



WASHINGTON COUNTY  
OREGON

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YEAR ENDED JUNE 30, 2018

Audit of Federal Awards Performed in Accordance  
with Uniform Guidance

# FEDERAL GRANT PROGRAMS

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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, 2018

Prepared by:

Washington County Finance Division

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**WASHINGTON COUNTY, OREGON  
FEDERAL GRANT PROGRAMS**

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

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County, Oregon, (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 21, 2018. Our report includes a reference to other auditors who audited the financial statements of Clean Water Services, a discretely presented component unit of the County, as described in our report on the County's financial statements. The financial statements of Clean Water Services were not audited in accordance with *Government Auditing Standards*.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as finding 2018-001, that we consider to be a significant deficiency.



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

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**COMPLIANCE AND OTHER MATTERS**

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

**COUNTY'S RESPONSE TO THE FINDING**

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

**PURPOSE OF THIS REPORT**

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

*Talbot, Harold F. Waswick, LLP*

Lake Oswego, Oregon  
December 21, 2018





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

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners  
Washington County, Oregon  
Hillsboro, Oregon

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited Washington County, Oregon's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT'S RESPONSIBILITY**

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

**AUDITOR'S RESPONSIBILITY**

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

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

**OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.



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

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

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

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

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

**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statement. We issued our report thereon dated December 21, 2018, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Clean Water Services, a discretely presented component unit of the County, as described in our report on the County's financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clean Water Services, is based solely on the report of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

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

**INDEPENDENT AUDITOR'S REPORT (Continued)**

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

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Talbot, Kowala & Warwick, LLP*

Lake Oswego, Oregon  
December 21, 2018

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**WASHINGTON COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2018**

