



Reports of Independent Auditors and
Schedule of Expenditures of Federal Awards

**Marion County, Oregon
Federal Grant Programs**

June 30, 2023

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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*

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, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Marion County, Oregon (the County) as of and for the year ended June 30, 2023, 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 28, 2024. Our report includes a reference to other auditors who audited the financial statements of the Marion County Housing Authority, a discretely presented component unit, 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.

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. 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 or significant deficiencies may exist that were not identified.

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 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Medford, Oregon
March 28, 2024

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

Opinion on Each Major Federal Program

We have audited Marion 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, 2023. 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 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, 2023.

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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

Marion County, Oregon's basic financial statements include the operations of Marion County Housing Authority, the discretely presented component unit of the County, which expended \$10,344,293 in federal awards for the year ended September 30, 2022 which is not included in Marion County, Oregon's schedule of expenditures of federal awards during the year ended June 30, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of Marion County Housing Authority because Marion County Housing Authority engaged other auditors to perform an audit of compliance.

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.

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.

Report on 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Marion County, Oregon as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise the County's basic financial statements. We issued our report thereon dated March 28, 2024, 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.



Medford, Oregon
March 29, 2024

Marion County, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Oregon Health Authority	169523	\$ -	\$ 1,077,942
Total Department of Agriculture				-	1,077,942
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants Cluster	14.218	Direct	N/A	607,714	799,270
Subtotal CDBG - Entitlement Grants Cluster				607,714	799,270
Home Investment Partnerships Program	14.239	Direct	N/A	-	53,033
COVID-19 Home Investment Partnerships Program	14.239	Direct	N/A	-	40,004
Subtotal Home Investment Partnership Program				-	93,037
Total Department of Housing and Urban Development				607,714	892,307
DEPARTMENT OF JUSTICE					
COVID-19 Coronavirus Emergency Supplemental Funding	16.034	Oregon Criminal Justice Commission	2020-VD-BX-0540/CESF-20-11	-	33,318
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA/CFA-2021-MarionCo.DAVAP-00111	-	403,796
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA-C-FR-2019-MarionCo.DAVAP-00022	-	42,992
Subtotal Crime Victim Assistance				-	446,788
Violence Against Women Formula Grants	16.588	Oregon Department of Justice	VAWA-C-2020-MarionCo.DAVAP-00009	-	134,619
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Oregon Criminal Justice Commission	VAWA-C-2020-MarionCo.DAVAP-00009	-	188,997
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Oregon Criminal Justice Commission	CJC GRANT SC-23-028 ADULT DRUG	-	139,321
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Oregon Criminal Justice Commission	CJC GRANT SC-23-030 MH COURT	-	58,435
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Oregon Criminal Justice Commission	CJC GRANT SC-23-029 FATC	-	81,815
Subtotal Edward Byrne Memorial Justice Assistance Grant Program			CJC GRANT SC-23-037 STAR COURT	-	468,568
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	Direct	N/A	-	244,109
Equitable Sharing Program	16.922	Direct	N/A	-	9,259
Total Department of Justice				-	1,336,661

Marion County, Oregon

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
<u>DEPARTMENT OF TRANSPORTATION</u>					
Highway Planning and Construction	20.205	Oregon Department of Transportation	31593	\$ -	\$ 45,952
Highway Planning and Construction	20.205	Oregon Department of Transportation	34107	-	886,902
Highway Planning and Construction	20.205	Oregon Department of Transportation	35121	-	12,818
Highway Planning and Construction	20.205	Oregon Department of Transportation	31095	-	3,640,567
Highway Planning and Construction	20.205	Oregon Department of Transportation	32444/34108	-	1,657,669
Highway Planning and Construction	20.205	Oregon Department of Transportation	32751	-	102,327
Highway Planning and Construction	20.205	Oregon Department of Transportation	33277	-	171,216
Highway Planning and Construction	20.205	Oregon Department of Transportation	33758	-	251,137
Highway Planning and Construction	20.205	Oregon Department of Transportation	34018	-	5,574
Highway Planning and Construction	20.205	Oregon Department of Transportation	34298	-	135,524
Highway Planning and Construction	20.205	Oregon Department of Transportation	34299	-	120,969
Highway Planning and Construction	20.205	Oregon Department of Transportation	34386	-	335,023
Highway Planning and Construction	20.205	Oregon Department of Transportation	34397	-	324,642
Highway Planning and Construction	20.205	Oregon Department of Transportation	34622	-	1,718
Highway Planning and Construction	20.205	Oregon Department of Transportation	34659	-	127,571
Highway Planning and Construction	20.205	Oregon Department of Transportation	30969	-	1,028,793
Subtotal Highway Planning and Construction				-	8,848,402
Motor Carrier Safety Administration - FMCSA Cluster	20.218	Oregon Department of Transportation	73000-00007314	-	7,080
Federal Lands Access Program	20.224	Direct	N/A	-	1,735,008
Highway Safety Cluster:					
State and Community Highway Safety	20.600	Oregon Impact	69A375203000040200RO	-	22,802
National Priority Safety Programs	20.616	Oregon Department of Transportation	69A3752030000405BORH	-	7,041
National Priority Safety Programs	20.616	Oregon Impact	69A3752030000405DORM	-	548
National Priority Safety Programs	20.616	Oregon Impact	69A3752030000405EORC	-	4,917
Subtotal National Priority Safety Programs				-	12,506
Subtotal Highway Safety Cluster				-	35,308
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	Oregon State Police	693JK31940034HMEP	-	19,200
Total Department of Transportation				-	10,644,998

Marion County, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
<u>DEPARTMENT OF TREASURY</u>					
Equitable Sharing Program	21.016	Direct	N/A	\$ -	\$ 1,365
COVID-19 Emergency Rental Assistance Program	21.023	Direct	N/A	2,803,511	4,294,310
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	N/A	3,984,370	7,897,213
Total Department of Treasury				<u>6,787,881</u>	<u>12,192,888</u>
<u>GENERAL SERVICES ADMINISTRATION</u>					
Disposal of Federal Surplus Real Property	39.002	Oregon Department of Administrative Services	unknown	-	4,000
Total General Services Administration				-	4,000
<u>THE INSTITUTE OF MUSEUM AND LIBRARY</u>					
COVID-19 Grants to States	45.310	State Library of Oregon	LS-250233-OLS-21	-	10,560
Total The Institute of Museum and Library				-	10,560
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Public Health Emergency Preparedness	93.069	Oregon Health Authority	169523	-	145,718
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Oregon Health Authority	169523	-	36,442
Immunization Cooperative Agreements	93.268	Oregon Health Authority	169523	-	81,488
COVID-19 Immunization Cooperative Agreements	93.268	Oregon Health Authority	169523	-	115,836
Subtotal Immunization Cooperative Agreements				<u>-</u>	<u>197,324</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Oregon Health Authority	169523	-	1,908,467
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Oregon Health Authority	169523	-	552,595
Child Support Enforcement	93.563	Oregon Department of Justice	19300	-	1,323,905
Low-Income Home Energy Assistance	93.568	Mid-Willamette Valley Community Action Agency	JV-2423-18	-	5,025
Foster Care Title IV-E	93.658	Oregon Department of Human Services	172632	-	343,876
Opioid STR	93.788	Oregon Health Authority	173144	-	40,000
HIV Prevention Activities Health Department Based	93.940	Oregon Health Authority	169523	-	83,755

Marion County, Oregon

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Block Grants for Community Mental Health Services	93.958	Oregon Health Authority	173144	\$ -	\$ 656,377
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Oregon Health Authority	169523/173144	144,766	1,087,365
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health Authority	169523	-	111,179
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health & Science University	1015198_Marion	-	77,698
Subtotal Maternal and Child Health Services Block Grant to the States				-	188,877
Total Department of Health and Human Services				144,766	6,569,726
DEPARTMENT OF HOMELAND SECURITY					
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Oregon Military Department	FEMA-4599-DR-OR	-	3,700,297
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)*	97.036	Oregon Military Department	FEMA-4562-DR-OR	-	171,305
Subtotal Disaster Grants-Public Assistance (Presidentially Declared Disasters)				-	3,871,602
Emergency Management Performance Grants	97.042	Oregon Military Department	22-523	-	147,253
Homeland Security Grant Program	97.067	Oregon Military Department	21-234	-	1,798
Homeland Security Grant Program	97.067	Oregon Military Department	22-275	-	2,020
Subtotal Homeland Security Grant Program				-	3,818
Total Department of Homeland Security				-	4,022,673
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 7,540,361	\$ 36,751,755

* Expenditures incurred in the prior fiscal year, but awarded in the current fiscal year.

Marion County, Oregon
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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, 2023. 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/fund balance, 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, 2023. 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.

Marion County, Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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
21.023	COVID-19 Emergency Rental Assistance Program	Unmodified
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Unmodified
20.205	Highway Planning and Construction	Unmodified
20.224	Federal Lands Access Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 1,102,553

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.

