



AUDIT OF FEDERAL AWARDS  
PERFORMED IN ACCORDANCE  
WITH UNIFORM GUIDANCE  
**FEDERAL GRANT  
PROGRAMS**

YEAR  
ENDED  
**JUNE 30,  
2025**

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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, 2025

Prepared by:

Washington County Finance Division

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**WASHINGTON COUNTY, OREGON  
FEDERAL GRANT PROGRAMS**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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, 2025, 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 20, 2026. 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 2025-001, 2025-002, and 2025-003 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**County's Response to Findings**

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

**Purpose of this Report**

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

*Talbot, Korvola & Warwick, LLP*

Portland, Oregon  
March 20, 2026



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, 2025. 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, 2025.

***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 2025-005, 2025-006, and 2025-007. 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2025-006 and 2025-007 to be material weaknesses.

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 2025-004 and 2025-005 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 internal control over compliance 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 20, 2026, 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 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 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, Kovala & Warwick, LLP*

Portland, Oregon  
March 20, 2026

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**WASHINGTON COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2025**

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2025	Amount Provided to Subrecipients
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
Passed through Oregon Department of Education				
School Breakfast Program	10.553	3408004	\$ 9,737	—
National School Lunch Program	10.555	3408004	16,054	—
<i>Total Child Nutrition Cluster (10.553 &amp; 10.555)</i>			<u>25,791</u>	—
Passed through Oregon Health Authority				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	180031/217OROR7W1003	2,210,464	—
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - PEER Counseling	10.557	180031/217OROR1W5003	244,181	—
<i>Total AL 10.557</i>			<u>2,454,645</u>	—
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u><b>2,480,436</b></u>	<u><b>—</b></u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Community Development Block Grants/Entitlement Grants 17	14.218	DIRECT	1,578	1,578
Community Development Block Grants/Entitlement Grants 18	14.218	DIRECT	237,391	176,281
Community Development Block Grants/Entitlement Grants 19	14.218	DIRECT	26,422	—
Community Development Block Grants/Entitlement Grants 20	14.218	DIRECT	7,720	7,720
Community Development Block Grants/Entitlement Grants 22	14.218	DIRECT	193	—
Community Development Block Grants/Entitlement Grants 23	14.218	DIRECT	129,250	46,569
Community Development Block Grants/Entitlement Grants 24	14.218	DIRECT	1,085,751	460,202
COVID-19 Community Development Block Grants CARES Act Grant	14.218	DIRECT	158,667	140,000
