

LANE WORKFORCE PARTNERSHIP
ANNUAL FINANCIAL REPORT
For the Years Ended June 30, 2021 and 2020



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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Board of Directors	i
Transmittal Letter	ii - iii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis.....	4 - 8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statements of Net Position.....	9
Statements of Activities	10
Fund Financial Statements:	
Balance Sheets	11
Reconciliation of the Balance Sheets to Statements of Net Position	12
Statements of Revenues, Expenditures, and Changes in Fund Balance.....	13 -14
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balance to the Statements of Activities.....	15
Notes to Basic Financial Statements	16 - 24
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund.....	25
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Program Balances	26
COMPLIANCE SECTION	
Independent Auditor's Report Required by Oregon State Regulations	27 - 28
Schedule of Expenditures of Federal Awards.....	29
Notes to Schedule of Expenditures of Federal Awards	30
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 - 32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	33 - 34
Schedule of Findings and Questioned Costs	35

INTRODUCTORY SECTION

LANE WORKFORCE PARTNERSHIP
June 30, 2021

EXECUTIVE DIRECTOR

Kristina Payne

<u>BOARD OF DIRECTORS</u>	<u>TITLE</u>
Stan Pickett	Chair
Jennifer Adams	Chair Elect
Celeste Marshall	Treasurer
Shondra Holliday	Secretary
Travis Brooke	Board Member
Michael Caven	Board Member
Sabrina Cunliffe	Board Member
Julie Davidson	Board Member
Noreen Dunnells	Board Member
Justin Freeman	Board Member
Fiona Gledhill	Board Member
Bettina Hannigan	Board Member
Solomon Harris	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
Debra Miller	Board Member
Stephen Parac	Board Member
Tony Scurto	Board Member
Margaret Theisen	Board Member
Laura Vinson	Board Member
<u>COUNCIL</u>	<u>TITLE</u>
Joe Berney	Council Member
Jake Boone	Council Member
Mike Clark	Council Member
Damien Pitts	Council Member

REGISTERED ADDRESS

1401 Willamette Street, Second Floor
Eugene, Oregon 97401



LANE WORKFORCE PARTNERSHIP

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

The Lane Workforce Partnership's audit for year 2020-2021 encompasses a twelve-month period from July 1, 2020 through June 30, 2021.

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

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

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

As a result of the Lane Workforce Partnership's \$1,157,705 million-dollar investment and our partnership with the Oregon Employment Department, over 2,600 Lane County residents received job search assistance through WorkSource Lane between July 1, 2020 and June 30, 2021.

WorkSource Lane provides one point of access for business recruitment and job seeker assistance. Between July 1, 2020 and June 30, 2021:

- 762 positions posted on iMatchSkills in targeted sectors.
- 136 job seekers were placed in targeted industries.
- Over 2,600 individuals received job and career services.
- 32 individuals received occupational training scholarships.
- 58 individuals were placed in On-the-Job Training opportunities with local businesses.
- 3 new businesses utilized the On-the-Job Training Program.

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



LANE WORKFORCE PARTNERSHIP

Providers of WIOA youth/young adult services in Lane County for Program Year 2020-2021 were: Connected Lane County; Lane County Division of Youth Services; and Marcola School District.

In the 2020-2021 program year, 278 young people benefited from being served through one of Lane Workforce Partnership's contracted youth/young adult services. Of the youth/young adults participating in one of our contracted programs:

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

COVID-19 continues to have a negative impact on workers and businesses throughout our region and its effects will surely be felt for some time. Lane Workforce Partnership continues to monitor resources that are available to us due to our status as the Workforce Development Board. In addition, we are working to influence the thinking around a number of policy changes to lessen the burden on area workers and will continue to engage our partners to address the needs. Together with all of our partners, we are finding that Lane County's entrepreneurial spirit is staying alive and creative during this time of great need.