Federal Grantor Pass-Through Grantor Program Title/Cluster	CFDA Number	Pass-Through Number	Expenditures Year Ended June 30, 2018	Amount Provided to Subrecipients
<b>U. S. DEPARTMENT OF AGRICULTURE:</b>				
Passed through Oregon Department of Education:				
School Breakfast Program	10.553	3408004	\$ 8,240	—
National School Lunch Program	10.555	3408004	13,443	—
<i>Total Child Nutrition Cluster</i>			<u>21,683</u>	<u>—</u>
Passed through Oregon Health Authority				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	154132	1,901,551	—
PEER Counseling	10.557	154132	137,241	—
<i>Total CFDA 10.557</i>			<u>2,038,792</u>	<u>—</u>
Partnership to Support Breastfeeding Training & Mentoring	10.577	MOU 17	8,139	—
Partnership to Support Breastfeeding Training & Mentoring	10.577	MOU 18	7,999	—
<i>Total CFDA 10.577</i>			<u>16,138</u>	<u>—</u>
<b>TOTAL U. S. DEPARTMENT OF AGRICULTURE</b>			<b><u>2,076,613</u></b>	<b><u>—</u></b>
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Mortgage Insurance for Purchase/Refinance of Existing Multifamily Housing Projects	14.155	DIRECT	2,029,647	—
Community Development Block Grants/Entitlement Grants 14	14.218	DIRECT	360,690	360,690
Community Development Block Grants/Entitlement Grants 15	14.218	DIRECT	510,873	510,873
Community Development Block Grants/Entitlement Grants 16	14.218	DIRECT	611,255	611,255
Community Development Block Grants/Entitlement Grants 17	14.218	DIRECT	1,092,583	1,092,583
<i>Total CDBG-Entitlement Grants Cluster</i>			<u>2,575,401</u>	<u>2,575,401</u>
Emergency Solutions Grants Program 16	14.231	DIRECT	3,918	3,918
Emergency Solutions Grants Program 17	14.231	DIRECT	136,387	136,387
<i>Total CFDA 14.231</i>			<u>140,305</u>	<u>140,305</u>
Shelter Plus Care	14.238	DIRECT	5,630	—
Home Investment Partnerships Program 14	14.239	DIRECT	625,505	625,505
Home Investment Partnerships Program 15	14.239	DIRECT	509,312	509,312
Home Investment Partnerships Program 16	14.239	DIRECT	187,345	187,345
Home Investment Partnerships Program 17	14.239	DIRECT	193,584	193,584
Home Investment Partnerships - FY 17-18 Beginning Loan Balances	14.239	DIRECT	28,592,088	—
<i>Total CFDA 14.239</i>			<u>30,107,834</u>	<u>1,515,746</u>
Continuum of Care Program	14.267	DIRECT	3,167,867	671,182
Public and Indian Housing	14.850	DIRECT	856,018	—
Section 8 Housing Choice Vouchers	14.871	DIRECT	26,468,470	—
<i>Total Housing Voucher Cluster</i>			<u>26,468,470</u>	<u>—</u>
Public Housing Capital Fund	14.872	DIRECT	846,760	—
Family Self-Sufficiency Program	14.896	DIRECT	109,339	—
<b>TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b><u>66,307,271</u></b>	<b><u>4,902,634</u></b>
<b>U. S. DEPARTMENT OF THE INTERIOR:</b>				
Recreation Resources Management - ADA Improvements - Hagg Lake	15.524	DIRECT	4,380	—
<b>TOTAL U. S. DEPARTMENT OF THE INTERIOR</b>			<b><u>4,380</u></b>	<b><u>—</u></b>
<b>U. S. DEPARTMENT OF JUSTICE:</b>				
Passed through the Oregon Department of Justice				
Crime Victim Assistance - Basic Grant	16.575	VOCA-NC-2015-WA CO DAVAP-00056	69,151	—
Crime Victim Assistance - OT Grant	16.575	VOCA-OT-2016-WA CO DAVAP-00113	30,856	—
Crime Victim Assistance - 17-19	16.575	VOCA-CFA-2017-WA CO DAVAP-00060	233,857	—
Crime Victim Assistance - 17-19 Expansion	16.575	VOCA-CFA-2017-WA CO DAVAP-00060	22,341	—
Crime Victim Assistance - 18-19 Support Services & Training	16.575	VOCA-SST-2018-WA CO DAVAP-00069	2,869	—
Crime Victim Assistance - 2015 Elder Safe	16.575	VOCA-CFA-2015-WCSO-00022	943	—
Crime Victim Assistance - 2017 Elder Safe	16.575	VOCA-CFA-2017-WCSO-00059	43,237	—
<i>Total CFDA 16.575</i>			<u>403,254</u>	<u>—</u>
Edward Byrne Memorial Justice Assistance Grant Program (2014-DJ-BX-0353)	16.738	DIRECT	10,806	—
Edward Byrne Memorial Justice Assistance Grant Program (2016-DJ-BX-0708)	16.738	DIRECT	35,627	—
<i>Total CFDA 16.738</i>			<u>46,433</u>	<u>—</u>
Passed through Multnomah County				
Harold Rogers Prescription Drug Monitoring	16.754	2016-PM-BX-K003	537	—
Equitable Sharing Program	16.922	DIRECT	27,498	—
<b>TOTAL U. S. DEPARTMENT OF JUSTICE</b>			<b><u>477,722</u></b>	<b><u>—</u></b>

