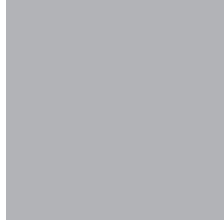
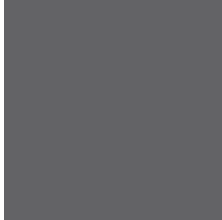




Audit of Federal Awards Performed in
Accordance with Uniform Guidance
**Federal Grant
Programs**



*Working with you and
for you for an inclusive,
sustainable future.*



YEAR ENDED
**June 30
2020**



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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, 2020

Prepared by:

Washington County Finance Division

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WASHINGTON COUNTY, OREGON
FEDERAL GRANT PROGRAMS

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Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

**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, each major fund, and the aggregate remaining fund information of Washington County, Oregon, (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 18, 2021. Our report includes a reference to other auditors who audited the financial statements of Clean Water Services, a discretely presented component unit 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.

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 (internal control) to determine the 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be a significant deficiency.



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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)

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 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. 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 THE FINDING

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result 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, Korvola & Warwick, LLP

Portland, Oregon
March 18, 2021



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224
P 503.274.2849 F 503.274.2853 www.tkw.com

**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

We have audited Washington County, Oregon's (the County) compliance with the types of compliance requirements described 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, 2020. 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.

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 the County'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* 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 the County'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 the County's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

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, 2020.



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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)

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County 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 the County'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 the County'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 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020-002 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statement. We issued our report thereon dated March 18, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Clean Water Services, a discretely presented component unit of the County, as described in our report on the County's financial statements. Those statements were audited by other auditors whose report has been furnished to us, and

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)

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE (Continued)

our opinion, insofar as it relates to the amounts included for Clean Water Services, is based solely on the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic 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. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole.

Talbot, Korvala & Warwick, LLP

Portland, Oregon
March 18, 2021

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WASHINGTON COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2020

