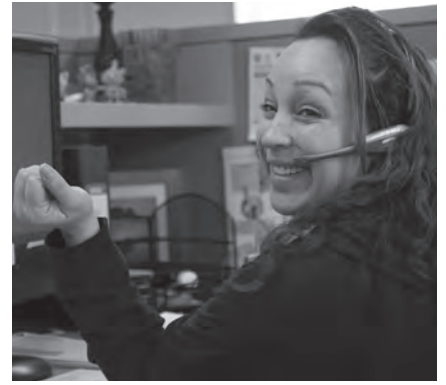




Audit of Federal Awards
Performed in Accordance
with Uniform Guidance

Federal Grant Programs



Year Ended June 30, 2023

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WASHINGTON COUNTY, OREGON

155 N First Avenue
Hillsboro, Oregon 97124-3072

FEDERAL GRANT PROGRAMS

For the fiscal year ended June 30, 2023

Prepared by:

Washington County Finance Division

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**WASHINGTON COUNTY, OREGON
FEDERAL GRANT PROGRAMS**

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**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**

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
 Washington County, Oregon
 Hillsboro, Oregon

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Oregon, (the County) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 29, 2024. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units of the County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.



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**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 (Continued)**

INDEPENDENT AUDITOR'S REPORT (Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Talbot, Kowoloff & Warwick, LLP

Portland, Oregon
April 29, 2024



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Washington County, Oregon
Hillsboro, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Washington County, Oregon's (the County) 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 the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of the aggregate discretely presented component units. One of the discretely presented component units, Clean Water Services (CWS), expended \$1,793,397 in federal awards which is not included in the County's Schedule of Expenditures of Federal Awards during the year ended June 30, 2023. Our compliance audit, described below, did not include the operations of the aggregate discretely presented component units. The financial statements of the discretely presented component units were audited by other auditors, and the federal awards of CWS were audited by other auditors.

In our opinion, the County 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, 2023.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the County 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 the County's compliance with the compliance requirements referred to above.



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE (Continued)**

INDEPENDENT AUDITOR'S REPORT (Continued)

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 the County'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 the County'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 GAAS, *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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the County'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 the County'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 the County'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 a 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.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE (Continued)**

INDEPENDENT AUDITOR'S REPORT (Continued)

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 29, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basis financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Talbot, Kowolot & Warwick, LLP

