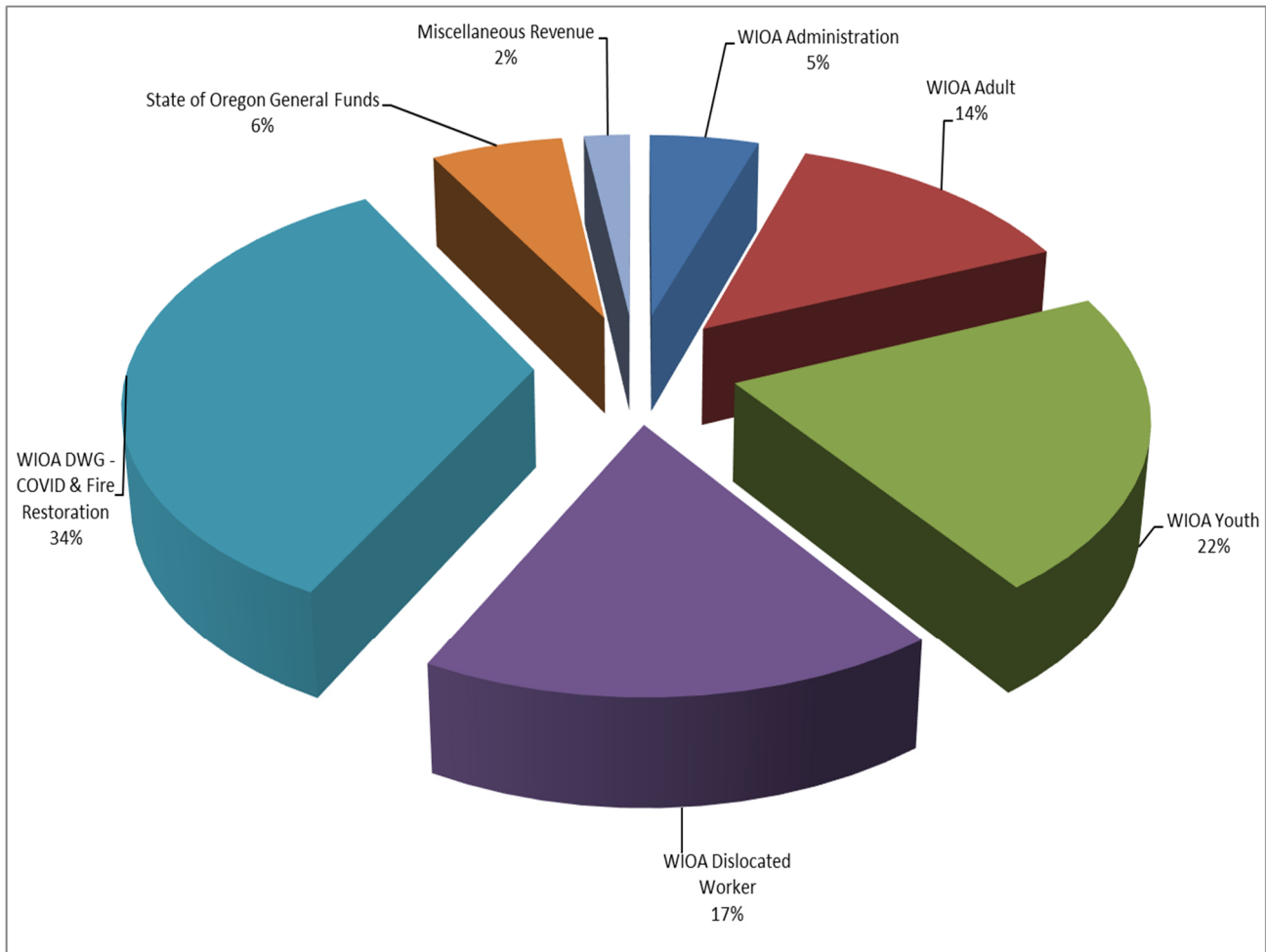
Table B – Lane Workforce Partnership's Statement of Activities

