



Audit of Federal Awards
Performed in Accordance
with Uniform Guidance

Federal Grant Programs

Year Ended June 30, 2024



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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, 2024

Prepared by:

Washington County Finance Division

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WASHINGTON COUNTY, OREGON
FEDERAL GRANT PROGRAMS

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Your peace of mind is our passion.

**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 (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 23, 2025. 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. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on 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 (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 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, 2024-002, 2024-003, and 2024-004 that we consider to be material weaknesses.

**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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as 2024-004.

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, Kosvick & Warwick, LLP

Portland, Oregon
May 23, 2025



Your peace of mind is our passion.

**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, 2024. 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.

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, 2024.

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.

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.

**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)

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-006, 2024-007, 2024-008, and 2024-009. Our opinion on each major program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

**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 (Continued)

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-005, 2024-006, 2024-007, 2024-008, 2024-009, and 2024-010 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit 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 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, 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 23, 2025, 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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
May 23, 2025

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WASHINGTON COUNTY, OREGON

Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2024

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2024	Amount Provided to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE:				
Passed through Oregon Department of Education				
School Breakfast Program	10.553	3408004	\$ 11,428	—
National School Lunch Program	10.555	3408004	18,562	—
<i>Total Child Nutrition Cluster (10.553 & 10.555)</i>			<u>29,990</u>	<u>—</u>
Passed through Oregon Health Authority				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	180031/217OROR7W1003	2,148,873	—
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - PEER Counseling	10.557	180031/217OROR1W5003	209,388	—
<i>Total AL 10.557</i>			<u>2,358,261</u>	<u>—</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,388,251</u>	<u>—</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Community Development Block Grants/Entitlement Grants 17	14.218	DIRECT	43,101	—
Community Development Block Grants/Entitlement Grants 18	14.218	DIRECT	130,175	108,772
Community Development Block Grants/Entitlement Grants 19	14.218	DIRECT	790,452	776,528
Community Development Block Grants/Entitlement Grants 20	14.218	DIRECT	401,242	401,242
Community Development Block Grants/Entitlement Grants 21	14.218	DIRECT	639,121	639,121
Community Development Block Grants/Entitlement Grants 22	14.218	DIRECT	862,514	743,457
Community Development Block Grants/Entitlement Grants 23	14.218	DIRECT	1,485,836	670,601
COVID-19 Community Development Block Grants CARES Act Grant	14.218	DIRECT	56,957	33,169
Passed through the City of Hillsboro				
CDBG Housing Rehabilitation Program	14.218	2202	974	—
CDBG Housing Rehabilitation Program	14.218	2302	242,783	—
<i>Total CDBG-Entitlement/Special Purpose Grants Cluster (14.218)</i>			<u>4,653,155</u>	<u>3,372,890</u>
Emergency Solutions Grant Program 22	14.231	DIRECT	146,446	146,265
Emergency Solutions Grant Program 23	14.231	DIRECT	7,871	3,175
<i>Total AL 14.231</i>			<u>154,317</u>	<u>149,440</u>
COVID-19 Home Investment Partnerships Program - American Rescue Plan Act (ARPA) Grant	14.239	DIRECT	169,605	—
Home Investment Partnerships Program 17	14.239	DIRECT	127,691	127,691
Home Investment Partnerships Program 18	14.239	DIRECT	808,105	808,105
Home Investment Partnerships Program 19	14.239	DIRECT	427,392	295,809
Home Investment Partnerships Program 20	14.239	DIRECT	105,458	—
Home Investment Partnerships Program 21	14.239	DIRECT	252,532	252,532
Home Investment Partnerships Program 22	14.239	DIRECT	270,434	270,434
Home Investment Partnerships Program 23	14.239	DIRECT	310,636	310,636
Home Investment Partnerships - FY 23-24 Beginning Loan Balances	14.239	DIRECT	34,303,676	—
<i>Total AL 14.239</i>			<u>36,775,529</u>	<u>2,065,207</u>
Continuum of Care Program	14.267	DIRECT	4,057,687	369,237
Public Housing Operating Fund	14.850	DIRECT	1,016,499	—
Section 8 Housing Choice Vouchers	14.871	DIRECT	42,748,009	—
COVID-19 Section 8 Housing Choice Vouchers CARES Act Grant	14.EHV	DIRECT	1,503,168	—
Mainstream Vouchers	14.879	DIRECT	2,394,158	—
<i>Total Housing Voucher Cluster (14.871 & 14.879)</i>			<u>46,645,335</u>	<u>—</u>
Public Housing Capital Fund	14.872	DIRECT	882,760	—
Family Self-Sufficiency Program	14.896	DIRECT	134,050	—
FSS Escrow Forfeitures	14.EFA	DIRECT	50,744	—
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>94,370,076</u>	<u>5,956,774</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:				
Comprehensive Forensic DNA Analysis Grant Program	16.036	DIRECT	161,938	—
Matthew Shepard and James Byrd, Jr Hate Crimes Education, Investigation and Prosecution Program	16.040	DIRECT	25,340	—
Veterans Treatment Court Discretionary Grant Program	16.043	DIRECT	97,708	—
Passed through the Oregon Department of Justice				
Crime Victim Assistance - 21-23 VOCA Non-Competitive Grant	16.575	VOCA/CFA-2021-WashingtonCo.DAVAP-00155	148,689	—
Crime Victim Assistance - 23-25 VOCA Non-Competitive Grant	16.575	VOCA/CFA-2023-WashingtonCo.DAVAP-00034	478,057	—
Crime Victim Assistance - 2021 VOCA Non-Competitive Grant	16.575	VOCA/CFA-2021-WSCO-00153	16,327	—
Crime Victim Assistance - 2023 VOCA Non-Competitive Grant	16.575	VOCA-NC-2023-WSCO-00014	38,430	—
<i>Total AL 16.575</i>			<u>681,503</u>	<u>—</u>
Treatment Court Discretionary Grant Program - Veteran's Treatment Court	16.585	DIRECT	74,297	—
Treatment Court Discretionary Grant Program - Juvenile Drug Treatment Court 21-25	16.585	DIRECT	180,627	—
<i>Total AL 16.585</i>			<u>254,924</u>	<u>—</u>
Edward Byrne Memorial Justice Assistance Grant Program, FY21 JAG Red Dot Sights	16.738	DIRECT	21,601	—
Edward Byrne Memorial Justice Assistance Grant Program, FY23 JAG Red Dot Sights	16.738	DIRECT	54,785	—
<i>Total AL 16.738</i>			<u>76,386</u>	<u>—</u>
DNA Backlog Reduction Program	16.741	DIRECT	22,795	—
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	DIRECT	65,476	—
National Sexual Assault Kit Initiative	16.833	DIRECT	127,782	—
Equitable Sharing Program	16.922	DIRECT	65,351	—
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>1,579,203</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, 2024