Passed through the City of Hillsboro				
CDBG Housing Rehabilitation Program	14.218	2202	37,416	—
CDBG Housing Rehabilitation Program	14.218	2302	221,847	—
<i>Total CDBG-Entitlement/Special Purpose Grants Cluster (14.218)</i>			<u>1,906,235</u>	<u>832,350</u>
Emergency Solutions Grant Program 22	14.231	DIRECT	3,398	3,398
Emergency Solutions Grant Program 23	14.231	DIRECT	148,036	141,039
Emergency Solutions Grant Program 24	14.231	DIRECT	95,373	89,322
<i>Total AL 14.231</i>			<u>246,807</u>	<u>233,759</u>
COVID-19 Home Investment Partnerships Program - American Rescue Plan Act (ARPA) Grant	14.239	DIRECT	2,847,018	2,681,592
Home Investment Partnerships Program 18	14.239	DIRECT	140,830	140,830
Home Investment Partnerships Program 19	14.239	DIRECT	398,315	398,315
Home Investment Partnerships Program 20	14.239	DIRECT	156,603	—
Home Investment Partnerships Program 21	14.239	DIRECT	14,937	—
Home Investment Partnerships Program 24	14.239	DIRECT	50,000	50,000
Home Investment Partnerships - FY 24-25 Beginning Loan Balances	14.239	DIRECT	35,699,973	—
<i>Total AL 14.239</i>			<u>39,307,676</u>	<u>3,270,737</u>
Continuum of Care Program	14.267	DIRECT	545,736	—
Public Housing Operating Fund	14.850	DIRECT	990,806	—
Section 8 Housing Choice Vouchers	14.871	DIRECT	45,487,775	—
COVID-19 Section 8 Housing Choice Vouchers CARES Act Grant	14.EHV	DIRECT	1,573,709	—
Mainstream Vouchers	14.879	DIRECT	2,896,827	—
<i>Total Housing Voucher Cluster (14.871 &amp; 14.879)</i>			<u>49,958,311</u>	—
Public Housing Capital Fund	14.872	DIRECT	1,908,485	—
Family Self-Sufficiency Program	14.896	DIRECT	197,423	—
FSS Escrow Forfeitures	14.EFA	DIRECT	8,852	—
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u><b>95,070,331</b></u>	<u><b>4,336,846</b></u>
<b>U.S. DEPARTMENT OF THE INTERIOR:</b>				
Recreation Resources Management	15.524	DIRECT	1,201,330	—
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>			<u><b>1,201,330</b></u>	<u><b>—</b></u>
<b>U.S. DEPARTMENT OF JUSTICE:</b>				
Matthew Shepard and James Byrd, Jr Hate Crimes Education, Investigation and Prosecution Program	16.040	DIRECT	204,628	—
Veterans Treatment Court Discretionary Grant Program	16.043	DIRECT	222,482	—
Passed through the Oregon Department of Justice				
Crime Victim Assistance - 23-25 VOCA Non-Competitive Grant	16.575	VOCA/CFA-2023-WashingtonCo.DAVAP-00034	741,607	—
Crime Victim Assistance - 2025 VOCA Non-Competitive Grant	16.575	VOCA-NC-2023-WCSO-00014	90,839	—
<i>Total AL 16.575</i>			<u>832,446</u>	—
Treatment Court Discretionary Grant Program - Juvenile Drug Treatment Court 21-25	16.585	DIRECT	237,400	—
Pass through the State Justice Institute (SJI)				
SJI Probation & Youth Justice System Review Technical Assistance Grant	None	SJI-25T007	37,716	—
Edward Byrne Memorial Justice Assistance Grant Program, FY24 JAG Red Dot Sights	16.738	DIRECT	9,006	—
DNA Backlog Reduction Program	16.741	DIRECT	168,421	—
Congressionally Recommended Awards - Washington County Congregate Care Facilities	16.753	DIRECT	488,648	—
National Sexual Assault Kit Initiative	16.833	DIRECT	34,825	—
Equitable Sharing Program	16.922	DIRECT	77,994	—
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u><b>2,313,566</b></u>	<u><b>—</b></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, 2025