Federal Grantor Pass-Through Grantor Program Title/Cluster	CFDA Number	Pass-Through Number	Expenditures Year Ended June 30, 2020	Amount Provided to Subrecipients
U. S. DEPARTMENT OF AGRICULTURE:				
Passed through Oregon Department of Education				
School Breakfast Program	10.553	3408004	\$ 8,098	—
National School Lunch Program	10.555	3408004	13,213	—
<i>Total Child Nutrition Cluster (10.553 & 10.555)</i>			<u>21,311</u>	<u>—</u>
Passed through Oregon Health Authority				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	159831	1,748,739	—
Special Supplemental Nutrition Program for Women, Infants, and Children - Peer Counseling	10.557	159831	137,100	—
<i>Total CFDA 10.557</i>			<u>1,885,839</u>	<u>—</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,907,150</u>	<u>—</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.155	DIRECT	1,967,465	—
COVID-19 Community Development Block Grants CARES Act Grant CDBG20-CARES	14.218	DIRECT	28,338	—
Community Development Block Grants/Entitlement Grants	14.218	DIRECT	92,414	92,414
Community Development Block Grants/Entitlement Grants	14.218	DIRECT	124,842	99,148
Community Development Block Grants/Entitlement Grants	14.218	DIRECT	338,961	338,961
Community Development Block Grants/Entitlement Grants	14.218	DIRECT	400,153	400,153
Community Development Block Grants/Entitlement Grants	14.218	DIRECT	1,048,275	314,808
Passed through City of Hillsboro				
Community Development Block Grant/Housing Rehabilitation Program	14.218	3283/1904	228,819	180,946
<i>Total CDBG-Entitlement Grants Cluster (14.218)</i>			<u>2,261,802</u>	<u>1,426,430</u>
Emergency Solutions Grant	14.231	DIRECT	10,799	—
Emergency Solutions Grant Program	14.231	DIRECT	181,923	168,279
<i>Total CFDA 14.231</i>			<u>192,722</u>	<u>168,279</u>
Home Investment Partnerships Program	14.239	DIRECT	41,487	41,487
Home Investment Partnerships Program	14.239	DIRECT	926,517	846,154
Home Investment Partnerships Program	14.239	DIRECT	545,248	461,083
Home Investment Partnerships Program	14.239	DIRECT	254,248	254,248
Home Investment Partnerships Program	14.239	DIRECT	381,343	381,343
Home Investment Partnerships - FY 19-20 Beginning Loan Balances	14.239	DIRECT	30,243,259	—
<i>Total CFDA 14.239</i>			<u>32,392,102</u>	<u>1,984,315</u>
Continuum of Care Program	14.267	DIRECT	3,572,030	601,552
COVID-19 Public and Indian Housing CARES Act	14.PHC	DIRECT	2,939	—
Public and Indian Housing	14.850	DIRECT	820,879	—
<i>Total CFDA 14.PHC & 14.850</i>			<u>823,818</u>	<u>—</u>
COVID-19 Section 8 Housing Choice Vouchers CARES Act	14.HCC	DIRECT	9,755	—
Section 8 Housing Choice Vouchers	14.871	DIRECT	29,734,274	—
Mainstream Voucher Program	14.879	DIRECT	106,395	—
<i>Total Housing Voucher Cluster (14.871 & 14.879)</i>			<u>29,840,669</u>	<u>—</u>
Public Housing Capital Fund	14.872	DIRECT	695,714	—
Family Self-Sufficiency Program	14.896	DIRECT	87,711	—
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>71,843,788</u>	<u>4,180,576</u>
U. S. DEPARTMENT OF THE INTERIOR:				
Passed through Columbia Land Trust				
North American Wetlands Conservation Fund - Wapato Lake National Wildlife Refuge	15.623	DIRECT	27,582	—
TOTAL U. S. DEPARTMENT OF THE INTERIOR			<u>27,582</u>	<u>—</u>
U. S. DEPARTMENT OF JUSTICE:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	DIRECT	17,471	—
Passed through the Oregon Department of Justice				
Crime Victim Assistance - 17-19	16.575	VOCA/CFA-2017-WA CO DAVAP-00060	83,663	—
Crime Victim Assistance - 17-19 Expansion	16.575	VOCA/CFA-2017-WA CO DAVAP-00060	39,162	—
Crime Victim Assistance - 19-21	16.575	VOCA/CFA-2019-WA CO DAVAP-00067	345,456	—
Crime Victim Assistance - 18-19 Support Services & Training	16.575	VOCA-SST-2018-WACO DAVAP-00069	38,634	—
Crime Victim Assistance - OT	16.575	VOCA-OT-2016-WA CO DAVAP-00113	6,102	—
Crime Victim Assistance - Basic Grant, Elder Safe	16.575	VOCA/CFA-2017-WCSO-00059	7,616	—
Crime Victim Assistance - Basic Grant, Elder Safe	16.575	VOCA/CFA-2019-WCSO-00066	34,497	—
<i>Total CFDA 16.575</i>			<u>555,130</u>	<u>—</u>
Drug Court Discretionary Grant Program - Veteran's Treatment Court	16.585	DIRECT	110,767	—
Drug Court Discretionary Grant Program - Juvenile Drug Treatment Court	16.585	DIRECT	146,054	—
<i>Total CFDA 16.585</i>			<u>256,821</u>	<u>—</u>
State Criminal Alien Assistance Program	16.606	DIRECT	69,997	—
Edward Byrne Memorial Justice Assistance Grant Program - Forensic Science Unit Accreditation	16.738	DIRECT	1,682	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	DIRECT	148,092	—
Passed through Multnomah County				
Harold Rogers Prescription Drug Monitoring	16.754	4400003272-01/2016-PM-BX-K003	5,906	—
National Sexual Assault Kit Initiative	16.833	DIRECT	131,848	—
Equitable Sharing Program	16.922	DIRECT	36,034	—
TOTAL U. S. DEPARTMENT OF JUSTICE			<u>1,222,981</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, 2020