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, 2018**

Federal Grantor Pass-Through Grantor Program Title/Cluster	CFDA Number	Pass-Through Number	Expenditures Year Ended June 30, 2018	Amount Provided to Subrecipients
<b>U. S. DEPARTMENT OF TRANSPORTATION:</b>				
Passed through Oregon Department of Transportation				
Highway Planning and Construction (SW Tualatin-Sherwood Rd)	20.205	27542	24,821	—
Highway Planning and Construction (Durham Rd-Upper Boones Ferry Rd)	20.205	30250	7,830	—
Highway Planning and Construction (SO Workzone)	20.205	1719WKZN-421 III	30,078	—
Highway Planning and Construction (Beef Bend Culvert)	20.205	31215	45,638	—
Highway Planning and Construction (Urban Arterial Pedestrian Crossing)	20.205	31158	20,944	—
Highway Planning and Construction (Basalt Creek Ext: Grahams Ferry Rd/Boones Ferry Rd)	20.205	31033	16,195	—
<i>Total Highway Planning and Construction Cluster</i>			145,506	—
Passed through Metro				
Federal Transit Formula Grant - Regional Travel Options Program	20.507	934637	5,500	—
<i>Total Federal Transit Cluster</i>			5,500	—
Passed through Ride Connection, Inc				
Job Access and Reverse Commute Program - Ride Connection	20.516	931981 WCC	6,374	—
<i>Total Transit Services Programs Cluster</i>			6,374	—
Passed through Oregon Department of Transportation				
State and Community Highway Safety - 16-17 Speed OT Enforcement	20.600	SC-17-35-11WCS	31,493	—
State and Community Highway Safety - 17-18 Speed OT Enforcement	20.600	SC-18-35-11WCS	1,766	—
<i>Total CFDA 20.600</i>			33,259	—
Passed through Oregon State Sheriff's Association				
National Priority Safety Programs - DUII OT Enforcement 17-18	20.616	164AL-18-14-21	38,808	—
National Priority Safety Programs - DUII OT Enforcement 16-17	20.616	M6X-17-12-21	19,740	—
National Priority Safety Programs - Safety Belt OT 17-18	20.616	M1HVE-18-46-08	19,652	—
National Priority Safety Programs - Safety Belt OT 16-17	20.616	M1HVE-17-46-08	17,964	—
<i>Total CFDA 20.616</i>			96,164	—
<i>Total Highway Safety Cluster (20.600 &amp; 20.616)</i>			129,423	—
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>286,803</b>	<b>—</b>
<b>U. S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</b>				
Passed through United Way of the Columbia-Willamette				
LSTA Grant: Bridging Cultures - Growing Early Readers	45.310	UWELWC-8321617-01/LS-00-17-0038-17	26,936	24,436
Passed through Oregon State Library				
Fostering Grade Level Reading	45.310	17-11-5p/LS-00-17-0038-17	46,148	—
<i>Total CFDA 45.310</i>			73,084	24,436
<b>TOTAL U. S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			<b>73,084</b>	<b>24,436</b>
<b>U. S. ENVIRONMENTAL PROTECTION AGENCY:</b>				
Passed through Oregon Health Authority				
Public Water System Supervision Grant - Safe Drinking Water	66.432	154132	13,801	—
Capitalization Grants for Drinking Water State Revolving Funds - Recovery	66.468	154132	24,532	—
<i>Total Drinking Water State Revolving Fund Cluster</i>			24,532	—
<b>TOTAL U. S. ENVIRONMENTAL PROTECTION AGENCY</b>			<b>38,333</b>	<b>—</b>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Passed through Oregon Department of Human Services				
Title VII Chapter 3 Prevention of Elder Abuse, Neglect, and Exploitation-Elder Rights	93.041	154432	4,703	—
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	154432	14,242	—
Title III, Part E - National Family Caregiver Support	93.052	154432	168,494	—
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	154432	475,696	—
Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	154432	304,189	—
Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	154432	311,037	—
Nutrition Services Incentive Program	93.053	154432	180,530	—
<i>Total Aging Cluster (93.044, 93.045, 93.053)</i>			1,271,452	—
Passed through Oregon Health Authority				
Medical Reserve Corps	93.069	153477/SNU90TP000544-05-00	1,387	—
Public Health Emergency Preparedness - City Readiness	93.069	154132	299,096	98,795
Public Health Emergency Preparedness - Communicable Disease Response Program	93.069	154132	208,054	—
<i>Total CFDA 93.069</i>			508,537	98,795
Public Health Impact Assessment	93.070	142031	3,562	—
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program				
Special Programs for the Aging, Title IV, Title II - Senior Medicare Patrol	93.048	40G000141	30,000	—
Passed through Oregon Dept of Consumer and Business Services - SHIBA Program				
Medicare Enrollment Asst Program - MIPPA	93.071	45G000210-02	3,384	—
Passed through the National Council on Aging, Inc.				
Medicare Enrollment Asst Program - National Council on Aging 16-17	93.071	NCOA 16-17	26,245	—
Medicare Enrollment Asst Program - National Council on Aging 2018	93.071	NCOA #1237	50,000	—
<i>Total CFDA 93.071</i>			79,629	—
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, 2018**