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2025	Amount Provided to Subrecipients
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>				
Passed through Oregon Department of Transportation Highway Planning and Construction (Basalt Creek Ext: Grahams Ferry Rd/Boones Ferry Rd)	20.205	31033-01/K19358	23,090	—
Passed through Oregon Department of Transportation Motor Carrier Safety Assistance <i>Total FMCSA Cluster (20.218)</i>	20.218	73000-00012995	52,772 <u>52,772</u>	— —
Passed through Oregon Impact State and Community Highway Safety - 23-24 Speed Enforcement Grant	20.600	69A37522400004200RO	18,188	—
Passed through Oregon Department of Transportation National Priority Safety Programs - Safety Belt Overtime Enforcement Grant	20.616	69A3752240000405BORH	14,978	—
Passed through Oregon Impact National Priority Safety Programs -22-23 Distracted Driving Enforcement Overtime Campaign	20.616	69A3752030000405eORC	24,450	—
National Priority Safety Programs -23-24 Distracted Driving Enforcement Campaign	20.616	69A3752240000405EORC	12,332	—
National Priority Safety Programs -23-24 Pedestrian Safety Equipment	20.616	69A3752240000405HORC	2,602	—
<i>Total AL 20.616</i>			<u>54,362</u>	—
<i>Total Highway Safety Cluster (20.600 &amp; 20.616)</i>			<u>72,550</u>	—
Passed through Oregon Impact Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 23-24 DUII Overtime Enforcement Grant	20.608	69A3752240000405DORM	50,687	—
National Infrastructure Investments	20.933	DIRECT	525,624	—
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>724,723</u>	—
<b>U.S. DEPARTMENT OF TREASURY:</b>				
Equitable Sharing	21.016	DIRECT	1,867	—
COVID-19 Emergency Rental Assistance Program	21.023	DIRECT	9,246	—
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	DIRECT	29,401,612	1,174,411
<b>TOTAL U.S. DEPARTMENT OF TREASURY</b>			<u>29,412,725</u>	<u>1,174,411</u>
<b>U.S. DEPARTMENT OF ENERGY:</b>				
Energy Efficiency and Conservation Block Grant	81.128	DIRECT	78,045	—
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>			<u>78,045</u>	—
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Passed through Oregon Health Authority Medical Reserve Corps Small Grant Program	93.008	180031/U3REP230687	217,358	—
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	4,192	—
COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	171495/CARES Act	39,349	—
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	181180	873,372	—
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	171495/CARES Act	159,303	—
Special Programs for the Aging, Title III, Part C1, Nutrition Services - Congregate Meals	93.045	181180	910,116	—
Special Programs for the Aging, Title III, Part C2, Nutrition Services - Home Delivered Meals	93.045	181180	373,446	—
COVID-19 Special Programs for the Aging, Title III, Part C2, Nutrition Services - Home Delivered Meals	93.045	171495/CARES Act	269,903	—
Nutrition Services Incentive Program	93.053	181180	133,802	—
<i>Total Aging Cluster (93.044, 93.045, &amp; 93.053)</i>			<u>2,719,942</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	180687/90MPPG0091	19,617 <u>19,617</u>	— —
Passed through Oregon Department of Human Services National Family Caregiver Support, Title III, Part E	93.052	181180	265,190	—
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	171495/CARES Act	10,283	—
<i>Total AL 93.052</i>			<u>275,473</u>	—
Passed through Oregon Health Authority Public Health Emergency Preparedness - PE 02 PH Emergency Preparedness/City Readiness	93.069	180031/NU90TP922036	248,528	—
Public Health Emergency Preparedness - PE 12 PH Emergency Preparedness Program	93.069	180031/NU90TP922036	190,952	—
<i>Total AL 93.069</i>			<u>439,480</u>	—
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program Medicare Enrollment Assistance Program - MIPPA	93.071	177934/2201ORMISH	9,805	—
Community Programs to Improve Minority Health - Community Based Maternal Support Services	93.137	DIRECT	1,093,827	—