Lane Workforce Partnership provided **\$99,637** in layoff aversion grant funds to **40 businesses with a total workforce of 333 employees** to help them stay in operation. Layoff Aversion Funds are designed to prevent, or minimize the duration on, unemployment resulting from layoffs. The State of Oregon Higher Education Coordinating Commission Office of Workforce Investments (OWI) released federal additional assistance funding through local workforce boards. In addition, the Lane County Board of Commissioners voted to authorize Lane Workforce Partnership to re-purpose Regional Innovation Training (RIT) funds for COVID-19 layoff aversion purposes. Lane Workforce Partnership distributed layoff aversion funds in Lane County with the following parameters:

- Requests must be a result of the business impact from COVID-19;
- Small businesses/organizations with fewer than 20 employees;
- Limited to reimbursements for supplies and/or equipment up to \$5,000.

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

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

Thank you,

Kristina Payne
Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lane Workforce Partnership
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Lane Workforce Partnership as of and for the years ended June 30, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The Right People Beside You.

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EUGENE 260 Country Club Road
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Eugene, OR 97401
phone (541) 687-2320
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HILLSBORO 5635 NE Elam Young Pkwy.
Suite 100
Hillsboro, OR 97124
phone (503) 648-0521
fax (503) 648-2692

Opinions

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, 2021 and 2020, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) on pages 4 through 8 and budgetary comparison information on page 25 be presented to supplement the basic financial statements. Such information, 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 audits 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Lane Workforce Partnership's basic financial statements. The introductory section and supplementary information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 supplementary information 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.

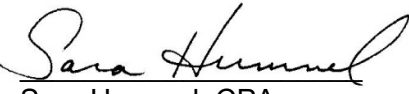
The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 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 21, 2021, 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 21, 2021

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, 2021. 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, 2020:

Workforce Innovation and Opportunity Act (WIOA):

- Budgeted WIOA funds increased overall by \$1.4 million because of three new National Discretionary Dislocated Worker Grants awarded in response to the COVID pandemic and the Holiday Farm Wildfire.
- However, budgeted revenues from WIOA programs allocated by formula decreased overall by \$235,541 from the previous fiscal year. The 7% year over year decrease was the third in a row and was due primarily to the reduction in funds carried forward from the 2019-2020 year.

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

- State of Oregon General Funds represented \$375,131 (6%) of the revenues received by LWP in 2020-2021. 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:
 - ✓ Tech Apprenticeship – Through federal grant funding passed-through the Oregon Employment Department, LWP and the Technology Association of Oregon have joined forces to bring registered tech apprenticeships to Lane County. In Lane County, the program is called the Greater Eugene Area Apprenti Program. The program will place 40 individuals into apprenticeships with local companies where they will receive intensive classroom training as well as one year of paid on-the-job training. The total award includes \$501,277 for a four-year project scheduled to end in September 2021.

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.

LANE WORKFORCE PARTNERSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights, continued

Paycheck Protection Program, continued

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.

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 assets 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 26 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 2021	FY 2020	FY 2019
Current and other assets	\$ 551,288	\$ 695,134	\$ 555,857
Capital assets, net	-	-	-
Total assets	<u>551,288</u>	<u>695,134</u>	<u>555,857</u>
Current and other liabilities	443,917	462,495	449,086
Noncurrent liabilities	<u>80,160</u>	<u>201,100</u>	<u>65,382</u>
Total liabilities	<u>524,077</u>	<u>663,595</u>	<u>514,468</u>
Net position:			
Unrestricted	<u>27,211</u>	<u>31,539</u>	<u>41,389</u>
Total net position	<u>\$ 27,211</u>	<u>\$ 31,539</u>	<u>\$ 41,389</u>

Statement of Activities. Lane Workforce Partnership's Statement of Activities for FY2019 through FY2021:

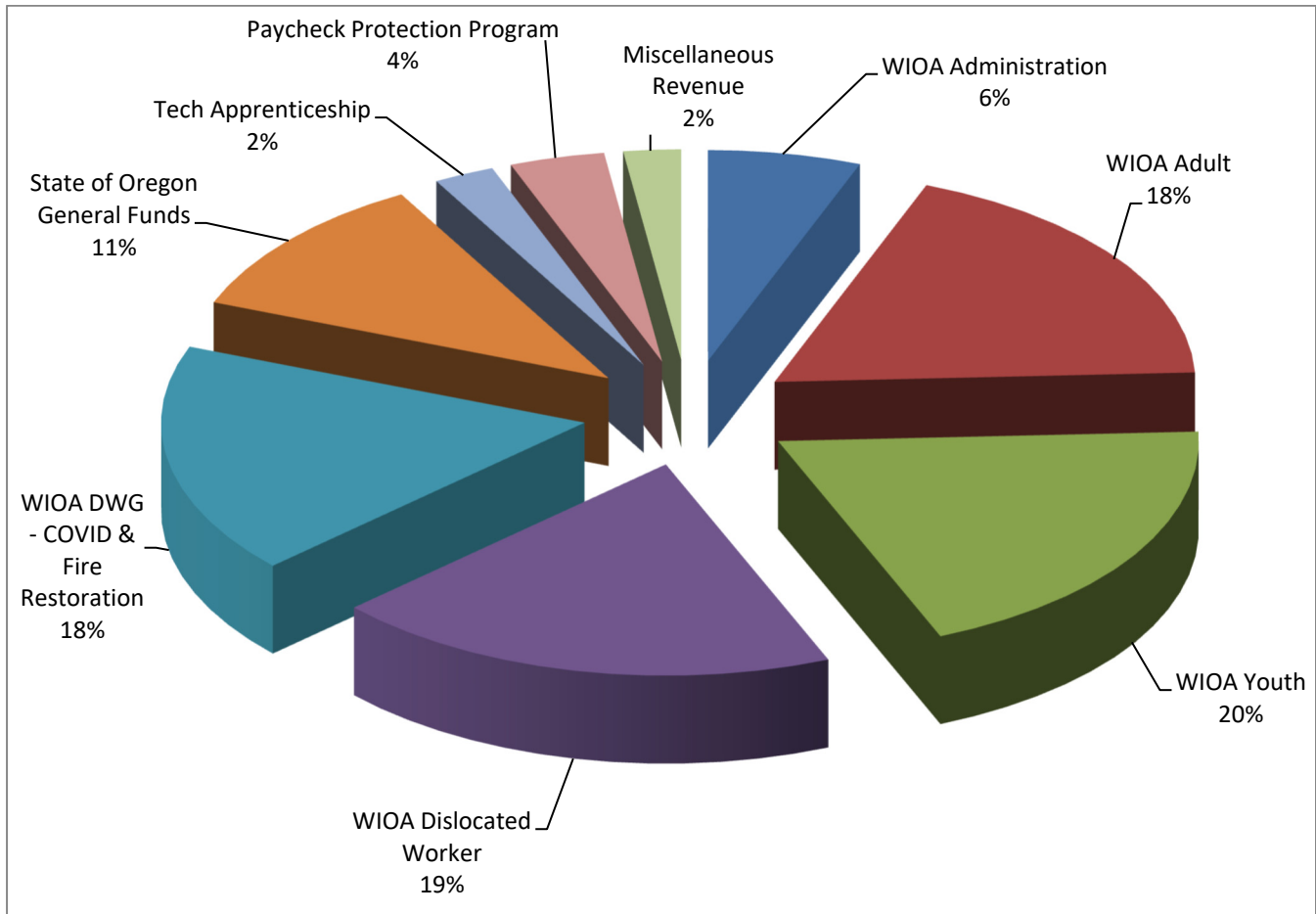
Table B – Lane Workforce Partnership's Statement of Activities

	Governmental Activities		
	FY 2021	FY 2020	FY 2019
Program revenues:			
Operating grants	\$ 3,339,989	\$ 3,520,655	\$ 3,959,786
General revenues:			
Interest income	1,507	3,679	5,094
Special items:			
PPP loan forgiveness income	<u>125,800</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,467,296</u>	<u>3,524,334</u>	<u>3,964,880</u>
Expenses:			
Employment and training	3,471,624	3,534,184	3,971,073
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>3,471,624</u>	<u>3,534,184</u>	<u>3,971,073</u>
Change in net position	(4,328)	(9,850)	(6,193)
Net position, beginning of year	<u>31,539</u>	<u>41,389</u>	<u>47,582</u>
Net position, end of year	<u>\$ 27,211</u>	<u>\$ 31,539</u>	<u>\$ 41,389</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, 2021