Federal Grantor Pass-Through Grantor Program Title/Cluster	CFDA Number	Pass-Through Number	Expenditures Year Ended June 30, 2020	Amount Provided to Subrecipients
U. S. DEPARTMENT OF LABOR:				
Homeless Veterans' Reintegration Program - Stand Down Grant	17.805	DIRECT	4,148	—
TOTAL U. S. DEPARTMENT OF LABOR			4,148	—
U. S. DEPARTMENT OF TRANSPORTATION:				
Passed through Oregon Department of Transportation				
Highway Planning and Construction - Durham Rd-Upper Boones Ferry Rd	20.205	30250/K18311	10,929	—
Highway Planning and Construction - Basalt Creek Ext: Grahams Ferry Rd/Boones Ferry Rd	20.205	31033/K19358	58,505	—
Highway Planning and Construction - Beef Bend Culvert	20.205	31215/K19749	180,881	—
Highway Planning and Construction - Curve Warning & Conflict Markings	20.205	32897/K20399	226,698	—
<i>Total Highway Planning and Construction Cluster (20.205)</i>			<u>477,013</u>	—
Passed through Metro				
Federal Transit Formula Grant - Regional Travel Options Program	20.507	METRO	2,758	—
Passed through Ride Connection, Inc.				
Federal Transit Formula Grant - Regional Travel Options Program	20.507	19-1417/934637	10,185	—
<i>Total Federal Transit Cluster (20.507)</i>			<u>12,943</u>	—
Passed through Oregon Department of Transportation				
State and Community Highway Safety - Speed Overtime Enforcement Grant	20.600	SE-20-35-05 AAT/69A375193000040200RO	9,220	—
State and Community Highway Safety - Pedestrian Safety	20.600	69A37518300004505hOR0	256	—
<i>Total CFDA 20.600</i>			<u>9,476</u>	—
Passed through Oregon Department of Transportation				
National Priority Safety Programs - Safety Belt Overtime Enforcement Grant	20.616	M1HVE-20-46-03 SSS/69A3751930000405BORH	25,666	—
National Priority Safety Programs - Speed Enforcement Grant	20.616	M8SE-19-35-11 WCS/69A375130000405eORC	8,164	—
Passed through Oregon Impact				
National Priority Safety Programs - Distracted Driving Enforcement Grant	20.616	69A375130000405eORC	431	—
Passed through Oregon State Sheriff's Association				
National Priority Safety Programs - DUII Overtime Enforcement Grant	20.616	164AL-18-14-21/69A37518300001640ORA	11,352	—
National Priority Safety Programs - Distracted Driving Awareness Month	20.616	M8DDLE-19-20-04/69A375130000405eORC	15,879	—
National Priority Safety Programs - Click It or Ticket/Safety Belt Blitz	20.616	M1HVE-18-46-08/69A3751830000405BORH	15,702	—
<i>Total CFDA 20.616</i>			<u>77,194</u>	—
<i>Total Highway Safety Cluster (20.600 & 20.616)</i>			<u>86,670</u>	—
Passed through Oregon Impact				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated - DUII OT Enforcement Grant	20.608	69A37518300001640R1	13,503	—
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			590,129	—
U. S. DEPARTMENT OF TREASURY:				
Equitable Sharing Program	21.016	DIRECT	1,974	—
COVID-19 Coronavirus Relief Fund	21.019	DIRECT	19,907,918	200,000