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, 2025

Federal Grantor Pass-Through Grantor Program Title/Cluster	Assistance Listing	Pass-Through Number	Expenditures Year Ended June 30, 2025	Amount Provided to Subrecipients
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued):</b>				
Passed through Oregon Health Authority				
Family Planning Services - PE 46-05 Reproductive Health Community Access	93.217	180031/FPHA006556	87,728	—
Immunization Cooperative Agreements - PE 43-01 Immunization Services	93.268	180031/NH23IP22626	682,140	—
Immunization Cooperative Agreements - PE 43-05 OIP Bridge COVID	93.268	180031/NH23IP22626	129,537	—
<i>Total AL 93.268</i>			<u>811,677</u>	<u>—</u>
Passed through Oregon Department of Consumer and Business Services - SHIBA Program				
State Health Insurance Assistance Program - SHIBA 24-25	93.324	170683/45G000230	22,524	—
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	104,236	—
Congressional Directives - Community Project Funding to Build Center for Addictions Triage and Treatment	93.493	DIRECT	2,500,000	—
Passed through Oregon Department of Justice				
Child Support Services	93.563	23509/ORCSES	2,222,927	—
Passed through Oregon Department of Human Services				
Foster Care Title IV-E	93.658	172631/2201ORFOST	162,638	—
Passed through Oregon Health Authority				
COVID-19 National Bioterrorism Hospital Preparedness Program - PE 72 HPP and HPP COVID SUPP	93.889	180031/U3REP190573	12,469	—
HIV Prevention Activities Health Department Based - PE 07 PH HIV Prevention Services	93.940	180031/NU62PS24543/NU62PS924848	125,642	—
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>			<u>242,679</u>	<u>242,679</u>
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	154960/808T	664,590	—
<i>Total AL 93.959</i>			<u>1,383,427</u>	<u>—</u>
CDC and Prevention Collaboration with Academia to Strengthen Public Health - PE 51-05 PH Infrastructure	93.967	180031/NU90TP922194	24,466	—
Maternal and Child Health Services Block Grant to the States - PE 42 MCAH Title V Flex Funds	93.994	180031/B0447441	172,475	—
Passed through Oregon Health & Science University				
Maternal and Child Health Services Block Grant to the States - CaCoon Project	93.994	B04MC31511	54,047	—
<i>Total AL 93.994</i>			<u>226,522</u>	<u>—</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>12,745,978</b></u>	<u><b>242,679</b></u>
<b>U.S. EXECUTIVE OFFICE OF THE PRESIDENT:</b>				
Passed through the Oregon Office of High Intensity Drug Trafficking Program				
High Intensity Drug Trafficking Areas Program - WIN-2025	95.001	G24OR0003A	30,500	—
<b>TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT</b>			<u><b>30,500</b></u>	<u><b>—</b></u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>				
Passed through Oregon Department of Emergency Management				
Emergency Management Performance Grants 23-533	97.042	EMS-2023-EP-00005	146,744	—
Homeland Security Grant Program - 23-24 SHSP National Preparedness System (UAS)	97.067	23-245/EMW-2023-SS-00004	29,338	—
Passed through City of Portland, Bureau of Emergency Management (PBEM)				
Homeland Security Grant Program - UASI 21-170	97.067	32002590/EMW-2021-SS-00073-501	71,995	57,446
<i>Total AL 97.067</i>			<u>101,333</u>	<u>57,446</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u><b>248,077</b></u>	<u><b>57,446</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 144,305,711</b></u>	<u><b>5,811,382</b></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

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**WASHINGTON COUNTY, OREGON**

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2025

**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, 2025. 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, 2025</u>	<u>Loans Outstanding June 30, 2025</u>
HOME	14.239	\$ 3,607,703	33,400,005

**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, 2025</u>
Food Donation	10.553	\$ 9,737
Food Donation	10.555	16,054

**WASHINGTON COUNTY, OREGON**

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2025

**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, 2025

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

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

***Federal Awards***

Internal control over major programs:	
Material weakness(es) identified?	Yes
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. 14.871, 14.879, 14.EHV	Housing Voucher Cluster
AL No. 21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
AL No. 93.493	Congressional Directives

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, 2025

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2025-001** (Material Weakness)

*Criteria:* The County has the responsibility for establishing and maintaining effective internal controls over preparation and reporting of the Schedule of Expenditures of Federal Awards (the SEFA).

*Condition:* Lack of sufficient review occurring over the completeness of the SEFA. The original SEFA presented for audit omitted several recurring grant programs administered by the County for decades. As a result of the County's continued review of the SEFA, the SEFA was corrected five times before the final version was provided. Additionally, one major program grant information sheet as originally provided by the County was determined to be incorrect and adjustments were needed for reconciliation to the SEFA.

*Cause:* The cause appears to be related to turnover in the accounting and grant financial management function over federal grants during the fiscal year and not allocating sufficient resources to review the SEFA before submission for audit.

*Effect or potential effect:* With an incomplete or inaccurate SEFA, there is the potential for errors in determining major programs for audit under 2 CFR 200.518.

*Recommendation:* The County should provide sufficient resources to enable an effective and timely review of the SEFA.