Budgetary Highlights

LWP's Executive Board and Council reviews and adopts all budgets and revisions. During 2020-2021, there were two adopted modifications. 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 the year increased by \$1,504,690 from the 2019-2020 final budget. The large increase is due to the award of three WIOA Dislocated Worker National Discretionary Grants in response to the COVID-19 pandemic and Holiday Farm Wildfire.
- 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.

The on-going COVID-19 pandemic and Holiday Farm Wildfire in September 2020 continue to provide challenges for both employers and workers in Lane County. LWP is working closely with various funding sources and a team of local services providers to meet these challenges.

LWP also relies 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
STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 299,126	\$ 358,726
Accounts receivable	8,256	108,087
Grants receivable	135,689	228,321
Prepaid expenses	<u>108,217</u>	<u>-</u>
Total current assets	<u>551,288</u>	<u>695,134</u>
Capital assets, net	<u>-</u>	<u>-</u>
Total assets	<u>551,288</u>	<u>695,134</u>
Liabilities		
Current liabilities		
Accounts payable	406,350	232,609
Accrued payroll and related benefits	37,567	32,996
Unearned revenue	<u>-</u>	<u>196,890</u>
Total current liabilities	<u>443,917</u>	<u>462,495</u>
Other liabilities		
Accrued compensated absences	80,160	75,300
Paycheck Protection Program loan	<u>-</u>	<u>125,800</u>
Total other liabilities	<u>80,160</u>	<u>201,100</u>
Total liabilities	<u>524,077</u>	<u>663,595</u>
Net Position		
Unrestricted	<u>27,211</u>	<u>31,539</u>
Total net position	<u>\$ 27,211</u>	<u>\$ 31,539</u>

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Expenses		
Employment and training	\$ 3,471,624	\$ 3,534,184
Program revenues		
Operating grants	<u>3,339,989</u>	<u>3,520,655</u>
Net program expense	(131,635)	(13,529)
General revenues		
Interest income	<u>1,507</u>	<u>3,679</u>
Special items		
Paycheck Protection Program loan forgiveness income	<u>125,800</u>	<u>-</u>
Change in net position	(4,328)	(9,850)
Net position, beginning of year	<u>31,539</u>	<u>41,389</u>
Net position, end of year	<u><u>\$ 27,211</u></u>	<u><u>\$ 31,539</u></u>

The accompanying notes are an integral part of these statements.

Fund Financial Statements

LANE WORKFORCE PARTNERSHIP
BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Assets		
Cash and cash equivalents	\$ 299,126	\$ 358,726
Accounts receivable	8,256	108,087
Grants receivable	135,689	228,321
Prepaid expenses	<u>108,217</u>	<u>-</u>
Total assets	<u><u>\$ 551,288</u></u>	<u><u>\$ 695,134</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 406,350	\$ 232,609
Accrued payroll and related benefits	37,567	32,996
Unearned revenue	<u>-</u>	<u>196,890</u>
Total liabilities	<u>443,917</u>	<u>462,495</u>
Fund balance		
Nonspendable	108,217	-
Assigned	-	125,800
Unassigned	<u>(846)</u>	<u>106,839</u>
Total fund balance	<u>107,371</u>	<u>232,639</u>
Total liabilities and fund balance	<u><u>\$ 551,288</u></u>	<u><u>\$ 695,134</u></u>

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP
RECONCILIATION OF THE BALANCE SHEETS TO STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Fund balance	\$ 107,371	\$ 232,639
Amounts reported for governmental activities in the statements of net position are different because:		
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are therefore reported as other financing sources.	-	(125,800)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(80,160)</u>	<u>(75,300)</u>
Net position	<u>\$ 27,211</u>	<u>\$ 31,539</u>

