

# **MULTNOMAH COUNTY, OREGON**

## **Schedule of Expenditures of Federal Awards and Reports of Independent Certified Public Accountants**

**For the Fiscal Year Ended June 30, 2009**



Prepared by:

Department of County Management  
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**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards and**  
**Reports of Independent Certified Public Accountants**  
**For the Year Ended June 30, 2009**  
**Table of Contents**

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	<u><b>Pages</b></u>
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report of Independent Certified Public Accountants on the County's Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	3-4
Schedule of Expenditures of Federal Awards	5-11
Notes to Schedule of Expenditures of Federal Awards	12-13
Schedule of Findings and Questioned Costs	14-17
Management's Views and Corrective Action Plan to Current Year Audit Findings and Questioned Costs	18-19
Summary Schedule of Prior Year audit Findings and Questioned Costs	20-21



**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**

The Board of County Commissioners  
Multnomah County, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Multnomah County, Oregon (the County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 24, 2009. Our report was modified to include a reference to other auditors. We conducted our audit 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. Other auditors audited the financial statements of The Library Foundation, a discretely presented component unit, as described in our report of the County's financial statements. The financial statements of The Library Foundation were not audited in accordance with *Government Auditing Standards*.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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*.

We noted certain matters that we reported to management of the County in a separate letter dated January 11, 2010.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners, the Secretary of State, Divisions of Audits, of the State of Oregon, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Eugene, Oregon  
November 24, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of County Commissioners  
Multnomah County, Oregon

***COMPLIANCE***

We have audited the compliance of Multnomah County (County) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-01 and 2009-02.

***INTERNAL CONTROL OVER COMPLIANCE***

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below.

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-01 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

#### ***SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Multnomah County, Oregon (the County) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 24, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams, LLP*

Eugene, Oregon  
January 15, 2010, except for  
the Schedule of Expenditures of  
Federal Awards, which is dated November 24, 2009



**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<b>Grantor and Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	2613007	61,982
National School Lunch Program	10.555	2613007	119,670
Total Child and Nutrition Cluster			<u>181,652</u>
Passed Through State Department of Human Services:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	1936002309	2,558,100
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	1936002309	2,073,088
Passed Through State Department of Agriculture:			
Schools and Roads_Grants to States	10.665	PI 106-393	885,505
Total U.S. Department of Agriculture			<u>5,698,344</u>
<u>U.S. Department of Commerce</u>			
Passed Through National Association of Area Agencies:			
Special Projects	11.553	93-6002309	25,000
Total Department of Commerce			<u>25,000</u>
<u>U.S. Department of Defense</u>			
Passed Through Oregon Department of Administrative Services:			
Payments to States in Lieu of Real Estate Taxes	12.112	1936002309	1,125
Total Department of Defense			<u>1,125</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		269,330
Supportive Housing Program	* 14.235		2,036,010
Healthy Homes Demonstration Grants	14.901		179,130
Passed Through City of Portland:			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	38109	135,000
Total Department of Housing and Urban Development			<u>2,619,470</u>
<u>U.S. Department of Interior</u>			
Direct Programs:			
Payment in Lieu of Taxes	15.226		43,023
Distribution of Receipts to State and Local Governments	15.227		1,047,759
Total Department of Interior			<u>1,090,782</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Services for Trafficking Victims	16.320		130,938

\* Indicates a Major Program

(continued)

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<b>Grantor and Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Justice</u> (continued)			
Supervised Visitation, Safe Havens for Children	16.527		101,376
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		12,727
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590		346,100
Community Capacity Development Office	16.595		19,035
State Criminal Alien Assistance Program	16.606		351,038
Bulletproof Vest Partnership Program	16.607		25,637
Community Prosecution and Project Safe Neighborhoods	16.609		151,361
Public Safety Partnership and Community Policing Grants	16.710		511,710
Reduction and Prevention of Children's Exposure to Violence	16.730		197,718
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736		73,061
Anti-Gang Initiative	16.744		249,092
Passed Through Oregon Department of Corrections:			
Prisoner Reentry Initiative Demonstration (Offender Reentry)	16.202	3518	11,250
Passed Through State Police:			
Juvenile Accountability Incentive Block Grants	16.523	2006-6362	55,686
Juvenile Accountability Incentive Block Grants	16.523	03-659/04-625	55,685
Total Juvenile Accountability Incentive Block Grants			<u>111,371</u>
Passed Through State Department of Justice:			
Crime Victim Assistance	16.575	04-2266/05-2440	172,579
Passed Through State Police:			
Edward Byrne Memorial Formula Grant Program	16.579	01-05/10-02	58,435
Violence Against Women Formula Grants	16.588	05-766/06-761	75,000
Passed Through City of Portland:			
Public Safety Partnership and Community Policing Grants	16.710	2006CKW0500	2,678
Passed Through City of Portland:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-F3851-OR-DJ	157,389
Passed Through Oregon State Criminal Justice:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	06-027 07-004	30,443
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>187,832</u>
Total Department of Justice			<u>2,788,939</u>
<u>U.S. Department of Labor</u>			
Passed Through Worksystems, Inc:			
WIA Pilots, Demonstrations, and Research Projects	17.261	07-75059	23,921
Total Department of Labor			<u>23,921</u>

(continued)

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<u>Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>			
Passed Through State Department of Transportation:			
Highway Planning and Construction	20.205	1936002309	1,836,473
Total Department of Transportation			<u>1,836,473</u>
<u>Institute of Museum and Library Services</u>			
Passed Through Oregon State Library:			
Grants to States	45.310	08-05-5p	71,654
Grants to States	45.310	08-04-5p	71,595
Grants to States	45.310	LNET01-07 & 08	238,685
Total Grants to States			<u>381,934</u>
Passed Through Oregon Musuem Science and Industry:			
National Leadership Grants	45.312	D09-05	3,594
Total Institute of Museum and Library Services			<u>385,528</u>
<u>U.S. Environmental Protection Agency</u>			
Direct Programs:			
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716		61,865
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		10,557
Passed Through State Department of Human Services:			
State Public Water System Supervision	66.432	122710-01	10,212
Capitalization Grants for Drinking Water State Revolving Funds	66.468	122710-01	16,539
Protection of Children and Older Adults (Elderly) from Environmental Health Risks	66.609	1936002309	2,230
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	1936002309	5,000
Total U.S. EPA			<u>106,402</u>
<u>U.S. Department of Energy</u>			
Passed Through Oregon Housing and Community Services:			
Weatherization Assistance for Low-Income Persons	* 81.042	210009	397,858
ARRA Weatherization Assistance for Low-Income Persons	* 81.042	210009	60,855
Total Department of Energy			<u>458,713</u>
<u>Federal Emergency Management</u>			
Direct Program:			
Disaster Assistance - FEMA Flood	83.516		255
Total Federal Emergency Management			<u>255</u>
<u>U.S. Department of Education</u>			
Passed Through Portland Community College:			
Adult Education - Basic Grants to States	84.002	0410557-2	33,071

\* Indicates a Major Program

(continued)

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<b>Grantor and Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Education</u> (continued)			
Passed Through Oregon Department of Human Resources:			
Safe and Drug Free Schools and Communities_State Grants	84.186	1936002309	80,000
Passed Through Oregon Department of Education:			
Twenty-First Century Community Learning Centers	84.287	02-21CCLC	284,446
Total Department of Education			<u>397,517</u>
<u>Elections Assistance Commission</u>			
Direct Program			
Help America Vote Requirements Payments	90.401		91,897
Total Elections Assistance Commission			<u>91,897</u>
<u>U.S. Department of Health &amp; Human Services</u>			
Direct Programs:			
Community-Based Abstinence Education (CBAE)	93.010		537,203
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.087		870,752
Food and Drug Administration_Research	93.103		11,901
Injury Prevention and Control Research and State and Community Based Programs	93.136		513,275
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	* 93.224		6,689,598
ARRA – Health Center Integrated Services Development Initiative[g1]	* 93.703		67,280
Total Health Centers Cluster			<u>6,756,879</u>
State Capacity Building	93.240		139,596
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		210,182
Drug Abuse and Addiction Research Programs	93.279		172,385
Cancer Cause and Prevention Research	93.393		59,262
Refugee and Entrant Assistance_Discretionary Grants	93.576		150,000
Health Care and Other Facilities	93.887		82,286
HIV Emergency Relief Project Grants	* 93.914		3,422,454
Grants to Provide Outpatient Early Intervention Services With respect to HIV Disease	93.918		932,079
Healthy Start Initiative	93.926		838,334
Special Projects of National Significance	93.928		154,749
Passed Through National Association of City and County Health Officials:			
Medical Reserve Corps Small Grant Program	93.008	MRC 090141	11,325
Passed Through State Department of Human Services:			
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	1936002309	7,379

\* Indicates a Major Program

(continued)

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<b>Grantor and Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Health &amp; Human Services</u> (continued)			
Special Programs for the Aging_ Title III, Part D_ Disease Prevention and Health Promotion Services	93.043	1936002309	48,549
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers	* 93.044	1936002309	751,207
Special Programs for the Aging_ Title III, Part C_ Nutrition Services	* 93.045	1936002309	1,033,451
Nutrition Services Incentive Program	* 93.053	1936002309	470,476
Total Aging Cluster			2,255,135
Special Programs for the Aging_ Title IV_ and Title III_ Discretionary Projects	93.048	1936002309	54,191
National Family Caregiver Support	93.052	1936002309	306,258
Passed Through State Department of Human Services: Public Health Emergency Preparedness	93.069	1936002309	532,145
Passed Through NW Family Services: Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	90FE0079	290,270
Passed Through State Department of Human Services: Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	1936002309	151,879
Passed Through Portland State University: Injury Prevention and Control Research and State and Community Based Programs	93.136	CDC sub050139	453,356
Passed Through University of Washington: AIDS Education and Training Centers	93.145	563192	99,311
Passed Through State Department of Human Services: Family Planning_ Services	93.217	1936002309	415,683
Passed Through State Department of Human Services: State Capacity Building	93.240	1936002309	5,000
Passed Through State Department of Human Services: Immunization Grants	93.268	1936002309	2,550,341
Passed Through State Department of Human Services: Centers for Disease Control and Prevention_ Investigations and Technical Assistance	* 93.283	1936002309	231,807
Passed Through Washington County Public Health: Centers for Disease Control and Prevention_ investigations and Technical Assistance	* 93.283	CA 08-0271 & 08-1199	27,027
Total Centers for Disease Control and Prevention_ Investigations and Technical Assistance			258,834
Passed Through Oregon Health Sciences University: Nursing Research	93.361	PSC-2009-0240	30,303
Passed Through Oregon Commission on Children And Families: Promoting Safe and Stable Families	93.556	1936002309	162,063

\* Indicates a Major Program

(continued)

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<b>Grantor and Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<u>U.S. Department of Health &amp; Human Services</u> (continued)			
Passed Through Oregon Housing and Community Services:			
Temporary Assistance for Needy Families	93.558	0310559	103,959
Passed Through Oregon Department of Justice:			
Child Support Enforcement	* 93.563	1936002309	1,455,990
ARRA Child Support Enforcement	* 93.563	1936002309	461,773
Total Child Support Enforcement			<u>1,917,763</u>
Passed Through Oregon Housing and Community Services:			
Low-Income Home Energy Assistance	* 93.568	0310559	7,531,984
Passed Through Oregon Housing and Community Services:			
Community Services Block Grant	93.569	0310559	854,042
Passed Through Oregon Childcare Resource & Referral Network:			
Child Care and Development Block Grant	93.575	1936002309	72,000
Passed Through Oregon Commission on Children And Families:			
Child Care and Development Block Grant	93.575	1936002309	259,449
Total Child Care and Development Block Grant			<u>331,449</u>
Passed Through Yakima Valley Farm Workers Clinic:			
Community-Based Child Abuse Prevention Grants	93.590	90CA1759	4,417
Passed Through Oregon Department of Justice:			
Grants to States for Access and Visitation Programs	93.597		14,900
Passed Through Mount Hood Community College Head Start:			
Head Start	93.600	0210115-6	57,862
Passed Through State Department of Human Services:			
Social Services Block Grant	* 93.667	1936002309	1,043,359
Passed Through Oregon Commission on Children And Families			
Social Services Block Grant	* 93.667	210009	540,478
Social Services Block Grant	* 93.667	0709Mult	204,098
Total Social Services Block Grant			<u>1,787,935</u>
Passed Through Oregon Association of Hospitals and Health Systems:			
National Bioterrorism Hospital Preparedness Program	93.889	1936002309	13,476
Passed Through State Department of Human Services:			
National Bioterrorism Hospital Preparedness Program	93.889	122971-01	294,127
Total National Bioterrorism Hospital Preparedness Program			<u>307,603</u>
HIV Care Formula Grants	93.917	1936002309	7,518
Passed Through Oregon Health Sciences University:			
Ryan White HIV/AIDS Dental Reimbursements/ Community Based Partnerships	93.924	H65HA00006-07-00	11,321

\* Indicates a Major Program

(continued)

**MULTNOMAH COUNTY, OREGON**  
**Schedule of Expenditures of Federal Awards**  
**For the Year ended June 30, 2009**

<u>Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health &amp; Human Services</u> (continued)			
Special Projects of National Significance	93.928	5H97HA03782 05-00	9,921
Passed Through State Department of Human Services:			
HIV Prevention Activities_Health Department Based	93.940	1936002309	438,652
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	1936002309	226,449
Passed Through National Association of Chronic Disease Directors			
Assistance Programs for Chronic Disease Prevention and Control	93.945	0809147	5,435
Passed Through State Department of Human Services:			
Block Grants for Community Mental Health Services	93.958	1936002309	526,374
Block Grant for Prevention and Treatment of Substance Abuse	93.959	1936002309	3,410,852
Passed Through Oregon Health Sciences University:			
Maternal and Child Health Services Block Grant to the States	93.994	4 B04MC06604-01-04	127,382
Passed Through State Department of Human Services:			
Maternal and Child Health Services Block Grant to the States	93.994	1936002309	260,894
Total Maternal and Child Health Services Block Grant to the States			<u>388,276</u>
Total Department of Health and Human Services			<u>40,420,071</u>
<u>US Department of Homeland Security</u>			
Passed Through City of Portland-Department of Emergency Communications:			
Urban Area Security Initiative	* 97.008	52304	185,321
Passed Through Oregon State Marine Board:			
Boating Safety Financial Assistance	97.012	1936002309	707,722
<u>US Department of Homeland Security</u> (continued)			
Passed Through Oregon Emergency Management:			
Flood Mitigation Assistance	97.029	EMS-2008-FM-E002	5,100
Passed Through Washington DC Police:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		54,625
Passed Through Oregon Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EMDR1824OR	130,533
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>185,157</u>
Passed Through Oregon State Police:			
Emergency Management Performance Grants	97.042	EMPG08	240,008
Passed Through Oregon Emergency Management:			
Citizen Corps	97.053	07-111	6,138
Homeland Security Grant Program	97.067	07-225	71,707
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	07-169	84,694
Total Department of Homeland Security			<u>1,485,848</u>
Total Federal Expenditure			<u>57,430,284</u>

\* Indicates a Major Program

**MULTNOMAH COUNTY, OREGON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

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**Note A – General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of Multnomah County, Oregon (the County) for the year ended June 30, 2009. The County's reporting entity is defined in Note 1 to the County's June 30, 2009 basic financial statements.

**Note B – Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting, as described in Note 1 to the County's basic financial statements. The Schedule provides the summary of expenditures of federal awards by program or program cluster (CFDA number), by State Agency, if applicable, and by detailed passed through agency, if applicable. Federal CFDA numbers are from the Catalog of Federal Domestic Assistance (CFDA) published by the Office of Management and Budget and the General Services Administration.

**Note C – Relationship to Basic Financial Statements**

Federal financial assistance revenues reported in the County's basic financial statements are included with operating grants and contributions.

**Note D – Non-cash Awards**

The accompanying Schedule of Expenditures of Federal Awards includes two non-cash awards.

An award from the State Department of Education provides food donations (CFDA #10.555 Commodity Supplemental Food Program) for the Juvenile Detention Center. The value of the food is determined by the Grantor; \$2,092.

An award from the Department of Health and Human Resources is in the form of vaccines (CFDA #93.268 – Childhood Immunization Grants). The value of the Childhood Immunization Grant award was determined by the granting agency. The amount expended and advanced at June 30, 2009 is calculated on a proportionate basis; \$2,459,888.



**MULTNOMAH COUNTY, OREGON**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

**Note E - Subrecipients**

Of the Federal expenditures presented in the schedule, Multnomah County provided federal awards to subrecipients as follows:

Program Title	Federal CFDA number	Amount provided to subrecipients
NYC 9/11 Digital Television Program	11.553	\$ 25,000
Community Development Block Grants/Entitlement Grants	14.218	497,817
Supportive Housing Program	14.235	1,631,440
Supervised Visitation, Safe Havens for Children	16.527	66,080
Edward Byrne Memorial Formula Grant Program	16.579	32,471
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	147,099
Community Capacity Development Office	16.595	19,035
Community Prosecution and Project Safe Neighborhoods	16.609	40,381
Public Safety Partnership and Community Policing Grants	16.710	118,292
Reduction and Prevention of Children's Exposure to Violence	16.730	159,023
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Anti-Gang Initiative	16.736	25,717
Twenty-First Century Community Learning Centers	16.744	169,096
Special Programs for the Aging Title III, Part D Disease Prevention and Health	84.287	241,900
Special Programs for the Aging Title III, Part B Grants for Supportive Services and	93.043	38,474
Special Programs for the Aging Title III, Part C Nutrition Services	93.044	202,984
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	1,033,451
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	46,455
National Family Caregiver Support, Title III, Part E	93.052	145,976
Nutrition Services Incentive Program	93.053	470,474
Enhance the Safety of Children Affected by Parental Methamphetamine or Other	93.087	616,085
Injury Prevention and Control Research and State and Community Based Programs	93.136	40,836
Projects for Assistance in Transition from Homelessness (PATH)	93.150	206,205
Substance Abuse and Mental Health Services Projects of Regional and National	93.243	201,767
Drug Abuse and Addiction Research Programs	93.279	23,205
Promoting Safe and Stable Families	93.556	107,837
Low-Income Home Energy Assistance	93.568	613,475
Community Services Block Grant	93.569	685,704
Child Care and Development Block Grant	93.575	179,245
Social Services Block Grant	93.667	677,383
Medical Assistance Program	93.778	172,076
HIV Emergency Relief Project Grants	93.914	2,365,720
HIV Care Formula Grants	93.917	6,937
HIV Prevention Activities Health Department Based	93.940	272,021
Block Grants for Community Mental Health Services	93.958	246,769
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3,137,973
Urban Areas Security Initiative	97.008	12,609
Total Subrecipient pass-through		<u>\$ 14,677,014</u>

**MULTNOMAH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

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**Section I - Summary of Auditor's Results**

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*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?            \_\_\_\_\_ yes      X   no
- Significant deficiencies(s) identified  
that are not considered to be  
material weaknesses?                            \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted?                            \_\_\_\_\_ yes      X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?            \_\_\_\_\_ yes      X   no
- Significant deficiencies (s) identified  
that are not considered to be  
material weaknesses?                              X   yes    \_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?                              X   yes    \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.235	Supportive Housing Program
81.042	Weatherization Assistance for Low-Income Persons
93.283	Centers for Disease Control and Prevention
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.667	Social Services Block Grant
93.914	HIV Emergency Relief Project Grants
97.008	Urban Areas Security Initiative
	<u>Aging Cluster</u>
93.044	Special Programs for the Aging--Title III, Part B--Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging--Title III, Part C--Nutrition Services
93.053	Nutrition Services Incentive Program
	<u>Health Centers Cluster</u>
93.224	Consolidated Health Centers
93.703	ARRA – Health Center Integrated Services Development Initiative

**MULTNOMAH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

Dollar threshold used to distinguish  
between type A and type B programs:           \$    1,722,909

Auditee qualified as low-risk auditee?              X   yes    \_\_\_\_\_ no

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal Award Findings and Questioned Costs**

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**FINDING 2009-1 - Allowable Costs: Payroll Level of Effort Reporting – Significant Deficiencies in Internal Control and Instances of Noncompliance (Repeat Finding)**

**Federal Programs:**   Social Services Block Grant, CFDA 93.667

**Federal Agency:** U.S. Department of Health and Human Services

**Award Year:** 2008-2009

**Criteria:** Per OMB Cost Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, 2 CFR Part 225, Appendix B, paragraph 8(h)(3) states where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. In addition, paragraph 8(h)(4) states where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8 (h)(5), such as after-the-fact distribution of the actual activity, account for total activity in which the employee was compensated and must be prepared monthly and signed by the employee. Paragraph 8 (h)(5)(e) goes on to state that budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim account purposes if the estimates produce reasonable approximation of the activity actually performed, if quarterly comparisons are made of actual to budgeted costs and the budgeted estimates are revised quarterly, to reflect changed circumstances. Paragraph 8 (h)(6) states that substitute systems for allocating salaries and wages to Federal awards are acceptable, but are subject to approval by cognizant agency.

**Condition:** The Commission on Children Families & Community of Multnomah County does not currently require periodic certifications that the employee worked solely on a single Federal award or cost objective. In addition, the Commission does not currently require actual time records, time studies or the equivalent in order to properly allocate actual time to Federal grants. Personnel costs, including benefits, are charged to the Federal grants based on budgeted or estimated amounts. The Commission has not adopted a substitute system as permitted by Circular A-87.

**MULTNOMAH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Questioned Costs:** Questioned costs for payroll allocation are approximately \$64,000.

**Context:** During a prior year audit, as part of a finding in Allowable Costs and Activities, a recommendation was made to the County in January 2008 regarding the documentation of time and effort reporting for payroll costs. Upon notification of the recommendation, some departments within the County implemented Time and Effort study procedures and processes, however, the Commission on Children Families & Community of Multnomah County did not implement the Time and Effort Study. The Commission was without a director for a period of time and an interim director was appointed during fiscal year 2009. The Time and Effort Study evidently was not communicated to the interim director when he was appointed. Therefore, for fiscal year 2009, the Commission did not require periodic certifications where the employee worked solely on a single Federal award or cost objective, or require actual time records, time studies or the equivalent thereof in order to properly allocate actual time to Federal grants. Personnel costs, including benefits, were charged to the Federal grants based on budgeted or estimated amounts. As of June 30, 2009, it appears that the Commission has implemented policies and procedures to address documentation of time and effort reporting of payroll costs going forward. However, due to not applying these procedures for the entire fiscal year, there is a repeat finding regarding time and effort payroll allocation.

**Effect:** Personnel costs charged to the Federal grant are not adequately supported per OMB Circular A-87 and may not be reflective of the personnel costs actually attributable to the program.

**Cause:** Prior year recommendation was made in January 2008 and the County implemented a corrective action plan. The Commission did not participate in the corrective action plan as there was no director during the period. Certifications for employees working solely or partially on single Federal awards were not being obtained and the Commission did not require actual time records, time studies or the equivalent thereof in order to properly allocate actual time to Federal grants. Personnel costs, including benefits, were charged to the Federal grants based on budgeted or estimated amounts.

**Recommendation:** We recommend that the Commission continue to develop and implement a system to track actual personnel compensation for those individuals working on multiple Federal grants. We recommend that those allocations, based on actual amounts, be reflected in the accounting system and properly allocated to the federal grants. We also recommend that for those employees working 100% on Federal awards, the Commission should consistently obtain periodic certifications, at least semi-annually, and that they be signed by the employee or supervisor having first hand knowledge of the work performed by the employee. Finally, we recommend that the County communicate to all the departments the importance of time and effort reporting and ensure all departments are complying with the requirements in OMB Circular A-87.

**Management's Response:** Management's response is included at "Management's Views and Corrective Action Plan"

**FINDING 2009-2 – Consolidated Health Centers Eligibility - Control Deficiency in Internal Control and Instance of Noncompliance**

**MULTNOMAH COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**Federal Program:** Consolidated Health Centers, CFDA 93.224

**Federal Agency:** U.S. Department of Health and Human Services

**Award Year:** 2008-2009

**Criteria:** The Department of Health and Human Services has codified the government-wide A-102 Common Rule in 45 CFR part 74. 42 CFR part 51c further extends the applicability of the A-102 Common Rule to Community Health Services programs. Subpart D of the Common Rule regarding the retention of records provides that “Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report....”

**Condition:** During our testing of eligibility requirements, the County was unable to provide documentation that supported the annual income level of clients for use in determining the Federal Poverty Level (FPL) % and applicable sliding fee for health services rendered. Typically this documentation would take the form of a filed tax return or payroll remittance. We were able to review income levels within the Epic medical billing system to ensure compliance with eligibility requirements, however the supporting documentation was not available to review.

**Questioned Costs:** None. The County is required to provide health services to citizens.

**Context:** The Eligibility Department has in place policies and procedures to collect and retain supporting documentation for individual / family income level. Many of the patients were screened by the Patient Account Support Office (PASO) group. PASO completed its assessment at the clinic site and did not retain any support documentation. Per discussion with Management, the PASO screeners entered the information into Epic and returned the support documentation to the client without obtaining copies for Multnomah County's records. As of the date of our testing, the PASO group is no longer in existence and all income level determination is currently processed through the Eligibility Department.

**Effect:** Without documentation supporting individual / family income level, discounts given or denied may have been improperly applied.

**Cause:** The PASO group did not adhere to established policies and procedures regarding the retention of income documentation during the screening process.

**Recommendation:** We recommend that the County provide additional training for those groups performing eligibility determinations, specifically in regards to retaining income documentation. In addition, Moss Adams recommends that County communicate the importance of following established policies and procedures when obtaining supporting documentation for individual / family income levels.

**Management's Response:** Management's response is included at “Management's Views and Corrective Action Plan”



## MULTNOMAH COUNTY OREGON

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### **Management's Views and Corrective Action Plan to Current Year Audit Findings and Questioned Costs**

**For the Fiscal Year Ending June 30, 2009**

#### **FINDING 2009-1 Allowable Costs: Payroll Level of Effort Reporting – Significant Deficiencies in Internal Control and Instances of Noncompliance (Repeat Finding)**

*Federal Programs:* Social Services Block Grant, 93.667

Management understands the importance of accurately accounting, tracking, and documenting actual personnel costs charged to Federal awards in-order to adhere to OMB Circular A-87. Due to the wide array of services provided by multiple County departments, procedures and processes to track and record actual payroll costs charged to Federal awards will vary across the County as well as continue to be a challenge for the County to implement process changes across the organization. In addition, County departments are addressing this finding differently in order to best fit the Department's operations and business needs.

Once the Commission on Children, Families and Community (CCFC) learned of this finding during the external audit, the CCFC Director and grant accountants worked together to develop and implement a training for CCFC staff on the Federal requirements for time and effort reporting for our Federal grants. CCFC will perform time studies quarterly to ensure payroll costs charged to Federal awards in the Commission are substantiated and in compliance with OMB A-87. For any employees working solely on a single grant activity the semi-annual time certification will be documented. In addition, the Commission will review all personnel costs charged to Federal awards to ensure time and effort reporting is not a repeat finding for next year's single audit.

#### **FINDING 2009-2 – Consolidated Health Centers Eligibility – Control Deficiency and Instance of Noncompliance**

*Federal Program:* Consolidated Health Centers, 93.224

Management recognizes the importance of adhering to Federal grant requirements regarding retention and access requirements for records. The Health Department performs eligibility screenings to determine the income level of clients/patients in order to establish a Federal Poverty Level (FPL) for clients/patients seeking personal health services. The department screening requires clients/patients to provide a copy of pay check stubs (3 months), employer letter verification, and previous year tax return. Department procedures also require the retention of the financial documentation related to FPL level determination. In fiscal year 2009, the Patient Account Service Office (PASO) was performing eligibility screenings under this program. During the single audit the Patient Account Service Office

(PASO) group was unable to provide an audit trail of financial documentation to the external auditors used to establish FPL level. Upon management's further review, we noted the PASO group was not retaining these records in an effort to speed up the new client intake process and reduce paper usage and paper storage at the clinics. Management found no indication that the PASO group did not perform the required financial screening.

In fiscal year 2010, the PASO functions were redistributed and staff performing eligibility review (Eligibility unit) at the clinics became responsible for completing financial screenings for new patients/clients. This work unit assists the uninsured and underinsured gain access to health services by helping clients obtain insurance coverage. They follow well established polices for insurance eligibility verification and have procedures in place to collect and retain all financial documentation provided to them, including the clients financial data used to calculate FPL level. Management confirmed the proper audit trail exists and procedural controls are in place to ensure patient incomes levels are adequately supported as required by the Federal program. These procedures along with periodic reviews from Business Services will ensure the proper documentation is collected and retained in the future.



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### Summary Schedule of Prior Year Audit Findings and Questioned Costs For the Fiscal Year Ending June 30, 2008

#### **FINDING 2008-01 Allowable Costs: Payroll Level of Effort Reporting – Significant Deficiencies in Internal Control and Instances of Noncompliance (repeat finding)**

**Federal Programs:** Supportive Housing Program, 14.235  
Aging Cluster; 93.044, 93.045, 93.053  
Centers for Disease Control, 93.283  
Low-Income Home Energy Assistance Program, 93.568

**Condition:** During the prior year audit, as part of a finding in Allowable Costs and Activities, a recommendation was made to the County in January 2008 regarding the documentation of time and effort reporting for payroll costs. Upon notification of the recommendation, the County implemented Time and Effort study procedures and processes, however, this occurred for the second half of the current fiscal year and was not retroactively applied for the entire fiscal year. Therefore, for the first six months of fiscal year 2008, the County did not require periodic certifications where the employee worked solely on a single Federal award or cost objective, or require actual time records, time studies or the equivalent thereof in order to properly allocate actual time to Federal grants. Personnel costs, including benefits, were charged to the Federal grants based on budgeted or estimated amounts. As of June 30, 2008, it appears that the County has implemented policies and procedures to address documentation of time and effort reporting of payroll costs going forward. However, due to not applying these procedures retroactively for the entire fiscal year, there is a repeat finding regarding time and effort payroll allocation.

**Recommendation:** We recommend that the County continue to develop and implement a system to track actual personnel compensation for those individuals working on multiple Federal grants. We recommend that those allocations, based on actual amounts, be reflected in the accounting system and properly allocated to the federal grants. We also recommend that for those employees working 100% on Federal awards, the County should consistently obtain periodic certifications, at least semi-annually, and that they be signed by the employee or supervisor having first hand knowledge of the work performed by the employee. Finally, as the County did in fact implement a Time and Effort system in accordance with OMB A-87 during January 2008, we recommend that the County consider a retroactive review (time study) of the first six months of the fiscal year.

**Status of Finding:** *In-progress:* County Departments provide a wide array of services and as a result procedures and processes to track and record actual payroll costs charged to Federal awards will vary across the County.

In the Department of County Human Services (DCHS), employees are performing quarterly time studies to ensure payroll costs allocated to Federal awards are meeting the time and effort reporting requirements. Thus far this has been an effective process for DCHS and the Department will continue to use periodic time studies to support time and effort for employees working on multiple cost objectives.



In the County's Health Department, employees working under multiple funding sources one which is Federal are required to record time charged to the grant on his/her time sheet. System allocations (SAP splits) are no longer being used to allocate employee time to Federal grants. In addition, semi-annual time certifications are completed for employees that are 100% funded by a single Federal grant activity; the Health Department began using time certifications at the beginning of fiscal year 2008.

In coordination with external auditors the Health Department implemented a time study method for payroll costs charged to Federal grants for the period from July 2008 through November 2008. The time study was used to document Health Department staff time charged to multiple Federal funding sources. Finally, the Health Department has developed a matrix to track the various methods used across the Department for time and effort reporting on Federal awards. The matrix notes each Federal award by CFDA number along with the current methodology for time and effort reporting. This matrix is reviewed and updated routinely and used by the Department to ensure continuous compliance to A-87 time and effort guidelines.

The Multnomah County Sheriff's Office (MCSO) uses an off-line system, Telestaff, to track and record MCSO employee time. MCSO has required staff who work on Federal awards to review monthly TeleStaff personal history reports, certify the reported time with their signature and pass on the report to their manager for his/her review and approval. The manager will review the report for completeness, accuracy and sign and date the telestaff report. The MCSO Fiscal Unit will maintain the completed reports on file for future audit. In addition, Telestaff is reconciled monthly to the County's general ledger system, SAP.

**FINDING 2008-02 – Program Subrecipient Monitoring – Significant Deficiency in Internal Control and Instance of Noncompliance**

**Federal Program:** Urban Areas Security Initiative (UASI), 97.008

**Condition:** While testing all 16 subrecipient invoices, there was no clear indication of review over the subrecipient invoices by County personnel overseeing the program, although the activities appear to be allowable. In addition, four of the 16 invoices tested contained mathematical errors that were not noticed by County personnel. Finally, there was no written consent found between the County and the pass-through entity (the City of Portland) with respect to subcontracting and/or assigning of program services.

**Recommendation:** We recommend that the County develop and implement program monitoring procedures over subrecipients, specifically over the review of subrecipient invoices. In addition, we recommend that the County obtain proper written consent to subcontract program services from the funding agency, as required within their agreement.

**Status of Finding:** *Fully Corrected:* The project lead for UASI-funded contracted activities monitors subrecipient activities to ensure that contractual obligations are being met. Subrecipient invoices are first reviewed by the project lead for accuracy and completeness. Secondary review occurs when the Emergency Management Director reviews invoices and related documents prior to approving for payment. These reviews are documented by the Director's signature/date on invoices. There have been no instances of assignment or delegation of program activities in this fiscal year.