	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	<u>4,876,974</u>	<u>3,471,624</u>
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>

Total assets

2,663,296

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>

Total liabilities

2,553,194

Net Position

Net investment in capital assets	(5,975)
Unrestricted	<u>116,077</u>
 Total net position	 <u>\$ 110,102</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
Program revenues	
Operating grants	<u>4,957,445</u>
Net program expense	80,471
General revenues	
Interest income	<u>2,420</u>
Change in net position	82,891
Net position, beginning of year	<u>27,211</u>
Net position, end of year	<u><u>\$ 110,102</u></u>

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>

Total assets **\$ 2,574,438**

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 2,396,793

Fund balance

Unassigned	<u>177,645</u>
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Total fund balance 177,645

Total liabilities and fund balance **\$ 2,574,438**

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

Fund balance	\$ 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>
Net position	<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

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

Changes in fund balance of governmental fund	\$	70,274
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		19,413
<p>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.</p>		18,592
<p>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.</p>		<u>(25,388)</u>
Change in net position	\$	<u>82,891</u>

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:

	<u>Balance</u> <u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
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:

<u>Agency</u>	<u>Funding Title</u>	<u>Amount</u>	
		<u>Revenue</u>	<u>Expense</u>
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

<u>Agency</u>	<u>Funding Title</u>	<u>Amount</u>	
		<u>Receivable</u>	<u>Payable</u>
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
Revenues				
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	<u>5,715,761</u>	<u>6,436,687</u>	<u>4,959,865</u>	<u>(1,476,822)</u>
Expenditures				
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	<u>5,271,832</u>	<u>5,451,225</u>	<u>4,889,591</u>	<u>(561,634)</u>
Excess (deficiency) of revenues over expenditures	443,929	985,462	70,274	(915,188)
Net change in fund balance	443,929	985,462	70,274	(915,188)
Fund balance, beginning of year	107,000	107,000	107,371	371
Fund balance, end of year	<u>\$ 550,929</u>	<u>\$ 1,092,462</u>	<u>\$ 177,645</u>	<u>\$ (914,817)</u>

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>
Revenues			
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>
Expenditures			
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>
Net change in program fund balance	-	70,274	70,274
Fund balance, beginning of year	<u>-</u>	<u>107,371</u>	<u>107,371</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 177,645</u>	<u>\$ 177,645</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

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through To Subrecipients
U.S. Department of Labor				
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>
Total expenditures of federal awards			<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.



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.

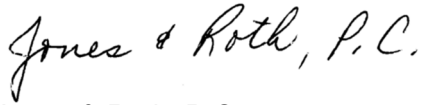
Report on Internal Control Over Compliance

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:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
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.

Executive Director's Report

- The December 2022 Full board meeting and Winter Social went really well! Onward Eugene had the opportunity to present to the board their work in building our regional traded sector ecosystem, entrepreneur support, specifically from underrepresented communities, child care sector strategy, and business services. The Winter Social was co-hosted by Onward Eugene and held directly after the board meeting where we celebrated and acknowledged Shondra Holliday for her 18 years of service on the board and Tony Scurto for 10 years. We also took this opportunity to acknowledge and thank John Stapleton with Pivot Architecture for his contributions as an incredible business champion. You can check out the video [here](#). We are grateful for the team at Delene & Co for capturing all the special moments. Photos of the event can be found [here](#).
- The [2022 State of the Workforce](#) Report has been published and shared out widely, over 25 hand deliveries made. The Spanish printed version of the publication will be ready for distribution in mid-January. The Spanish digital version can be found [here](#). Focus areas in the report include:
 - Introduction
 - Economic trends, forecasts, unemployment rate, job vacancy rate, employment growth, sector forecast
 - Wages and new minimum wage law
 - Education and the benefits of CTE
 - Who is in the workforce and how can they be found?
 - Rural communities
 - Reentry population
 - Immigrants
 - Gig workers/self employed
 - Sector Strategies
 - Introduction to the Workforce Systems
- SOWIB, Rogue Workforce Partnership, and LWP were awarded \$3.4M from the Department of Commerce, [EDA Good Jobs Challenge](#). This funding is to activate our Transportation Sector Partnerships to train and hire 325 CDL Truck Drivers across our three regions. To help manage this contract, and additional contracts, we have hired Ryan Kounovsky, former Chief of Staff of recently retired State Representative, Jeff Reardon.
(press release attached)
- Only 32 of 509 applications were awarded for the Good Jobs Challenge grant. In December 2022, EDA hosted the Good Jobs Challenge summit in Washington DC, and all three regions sent a representative. This was an opportunity for program staff to meet with grantees from across the county and to hear firsthand the intent and magnitude of this investment and partnership. There were presentations done the US Secretaries of Commerce, Labor and Education along with many other stakeholders in the pursuit of economic vitality.
- Attached you have the dashboard created to show our investments for the first round of Future Ready Oregon (FRO) funding. You can also find the dashboard and summary of projects on our website [here](#). These projects need to be completed by June 2023. The second allocation of FRO