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2024	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	46,127	—
Passed through Oregon Department of Transportation Motor Carrier Safety Assistance <i>Total FMCSA Cluster (20.218)</i>	20.218	73000-00012995	65,326 65,326	— —
Passed through Oregon Impact State and Community Highway Safety - 22-23 Speed Enforcement Grant State and Community Highway Safety - 23-24 Speed Enforcement Grant <i>Total AL 20.600</i>	20.600 20.600	69A37520300004020ORO 69A37522400004200RO	12,455 13,980 26,435	— — —
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	69A3752030000405BORH 69A3752240000405BORH	10,521 9,017	— —
Passed through Oregon Impact National Priority Safety Programs -22-23 Distracted Driving Enforcement Overtime Campaign National Priority Safety Programs -22-23 Pedestrian Safety Equipment National Priority Safety Programs -23-24 Distracted Driving Enforcement Campaign National Priority Safety Programs -23-24 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 20.616	69A3752030000405eORC 69A3752030000405hORO 69A3752240000405EORC 69A3752240000405hORO	19,999 5,990 3,716 2,608 51,851 78,286	— — — — — —
Passed through Oregon Impact Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 22-23 DUII Overtime Enforcement Grant Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 23-24 DUII Overtime Enforcement Grant <i>Total AL 20.608</i>	20.608 20.608	69A3752030000405DORM 69A3752240000405DORM	16,984 47,792 64,776	— — —
National Infrastructure Investments	20.933	DIRECT	1,257,623	—
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			1,512,138	—
U.S. DEPARTMENT OF TREASURY:				
Equitable Sharing	21.016	DIRECT	107,992	—
COVID-19 Emergency Rental Assistance Program	21.023	DIRECT	887,970	801,716
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DIRECT	14,118,525	2,752,724
TOTAL U.S. DEPARTMENT OF TREASURY			15,114,487	3,554,440
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through Oregon Health Authority Medical Reserve Corps Small Grant Program	93.008	180031/U3REP230687	23,976	—
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	181180	6,263	—
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	181180	13,172	—
COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services <i>Total AL 93.043</i>	93.043	171495/CARES Act	4,964 18,136	— —
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	181180	607,667	—
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	171495/CARES Act	40,958	—
Special Programs for the Aging, Title III, Part C1, Nutrition Services - Congregate Meals	93.045	181180	334,367	—
Special Programs for the Aging, Title III, Part C2, Nutrition Services - Home Delivered Meals	93.045	181180	502,319	—
COVID-19 Special Programs for the Aging, Title III, Part C1, Nutrition Services - Congregate Meals	93.045	171495/CARES Act	336,949	—
COVID-19 Special Programs for the Aging, Title III, Part C2, Nutrition Services - Home Delivered Meals	93.045	171495/CARES Act	374,656	—
COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services - SLFRF	93.045	181180	44,561	—
Nutrition Services Incentive Program <i>Total Aging Cluster (93.044, 93.045, & 93.053)</i>	93.053	181180	44,500 2,285,977	— —
Passed through Oregon Department of Human Services Special Programs for the Aging, Title IV, and Title II, Discretionary Projects - Aging and Disability Vaccine Collaborative	93.048	90HDCR0007-01-00	480,899	—
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 <i>Total AL 93.048</i>	93.048	180687/90MPPG0091	19,107 500,006	— —
Passed through Oregon Department of Human Services 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	181180 171495/CARES Act	371,560 108,727 480,287	— — —
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	180031/NU90TP922036 180031/NU90TP922036	431,604 227,226 658,830	— — —
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program Medicare Enrollment Assistance Program - MIPPA	93.071	177934/2201ORMISH	9,551	—
Passed through Oregon Health Authority Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	180031/NU52PS910205	37,837	—
Community Programs to Improve Minority Health - Community Based Maternal Support Services	93.137	DIRECT	197,759	—
Passed through Oregon Health Authority COVID-19 Community Programs to Improve Minority Health <i>Total AL 93.137</i>	93.137	1CPMIP211262-01-00	1,220,732 1,418,491	865,163 865,163