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

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2025

**Finding 2025-002** (Material Weakness)

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

*Condition:* Lack of sufficient review occurring over capital assets financial reporting, specifically in the following areas:

- Approximately \$21m of costs related to the Center for Addiction, Triage, and Treatment were expensed and inappropriately not recorded in construction in progress (CIP).
- Approximately \$5.4m of costs related to Facilities projects were expensed and inappropriately not recorded in CIP.
- Approximately \$5.9m was reclassified from CIP to placed in service although legal title transfer to the County did not occur by year end.
- Restated an internal service fund capital asset beginning balance for errors noted during review of the financial statements in the amount of \$853,000.
- Lack of evidence of review of capital outlay and non-capital outlay workbooks in preparation for quarterly adjustments.
- Lack of effective review over the presentation and completeness of activity in the capital asset lead which resulted in multiple versions of the capital asset lead being presented for audit.

*Cause:* The cause appears to be related to turnover in the accounting and finance function during the fiscal year and new personnel becoming familiar with County processes. Additionally, certain departments were unfamiliar with appropriate reporting to finance regarding capital assets.

*Effect or potential effect:* Lack of 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.

*Recommendation:* The County should provide training and resources to enable an effective and timely review and emphasize the importance of a strong control environment.

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

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2025

**Finding 2025-003** (Material Weakness)

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

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

- Untimeliness of preparation and review of bank reconciliations.
- Fiscal year 2024 expenses recognized in fiscal year 2025 (cutoff issues) in the Urban Road Maintenance District Fund, COVID-19 Response and Recovery Fund, and the Road Fund.
- Not recording ODOT revenue and receivable of approximately \$3.8m in the Road Fund.
- Recording unavailable revenue as unearned revenue in the Metro Affordable Housing Fund of approximately \$5.6m which thereby reduces revenue recognition on a full accrual basis for governmental activities.
- Not recording a combined \$19.6m as an advance due from the Authority in the Behavioral Health Fund and Supportive Housing Services Revenue Fund.
- Recording a \$106k lease twice in the Facilities General Capital Projects Fund.
- Inappropriate access to the receivables module within the WISARD accounting system for two individuals.
- Twenty-two client provided journal entries were posted to the trial balance during the audit in addition to audit proposed adjustments.

*Cause:* The cause appears to be related to significant turnover in the accounting and finance function during the fiscal year and not allocating sufficient resources to review journal entries and/or transactions before posting.

*Effect or potential effect:* 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.

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

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

WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2025

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**Finding 2025-004** (Significant Deficiency)

*Federal program:* AL 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds

*Federal agency:* U.S. Department of Treasury

*Award year:* 2025

*Criteria:* Per the 2025 Office of Management and Budget (OMB) *Compliance Supplement*, part 4, requirement L., Reporting, Project and Expenditure Reports are required to be submitted quarterly as specified in the Treasury’s SLFRF Compliance and Reporting Guidance.

*Condition:* Documentation supporting the expenditures included in the Project and Expenditure Report was not retained after the report was submitted.

*Cause:* The cause appears to be attributable to a lack of consistently applied procedures for retention of data files supporting American Rescue Plan Act (ARPA) reports submitted. The data file used to track expenditures reported was overwritten after the report was submitted. Additionally, rather than using the County’s ARPA/SLFRF shared folder to maintain and track this supporting documentation, the support was emailed between employees to obtain the appropriate review. Due to turnover, employees with access to these documents are no longer with the County and the tracking file supporting expenditures reported could not be located.

*Effect or potential effect:* A lack of effective internal controls over review of reports may potentially result in reporting inaccurate amounts.

*Questioned costs:* No known or estimated questioned costs identified.

*Context:* Out of a population of four quarterly Project and Expenditure Reports, two reports were sampled; one report selected did not include the expenditure detail and could not be located.

*Repeat finding:* No.

*Recommendation:* The County should develop and implement policies and procedures to ensure that all ARPA/SLFRF program report support is 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, 2025

**Finding 2025-005** (Significant Deficiency)

*Federal program:* AL 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds

*Federal agency:* U.S. Department of Treasury

*Award year:* 2025

*Criteria:* Per the 2025 Office of Management and Budget (OMB) Compliance Supplement, part 4, requirement I., Procurement and Suspension and Debarment, recipients are expected to have procurement policies and procedures in place that comply with the procurement standards outlined in the Uniform Guidance. Per Uniform Guidance section 2 CFR 200.319(a): All procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with the standards of this section and section 200.320. Per section 2 CFR 200.320(a)(2)(i): ...If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources...