Portland, Oregon
April 29, 2024

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WASHINGTON COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2023	Amount Provided to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE:				
Passed through Oregon Department of Education				
School Breakfast Program	10.553	3408004	\$ 11,011	—
National School Lunch Program	10.555	3408004	23,322	—
<i>Total Child Nutrition Cluster (10.553 & 10.555)</i>			<u>34,333</u>	<u>—</u>
Passed through Oregon Health Authority				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	169531/217OROR7W1003	2,042,994	—
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - PEER Counseling	10.557	169531/217OROR1W5003	151,153	—
<i>Total AL 10.557</i>			<u>2,194,147</u>	<u>—</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,228,480</u>	<u>—</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed through the City of Hillsboro				
CDBG Housing Rehabilitation Program	14.218	2102	7,799	—
CDBG Housing Rehabilitation Program	14.218	2202	219,026	—
Community Development Block Grants/Entitlement Grants 16	14.218	DIRECT	42,891	—
Community Development Block Grants/Entitlement Grants 17	14.218	DIRECT	45,128	—
Community Development Block Grants/Entitlement Grants 18	14.218	DIRECT	44,771	—
Community Development Block Grants/Entitlement Grants 19	14.218	DIRECT	150,068	5,129
Community Development Block Grants/Entitlement Grants 20	14.218	DIRECT	30,000	30,000
Community Development Block Grants/Entitlement Grants 21	14.218	DIRECT	264,585	117,171
Community Development Block Grants/Entitlement Grants 22	14.218	DIRECT	1,133,519	389,312
COVID-19 Community Development Block Grants CARES Act Grant	14.218	DIRECT	663,199	644,168
<i>Total CDBG-Entitlement Grants Cluster (14.218)</i>			<u>2,600,986</u>	<u>1,185,780</u>
COVID-19 Emergency Solutions Grants Program 20	14.231	DIRECT	226,304	226,304
Emergency Solutions Grants Program 22	14.231	DIRECT	11,953	—
<i>Total AL 14.231</i>			<u>238,257</u>	<u>226,304</u>
COVID-19 Home Investment Partnerships Program - American Rescue Plan Act (ARPA) Grant	14.239	DIRECT	91,871	—
Home Investment Partnerships Program 18	14.239	DIRECT	127,062	—
Home Investment Partnerships Program 19	14.239	DIRECT	96,314	—
Home Investment Partnerships Program 22	14.239	DIRECT	45,072	45,072
Home Investment Partnerships - FY 22-23 Beginning Loan Balances	14.239	DIRECT	32,619,903	—
<i>Total AL 14.239</i>			<u>32,980,222</u>	<u>45,072</u>
Continuum of Care Program	14.267	DIRECT	4,295,192	453,757
Public Housing Operating Fund	14.850	DIRECT	1,009,408	—
Section 8 Housing Choice Vouchers	14.871	DIRECT	37,601,671	—
COVID-19 Section 8 Housing Choice Vouchers CARES Act Grant	14.EHV	DIRECT	1,157,494	—
Mainstream Voucher Program	14.879	DIRECT	2,272,594	—
<i>Total Housing Voucher Cluster (14.871 & 14.879)</i>			<u>41,031,759</u>	<u>—</u>
Public Housing Capital Fund	14.872	DIRECT	992,191	—
FSS Escrow Forfeitures	14.EFA	DIRECT	35,989	—
<i>Total AL 14.872</i>			<u>1,028,180</u>	<u>—</u>
Family Self-Sufficiency Program	14.896	DIRECT	116,960	—
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>83,300,964</u>	<u>1,910,913</u>
U.S. DEPARTMENT OF THE INTERIOR:				
Recreation Resources Management	15.524	DIRECT	100,000	—
TOTAL U.S. DEPARTMENT OF THE INTERIOR			<u>100,000</u>	<u>—</u>
U.S. DEPARTMENT OF JUSTICE:				
Passed through the Oregon Department of Corrections				
COVID-19 Coronavirus Emergency Supplemental Funding Program for Housing Non-Covid Positive Clients	16.034	6063/CESF-20-25/2020-VD-BX-0540	24,517	—
Passed through the Oregon Criminal Justice Commission				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	CESF-20-16	102,965	—
<i>Total AL 16.034</i>			<u>127,482</u>	<u>—</u>
Prosecuting Cold Cases Using DNA	16.036	DIRECT	147,598	—
Matthew Shepard and James Byrd, Jr Hate Crimes Education, Investigation and Prosecution Program	16.040	DIRECT	3,125	—
Passed through the Oregon Department of Justice				
Crime Victim Assistance - 21-23 VOCA Non-Competitive Grant	16.575	VOCA/CFA-2021-WashingtonCo.DAVAP-00155	812,469	—
Crime Victim Assistance -2021 VOCA Non-Competitive Grant	16.575	VOCA/CFA-2021-WSCO-00153	45,464	—
<i>Total AL 16.575</i>			<u>857,933</u>	<u>—</u>
Treatment Court Discretionary Grant Program - Veteran's Treatment Court	16.585	DIRECT	117,718	—
Treatment Court Discretionary Grant Program - Juvenile Drug Treatment Court 21-25	16.585	DIRECT	174,645	—
<i>Total AL 16.585</i>			<u>292,363</u>	<u>—</u>
Edward Byrne Memorial Justice Assistance Grant Program, FY21 JAG Red Dot Sights	16.738	DIRECT	48,177	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	DIRECT	68,600	—
National Sexual Assault Kit Initiative	16.833	DIRECT	125,721	—
Equitable Sharing Program	16.922	DIRECT	50,849	—
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>1,721,848</u>	<u>—</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

WASHINGTON COUNTY, OREGON

Schedule of Expenditures of Federal Awards (continued)