funding through the ARPA investment and Workforce Benefits Navigator funding will be released early to mid-2023.

- As I shared with you in my last report, we have hired the nationally recognized and award-winning workforce board from Maryland, Employ Prince George's Inc., to facilitate a board engagement design and implementation plan. LWP staff interviews have started and board members and partners interviews are scheduled to happen between January and February. About Employ Prince George's Inc.: Employ Prince George's Inc. serves as the principal workforce development entity for Prince George's County (Maryland) with a mission to improve the local economy by creating a demand-driven workforce systems with workforce development programs that deliver qualified workers to businesses, improves the productivity of businesses, and provides job seekers with opportunities for careers in high demand/high growth industries. In addition to this work, they also have a consulting arm, The Center for Workforce Excellence International (CWEI) led by [Walter Simmons](#). The consulting firm is committed to building stronger, more efficient workforce development systems across communities in the United States and Internationally. LWP is looking into contracting with CWEI. The project and collaboration goals are to improve the knowledge of our staff, the effectiveness of the organization and our board, and the impact of the Lane County Workforce System.
 - Oregon & Lane County Public Workforce System Research & Analysis
 - Local Workforce Development Area Assessment
 - Research, Analysis, Assessment/Presentation/ Training Outline
 - Staff training
 - Board training
- Lane Workforce Partnership and BOLI's Apprenticeship and Training Division held a joint meeting to share information about the last round of funding through Future Ready Oregon - to create and expand pre-apprenticeship and apprenticeship programs. The meeting was led by BOLI's Manufacturing Innovation Specialist, Stephanie Tunelli. In attendance were partners from Lane Community College, Lane ESD, Connect Lane County, Local Training Agent, and Homes for Good. Potential projects we can apply for funds includes: the St. Vincent de Paul Hope Project and a state-wide marketing campaign to bring awareness about apprenticeship opportunities and the benefit of a skilled and fully participating community.
- Before the holiday break, we hosted an Oregon Legislative LWP meet, greet, and introduction. The legislative session (6 months long) starts January 17th. 60% of the Oregon Legislature is new, and our very own Representative Holvey is the Chair of the Labor and Business Committee. In attendance both in person and online were: Senator Manning, Senator Anderson, Representative Nathanson, Representative Holvey, Representative Lively, and Representative Elect Conrad. Following the meeting, our slides and a thank you was sent to those who attended and those that could not make it.