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Intergovernmental revenues	\$ 3,259,396	\$ 3,073,818
Other revenues	<u>82,101</u>	<u>450,516</u>
Total revenues	<u>3,341,497</u>	<u>3,524,334</u>
Expenditures		
Current expenditures:		
Personnel services	917,956	938,952
Materials and services:		
Audits and legal services	26,287	23,775
Board expenses	5,010	15,817
Computer equipment and supplies	36,330	30,532
Copier charges	1,968	3,081
Data warehousing and storage	2,700	9,889
General office expense	18,743	7,148
Legal notices	1,072	822
Memberships	11,600	11,600
Postage	62	23
Printing	-	147
Professional development	175	3,206
Program information and outreach	8,549	12,547
Purchased insurance	19,962	19,691
Rent	33,256	34,900
Subscriptions	576	541
Telephone services	3,731	5,444
Travel and meetings	252	10,866
Community investments:		
Itrac subscription	20,107	22,197
One stop operations	31,877	33,053
Subcontracts	2,126,256	2,034,424
Layoff aversion business reimbursements	99,637	243,887
Apprentice supplies and tuition	5,794	57,017
Other community investments	<u>94,865</u>	<u>4,707</u>
Total current expenditures	<u>3,466,765</u>	<u>3,524,266</u>
Excess (deficiency) of revenues over expenditures	(125,268)	68

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, Continued
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Other financing sources		
Paycheck Protection Program loan proceeds	<u>-</u>	<u>125,800</u>
Change in fund balance	(125,268)	125,868
Fund balance, beginning of year	<u>232,639</u>	<u>106,771</u>
Fund balance, end of year	<u>\$ 107,371</u>	<u>\$ 232,639</u>

The accompanying notes are an integral part of these statements.

LANE WORKFORCE PARTNERSHIP
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE TO THE STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Changes in fund balance of governmental fund	\$ (125,268)	\$ 125,868
Amounts reported for governmental activities in the statements of activities are different because:		
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are therefore reported as other financing sources.	-	(125,800)
Forgiveness of long-term debt reported in the statement activities does not provide current financial resources in the governmental fund.	125,800	-
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.	<u>(4,860)</u>	<u>(9,918)</u>
Change in net position	<u>\$ (4,328)</u>	<u>\$ (9,850)</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 statements of net position and the statements 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. 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 sheets and statements 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 include inventories, prepaids and deposits, and assets held for resale. At June 30, 2021 and 2020, Lane Workforce Partnership had a nonspendable fund balance consisting of prepaid expenses of \$108,217 and \$-0-, respectively

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 Director of Finance 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. At June 30, 2021 and 2020, Lane Workforce Partnership had an assigned fund balance associated with funds received under the Paycheck Protection Program (PPP) (Note 6) of \$-0- and \$125,800, respectively.

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.

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.

LANE WORKFORCE PARTNERSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

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

Receivables

Receivables are recorded on the statements 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, 2021 and 2020.

Capital Assets

Capital 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. Capital assets are depreciated using the straight-line method over the estimated useful lives ranging from three to seven years.

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

Compensated Absences Payable

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, 2021 and 2020, employees of Lane Workforce Partnership had accumulated \$80,160 and \$75,300, respectively, in unpaid compensated absences.

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.

LANE WORKFORCE PARTNERSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

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

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, cash and cash equivalents consisted of the following:

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 500	\$ 500
Cash in bank	115,206	240,957
LGIP	<u>183,420</u>	<u>117,269</u>
Total cash and cash equivalents	<u>\$ 299,126</u>	<u>\$ 358,726</u>

Deposits

At June 30, 2021 and 2020, the book balance of Lane Workforce Partnership's bank deposits (checking accounts) was \$115,206 and \$240,957, and the bank balance was \$127,249 and \$253,081, respectively. 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, 2021 and 2020, 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, 2021 and 2020, 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.

