



REPORTS OF INDEPENDENT AUDITORS AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**MARION COUNTY, OREGON
FEDERAL GRANT PROGRAMS**

June 30, 2021

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Report of Independent Auditors 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*

Board of Commissioners
Marion County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and remaining fund information, and each major fund of Marion County, Oregon (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Marion County Housing Authority, a component unit of the County, which represents 12%, 23%, and 1%, respectively, of the assets, net position/fund balances, and revenues of the aggregate discretely presented component unit and remaining fund information, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 statements. 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*.

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

Mass Adams LLP

Medford, Oregon
February 28, 2022

Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Commissioners
Marion County, Oregon

Report on Compliance for Each Major Federal Program

We have audited Marion 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, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Marion County Housing Authority ("MCHA"), a discretely presented component unit of the County, which expended \$7,322,934 in federal awards, which is not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of MCHA because MCHA engaged other auditors to perform an audit on compliance over MCHA's separately issued schedule of expenditures of federal awards for the year ended December 31, 2020.

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, 2021.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 the 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 unit and remaining fund information and each major fund of the County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated February 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. 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.

Moss Adams LLP

Medford, Oregon
April 20, 2022

Marion County, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Passed Through To Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>DEPARTMENT OF AGRICULTURE</u>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Oregon Health Authority	159823	\$ -	\$ 1,049,436
Total Department of Agriculture				-	1,049,436
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants Cluster	14.218	Direct	n/a	-	41,042
Subtotal CDBG - Entitlement Grants Cluster				-	41,042
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Oregon Business Development Department	D21001	-	49,986
Total Department of Housing and Urban Development				-	91,028
<u>DEPARTMENT OF JUSTICE</u>					
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	Direct	n/a	-	14,114
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	Oregon Criminal Justice Commission	2020-VD-BX-0540	-	373,945
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	Oregon Department of Corrections	6053	-	21,896
Subtotal COVID-19 Coronavirus Emergency Supplemental Funding				-	409,955
Juvenile Justice and Delinquency Prevention	16.540	Oregon Department of Education	14214	-	10,935
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA-C-2019 VOCA-CFA-2019	-	496,937
Violence Against Women Formula Grants	16.588	Oregon Department of Justice	VAWA-C-2018/20	-	162,843
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	Direct	n/a	-	407,337
Total Department of Justice				-	1,488,007

Marion County, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Passed Through To Subrecipients</u>	<u>Total Federal Expenditures</u>
DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	Oregon Department of Transportation	18140	\$ -	\$ 1,387,014
Highway Planning and Construction	20.205	Oregon Department of Transportation	18750	-	246,913
Highway Planning and Construction	20.205	Oregon Department of Transportation	19237	-	2,581,415
Highway Planning and Construction	20.205	Oregon Department of Transportation	19700	-	25,646
Highway Planning and Construction	20.205	Oregon Department of Transportation	19701	-	57,267
Highway Planning and Construction	20.205	Oregon Department of Transportation	20666	-	9,497
Highway Planning and Construction	20.205	Oregon Department of Transportation	20743	-	433,501
Highway Planning and Construction	20.205	Oregon Department of Transportation	20744	-	9,904
Highway Planning and Construction	20.205	Oregon Department of Transportation	20745	-	236,056
Highway Planning and Construction	20.205	Oregon Department of Transportation	21034	-	25,466
Highway Planning and Construction	20.205	Oregon Department of Transportation	21301	-	44,878
Highway Planning and Construction	20.205	Oregon Department of Transportation	21656	-	2,488
Highway Planning and Construction	20.205	Oregon Department of Transportation	21896	-	340
Highway Planning and Construction	20.205	Oregon Department of Transportation	21998	-	6,345
Highway Planning and Construction	20.205	Oregon Department of Transportation	22002	-	9,292
Highway Planning and Construction	20.205	Oregon Department of Transportation	22003	-	5,988
Highway Planning and Construction	20.205	Oregon Department of Transportation	22005	-	10,333
Highway Planning and Construction	20.205	Oregon Department of Transportation	DDIR OR202002 Marion-001	-	169,743
Subtotal Highway Planning and Construction				-	5,262,088
Federal Lands Access Program	20.224	Direct	n/a	-	1,131,241
Subtotal Highway Planning and Construction Cluster				-	6,393,329
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Oregon Impact	69A37518300001640R1	-	1,316
Highway Safety Cluster:					
State and Community Highway Safety	20.600	Oregon Department of Transportation	69A375203000040200RO	-	2,195
State and Community Highway Safety	20.600	Oregon Impact	69A375130000405eORC M1HVE214603 MAR	-	893
National Priority Safety Programs	20.616	Oregon Department of Transportation		-	1,517
National Priority Safety Programs	20.616	Oregon Impact	69A3751830000405hOR0	-	779
Subtotal Highway Safety Cluster				-	5,383
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	Oregon State Police	693JK31940034HMEP	-	20,175
Total Department of Transportation				-	6,420,203