*Condition:* Procurement methods did not always follow Uniform Guidance requirements. Contracts were directly awarded to vendors without full and open competition or obtaining price or rate quotations from an adequate number of qualified sources.

*Cause:* The cause appears to be attributable to lack of staff training and knowledge regarding federal grant procurement requirements and which contracts support federal awards. Program staff did not appear to be aware that all federal grant contracts are required to comply with a competitive bid process, and instead applied federal funding to contracts that were directly awarded.

*Effect or potential effect:* Not conducting open competition or solicitation of quotations or bids could result in higher grant program costs by missing the opportunity to select the best available vendor source in the market.

*Questioned costs:* No known or estimated questioned costs identified.

*Context:* Out of a population of 100 contracts above the micro purchase threshold of \$10,000 and below the simplified acquisition threshold of \$250,000, two of thirteen contracts selected for testing did not follow required Uniform Guidance procurement procedures.

*Repeat finding:* No.

*Recommendation:* The County should provide training to staff regarding Uniform Guidance rules of procurement and how to identify which contracts support federal award programs.

*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, 2025

**Finding 2025-006** (Material Weakness)

*Federal program:* AL 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds

*Federal agency:* U.S. Department of Treasury

*Award year:* 2025

*Criteria:* Per the 2025 Office of Management and Budget (OMB) *Compliance Supplement*, part 4, requirement M, Subrecipient Monitoring, pass-through entities are required to perform monitoring of their subrecipients. This is further described in Uniform Guidance 2 CFR 200.332 which states "A pass-through entity must...(e) Monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must: (1) Review financial and performance reports, (2) Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation. (3) Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521. (4) Resolve audit findings specifically related to the subaward...".

*Condition:* Evidence was not retained of monitoring subrecipients' financial and single audit reporting or of any follow up actions as a result of monitoring.

*Cause:* The cause appears to be attributable to a lack of consistently applied procedures for retention of data files supporting the performance of subrecipient monitoring. If the review was performed, it was retained within the employee's emails and not through use of an ARPA/SLFRF shared folder. The employee performing the review is no longer with the County and the review documentation could not be located. It is undeterminable if this monitoring was performed.

*Effect or potential effect:* Without adequate review of the subrecipient's financial and single audit reporting related to program expenditures incurred, the control environment, compliance with laws, regulations, and program requirements, errors or misappropriation of assets could exist without the County's knowledge.

*Questioned costs:* No known or estimated questioned costs identified.

*Context:* Out of a population of 14 subrecipients, six were selected for testing for which no evidence was retained indicating the County's review of financial and single audit reporting of the subrecipients.

*Repeat finding:* No.

*Recommendation:* The County should develop and implement policies and procedures to ensure that all subrecipient monitoring is performed 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, 2025

**Finding 2025-007** (Material Weakness)

*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:* 2025

*Criteria:* Per the 2025 Office of Management and Budget (OMB) *Compliance Supplement*, 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.

*Condition:* HQS inspections as required by N.4 of the 2025 OMB *Compliance Supplement* were not performed biennially.

*Cause:* The cause appears to be attributable to a shortage of inspectors performing HQS inspections.

*Effect or potential effect:* Without performing HQS inspections biennially, units could be leased that do not meet standards.

*Questioned costs:* No known or estimated questioned costs identified.

*Context:* The required HQS inspection was not performed within 24 months, including the extension period. Out of a population of 2,814 active participants/tenants, 40 units/tenants were selected for testing, and the HQS inspection was not performed within the required inspection period for 10 units/tenants.

*Repeat finding:* Yes.

*Recommendation:* The County should hire and retain adequate staffing to ensure HQS inspections for all tenants are performed biennially.

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

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

**FINANCIAL STATEMENT FINDINGS**

**Finding 2024-001**

Condition: 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.