3. Capital Assets

Capital assets changed as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Equipment	\$ 16,206	\$ -	\$ -	\$ 16,206
Accumulated depreciation	<u>(16,206)</u>	<u>-</u>	<u>-</u>	<u>(16,206)</u>
Capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LANE WORKFORCE PARTNERSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

3. Capital Assets, continued

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Equipment	\$ 16,206	\$ -	\$ -	\$ 16,206
Accumulated depreciation	<u>(16,206)</u>	<u>-</u>	<u>-</u>	<u>(16,206)</u>
Capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

4. Accounts Payable

At June 30, accounts payable consisted of the following:

	2021	2020
Payable to grant subrecipients	\$ 323,914	\$ 219,204
Payable to subcontractors	51,307	-
Other	<u>31,129</u>	<u>13,405</u>
Total accounts payable	<u>\$ 406,350</u>	<u>\$ 232,609</u>

5. 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 years ended June 30, 2021 and 2020, total contribution expense for the 401(k) Plan was \$29,087 and \$30,945, respectively.

6. Paycheck Protection Program Loan

Lane Workforce Partnership applied for and was awarded a Paycheck Protection Program (PPP) loan under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through the United States Small Business Administration (SBA) and issued by Banner Bank. Lane Workforce Partnership was approved for a loan in the amount of \$125,800 in June 2020. The loan can be used to assist with payroll, rent, and other operating expenses in accordance with the provisions of the CARES Act and is forgivable if the funds are used for the payment of covered expenses, within twenty-four weeks of receipt of the loan proceeds. Lane Workforce Partnership received full forgiveness of the outstanding PPP loan balance, including accrued interest, by Banner Bank and the SBA effective June 8, 2021.

LANE WORKFORCE PARTNERSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

7. 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, 2021:

<u>Agency</u>	<u>Funding Title</u>	<u>Amount</u>	
		<u>Revenue</u>	<u>Expense</u>
Lane County Department of Youth Services	WIOA	\$ -	\$ 40,721
Lane County Department of Health & Human Services	WIOA	-	1,157,705
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	\$ -	\$ 1,196
Lane County Department of Health & Human Services	WIOA	-	196,640

The following contracts were in effect during the year ended June 30, 2020:

<u>Agency</u>	<u>Funding Title</u>	<u>Amount</u>	
		<u>Revenue</u>	<u>Expense</u>
Lane County Administrative Services	All	\$ 75,000	\$ -
Lane County Department of Youth Services	WIOA	-	73,428
Lane County Department of Health & Human Services	WIOA	-	1,050,110
Oregon Employment Department	All	-	7,726

<u>Agency</u>	<u>Funding Title</u>	<u>Amount</u>	
		<u>Receivable</u>	<u>Payable</u>
Lane County Department of Youth Services	WIOA	\$ -	\$ 6,996
Lane County Department of Health & Human Services	WIOA	-	129,731

LANE WORKFORCE PARTNERSHIP
NOTES TO BASIC FINANCIAL STATEMENTS

8. Operating Leases

Lane Workforce Partnership is committed under various leases for office space and equipment which expire at various dates through December 2025. Some leases contain options to renew. The lease agreements for office space contain escalation clauses that allow for periodic increases or decreases to the base rent.

Lease expenditures for office space for the years ended June 30, 2021 and 2020, were \$40,526 and \$41,287, respectively. Lane Workforce Partnership also leases equipment which is relatively insignificant to its operations. Future minimum lease payments for office space and equipment are reported below.

<u>Year Ending June 30,</u>	
2022	\$ 39,098
2023	32,783
2024	33,767
2025	34,780
2026	17,647
Thereafter	<u>-</u>
Total	<u>\$ 158,075</u>

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.

10. Economic Uncertainties

The COVID-19 coronavirus pandemic has resulted in significant economic uncertainties across the globe. Lane Workforce Partnership has not yet experienced significant disruption in its operations as a result of the ongoing COVID-19 coronavirus pandemic. However, as of the date of the independent auditor's report, certain economic uncertainties still exist related to the COVID-19 coronavirus pandemic. These continuing uncertainties have the potential to result in a significant impact to Lane Workforce Partnership's future financial condition and operating results. However, any such future financial impact and duration of such impact cannot be reasonably estimated at this time.