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, 2024

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2024	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	180031/FPHA006556	87,932	—
Immunization Cooperative Agreements - PE 43-01 Immunization Services	93.268	180031/NH23IP22626	144,724	—
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - PE 01-12 ACDP Infection Prevention Training	93.323	180031/6NU50CK000541	1,424	—
Passed through Oregon Department of Consumer and Business Services - SHIBA Program				
State Health Insurance Assistance Program - SHIBA 21-24	93.324	170683/45G000230	26,118	—
Passed through Oregon Health Authority				
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response ARPA PE 51-03 WF Funding	93.354	180031/NU90TP922194	1,111,404	—
Passed through Oregon Department of Justice				
Child Support Services	93.563	23509/ORCSES	2,152,998	—
Passed through Oregon Department of Human Services				
Foster Care Title IV-E	93.658	172631/2201ORFOST	266,874	—
Passed through Oregon Health Authority				
COVID-19 National Bioterrorism Hospital Preparedness Program - PE 72 HPP and HPP COVID SUPP	93.889	180031/U3REP190573	116,964	—
HIV Prevention Activities Health Department Based - PE 07 PH HIV Prevention Services	93.940	180031/NU62PS24543	226,248	—
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 - MH26A Early Assessment and Support Alliance	93.958	173151	143,214	143,214
<i>Total AL 93.958</i>			242,679	242,679
Block Grants for Prevention and Treatment of Substance Abuse AD66	93.959	173151	718,837	—
Block Grants for Prevention and Treatment of Substance Abuse AD70	93.959	154960/B08T	281,745	—
<i>Total AL 93.959</i>			1,000,582	—
CDC and Prevention Collaboration with Academia to Strengthen Public Health - PE 51-05 PH Infrastructure	93.967	180031/NU90TP922194	99,001	—
Maternal and Child Health Services Block Grant to the States - PE 42 MCAH Title V Flex Funds	93.994	180031/B0447441	194,857	—
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>			278,300	—
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			11,194,602	1,107,842
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-2023	95.001	G23OR0003A	37,310	15,801
High Intensity Drug Trafficking Areas Program - WIN-2024	95.001	G24OR0003A	128,847	25,643
<i>Total AL 95.001</i>			166,157	41,444
TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT			166,157	41,444
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed through Oregon Department of Emergency Management				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters) - FEMA	97.036	FEMA 4499-DR-OR	4,918,134	—
Emergency Management Performance Grants 23-533	97.042	EMS-2023-EP-00005	150,483	—
COVID-19 BRIC: Building Resilient Infrastructure and Communities - Natural Hazard Mitigation Plan Update	97.047	PDMC-PL-10-OR-2019-002	60,391	—
Homeland Security Grant Program - 21-23 SHSP National Preparedness System (UAS)	97.067	21-248/EMW-2020-SS-00073	11,651	—
Passed through City of Portland, Bureau of Emergency Management (PBEM)				
Homeland Security Grant Program - UASI 21-170	97.067	32002590/EMW-2021-SS-00073-S01	192,795	48,900
<i>Total AL 97.067</i>			204,446	48,900
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			5,333,454	48,900
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 131,758,368	10,709,400