- Statewide and Local Strategic Planning and System Innovation: LWP leadership and staff have been key partners in statewide and local efforts to strengthen and align the Oregon Public Workforce System. Some of these committees/subcommittees are:
 - The Workforce Systems Executive Team (WSET)
 - State, WTDB & Local: Strategic Plan alignment committee
 - HECC: Curriculum Alignment Subcommittee.
 - Bethel School Board Strategic Planning: Steering Committee Member

Workforce Development areas of attention and focus this calendar year:

- The R word is looming...
- Labor demand and trends
- Attitudes and beliefs about work
- Social & systemic barriers, challenges, opportunities
- Training facilities and trainers
- Employer expectations, needs, and engagement
- Reporting, data, outcomes
- Rules, policies, regulations
- Occupational segregation
- Capacity, including technology adoption and integration

Events:

- State of City Address (Eugene), January 4th
- WSET retreat hosted by LWP, January 9th-10th
- Monthly Sector Lead Meet-Up, 942 Olive, January 12th, 8:30-10am
- Lane EDS and Lane Community College are hosting CTE Instructors from 16 school districts in Lane County for training and networking, January 13th, 8am-1:30pm. LWP is presenting at the event.
- Construction- Aggregate Sector Partnership meeting, January 18th, 4-5:30pm
- Delta Rotary Presentation, January 20th
- 69th Celebration of Business, Eugene Chamber of Commerce, January 24th
- Tour of the Eugene Mission and Life Change programs, February 3rd, 2-3pm



FOR IMMEDIATE RELEASE

CONTACT: Ashley Espinoza, Executive Director

Lane Workforce Partnership

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email: ashley@laneworkforce.org

Lane Workforce Partnership Hires Workforce Project Manager

Eugene, Oregon, January 9, 2023 – Lane Workforce Partnership is proud to announce and welcome Ryan Kounovsky as the Workforce Project Manager for Lane Workforce Partnership. Mr. Kounovsky will play an essential role in developing, coordinating, and evaluating workforce programs for Lane Workforce Partnership.



Lane Workforce Partnership’s mission is to connect individuals and employers by partnering with a network of local stakeholders, through collaboration, innovation and strategic investments that empower the workforce to meet the current and future needs of key industry sectors.

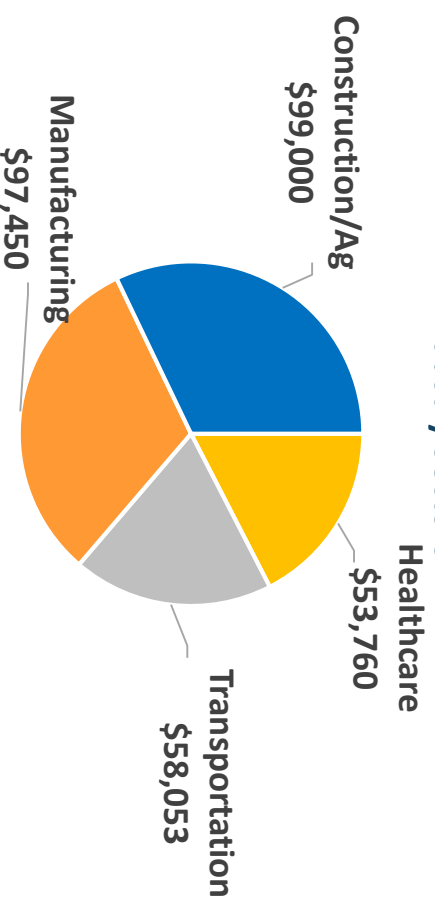
Ryan is joining Lane Workforce Partnership with over 10 years of experience in community and political organizing and policy development at the state level. Most recently he served as Chief of Staff and Policy Director for Representative Jeff Reardon. Recent accomplishments in this position included supporting the passage of Future Ready, specifically with the addition of Prosperity 10,000 to support the work of Oregon’s nine local workforce boards.

Ryan received his Bachelor’s degree in Political Science from the University of Oregon and returned to the University of Oregon to obtain a Master’s degree in Public Administration as well as a Graduate Certificate in Nonprofit Management. Ryan grew up in Creswell, Oregon and now lives in Eugene with his wife and two energetic pups.