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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Workforce Innovation and Opportunity Act	\$ 3,666,268	\$ 5,273,625	\$ 2,803,739	\$ (2,469,886)
Other	<u>840,650</u>	<u>771,363</u>	<u>537,758</u>	<u>(233,605)</u>
Total revenues	<u>4,506,918</u>	<u>6,044,988</u>	<u>3,341,497</u>	<u>(2,703,491)</u>
Expenditures				
Personnel services	947,043	922,727	917,956	(4,771)
Materials and services:				
Audits and legal services	28,775	29,245	26,287	(2,958)
Board expenses	12,500	15,000	5,010	(9,990)
Computer equipment and supplies	38,420	37,820	36,330	(1,490)
Copier charges	3,688	3,688	1,968	(1,720)
Data warehousing and storage	9,540	9,540	2,700	(6,840)
General office expense	15,000	15,000	18,743	3,743
Legal notices	1,250	1,250	1,072	(178)
Memberships	11,850	11,850	11,600	(250)
Postage	750	750	62	(688)
Printing	500	500	-	(500)
Professional development	10,000	10,000	175	(9,825)
Program information and outreach	12,500	12,500	8,549	(3,951)
Purchased insurance	20,700	20,400	19,962	(438)
Rent	37,800	37,026	33,256	(3,770)
Subscriptions	550	550	576	26
Telephone services	4,200	4,200	3,731	(469)
Travel and meetings	25,000	25,000	252	(24,748)
Community investments:				
Itrac subscription	23,850	23,200	20,107	(3,093)
One stop operations	34,492	32,872	31,877	(995)
Subcontracts	2,873,827	3,647,083	2,126,256	(1,520,827)
Layoff aversion business reimbursements	-	129,457	99,637	(29,820)
Apprentice supplies and tuition	20,000	20,000	5,794	(14,206)
Other community investment	<u>18,000</u>	<u>95,000</u>	<u>94,865</u>	<u>(135)</u>
Total expenditures	<u>4,150,235</u>	<u>5,104,658</u>	<u>3,466,765</u>	<u>(1,637,893)</u>
Net change in fund balance	356,683	940,330	(125,268)	(1,065,598)
Fund balance, beginning of year	<u>107,000</u>	<u>107,000</u>	<u>232,639</u>	<u>125,639</u>
Fund balance, end of year	<u>\$ 463,683</u>	<u>\$ 1,047,330</u>	<u>\$ 107,371</u>	<u>\$ (939,959)</u>

Supplementary Information

LANE WORKFORCE PARTNERSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
PROGRAM BALANCES
For the Year Ended June 30, 2021

	WIOA	Other	Total
Revenues			
Workforce Innovation and Opportunity Act	\$ 2,803,739	\$ -	\$ 2,803,739
Work Experience	-	201,249	201,249
Industry Engagement	-	97,728	97,728
Tech Apprenticeship	-	80,525	80,525
Paycheck Protection Program loan forgiveness income	-	125,800	125,800
Other	975	157,281	158,256
	<u>2,804,714</u>	<u>662,583</u>	<u>3,467,297</u>
Total revenues			
Expenditures			
Personnel services	622,462	295,494	917,956
Materials and services:			
Audits and legal services	18,975	7,312	26,287
Board expenses	5,010	-	5,010
Computer equipment and supplies	29,251	7,079	36,330
Copier charges	1,601	367	1,968
Data warehousing and storage	2,207	493	2,700
General office expense	14,104	4,639	18,743
Legal notices	1,072	-	1,072
Memberships	8,814	2,786	11,600
Postage	49	13	62
Professional development	143	32	175
Program information and outreach	7,557	992	8,549
Purchased insurance	15,504	4,458	19,962
Rent	27,072	6,184	33,256
Subscriptions	469	107	576
Telephone services	3,039	692	3,731
Travel and meetings	207	45	252
Community investments:			
Itrac subscription	18,070	2,037	20,107
One stop operations	31,121	756	31,877
Subcontracts	1,898,530	227,726	2,126,256
Layoff aversion business reimbursements	99,457	180	99,637
Apprentice supplies and tuition	-	5,794	5,794
Other community investment	-	94,865	94,865
	<u>2,804,714</u>	<u>662,051</u>	<u>3,466,765</u>
Total expenditures			
Net change in program fund balance	-	532	532
Fund balance, beginning of year	-	232,639	232,639
Fund balance, end of year	<u>\$ -</u>	<u>\$ 233,171</u>	<u>\$ 233,171</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, 2021, and have issued our report thereon dated December 21, 2021. 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 and Other Matters

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.