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, 2024

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, 2024. 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, 2024</u>	<u>Loans Outstanding June 30, 2024</u>
HOME	14.239	\$ 2,471,853	35,699, 973

Non-cash Federal Financial Assistance

Non-cash Federal financial 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, 2024</u>
Food Donation	10.553	\$ 11,428
Food Donation	10.555	18,562

WASHINGTON COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2024

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, 2024

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? Yes

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)? Yes

Identification of major programs:

AL No. 14.218	Community Development Block Grants/Entitlement Grants
AL No. 14.267	Continuum of Care Program
AL No. 14.871, 14.879, 14.EHV	Housing Voucher Cluster
AL No. 21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
AL No. 93.044, 93.045, 93.053	Aging Cluster
AL No. 97.036	COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001

<i>Criteria:</i>	The Housing Authority of Washington County (the Authority) has the responsibility for establishing and maintaining effective internal controls over financial reporting.
<i>Condition:</i>	The Authority has experienced significant turnover in the accounting and finance function during the fiscal year. As a result, this lack of skills, knowledge and experience of personnel has exposed the Authority to a weak control environment in recording and review of transactions. Evidence of reviews of transactions and year end reconciliations was lacking during the fiscal year, involving various accounts including accounts receivable, capital assets, partnerships, notes receivable, and other areas.
<i>Cause:</i>	The cause appears to be related to significant turnover in the accounting and finance function during the fiscal year.
<i>Effect or potential effect:</i>	With the assistance of externally contracted accountants working on behalf of the Authority's management, the Authority recorded eleven (11) adjusting journal entries during the audit with an effect of \$20.1 million in entries posted to the trial balance, and increased net income from a loss position of approximately \$730,000 to net income of approximately \$5,000,000. Additionally, it was determined that the Authority was unable to reconcile or substantiate \$410,000 in accounts receivable for the year ended June 30, 2024. This balance is included in uncorrected misstatements.
<i>Recommendation:</i>	The Authority should obtain resources to enable effective and timely review and emphasize the importance of a strong control environment over financial reporting.
<i>Views of responsible officials:</i>	The Authority understands and concurs with the finding and recommendation.

Finding 2024-002

<i>Criteria:</i>	The County has the responsibility for establishing and maintaining effective internal controls over financial reporting.
<i>Condition:</i>	Lack of sufficient and timely review, specifically in the COVID-19 Response and Recovery Fund resulted in fiscal year 2023 expenses in the amount of \$321k being recognized in fiscal year 2024 (cutoff issues) with an offsetting and equal amount of fiscal year 2023 revenue being recognized in fiscal year 2024 (cutoff issues). This factual error and a projected error of \$626k are included in uncorrected misstatements.
<i>Cause:</i>	The cause appears to be related to turnover in the accounting and finance function during the fiscal year and untimely review of reconciliations and invoices as provided by subrecipients or beneficiaries after the fiscal year.
<i>Effect or potential effect:</i>	Lack of timely and effective review increases the potential for misstatements in cutoff to not be identified or corrected in a timely manner.
<i>Recommendation:</i>	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.
<i>Views of responsible officials:</i>	The County understands and concurs with the finding and recommendation.