TOTAL U.S. DEPARTMENT OF TREASURY			19,909,892	200,000
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through the National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	MRC 15-0929/HITEP150026-01-00	168	—
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	160438	1,959	—
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	160438	61,989	—
COVID-19 National Family Caregiver Support, Title III, Part E - CARES Act	93.052	160438/CARES Act	19,394	—
National Family Caregiver Support, Title III, Part E	93.052	160438	202,002	—
<i>Total CFDA 93.052</i>			<u>221,396</u>	—
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Svcs & Senior Cntrs-CARES Act	93.044	160438/CARES Act	46,116	—
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	160438	508,638	—
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services - CARES Act	93.045	160438/CARES Act	336,725	—
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services - CARES Act C1 & C2	93.045	160438/CARES Act	30,404	—
Special Programs for the Aging, Title III, Part C, Nutrition Services - Congregate Meals	93.045	160438	491,074	—
Special Programs for the Aging, Title III, Part C, Nutrition Services - Home Delivered Meals	93.045	160438	522,500	—
Nutrition Services Incentive Program	93.053	160438	174,000	—
<i>Total Aging Cluster (93.044, 93.045, & 93.053)</i>			<u>2,109,457</u>	—
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program				
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects - Senior Medicare Patrol	93.048	40G000141	10,000	—
Passed through Oregon Health Authority				
Public Health Emergency Preparedness - City Readiness	93.069	159831/NU90TP921916 & NU90TP922036	213,945	—
Public Health Emergency Preparedness - Communicable Disease Response Program	93.069	159831/6NU90TP921916&1U3REP150534-01-00	219,594	—
<i>Total CFDA 93.069</i>			<u>433,539</u>	—
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program				
Medicare Enrollment Assistance Program - MIPPA	93.071	45G000210-02	10,630	—
Passed through Work Systems, Inc.				
Health Profession Opportunity Grants	93.093	20-60606/90FX0044-06-00	121,116	—
Food and Drug Administration Research - FDA Training AFDO Frank Brown Award	93.103	G-T-1810-06276	2,658	—
Passed through Oregon Health Authority				
Immunization Cooperative Agreements - Hepatitis A Outbreak Prevention Project	93.268	159831/NH23IP22626-01-00	43,480	—
Immunization Cooperative Agreements - Long Term Care Facility Flu Prevention Toolkit	93.268	159831/NH23IP22626-01-00	1,820	—
<i>Total CFDA 93.268</i>			<u>45,300</u>	—
Passed through Oregon Department of Consumer and Business Services				
State Health Insurance Assistance Program - SHIBA	93.324	45G000218-02/HHS-2017-ACK-CIP-SAPG-0184	22,000	—
Strengthening Public Health Systems and Services through National Partnerships	93.421	NU380T000300/CDC-RFA-OT18-1802	2,500	—