Corrective Action Taken: The Housing Authority of Washington County (HAWC) is addressing this finding through staffing, training, and updated procedures. HAWC recently onboarded a Deputy CFO and a controller to address recent turnover. In collaboration with the County Finance Department, HAWC finance and accounting staff will receive additional training through the Government Finance Officers Association (GFOA) and have already received training specific to public housing and redevelopment. HAWC has also invested in 1) professional accounting consultants to assist in financial reporting, updating procedures, and implementing regular month-end close, and 2) advisory services from a national audit firm specializing in affordable housing.

**Finding 2024-002**

Condition: 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.

Corrective Action Taken: The County is addressing these concerns in three main ways: staffing resources, policies for guidance, and a modern ERP. Most vacancies from the referenced turnover have been filled. Secondly, the County is in the process of updating its fiscal policies in line with Government Finance Officer Association (GFOA) recommendations to provide overarching guidance in managing the County's financials and informing staff procedures. Along with updated policies, the County has invested significant funds and staff time in the implementation of Workday, a modern ERP, which will provide staff the needed resource to comply with a higher standard of internal controls and financial management and reporting. With these resources in place and the support of leadership, a

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2025

more formalized consistent month end close process is being established and followed to enable an effective and timely review over financial reporting.

**Finding 2024-003**

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

- 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.

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2025

Corrective Action

Taken:

The County is addressing these concerns in three main ways: staffing resources, policies for guidance, and a modern ERP. Most vacancies from the referenced turnover have been filled. Secondly, the County is in the process of updating its fiscal policies in line with Government Finance Officer Association (GFOA) recommendations to provide overarching guidance in managing the County’s financials and informing staff procedures. Along with updated policies, the County has invested significant funds and staff time in the implementation of Workday, a modern ERP, which will provide staff the needed resource to comply with a higher standard of internal controls and financial management and reporting. With these resources in place and the support of leadership, a more formalized consistent month end close process is being established and followed to enable an effective and timely review over financial reporting.

**Finding 2024-004**

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.

Corrective Action

Taken:

The County is addressing these concerns in three main ways: staffing resources, policies for guidance, and a modern ERP. Most vacancies from the referenced turnover have been filled. Secondly, the County is in the process of updating its fiscal policies in line with Government Finance Officer Association (GFOA) recommendations to provide overarching guidance in managing the County’s financials and informing staff procedures. Along with updated policies, the County has invested significant funds and staff time in the implementation of Workday, a modern ERP, which will provide staff the needed resource to comply with a higher standard of internal controls and financial management and reporting. With these resources in place and the support of leadership, a more formalized consistent month end close process is being established and followed to enable an effective and timely review over financial reporting.

**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)

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2025

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

Corrective Action Taken: The Housing Authority of Washington County (HAWC) is addressing these findings by implementing systems and policies that require secondary review of reports and determinations prior to upward reporting, voucher issuance, or tenant move-in. HAWC implemented systems in 2025 where the staff preparing and submitting the HUD 52681-B form will send the form to the Program Manager or Designee for review and approval stamp before the form is submitted to HUD in the VMS or eVMS system. A checklist has been created and a system updated on routing files after review for eligibility to have a secondary review and final approval prior to issuance of voucher by the program supervisor, program manager or designee. Additional training and internal quality control checks will be implemented to ensure that metric is met. HAWC has also established checklists and procedures to ensure Rent Reasonableness is reviewed and approved prior to tenant move-in, using a third-party system to conduct the rent reasonableness determinations. This metric will also be added to the internal quality control procedures to monitor compliance.