The Right People Beside You.

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OAR 162-10-0230 - Internal Control

In planning and performing our audit of the financial statements, 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 21, 2021

LANE WORKFORCE PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA 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	19-079B; 20-071B	\$ 60,014	\$ 622
WIOA Adult Program	17.258	19-079B; 20-071B	639,173	488,310
WIOA Youth Activities Administration	17.259	19-079B; 20-071B	90,667	-
WIOA Youth Activities	17.259	19-079B; 20-071B	655,249	596,359
WIOA Youth Activities - High Concentration of Eligible Youth	17.259	19-079B	19,485	19,485
WIOA Dislocated Worker Formula Grants - Rapid Response				
Lay-off Aversion and Additional Assistance Administration	17.278	19-079B	120,278	-
COVID-19 - WIOA Dislocated Worker Formula Grants -				
Lay-off Aversion	17.278	18-031	67,120	-
WIOA Dislocated Worker Formula Grants Administration	17.278	19-079B; 20-071B	52,058	1,384
WIOA Dislocated Worker Formula Grants	17.278	19-079B; 20-071B	<u>485,634</u>	<u>309,340</u>
Total WIOA Cluster			<u>2,189,678</u>	<u>1,415,500</u>
<i>WIOA National Dislocated Worker Grants:</i>				
WIOA National Dislocated Worker Grants - Disaster Recovery				
Administration	17.277	20-046B	14,682	-
WIOA National Dislocated Worker Grants - Disaster Recovery	17.277	20-046B	104,551	85,184
COVID-19 - WIOA National Dislocated Worker Grants - Employment				
Recovery Administration	17.277	20-038B	14,773	-
COVID-19 - WIOA National Dislocated Worker Grants - Employment				
Recovery	17.277	20-038B	142,203	122,183
WIOA National Dislocated Worker Grants - Wildfire Recovery				
Administration	17.277	20-111B	37,741	-
WIOA National Dislocated Worker Grants - Wildfire Recovery	17.277	20-111B	<u>300,112</u>	<u>62,399</u>
Total WIOA National Dislocated Worker Grants			<u>614,062</u>	<u>269,766</u>
Total passed through State of Oregon, HECC:			<u>2,803,740</u>	<u>1,685,266</u>
Passed through State of Oregon Employment Department:				
<i>H-1B Job Training Grants:</i>				
American Apprenticeship Initiative Grant	17.268	17-227	<u>80,525</u>	<u>-</u>
Total U.S. Department of Labor			2,884,265	1,685,266
Total expenditures of federal awards			<u>\$ 2,884,265</u>	<u>\$ 1,685,266</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, 2021.

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, 2021, 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 21, 2021.

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.

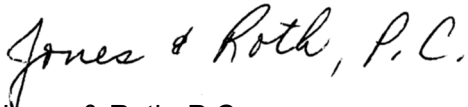
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

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

Jones & Roth, P.C.

Eugene, Oregon

December 21, 2021

**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

We have audited Lane Workforce Partnership's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lane Workforce Partnership's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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, 2021.

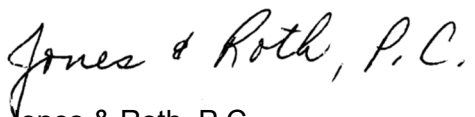
Report on Internal Control Over Compliance

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

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

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

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



Jones & Roth, P.C.
Eugene, Oregon
December 21, 2021

LANE WORKFORCE PARTNERSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

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>CFDA 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.