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-003

<i>Criteria:</i>	The County has the responsibility for establishing and maintaining effective internal controls over financial reporting.
<i>Condition:</i>	<p>Lack of sufficient and timely review, including maintaining evidence of review, occurring over financial reporting, specifically in the following areas:</p> <ul style="list-style-type: none">• Untimeliness of bank reconciliations and bank deposit activity to the general ledger, which resulted in an unreconciled amount of \$237k at year end.• An investment in the amount of \$10.6m matured at year end and was incorrectly excluded from cash and investments and instead was posted to investment income.• Fiscal year 2023 expenses recognized in fiscal year 2024 (cutoff issues) in the amount of \$256k in the General Fund.• Recognized accelerated depreciation expense of \$400k on the entity-wide financial statements for improperly recognizing repair and maintenance expenses.• Lack of review of capital assets and related expenditures, resulting in a 2023 overstatement of gross capital assets of \$6.7m which was not corrected in 2024.• Vehicle and related capital costs in the amount of \$558k and land in the amount of \$1.1m were inappropriately recorded as disposed of during 2024 when no disposal occurred.• Lack of review of capital outlay and non-capital outlay workbooks in preparation for quarterly adjustments.• The accounts payable subledger to general ledger reconciliation was reviewed twelve months after the month end.• Multiple corrections to recording the activity of leases (lessor and lessee) and SBITAs during the year involving multiple funds.• Check printing function access was not terminated for an employee who moved to another department from finance.• Error recorded in reimbursement revenue in the amount of \$448k in the General Fund.• Grant information sheets as originally provided by the County were not reviewed and were determined to be incorrect.• Ten client provided journal entries were posted to the trial balance during the audit.• Twelve audit journal entries were posted to the trial balance during the audit.• Ten uncorrected misstatements identified as a result of audit procedures.
<i>Cause:</i>	The cause appears to be related to significant turnover in the accounting and finance function during the fiscal year and insufficient and untimely review of reconciliations due to ineffective training and lack of personnel.
<i>Effect or potential effect:</i>	Lack of timely and effective review increases the potential for misstatements to not be identified in a timely manner. Adjustments were posted to the trial balance as a result of audit procedures.
<i>Recommendation:</i>	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.
<i>Views of responsible officials:</i>	The County understands and concurs with the finding and recommendation.

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-004

Criteria: The County has the responsibility for establishing and maintaining effective internal controls over submission of the Data Collection Form to the Federal Audit Clearinghouse (FAC) by the earlier of nine months after the end of the audit period or 30 calendar days after the County received the auditor's report under 2 CFR 200.512(a)(1).

Condition: Based on the delay of issuing the FY24 Annual Comprehensive Financial Report and the Single Audit Reporting package to May 2024, the County's submission to the FAC is late.

Cause: The cause appears to be related to turnover in the accounting and finance function during the fiscal year.

Effect or potential effect: Late submission of the Data Collection Form and noncompliance with 2 CFR 200.512(a)(1).

Recommendation: The County should provide additional resources to help ensure an effective and timely review of 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

Finding 2024-005

Federal program: AL 14.871, 14.879, 14.EHV Housing Voucher Cluster

Federal agency: U.S. Department of Housing and Urban Development (HUD)

Award year: 2024

Criteria: Per the 2024 Office of Management and Budget (OMB) *Compliance Supplement*, part 4, requirement L., Reporting, the information formerly included in Section 3 of the HUD 52681-B report is required to be submitted monthly in HUD's most current automated system.

Condition: Internal controls over compliance with requirement L. related to reporting in the 2024 OMB *Compliance Supplement* were not implemented and operating as designed.

Cause: The cause appears to be attributable to new staff taking over responsibility and lack of awareness for having a consistent review performed prior to submission of this report to HUD.

Effect: A lack of effective internal controls over review of monthly reports may potentially result in reporting inaccurate amounts.