Lane Workforce Partnership Future Ready Oregon/Prosperity 10K Award Summary

\$1,270,086 Awarded to 16 Businesses/Organizations

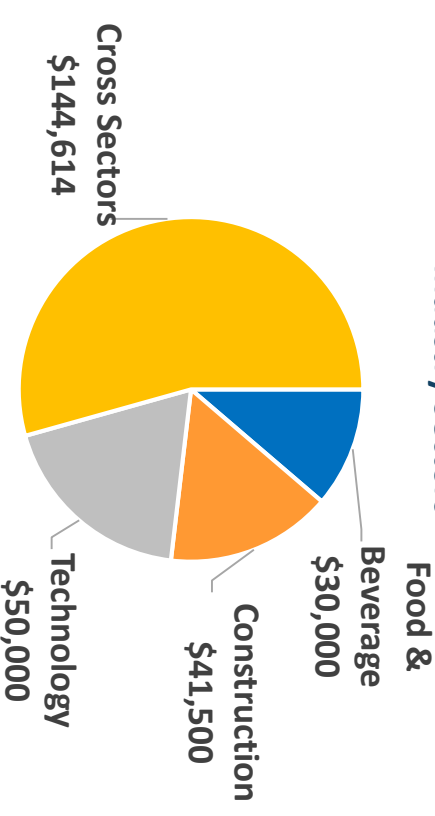
Customized Training - \$308,263 Awarded
Industry Sectors



Customized Training Awards

Applicant Name	Industry Sector	Name of Training	Amount Funded	# of Trainees
Babb/Delta Construction	Construction/Ag	Heavy Equipment/Concrete	\$75,000	10
RiverBend Materials	Construction/Ag	CDL	\$24,000	12
Pearl Buck Center	Healthcare	Job Coach Training	\$53,760	38
Catholic Community Services/Lanz Cabinets	Manufacturing	Cabinet Manufacturing	\$75,000	56
Gheen Irrigation Works	Manufacturing	Robotic Welding	\$22,450	10
Trip N Transport	Transportation	CDL	\$5,053	1
Tyre Oil	Transportation	CDL	\$53,000	4

Industry-Wide Training - \$266,114 Awarded
Industry Sectors

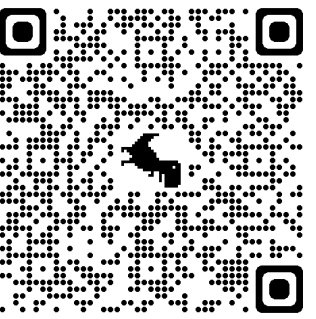


Industry-Wide Training Awards

Applicant Name	Industry Sector	Name of Training	Amount Funded	# of Trainees
Lane ESD	Construction	Constructing a Brighter Future	\$41,500	19
OMEIP	Cross Sectors	Smart Talent	\$50,000	8 Employers
Onward	Cross Sectors	RISE Leadership Training	\$49,928	40
Springfield Chamber	Cross Sectors	Essential Skills Trainer Training	\$44,686	40 Employers
Season to Taste (Eugene's Table)	Food and Beverage	Growing People Program	\$30,000	24
TAO	Technology	Organizational Well Being	\$50,000	TBD

Additional \$645,709 Future Ready Oregon/Prosperity 10K Awards:

- Training and OJT's - WorkSource Oregon Lane (\$385,000)
- Youth Transportation and Spark Lab Springfield (\$150,000)
- SNAP/STEP Customer Support Services (\$125,000)
- Dell Hubs – WorkSource Oregon Lane (\$35,709)





Oregon

Kate Brown, Governor

Higher Education Coordinating Commission

Office of Workforce Investments

3225 25th Street SE

Salem, OR 97302

www.oregon.gov/HigherEd

November 23, 2022

Jennifer Adams, Chair
Lane Workforce Partnership
1401 Willamette Street #2
Eugene, OR 97401

Dear Chair Adams,

The final report for monitoring conducted for Workforce Innovation and Opportunity Act Title I programs is attached.

Please extend our thanks to staff for their work compiling materials for our review, and for their assistance.