Federal Grantor Pass-Through Grantor Program Title/Cluster	CFDA Number	Pass-Through Number	Expenditures Year Ended June 30, 2018	Amount Provided to Subrecipients
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: (continued)</b>				
Passed through Work Systems, Inc. Health Profession Opportunity Grant	93.093	90FX0044-01-00/15-60606	171,351	—
Passed through Oregon Health Authority FDA Training for VPS Standard 2 Compliance	93.103	154132	1,383	—
Tuberculosis Case Management	93.116	154132	17,956	—
Reproductive Health Program	93.217	154132	90,367	90,367
Passed through Oregon Health Authority Tobacco Prevention & Education	93.305	154132	684	—
Passed through Oregon Department of Consumer and Business Services Senior Health Insurance Assistance Program - SHIBA 16-18	93.324	45G000218-01	14,810	—
Senior Health Insurance Assistance Program - SHIBA 18-20	93.324	45G000218-02	14,324	—
<i>Total CFDA 93.324</i>			<u>29,134</u>	<u>—</u>
Passed through Oregon Department of Justice Child Support Enforcement	93.563	15442/04ORCSES	1,545,597	—
Passed through Oregon Department of Human Services Foster Care Title IV-E - Juvenile Dependency Litigation Program	93.658	148555	48,799	—
Foster Care Title IV-E - Foster Care Program	93.658	145711	79,666	—
<i>Total CFDA 93.658</i>			<u>128,465</u>	<u>—</u>
Passed through Oregon Department of Education - Youth Development Council Social Services Block Grant - Youth and Community Tier 1, Good Behavior Game	93.667	11653	100,000	35,083
Passed through Multnomah County HIV Emergency Relief Project Grants - Ryan White HIV/AIDS Treatment	93.914	4400003167	10,350	—
Passed through Oregon Health Authority HIV Prevention Activities - Health Department Based	93.940	154132	156,552	62,099
Block Grants for Community MH Svc - MH20 Block Grant	93.958	153140	99,465	99,465
Block Grants for Community MH Svc - MH 26 Non-Residential Youth Designated	93.958	153140	99,465	99,465
<i>Total CFDA 93.958</i>			<u>198,930</u>	<u>198,930</u>
Block Grants for Prevention and Treatment of Substance Abuse AD60	93.959	153140	178,125	—
Block Grants for Prevention and Treatment of Substance Abuse AD61	93.959	153140	17,020	—
Block Grants for Prevention and Treatment of Substance Abuse AD63	93.959	153140	111,849	—
Block Grants for Prevention and Treatment of Substance Abuse AD66	93.959	153140	652,149	—
Block Grants for Prevention and Treatment of Substance Abuse AD67	93.959	153140	143,388	—
Block Grants for Prevention and Treatment of Substance Abuse SAPT	93.959	154960	334,686	31,291
<i>Total CFDA 93.959</i>			<u>1,437,217</u>	<u>31,291</u>
Maternal & Child Health Services Block Grant - Title V Child & Adolescent Health	93.994	154132	59,329	—
Maternal & Child Health Services Block Grant - Title V Flex Funds	93.994	154132	138,434	—
Passed through Oregon Health & Science University Maternal and Child Health Services Block Grant - CaCoon	93.994	1004395/143021/B04MC29358	69,000	—
<i>Total CFDA 93.994</i>			<u>266,763</u>	<u>—</u>
<b>TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>6,235,368</b></u>	<u><b>516,565</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	95.001	G17OR003A	46,033	—
High Intensity Drug Trafficking Areas	95.001	WIN-2018 (CR-1)	26,870	—
<i>Total CFDA 95.001</i>			<u>72,903</u>	<u>—</u>
<b>TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT</b>			<u><b>72,903</b></u>	<u><b>—</b></u>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY:</b>				
Passed through City of Portland (PBEM) Non-Profit Security Program - UASI Regionalization Project (Public Health)	97.008	30004542/14-170	19,333	—
Passed through Oregon Military Department of Emergency Management: Emergency Management Performance Grant 15-16	97.042	EMS-2017-EP-00001-S01/17-354	331,424	—
Homeland Security Grant Program - State Homeland Security Program - Planning	97.067	EMW-2015-SS-00044-S01/15-258	25,000	—
Homeland Security Grant Program - State Homeland Security Program - Active Shooter	97.067	EMW-2016-SS-00089-S01/16-258	41,250	—
Passed through City of Portland (PBEM) Homeland Security Grant Program - UASI	97.067	EMW-2016-SS-00089-S01/16-170	27,712	—
<i>Total CFDA 97.067</i>			<u>93,962</u>	<u>—</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u><b>444,719</b></u>	<u><b>—</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 76,017,196</b></u>	<u><b>5,443,635</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, 2018

**General**

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

**Basis of Presentation**

The Schedule includes the federal award activity of the County under programs of the federal government for the year ended June 30, 2018. 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 allowed under the Uniform Guidance.