Questioned costs: No known or estimated questioned costs identified.

Context: Out of a population of 12 HUD 52681-B reports, four reports were selected for testing, and no review occurred for all four reports by someone other than the preparer.

Repeat finding: No.

Recommendation: The County should develop and implement policies and procedures to ensure that all reports are reviewed by someone other than the preparer.

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

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-006

Federal program: AL 14.871, 14.879, 14.EHV Housing Voucher Cluster

Federal agency: U.S. Department of Housing and Urban Development (HUD)

Award year: 2024

Criteria: Per the 2024 Office of Management and Budget (OMB) *Compliance Supplement*, part 4, requirement E., Eligibility, condition of admission or continued occupancy is required to obtain necessary information from tenant and (or) other family members and review the necessary information by program supervisor or program manager.

Condition: Internal controls over compliance with requirement E. related to eligibility in the 2024 OMB *Compliance Supplement* were not implemented and operating as designed.

Cause: The cause appears to be attributable to the inconsistency of document retention policy and training of personnel. While program staff are required to upload supporting review documents in the Section 8 Program shared folder, some staff only attached documents via email and sent them to a supervisor. When the employment of both staff and supervisor ended at the County, the supporting files went missing.

Effect: A lack of effective internal controls over tenant eligibility files may result in errors in eligibility and potential admission and HAP payments to ineligible applicants.

Questioned costs: No known or estimated questioned costs identified.

Context: Out of a population of 2,716 active participants/tenants, 25 tenants were selected for testing, and the review of eligibility documentation had not been retained for one participant/tenant.

Out of a population of 263 new participants/tenants, 25 tenants were selected for testing, and the review of eligibility documentation had not been retained for five participants/tenants. Additionally, it was noted that for two of the samples selected, there was an action code error in the HUD 50058 family report form noting them as new admissions when they were existing participants.

Out of a population of 152 discontinued participants/tenants, 16 tenants were selected for testing, and the review of eligibility documentation had not been retained for two participants/tenants.

Repeat finding: No.

Recommendation: The County should develop and implement policies and procedures to ensure that all eligibility documents are reviewed and retained.

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

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-007

Federal program: AL 14.871, 14.879, 14.EHV Housing Voucher Cluster

Federal agency: U.S. Department of Housing and Urban Development (HUD)

Award year: 2024

Criteria: The 2024 Office of Management and Budget (OMB) *Compliance Supplement*, part 4, requirement N.2., Reasonable Rent, requires the County to conduct a reasonable rent analysis when tenant is admitted to a new unit.

Condition: Internal controls over compliance with requirement N.2 related to reasonable rent in the 2024 OMB *Compliance Supplement* were not implemented and operating as designed.

Cause: The cause appears to be attributable to supporting documentation not retained in internal County folder but rather only exchanged between program staff and supervisor. When employment of both program staff and program supervisor ended, the supporting documentation went missing. Additionally, the County made efforts to convert paper documents to digital, but not all paper documents were converted to digital format and files were not located.

Effect: A lack of effective internal controls over tenant reasonable rent calculations may result in overpayments in housing assistance payments.

Questioned costs: No known or estimated questioned costs identified.

Context: Out of a population of 2,716 active participants/tenants, 25 units/tenants were selected for testing, and the reasonable rent analysis documentation was not retained for two units/tenants.

Repeat finding: No.

Recommendation: The County should develop and implement policies and procedures to ensure that all reasonable rent documents are reviewed and retained.