Fiscal Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2023	Amount Provided to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION:				
Passed through Oregon Department of Transportation Highway Planning and Construction (Basalt Creek Ext: Grahams Ferry Rd/Boones Ferry Rd)	20.205	31033-01/K19358	21,710	—
Passed through Oregon Department of Transportation Motor Carrier Safety Assistance Program	20.218	73000-00012995	36,389	—
Passed through Ride Connection, Inc. Federal Transit Formula Grants - Ride Connection <i>Total Federal Transit Cluster (20.507)</i>	20.507	METRO 934637/18-18539	7,900 <u>7,900</u>	— —
Passed through Oregon Impact State and Community Highway Safety - 21-22 Speed Enforcement Grant State and Community Highway Safety - 22-23 Speed Enforcement Grant <i>Total AL 20.600</i>	20.600 20.600	69A37520300004020OR0 69A37520300004020OR0	11,212 13,135 <u>24,347</u>	— — —
Passed through Oregon Department of Transportation National Priority Safety Programs - Safety Belt Overtime Enforcement Grant National Priority Safety Programs - Safety Belt Overtime Enforcement Grant	20.616 20.616	69A3752130000405BORH 69A3752030000405BORH	3,260 3,394	— —
Passed through Oregon Impact National Priority Safety Programs -21-22 Distracted Driving Enforcement Campaign National Priority Safety Programs -22-23 Distracted Driving Enforcement Campaign National Priority Safety Programs -21-22 Pedestrian Safety Equipment <i>Total AL 20.616</i> <i>Total Highway Safety Cluster (20.600 & 20.616)</i>	20.616 20.616 20.616	69A3751930000405eORC 69A3752030000405eORC 69A3752030000405hORO	12,918 6,125 555 <u>26,252</u> <u>50,599</u>	— — — — —
Passed through Oregon Impact Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 20-21 DUII Overtime Enforcement Grant Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 22-23 DUII Overtime Enforcement Grant <i>Total AL 20.608</i>	20.608 20.608	69A3752030000405DORM 69A3752030000405DORM	3,030 47,788 <u>50,818</u>	— — —
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>167,416</u>	<u>—</u>
U.S. DEPARTMENT OF TREASURY:				
Equitable Sharing Program	21.016	DIRECT	69,010	—
COVID-19 Emergency Rental Assistance Program 20-23 COVID-19 Emergency Rental Assistance Program 21-25 <i>Total AL 21.023</i>	21.023 21.023	DIRECT DIRECT	701,528 11,421,816 <u>12,123,344</u>	680,183 11,176,006 11,856,189
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - 21-24 ARPA SLFRF COVID-19 Coronavirus State and Local Fiscal Recovery Funds - WA County Economic and Transit Support COVID-19 Coronavirus State and Local Fiscal Recovery Funds - WA County Park Restroom Improvements <i>Total AL 21.027</i>	21.027 21.027 21.027	DIRECT DIRECT DIRECT	19,661,099 49,811 177,998 <u>19,888,908</u>	4,790,662 — 177,998 4,968,660
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	DIRECT	75,000	—
TOTAL U.S. DEPARTMENT OF TREASURY			<u>32,156,262</u>	<u>16,824,849</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES:				
Passed through State Library of Oregon COVID-19 Grants to States - 2021 Library Services and Technology Act - ARPA COVID-19 Grants to States - 2021 Library Services and Technology Act - ARPA COVID-19 Grants to States - 2022 Library Services and Technology Act - ARPA <i>Total AL 45.310</i>	45.310 45.310 45.310	State Library Letter State Library Letter State Library Letter	3,314 427 10,000 <u>13,741</u>	— — — —
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>13,741</u>	<u>—</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through Oregon Department of Human Services Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	171495	6,559	—
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	171495	26,148	—
National Family Caregiver Support, Title III, Part E COVID-19 National Family Caregiver Support, Title III, Part E <i>Total AL 93.052</i>	93.052 93.052	171495 171495/CARES Act	350,541 52,505 <u>403,046</u>	— — —
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers Special Programs for the Aging, Title III, Part C, Nutrition Services - Congregate Meals Special Programs for the Aging, Title III, Part C, Nutrition Services - Home Delivered Meals COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services Nutrition Services Incentive Program <i>Total Aging Cluster (93.044, 93.045, & 93.053)</i>	93.044 93.044 93.044 93.045 93.045 93.045 93.053	171495 171495/CARES Act 171495/CARES Act 171495 171495 171495/CARES Act 171495	641,500 286,715 63,006 286,448 495,000 94,748 72,062 <u>1,939,479</u>	— — — — — — — —
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program Special Programs for the Aging, Title IV, Title II, Discretionary Projects - Senior Medicare Patrol	93.048	170674/45G000245	14,941	—
Passed through Oregon Health Authority Public Health Emergency Preparedness - PE 02 PH Emergency Preparedness/City Readiness Public Health Emergency Preparedness - PE 12 PH Emergency Preparedness Program <i>Total AL 93.069</i>	93.069 93.069	169531/NU90TP922036 169531/NU90TP922036	263,636 234,245 <u>497,881</u>	— — —
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program Medicare Enrollment Assistance Program - MIPPA	93.071	177934/2201ORMISH	8,089	—
Passed through Oregon Health Authority Project Grants and Cooperative Agreements for Tuberculosis Control Programs COVID-19 Community Programs to Improve Minority Health Grant Program	93.116 93.137	169531/NU52PS910205 CPMIP211262-01-00	15,130 2,082,633	— 1,435,614