**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)

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

Corrective Action Taken: The Housing Authority of Washington County (HAWC) is addressing these findings by implementing systems and policies that require secondary review of reports and determinations prior to upward reporting, voucher issuance, or tenant move-in. HAWC implemented systems in 2025 where the staff preparing and submitting the HUD 52681-B form will send the form to the Program Manager or Designee for review and approval stamp before the form is submitted to HUD in the VMS or eVMS system. A checklist has been created and a system updated on routing files after review for eligibility to have a secondary review and final approval prior to issuance of voucher by the program supervisor, program manager or designee. Additional training and internal quality control checks will be implemented to ensure that metric is met. HAWC has also established checklists and procedures to ensure Rent Reasonableness is reviewed and approved prior to tenant move-in, using a third-party system to conduct

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2025

the rent reasonableness determinations. This metric will also be added to the internal quality control procedures to monitor compliance.

**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)

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.

Corrective Action Taken: The Housing Authority of Washington County (HAWC) is addressing these findings by implementing systems and policies that require secondary review of reports and determinations prior to upward reporting, voucher issuance, or tenant move-in. HAWC implemented systems in 2025 where the staff preparing and submitting the HUD 52681-B form will send the form to the Program Manager or Designee for review and approval stamp before the form is submitted to HUD in the VMS or eVMS system. A checklist has been created and a system updated on routing files after review for eligibility to have a secondary review and final approval prior to issuance of voucher by the program supervisor, program manager or designee. Additional training and internal quality control checks will be implemented to ensure that metric is met. HAWC has also established checklists and procedures to ensure Rent Reasonableness is reviewed and approved prior to tenant move-in, using a third-party system to conduct the rent reasonableness determinations. This metric will also be added to the internal quality control procedures to monitor compliance.

**Finding 2024-008**

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

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

Condition: Internal controls over compliance with requirement N.4 related to NSPIRE/Housing Quality Standards (HQS) in the 2024 OMB Compliance Supplement were not implemented and operating as designed.

Corrective Action Taken: During the audit period, the Housing Authority of Washington County (HAWC) was actively expanding its inspection team, increasing from two to five inspectors. This significant growth, coupled with an increase in the number of units and the ongoing recovery from COVID-19 related operational challenges, contributed to this isolated instance. HAWC has

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2025

implemented robust reporting mechanisms to monitor inspection schedules and proactively identify any units approaching or exceeding the 24-month inspection window. We are confident that these enhanced procedures and our expanded inspection team will ensure timely NSPIRE/HQS inspections for all HCV and PBV program units moving forward.

**Finding 2024-009**

Federal Program: AL 14.267 Continuum of Care Program

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

Condition: Internal controls over compliance with requirement N.1 related to reasonable rental rates in the 2024 OMB Compliance Supplement were not implemented and operating as designed.

Corrective Action

Taken: The Housing Authority of Washington County (HAWC) is addressing these findings by implementing systems and policies that require secondary review of reports and determinations prior to upward reporting, voucher issuance, or tenant move-in. HAWC implemented systems in 2025 where the staff preparing and submitting the HUD 52681-B form will send the form to the Program Manager or Designee for review and approval stamp before the form is submitted to HUD in the VMS or eVMS system. A checklist has been created and a system updated on routing files after review for eligibility to have a secondary review and final approval prior to issuance of voucher by the program supervisor, program manager or designee. Additional training and internal quality control checks will be implemented to ensure that metric is met. HAWC has also established checklists and procedures to ensure Rent Reasonableness is reviewed and approved prior to tenant move-in, using a third-party system to conduct the rent reasonableness determinations. This metric will also be added to the internal quality control procedures to monitor compliance.

**Finding 2024-010**

Federal Program: AL 14.267 Continuum of Care Program

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

Condition: Internal controls over compliance with requirement G.1. related to a match of no less than 25% in the 2024 OMB Compliance Supplement were not implemented and operating as designed.

**WASHINGTON COUNTY, OREGON**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)**

**YEAR ENDED JUNE 30, 2025**

Corrective Action  
Taken:

The Homeless Division, that administers the programmatic aspect of the Continuum of Care, reviewed budget allocations to subrecipients including the Housing Authority. Although match was reviewed and included in the approved County budget, the Homeless Division is developing and implementing policies and procedures to ensure documentation of match review is retained. In future fiscal years, Washington County has committed the match to subrecipients to ensure the match is met and eligible in alignment with HUD expenses.



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