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

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-008

<i>Federal program:</i>	AL 14.871, 14.879, 14.EHV Housing Voucher Cluster
<i>Federal agency:</i>	U.S. Department of Housing and Urban Development (HUD)
<i>Award year:</i>	2024
<i>Criteria:</i>	Per the 2024 Office of Management and Budget (OMB) <i>Compliance Supplement</i> , part 4, requirement N.4., NSPIRE/Housing Quality Standards Inspections, requires the County to conduct Housing Quality Standards (HQS) inspections for units leased at least biennially to determine the unit meets the standard. Per the Federal Register announcement in May 2023, HUD extended the compliance date for HCV and PBV programs until October 1, 2024.
<i>Condition:</i>	Internal controls over compliance with requirement N.4 related to NSPIRE/Housing Quality Standards (HQS) in the 2024 OMB <i>Compliance Supplement</i> were not implemented and operating as designed.
<i>Cause:</i>	The cause appears to be attributable to a shortage of inspectors performing HQS inspections combined with inconsistent document archiving method followed by County staff.
<i>Effect:</i>	A lack of effective internal controls over HQS inspections may result in units leased that do not meet standards.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	It was noted that the required HQS inspection had not been performed within 24 months, including the extension period. Out of a population of 2,716 active participants/tenants, 25 units/tenants were selected for testing, and it was noted that the HQS inspection had not been performed within the required inspection period for one unit/tenant.
<i>Repeat finding:</i>	No.
<i>Recommendation:</i>	The County should develop and implement policies and procedures to ensure that all HQS inspections are reviewed and retained.
<i>Views of responsible officials:</i>	The County understands and concurs with the finding.

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-009

<i>Federal program:</i>	AL 14.267 Continuum of Care Program
<i>Federal agency:</i>	U.S. Department of Housing and Urban Development (HUD)
<i>Award year:</i>	2024
<i>Criteria:</i>	The 2024 Office of Management and Budget (OMB) <i>Compliance Supplement</i> , part 4, requirement N.1., Reasonable Rental Rates, requires the County to conduct a reasonable rent analysis. Per 24 CFR 578.49(b)(1) and 24 CFR 578.51(g), when grant funds are used to pay for all or part of the rent for a structure, the rent must be reasonable in relation to rents charged for comparable space in the area.
<i>Condition:</i>	Internal controls over compliance with requirement N.1 related to reasonable rental rates in the 2024 OMB <i>Compliance Supplement</i> were not implemented and operating as designed.
<i>Cause:</i>	The cause appears to be attributable to lack of staffing and inadequate training for new staff.
<i>Effect:</i>	A lack of effective internal controls over tenant reasonable rent calculations may result in overpayments in housing assistance.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	Out of a population of 313 rental units/tenants, 60 units/tenants were selected for testing, and the reasonable rent analysis documentation was not retained for 3 units/tenants.
<i>Repeat finding:</i>	No.
<i>Recommendation:</i>	The County should develop and implement policies and procedures to ensure that all reasonable rent documents are reviewed and retained.
<i>Views of responsible officials:</i>	The County understands and concurs with the finding.

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2024

Finding 2024-0010

<i>Federal program:</i>	AL 14.267 Continuum of Care Program
<i>Federal agency:</i>	U.S. Department of Housing and Urban Development (HUD)
<i>Award year:</i>	2024
<i>Criteria:</i>	The 2024 Office of Management and Budget (OMB) <i>Compliance Supplement</i> , part 4, requirement G.1., Matching, requires a match of no less than 25%.
<i>Condition:</i>	Internal controls over compliance with requirement G.1. related to a match of no less than 25% in the 2024 OMB <i>Compliance Supplement</i> were not implemented and operating as designed.
<i>Cause:</i>	The cause appears to be attributable to lack of staffing and inadequate training for new staff.
<i>Effect:</i>	A lack of effective internal controls over the review of payroll and administrative expenditure matching was occurring and may result in unallowable costs being used to match.
<i>Questioned costs:</i>	No known or estimated questioned costs identified.
<i>Context:</i>	The match of no less than 25% was appropriately calculated for the fiscal year; however, evidence of a review of the calculations was not retained.
<i>Repeat finding:</i>	No.
<i>Recommendation:</i>	The County should develop and implement policies and procedures to ensure that payroll and administrative expenditure matching is reviewed to ensure the 25% matching requirement is met and costs used to match are allowable.
<i>Views of responsible officials:</i>	The County understands and concurs with the finding.

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

Finding 2023-001

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.

Corrective Action
Taken:

The County believes strongly in training and the importance of a strong internal control environment. The County understands and concurs with the significance of timely financial reporting. During the next few months, the Controller and Chief Accountant will continue assessing processes in place for compiling, reviewing, and approving monthly reconciliations and reports. 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 to ensure timeliness and completeness of accounting transactions. Cutoff dates will be communicated with departments to meet the goals for year-end work and financial reporting.

Management takes this finding very seriously and is working to ensure that County staff have a thorough understanding and consistent execution of the County's financial policies and internal controls.

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