See accompanying notes to Schedule of Expenditures of Federal Awards.

WASHINGTON COUNTY, OREGON

Schedule of Expenditures of Federal Awards (continued)

Fiscal Year Ended June 30, 2023

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2023	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued):				
Passed through Oregon Health Authority Family Planning Services - PE 46-05 Reproductive Health Community Access	93.217	169531	87,833	—
COVID-19 Immunization Cooperative Agreements - PE 01-10 Immunization and Vaccines for Children OIP-CARES	93.268	169531/NH23IP922626	275,464	—
Immunization Cooperative Agreements - PE 43-01 Immunization Services	93.268	169531/NH23IP922626	145,866	—
<i>Total AL 93.268</i>			<u>421,330</u>	<u>—</u>
Passed through Oregon Department of Consumer and Business Services State Health Insurance Assistance Program - 20-23 SHIBA	93.324	170683/45G000230	32,338	—
Passed through Oregon Health Authority COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response - ARPA PE 51-03 WF Funding	93.354	169531/NU90TP922194	22,311	—
Passed through Oregon Department of Justice Child Support Enforcement	93.563	19308/04ORC SES	2,020,678	—
Passed through Oregon Department of Human Services Foster Care Title IV-E	93.658	172631/2201ORFOST	198,010	—
Passed through Oregon Health Authority Medical Assistance Program - PE 43-01 Immunization Services	93.778	169531/05-XX05OR5028	31,015	—
<i>Total Medicaid Cluster (93.778)</i>			<u>31,015</u>	<u>—</u>
COVID-19 National Bioterrorism Hospital Preparedness Program - PE 72 HPP and HPP COVID SUPP	93.889	169531/U3REP190573	104,563	—
HIV Prevention Activities Health Department Based - PE 07 PH HIV Prevention Services	93.940	169531/NU62P524543	144,270	—
Block Grants for Community Mental Health Services - MH20 Non-Residential MH for Adults General	93.958	173151	99,465	99,465
Block Grants for Community Mental Health Services - MH 25 Community Crisis Svcs for Adults and Children	93.958	173151	1,330,827	1,330,827
Block Grants for Community Mental Health Services - MH 26A Early Assessment and Support Alliance	93.958	173151	186,965	124,465
<i>Total AL 93.958</i>			<u>1,617,257</u>	<u>1,554,757</u>
Block Grants for Prevention and Treatment of Substance Abuse AD61	93.959	173151	11,229	—
Block Grants for Prevention and Treatment of Substance Abuse AD64	93.959	173151	247,329	—
Block Grants for Prevention and Treatment of Substance Abuse AD66	93.959	173151	718,837	—
Block Grants for Prevention and Treatment of Substance Abuse AD67	93.959	173151	143,416	—
Block Grants for Prevention and Treatment of Substance Abuse AD70	93.959	154960/2B08T1010043-18	353,697	—
<i>Total AL 93.959</i>			<u>1,474,508</u>	<u>—</u>
Passed through Oregon Health Authority Maternal and Child Health Services Block Grant to the States - PE 42 MCAH Title V Flex Funds	93.994	169531/B0440157	202,049	—
Passed through Oregon Health & Science University Maternal and Child Health Services Block Grant to the States - CaCoon Project	93.994	B04MC31511	83,443	—
<i>Total AL 93.994</i>			<u>285,492</u>	<u>—</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>11,433,511</u>	<u>2,990,371</u>
U.S. EXECUTIVE OFFICE OF THE PRESIDENT:				
Passed through the Oregon Office of High Intensity Drug Trafficking Program High Intensity Drug Trafficking Areas Program - WIN-2021	95.001	G21OR0003A	24,155	—
High Intensity Drug Trafficking Areas Program - WIN-2022	95.001	G22OR0003A	118,655	—
High Intensity Drug Trafficking Areas Program - WIN-2023	95.001	G23OR0003A	106,308	—
<i>Total AL 95.001</i>			<u>249,118</u>	<u>—</u>
TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT			<u>249,118</u>	<u>—</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed through Oregon Military Department of Emergency Management COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters) - FEMA	97.036	FEMA 4499-DR-OR	2,243,795	—
Emergency Management Performance Grants 21-534	97.042	EMS-2022-EP-00002-S01	210,199	—
COVID-19 BRIC: Building Resilient Infrastructure and Communities - Natural Hazard Mitigation Plan Update	97.047	PDMC-PL-10-OR-2019-002	12,912	—
Homeland Security Grant Program - 21-23 SHSP National Preparedness System (UAS)	97.067	21-248/EMW-2020-SS-00073	14,220	—
Passed through City of Portland, Bureau of Emergency Management (PBEM) Homeland Security Grant Program - UASI 19-170	97.067	DHS-18-GPD-067-00-01	17,691	—
Homeland Security Grant Program - UASI 20-170	97.067	EMW-2020-SS-00091-S01	63,668	—
Homeland Security Grant Program - UASI 21-170	97.067	EMW-2021-SS-00073-S01	51,841	—
<i>Total AL 97.067</i>			<u>147,420</u>	<u>—</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>2,614,326</u>	<u>—</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 133,985,666</u>	<u>21,726,133</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