Marion County, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Passed Through To Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>DEPARTMENT OF TREASURY</u>					
COVID-19 Coronavirus Relief Fund	21.019	Oregon Department of Administrative Services	1024/2505	\$ -	\$ 10,415,377
COVID-19 Coronavirus Relief Fund	21.019	Oregon Health Authority	159823/159174	-	6,725,933
Total Department of Treasury				-	17,141,311
<u>GENERAL SERVICES ADMINISTRATION</u>					
Donation of Federal Surplus Personal Property	39.003	Oregon Department of Administrative Services	unknown	-	2,484
Total General Services Administration				-	2,484
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Public Health Emergency Preparedness	93.069	Oregon Health Authority	159823	-	157,671
Immunization Cooperative Agreements	93.268	Oregon Health Authority	159823	-	96,958
COVID-19 Immunization Cooperative Agreements	93.268	Oregon Health Authority	159823	-	1,467,990
Subtotal Immunization Cooperative Agreements				-	1,564,948
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Oregon Health Authority	159823	-	20,000
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Oregon Health Authority	159823	-	236,856
COVID-19 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	National Assoc County City Health Officials	2020-121403	-	39,819
COVID-19 Provider Relief Fund	93.498	Direct	n/a	-	6,665
Child Support Enforcement	93.563	Oregon Department of Justice	04ORCSES/193000	-	1,349,249
Low-Income Home Energy Assistance	93.568	Mid-Willamette Valley Community Action Agency	unknown	-	2,685
Foster Care Title IV-E	93.658	Oregon Department of Human Services	145834	-	366,290
Opioid STR	93.788	Oregon Health Authority	159174/168319	-	264,047
HIV Prevention Activities Health Department Based	93.940	Oregon Health Authority	159823	-	61,111
Block Grants for Community Mental Health Services	93.958	Oregon Health Authority	159174/166051	-	563,059
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Oregon Health Authority	159174/159823/166051	233,212	1,014,548
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health Authority	168319	-	115,032
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health & Science University	B04MC31511	-	78,674
Subtotal Maternal and Child Health Services Block Grant to the States				-	193,706
Total Department of Health and Human Services				233,212	5,840,654

See notes to schedule of expenditures of federal awards.

Marion County, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Passed Through To Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Oregon Military Department	4499-DR-OR	\$ -	\$ 512,965
Emergency Management Performance Grants	97.042	Oregon Military Department	EMPG 19-524/20-524	-	161,363
Homeland Security Grant Program	97.067	Oregon Military Department	19-244	-	6,920
Total Department of Homeland Security				-	681,248
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 233,212	\$ 32,714,370

Marion County, Oregon
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Marion County, Oregon (County) under programs of the federal government for the year ended June 30, 2021. The information in this SEFA 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 SEFA 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.

The reporting entity is fully described in the notes to the County's basic financial statements for the year ended June 30, 2021. Those statements include the operations of the Marion County Housing Authority (MCHA), a discretely presented component unit of the County. Federal awards expended by MCHA are reported separately and are not included in this SEFA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA 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. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 - INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Instead, the County prepares an annual Federal Cost Allocation Plan and Indirect Cost Rate Proposal to allocate indirect costs to federal awards.

NOTE 4 – DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

The County received \$3,298,032 in donated Personal Protective Equipment (PPE) from various entities in response to the COVID-19 pandemic for the year ended June 30, 2021. The donors were unable to identify the funding source (federal, state, or local) for the donated items, therefore the County has elected to disclose all of the items received during the fiscal year at fair value.

Marion County, Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported
 Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported
 Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster	Type of Auditor’s Report Issued on Compliance for Major Federal Programs
21.019	COVID-19 - Coronavirus Relief Fund	Unmodified
93.268	Immunization Cooperative Agreements	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 981,431

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