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, 2020

Federal Grantor Pass-Through Grantor Program Title/Cluster	CFDA Number	Pass-Through Number	Expenditures Year Ended June 30, 2020	Amount Provided to Subrecipients
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: (continued)				
Passed through Oregon Department of Justice Child Support Enforcement	93.563	19308/ORCSES	1,927,380	—
Passed through Oregon Department of Human Services Foster Care Title IV-E	93.658	145711/1601ORFOST	128,887	—
Passed through Oregon Health Authority Opioid STR - Naloxone Project & Bridge Funding	93.788	159831/6H79T1081716-01M002	28,115	—
Passed through Oregon Health Authority/Multnomah County Opioid STR	93.788	4400004031/T1080258	24,991	—
Opioid STR - OHA Ahmed Contract Help Reimbursement	93.788	163612	2,000	—
<i>Total CFDA 93.788</i>			55,106	—
Passed through Oregon Health Authority HIV Prevention Activities Health Department Based	93.940	159831/NU62PS924543	161,733	70,262
Block Grants for Community Mental Health Services - Non-Residential MH for Adults - General	93.958	159182	99,465	99,465
Block Grants for Community Mental Health Services - Community Crisis Services for Adults and Children	93.958	159182	1,165,975	1,165,975
Block Grants for Community Mental Health Services - Early Assessment and Supported Alliance	93.958	159182	99,465	99,465
<i>Total CFDA 93.958</i>			1,364,905	1,364,905
Block Grants for Prevention and Treatment of Substance Abuse - Residential Treatment	93.959	159182	30,840	—
Block Grants for Prevention and Treatment of Substance Abuse - Housing Assistance	93.959	159182	208,820	—
Block Grants for Prevention and Treatment of Substance Abuse - Comm Behavioral & Addiction Trtmt	93.959	159182	520,085	—
Block Grants for Prevention and Treatment of Substance Abuse - Residential & Day Treatment Capacity	93.959	159182	143,388	—
Block Grants for Prevention and Treatment of Substance Abuse - Alcohol and Drug Prevention and Education Program	93.959	154960/2B08TI010043-16 & 18	286,249	14,541
<i>Total CFDA 93.959</i>			1,189,382	14,541
Passed through Oregon Health Authority Maternal and Child Health Services Block Grant to the States - Child & Adolescent Health, Title V	93.994	159831/B04MC32566	198,337	—
Passed through Oregon Health & Science University Maternal and Child Health Services Block Grant to the States - Care Coordination Project, CaCoon	93.994	1015198/B04MC31511	80,548	—
<i>Total CFDA 93.994</i>			278,885	—
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			8,148,990	1,449,708
U.S. EXECUTIVE OFFICE OF THE PRESIDENT:				
Passed through the Oregon Office of High Intensity Drug Trafficking Program High Intensity Drug Trafficking Areas Program	95.001	WIN-2019/G19OR0003A	104,301	—
High Intensity Drug Trafficking Areas Program	95.001	WIN-2020/G20OR0003A	14,602	—
<i>Total CFDA 95.001</i>			118,903	—
TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT			118,903	—
U. S. DEPARTMENT OF HOMELAND SECURITY:				
Passed through Oregon Military Department of Emergency Management Emergency Management Performance Grants	97.042	19-534/EMS-2019-EP-00004-S01	231,629	—
Passed through Oregon Military Department of Emergency Management Homeland Security Grant Program - Law Enforcement Terrorism Prevention Forensic Lab	97.067	18-254/EMW-2018-SS-00072-S01	43,250	—
Homeland Security Grant Program - Law Enforcement Tactical Science Training	97.067	18-256/EMW-2018-SS-00072-S01	40,000	—
Homeland Security Grant Program - Mass Casualty - Active Threat	97.067	19-265/EMW-2019-SS-00068-S01	30,000	—
Homeland Security Grant Program - Mass Casualty - Active Threat	97.067	18-255/EMW-2018-SS-00072-S01	5,000	—
Passed through City of Portland, Bureau of Emergency Management (PBEM) Homeland Security Grant Program - UASI	97.067	17-170/EMW-2017-SS-00031-S01	15,818	2,100
Homeland Security Grant Program - UASI	97.067	18-170/EMW-2018-SS-00072-S01	43,584	3,584
<i>Total CFDA 97.067</i>			177,652	5,684
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			409,281	5,684
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 104,182,844	5,835,968

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, 2020

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 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, 2020. 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>Federal CFDA* Number</u>	<u>Expenditures Year Ended June 30, 2020</u>	<u>Loans Outstanding June 30, 2020</u>
HOME	14.239	\$ 2,148,843	30,663,666

*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>Federal CFDA Number</u>	<u>Expenditures Year Ended June 30, 2020</u>
Food Donation	10.553	\$ 8,098
Food Donation	10.555	13,213

WASHINGTON COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2020

Section 8 Housing Choice Vouchers Program (CFDA 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, 2020

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?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
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:

CFDA No 14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects
CFDA No. 14.239	HOME Investment Partnerships Program
CFDA No. 21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2020

SECTION II – FINANCIAL STATEMENT FINDING

Finding 2020-001

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

Condition: Lack of sufficient review occurring over year end schedules, journal entries, and annual top side entries.