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WASHINGTON COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2023

General

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all Federal assistance programs of Washington County, Oregon (County) and its blended component units. The County’s reporting entity is defined in Note 1 to the County’s basic financial statements. Financial assistance received directly from Federal agencies as well as financial assistance passed through others is included on the schedule.

Basis of Presentation

The Schedule includes the federal award activity of the County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOME Program

The County’s Office of Community Development makes loans to developers for the construction of low-income housing units. The seed money for these loans used to establish the program initially was provided through Federal funds under the HOME Program. The program’s responsibility over these loans is to ensure that a specified percentage of the total rental units are rented to low-income individuals.

<u>Program</u>	<u>Assistance Listing Number</u>		<u>Expenditures Year Ended June 30, 2023</u>	<u>Loans Outstanding June 30, 2023</u>
HOME	14.239	\$	360,319	34,303,676

**Catalog of Federal Domestic Assistance*

Non-cash Federal Financial Assistance

Non-cash Federal Assistance includes food donations provided by the U.S. Department of Agriculture for the National School Lunch Program.

<u>Description</u>	<u>Assistance Listing Number</u>		<u>Expenditures Year Ended June 30, 2023</u>
Food Donation	10.553	\$	11,011
Food Donation	10.555		23,322

WASHINGTON COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2023

Section 8 Housing Choice Vouchers Program (ALN 14.871)

The County interprets guidance such that for the Section 8 Housing Choice Vouchers Program, recognition on the Schedule of Expenditures of Federal Awards should reflect current year program revenue, specifically Section 8 Voucher dollars received, net of year-end adjustments.

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
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 section 2 CFR 200.516(a)?	No

Identification of major programs:

AL No. 10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
AL No. 14.239	HOME Investment Partnerships Program
AL No. 21.023	COVID-19 Emergency Rental Assistance Program
AL No. 21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs	\$3,000,000
Auditee qualified as low-risk auditee?	No

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2023-001

Criteria: The County has the responsibility for establishing and maintaining effective internal controls over financial reporting.

Condition: Lack of sufficient and timely review, including maintaining evidence of review, occurring over financial reporting, specifically in the following areas:

- Final trial balance presented for audit on December 19, 2023 (untimely reporting)
- Untimeliness of bank reconciliation reviews
- Overstatement of Metro income tax funding in revenue and accounts receivable in the amount of \$13.4m recorded in the Supportive Housing Services Revenue Fund (correction posted to financial statements).
- Fiscal year 2022 expenses recognized in fiscal year 2023 (cutoff issues) in the amount of \$1.6m in the Metro Affordable Housing Fund.
- Recognized accelerated depreciation expense of \$3.3m on the entity-wide financial statements for improperly recognizing repair and maintenance expenses.
- Lack of departmental review of capitalization of capital assets, which resulted in overstatement of capital assets of \$3.4m on the entity-wide financial statements.
- Lack of evidence of review of accounts payable subledger to general ledger and lack of evidence of finance department review of invoices.
- Lack of evidence of review of employee terminations within PERS online system.
- Sixteen client provided journal entries being posted to the trial balance during the audit.

Cause: The cause appears to be related to insufficient and untimely review of reconciliations due to ineffective training.

Effect or potential effect: Lack of timely and effective review increases the potential for misstatements to not be identified in a timely manner. An adjustment was posted to the trial balance as a result of audit procedures. The County's audit is being issued ten months after fiscal year end.

Recommendation: The County should provide training and resources to enable effective and timely review and emphasize the importance of a strong control environment or provide additional resources to help ensure an effective and timely review over financial reporting.

Views of responsible officials: The County understands and concurs with the finding and recommendation.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

Finding 2022-001

Condition: A significant deficiency in internal controls over financial reporting related to excluding a sub fund of the Housing Authority's enterprise reporting was identified during audit procedures over cash.

Corrective Action
Taken:

The Authority updated its year-end closing checklist to include additional steps to ensure that all sub funds are appropriately included in the trial balance and financial statements. Additional training programs were added to assure that staff has a thorough understanding of discretely presented component unit financial statement presentation.

Finding 2022-002

Condition: Lack of sufficient and timely review, including maintaining evidence of review, occurring over financial reporting, specifically in the following areas:

- Final trial balance presented for audit on January 6, 2023 (untimely reporting)
- Untimeliness of bank reconciliation reviews (some over 15 months after month end)
- Ineffective ODOT revenue reconciliation review (resulted in \$3.2m journal entry)
- Fiscal year 2021 expenses recognized in fiscal year 2022 (cutoff issues)
- Recognizing accelerated depreciation expense
- Lack of evidence of departmental review of capitalization of capital assets
- Failure to verify fraudulent vendor bank account change (no loss to County)
- Untimely review of certain pay variance reports
- Lack of evidence of review and approval of retro time pay reports
- Lack of evidence of grant revenue reconciliation review
- Absent departmental review of cash deposit reports prior to submission to Finance
- Client provided journal entries being posted to the trial balance during the audit

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2023

Corrective Action
Taken:

The Controller and Chief Accountant assessed processes in place for compiling, reviewing, and approving monthly reconciliations and reports. Cutoff dates are being implemented to meet the goals for year-end work and financial reporting. A review was completed of the year end schedules and reports for timeliness to ensure that all entries were included, approved, and signed, and evaluated for completeness. The County is continuing to work with departments on the review, approval, dating and signatures as evidence that a review was completed. Two additional positions in Finance were added to enable effective and timely review of financial reporting and internal controls. All County accounting staff will receive periodic trainings to ensure accounting policies and procedures are followed and that adequate documentation is obtained to support accounting transactions. Additional balance sheet account subledger reports will be required to be prepared by the departments as the year-end procedures instead of optional to ensure timeliness and completeness of accounting transactions.

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