**HOME Program**

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

<u>Program</u>	<u>Federal CFDA* Number</u>		<u>Expenditures Year Ended June 30, 2018</u>	<u>Loans Outstanding June 30, 2018</u>
HOME	14.239	\$	1,515,746	30,346,148

*\*Catalog of Federal Domestic Assistance*

**Non-cash Federal Financial Assistance**

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

<u>Description</u>	<u>Federal CFDA Number</u>		<u>Expenditures Year Ended June 30, 2017</u>
Food Donation	10.553	\$	8,240
Food Donation	10.555		13,443

**WASHINGTON COUNTY, OREGON**

Notes to Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2018

**Section 8 Housing Choice Vouchers Program (CFDA 14.871)**

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

**Reporting Under Clusters for Major Programs**

While the Housing Voucher Cluster encompasses CFDA Nos. 14.871 and 14.879, the County only expended funds under the 14.871 program.

**WASHINGTON COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

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

***Financial Statements***

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

***Federal Awards***

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

CFDA No. 14.218	CDBG – Entitlement Grants Cluster
CFDA No. 14.239	Home Investment Partnership Program
CFDA No. 14.267	Continuum of Care Program
CFDA No. 93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs	\$2,280,516
Auditee qualified as low-risk auditee?	No

**WASHINGTON COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2018**

**SECTION II – FINANCIAL STATEMENT FINDING**

**Finding 2018-001**

Criteria: The County has a system of internal controls over financial reporting; however, it is not consistently followed.

Condition: Various misclassifications and lack of following existing internal controls were noted.

Context: During our test of controls over the revenue cycle, including property tax revenue, it was noted that there was no evidence of a review of daily cash reconciliations being consistently performed.

During revenue and expenditure testing, there were classification and cutoff errors noted in journal entries that had been reviewed and approved by someone other than the preparer.

During capital asset testing, it was noted that certain additions, disposals, and transfers were misclassified.

At commencement of the audit, accounts payable detail had not been reconciled to the trial balance. Once requested for the audit, such reconciliation was not completed in a timely fashion.

Effect: Lack of following existing internal controls, classification errors, and delayed and ineffective review has the potential to cause significant misstatements in the financial statements.

Cause: Personnel turnover due to retirements; new roles and assignments; resource constraints; need for improved training; and lack of emphasis on internal controls.

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

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

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

No matters were reported.

WASHINGTON COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2018

**Finding 2017-001 (Repeat of Finding 2016-001)**

Condition: Several errors were noted in the financial statements and the note disclosures regarding classification, accuracy, and articulation within the report. Additionally, the change in the investment in the limited partnership was not recorded (prior year finding) and foreclosed property received from the County was not recorded in the trial balance as presented for audit. As a result of the audit, both adjusting journal entries were posted and the presentation of the balances in the financial statements and note disclosures were corrected.

Corrective Action

Taken: The Authority worked with the County to restructure its Accounting Office and add additional staff with the knowledge and expertise that are necessary to prepare the required financial statements. The Authority also updated its year-end closing checklist to fully encompass all applicable limited partnership activity. This ensures that all investment in partnership equity values and donated property from the County to the Authority are captured and recorded properly. The Authority has also established a more comprehensive partnership with the County's finance staff and is coordinating with them to ensure all activity is appropriately disclosed in conformity US GAAP.

**Finding 2017-002**

Condition: The County double recorded capital asset additions in the amount of \$2.8 million in the current fiscal year related to land and buildings.

Corrective Action

Taken: The County has chosen to strictly adhere to its established process of only booking all capital asset projects, including land and building purchases, at the end of each fiscal year in order to avoid the issue of inadvertently double-booking assets as did in fiscal year 2017-18.

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