Cause: Appears to be related to insufficient review of year end schedules, journal entries, and annual top side entries.

Effect: Lack of following existing internal controls and ineffective review has the potential to cause significant misstatements in the financial statements. Adjustments were posted to the trial balance and top side entries as a result of audit procedures.

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

Views of Responsible Officials: The County understands and concurs with the finding.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding 2020-002

Federal Program: CFDA 14.239 HOME Investment Partnerships Program

Federal Agency: U.S. Department of Housing and Urban Development

Award Year: 2019-2020

Criteria: Per CRF 200.303, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: Internal control over compliance requirement M. related to subrecipient monitoring was not evidenced.

Cause: The cause appears to be attributable to lack of training and awareness of appropriate review procedures.

Effect: A lack of effective internal controls over compliance for subrecipient monitoring may result in administrative errors and improper/missed HOME rental projects not being subjected to monitoring each year.

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2020

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding 2020-002 (Continued)

Questioned Costs:	There were no questioned costs.
Context:	We were not able to substantiate evidence of a review over the master HOME project monitoring spreadsheet by someone other than the preparer.
Recommendation:	The County should develop and implement policies and procedures to ensure that evidence and documentation of a review of the master monitoring tracking spreadsheet is occurring.
View of Responsible Officials:	The County understands and concurs with the finding.

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WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2020

Finding 2019-001

Condition: Internal controls over compliance requirements A. Activities Allowed or Unallowed, B. Allowable Costs/Cost Principles, and J. Program Income of the 2019 Office of Management and Budget Compliance Supplement were found not to be implemented as designed. Procedures to retain appropriate documentation, maintain evidence of review, make timely deposits, monitor collectability of accounts receivable, and properly cutoff accounts payable were not properly followed by property management personnel.

During testing, the property management company was unable to provide support for ten administrative and repair and maintenance expense items out of a sample of 35 items and five rental revenue items out of a sample of 38 items. In addition, \$1,075 of accounts payable was not recorded at year end, and \$6,694 of accounts receivable appears to be uncollectible and an allowance for doubtful accounts was not recorded.

Corrective Action
Taken:

HAWC discussed the audit findings with the current property management firm, Infinity Real Estate Group (Infinity). HAWC required Infinity to increase its review of on-site management operations to ensure that all revenue and expenses are properly supported by the appropriate underlying documents. HAWC has also completed regular audits of Infinity to ensure compliance and correction.

In addition to immediate stronger internal controls, HAWC no longer utilizes Infinity as of March 1, 2020. Infinity resigned effective February 29, 2020. HAWC issued a Request for Proposals (RFP) for a new property management company. The property management company that was awarded the contract, Cascade Management, has a long-term history of successful affordable housing management. HAWC has required Cascade Management to submit additional supporting documents with monthly financial reports.

Finding 2019-002

Condition: Lack of following existing internal controls were noted.

During our test of controls over the revenue cycle, it was noted that there was no evidence of a review of daily cash reconciliations and cash receipts by someone other than the preparer prior to submission to the Finance Department being consistently performed.

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2020

Corrective Action

Taken:

The County believes strongly in training and the importance of a strong internal control environment. In fiscal year 2019-20, the Finance Division recruited a Management Analyst II position with a focus on financial policy development and training.

In addition, the Treasury Accountant was reclassified to a Treasury Analyst position with added responsibilities in cash management process review and training. During FY 2019-20, the CFO and the Treasury Analyst have completely revamped the County's cash management process review with a focus on internal controls in each of the County's cash handling locations. A final draft of the County's Cash Handling Training manual has been completed and enhanced training sessions for employees started in summer of 2020.

Management takes these findings very seriously and are working to ensure that County staff have thorough understanding and consistent execution of the County's financial policies and internal controls.

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155 N. First Ave., Hillsboro, OR 97124-3072

503-846-8811

www.co.washington.or.us