If you or your staff have questions, please contact me at 971-345-1136.

Sincerely,

Julia Steinberger
Director
Office of Workforce Investments
Higher Education Coordinating Commission

C:
Ashley Espinoza, LWP Executive Director
Joe Berney, Commissioner, Chief Elected Official

FINAL 2022 Monitoring Report Lane Workforce Partnership

Oregon's Higher Education Coordinating Commission - Office of Workforce Investments (HECC-OWI) conducted its annual monitoring review of Lane Workforce Partnership (LWP) on September 27, 28, and 29, 2022. Because of COVID-19, and delays in the planned re-opening of workforce centers, monitoring is being conducted with a reliance on desk reviews, monitoring review workpapers, and in virtual formats.

Reviewers conducted tests of compliance for elements included in the Uniform Administrative Requirements, the Workforce Innovation and Opportunity Act (WIOA) and final regulations, HECC-OWI policies, LWP policies, and the nondiscrimination, disability, and equal opportunity requirements in WIOA.

The entrance conversation took place on September 27, 2022, and attendees included Tiffany Cink, Stephanie Lovell, Anne Nestell, Ashley Espinoza, Cindy Perry, Lyle Lang, and Theresa Fitzgerald.

This report cites the results of our tests of compliance and review of policies and processes, and may include observations or findings, defined as:

- *Observations: In the course of the review, the monitoring team discovered areas that raised some measure of concern. Such concerns may be easily alleviated, and the monitoring team made every effort to discuss solutions with the appropriate staff to minimize concern.*
- *Findings: Findings are items or issues that are of significant concern or that indicate the violation of a guiding principle, regulation or rule. The monitoring team requested additional information to determine whether the issue discovered was an abnormality of the review process or a valid violation.*

This final report cites no observations and no findings.

Reviewers relied on documentation and materials provided by LWP catalogued in the monitoring review guide, quarterly fiscal reports provided to HECC-OWI, participant records, program performance details gathered via the local participant tracking system, and State Management Information System reports.

LWP's independent audit for the years ended June 30, 2021 and 2020 was provided, and is included in the monitoring workpapers. Audit reports have consistently cited no internal control deficiencies, questioned costs, or other issues.

Review and compliance tests were conducted for cash management, policies and procedures, expenditure rates, quarterly financial reporting, cost allocation plan, contracts and procurement, separation of duties, payroll, and subrecipient monitoring. LWP's fiscal system of expenditure authorization and record keeping is sufficient and provides reasonable accounting control over assets, liabilities, revenues, and expenditures in connection with those funds.

Since 2008, the public workforce system in Oregon has relied on an automated system to determine eligibility for adults and dislocated workers enrolling in WIOA Title I services. Local workforce boards determined in 2021 that they would no longer rely on that automated system, and would develop eligibility processes and standards that would call for WIOA Title I-funded staff and subrecipients to conduct eligibility. LWP staff have made important contributions to the workgroup tasked with implementing this change, and focus continues to be on development of practical and straight-forward processes and policies.

Data Validation, a series of internal control mechanisms for participant data integrity, is required by the Department of Labor and is conducted annually by state staff. LWP subrecipient records were tested in August 2022, and no concerns were identified. State review staff expanded that participant file sample, and tested files for adherence to supportive services requirements, and training services. No concerns were noted.

The next annual monitoring of LWP is set for February 2023, and review staff will focus on newly implemented eligibility determination policies and processes. LWP staff has been extremely helpful and flexible in the many approaches and re-scheduling of monitoring, and we are hopeful that this new standardized and consistent approach will be beneficial, and will allow for a less intrusive review.

This is the final report. LWP will have one (1) week from the date of this final report to prepare and submit a written appeal to any findings. The appeal will be submitted to the Office of Workforce Investments director, who will make the final decision.

Draft report: September 29, 2022

Response to draft due: October 31, 2022

Final report: November 21, 2022

Final appeal:

Office of Workforce Investments Director decision: