

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

Multnomah County, Oregon

Year ended June 30, 2001

CONTENTS

	Page
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE COUNTY'S COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE 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 INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH <i>OMB CIRCULAR A-133</i>	3 - 4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5 - 10
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	11 - 12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13 - 16
SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION	17 - 29

Report of Independent Certified Public Accountants
on the County's Compliance and Internal Control Over
Financial Reporting Based on an Audit of General Purpose Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of County Commissioners
Multnomah County, Oregon

We have audited the general purpose financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Multnomah County, Oregon's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Multnomah County, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners and the 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.

Portland, Oregon
December 4, 2001

/s/ Grant Thornton LLP

Report of Independent Certified Public Accountants
on the County's Compliance with Requirements Applicable to Each Major
Program and 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, Oregon with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2001. Multnomah 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 Multnomah County, Oregon's management. Our responsibility is to express an opinion on Multnomah County, Oregon'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 Multnomah County, Oregon'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 on Multnomah County, Oregon's compliance with those requirements.

In our opinion, Multnomah County, Oregon 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, 2001. 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 01-1 through 01-2.

Internal Control Over Compliance

The management of Multnomah County, Oregon is responsible for establishing and maintaining effective internal control over the compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Multnomah County, Oregon's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the general purpose financial statements of Multnomah County, Oregon as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purposes financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners, the Secretary of State, Division of Audits, of the State of Oregon and the 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.

Portland, Oregon
December 4, 2001

/s/ Grant Thornton LLP

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2001

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education:			
National School Lunch Program	10.555	2613007	\$ 109,951
Passed Through State Department of Human Services/Adult and Family Services Division:			
State Administrative Matching Grants for Food Stamp Program	10.561	11400 / 6416 / 72101	27,362
Passed Through State Department of Human Services/Health Division:			
State Administrative Matching Grants for Food Stamp Program	10.561	85087-3	805,989
Special Supplemental Nutrition Program for Women, Infants, & Children (WIC Program)	10.557	936002309	1,842,611
Passed Through State Department of Human Services/Senior & Disabled Services Division:			
Nutrition Program for the Elderly (Commodities) (NPE)	10.570	85084	306,834
Total Department of Agriculture			<u>3,092,747</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218		1,121,827
Supportive Housing Program	* 14.235		2,618,452
Passed Through City of Gresham:			
Community Development Block Grants/Entitlement Grants	14.218	1731	38,950
Passed Through City of Portland-			
Bureau of Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	0110880 / B00MC410003-4	522,927
Supportive Housing Program	* 14.235	0210215	38,440
Home Investment Partnerships Program	14.239	01100880 / M98DC410203	5,394
Lead-Based Paint Hazard Control in Privately -Owned Housing	14.900	33318	425,573
Passed Through Housing Authority of Portland:			
Supportive Housing Program	* 14.235	110872	77,464
Public Housing Capital Fund (CFP)	14.872	MULTN002	82,495
Total Department of Housing and Urban Development			<u>4,931,522</u>
<u>U.S. Department of Interior</u>			
Direct Programs:			
Distribution of Receipts to State and Local Governments	15.227		675,196
Total Department of Interior			<u>675,196</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Edward Byrne Memorial State and Local Law Enforcement			
Assistance Discretionary Grants Program	16.580		253,268
Drug Court Discretionary Grant Program (Drug Court Program)	16.585		16,431
Violence Against Women Discretionary Grants for Indian Tribal Governments	16.587		<u>75,009</u>
Balance carried forward			344,708

* Represents a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2001

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Balance brought forward			\$ 344,708
Local Law Enforcement Block Grants Program	16.592		14,895
Executive Office for Weed and Seed *	16.595		137,977
Bullet Proof Vest Partnership Program	16.607		20,904
Public Safety Partnership and Community Policing Grants ("Cops" Grant)	16.710		10,000
Passed Through State Department of Justice:			
Title V - Delinquency Prevention Program	16.548	TV2000-5 / TV2000-9	98,386
Crime Victim Assistance	16.575	98-0839 / 99-00712 / 00-01143	277,556
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	LAO2001-85	10,000
Executive Office for Weed and Seed *	16.595	2000-WS-QX-0029	154,438
Passed Through State Police:			
Juvenile Accountability Incentive Block Grants (JAIBG) *	16.523	99-624	1,082,943
Violence Against Women Formula Grants	16.588	01-759	52,058
Byrne Formula Grant Program	16.579	99-018	65,305
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	WE-VX-0007	55,913
Passed Through Portland Police Bureau:			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	1999-WE-VX-0007	66,893
Local Law Enforcement Block Grants Program	16.592	98LBVX2371	141,448
Local Law Enforcement Block Grants Program	16.592	1999LBVX7834	24,225
Passed Through Westat Research Corp:			
Public Safety Partnership and Community Policing Grants ("Cops" Grant)	16.710	7293 / Multnomah County Department of Community and Family Services	60,850
Total Department of Justice			<u>2,618,499</u>
<u>U.S. Department of Labor Employment and Training</u>			
Direct Programs:			
Employment Services and Job Training Pilots- Demonstration and Research Programs	17.249		640,618
Total Department of Labor Employment and Training			<u>640,618</u>
<u>U.S. Department of Transportation</u>			
Passed Through Oregon Sheriff's Association, Inc.:			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	Multnomah County	86,624
Passed Through Oregon State Marine Board:			
Boating Safety Financial Assistance	20.005	1936002309001	132,193
Passed Through State Department of Transportation:			
Highway Planning and Construction	20.205	936002309	259,946
Highway Planning and Construction	20.205	X-HPP-C051	255,879
Highway Planning and Construction	20.205	X-STP-C051	33,696
Highway Planning and Construction	20.205	X-BHF-C051	78,818
Highway Planning and Construction	20.205	X-IBRC-C051	10,299
National Motor Carrier Safety Assistance Program (MCSAP)	20.218	936002309	112,652
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	936002309	22,632
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	J 8 01-12-32	30,169
Total Department of Transportation			<u>1,022,908</u>

* Represents a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2001

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>National Foundation on the Arts and Humanities</u>			
Passed Through Oregon State Library:			
State Library Program	45.310	99-5-3.3	\$ 14,948
State Library Program	45.310	01-5-2.7	48,525
State Library Program	45.310	Multnomah County	118,048
State Library Program	45.310	01-L-4	38,100
State Library Program	45.310	01-5-2.7A	12,020
Total National Foundation on the Arts and Humanities			<u>231,641</u>
<u>Environmental Protection Agency</u>			
Passed Through State Department of Human Resources:			
State Public Water System Supervision	66.432	936002309	1,564
Total Environmental Protection Agency			<u>1,564</u>
<u>U.S. Department of Energy</u>			
Passed Through Oregon Housing and Community Services Division:			
Weatherization Assistance for Low-Income Persons	81.042	90271	258,174
Total Department of Energy			<u>258,174</u>
<u>Federal Emergency Management Agency</u>			
Passed Through Oregon Emergency Management:			
Hazard Mitigation Grant (HMGP)	83.548	19360002309	61,394
Project Impact - Building Disaster Resistant Communities (Project Impact Grants)	83.551	19360002309	64,642
Emergency Management Performance Grants (EMPG)	83.552	19360002309	97,019
Passed Through United Way:			
Emergency Food and Shelter National Program	83.523	18-7080-00	176,779
Emergency Food and Shelter National Program	83.523	19-7080-00	361,356
Total Federal Emergency Management Agency			<u>761,190</u>
<u>U.S. Department of Education</u>			
Passed Through Oregon Department of Human Resources:			
Safe and Drug-Free Schools and Communities - State Grants	84.186	926001	(9,034)
Passed Through Portland Public Schools:			
Safe and Drug-Free Schools and Communities - National Programs	84.184L	210024	1,043,421
Passed Through Portland State University:			
Library Research and Publications	84.039	LIB08.7 / LIB08.14	69,983
Total Department of Education			<u>1,104,370</u>

* Represents a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2001

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Health & Human Services</u>			
Direct Programs:			
Linking Community-Based Primary Care, Substance Abuse, HIV/AIDS, and Mental Health Services	93.109		\$ 3,072
Health Center Grants for the Homeless	93.151		1,253,039
Community Health Centers	* 93.224		3,198,532
Consolidated Knowledge Development and Application Program	93.230		926,351
Drug Abuse Research Programs	93.279		309,524
Center for Disease Control and Prevention: Investigations and Technical Assistance	93.283		15,399
Refugee and Entrant Assistance: Discretionary Grants	93.576		72,000
Medicare-Supplementary Medical Insurance (Medicare)	93.774		428,867
Diabetes, Endocrinology and Metabolism Research	93.847		24,391
HIV Emergency Relief Project Grants	* 93.914		2,721,683
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918		775,860
Healthy Start Initiative (Targeted Infant Mortality Initiative)	93.926		1,070,255
Pilot Clinical Pharmacology Training	93.928		257,790
Passed Through Oregon Department of Business and Consumer Services:			
Health Care Financing Research, Demonstrations and Evaluations	93.779	44199-20	15,146
Passed Through Oregon Commission on Children and Families:			
Child Care and Development Block Grant	93.575	1936002309	435,664
Social Services Block Grant	93.667	1936002309	817,188
Passed Through Oregon Housing and Community Services Division:			
Temporary Assistance for Needy Families	* 93.558	90271	81,795
Low-Income Home Energy Assistance	* 93.568	90271	3,620,972
Community Services Block Grant	93.569	90271	722,375
Passed Through Oregon Health Sciences University:			
Alcohol Research Programs	93.273	8407541	6,371
Community Services Block Grant Discretionary Awards - Demonstration Partnerships	93.573	26390	44,268
Passed Through State Department of Human Resources:			
Special Programs for the Aging - Title VII, Chapter 3 - Prevention of Elder Abuse, Neglect and Exploitation	93.041	85084	13,646
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	85084	94,924
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	85087-2	942,357
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	85084	858,664
Special Programs for the Aging - Title IV Training, Research and Discretionary Projects and Programs	93.048	91386 / 90-AM-2423	65,000
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	936002309	158,529
Balance carried forward			18,933,662

* Represents a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2001

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Balance brought forward			\$ 18,933,662
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	936002309	592,497
Projects for Assistance in Transition from Homelessness (PATH)	93.150	926001	266,083
Cooperative Agreements for Drug Abuse Treatment			
Improvement Projects in Target Cities (Target Cities)	93.196	926001	41,567
Family Planning Services	93.217	936002309	244,377
Consolidated Knowledge Development and Application			
Program	93.230	926001	3,975
Immunization Grants	93.268	936002309	885,473
Centers for Disease Control and Prevention: Investigations			
and Technical Assistance	93.283	936002309	259,926
Temporary Assistance for Needy Families	* 93.558	0101ORTANF / 277038	96,117
Temporary Assistance for Needy Families	* 93.558	926001	1,970,000
Child Support Enforcement (Title IV-D)	93.563	OR Admin Rule 461-195-255	149,967
Child Support Enforcement (Title IV-D)	93.563	00126	1,360,590
Refugee and Entrant Assistance -			
State Administered Programs	93.566	936002309	24,915
Refugee and Entrant Assistance -			
Discretionary Grants	93.576	936002309	560,319
Community-Based Family Resource and Support Grants	93.590	9801ORFRPG / 277038	8,532
Social Services Block Grant	93.667	936002309	205,629
Medical Assistance Program (MEDICAID, Title XIX)	93.778	1936002309034	289,091
Medical Assistance Program (MEDICAID, Title XIX)	93.778	926001	1,076,476
Medical Assistance Program (MEDICAID, Title XIX)	93.778	85087-3	12,351,097
Medical Assistance Program (MEDICAID, Title XIX)	93.778	050711	44,018
Medical Assistance Program (MEDICAID, Title XIX)	93.778	043211	580,513
Medical Assistance Program (MEDICAID, Title XIX)	93.778	0110874	454,526
HIV Care Formula Grants	93.917	936002309	421,952
Cooperative Agreements for State-Based Comprehensive			
Breast and Cervical Cancer Early Detection Programs	93.919	936002309	238,583
Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus			
Syndrome (AIDS) Surveillance	93.944	936002309	79,570
Block Grants for Community Mental Health Services			
(CMHS Block Grant)	93.958	926001	530,516
Block Grants for Prevention and Treatment			
of Substance Abuse (SAPT)	93.959	926001	3,038,132
Preventive Health Services - Sexually Transmitted			
Diseases Control Grants	93.977	936002309	67,916
Preventive Health and Health Services Block Grant			
(PHHS)	93.991	936002309	37,515
Maternal and Child Health Services			
Block Grant to the States	93.994	936002309	564,633
Balance carried forward			45,378,167

* Represents a major program

MULTNOMAH COUNTY, OREGON
Schedule of Expenditures of Federal Awards
Year ended June 30, 2001

GRANTOR AND PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
Balance brought forward			\$ 45,378,167
Passed Through Oregon Research Institute: Alcohol Research Programs	93.273	9910401	200,943
Passed Through Partnership For Community Health: HIV Emergency Relief Project Grants	* 93.914	Multnomah County	11,895
Passed Through City of Portland: Community Prevention Coalitions (PARTNERSHIP) Demonstration Grant	93.194	0210019	204,903
Passed Through Oregon Office Of Drug Abuse Programs: Consolidated Knowledge Development and Application Program	93.230	86-330	64,848
Passed Through University of Washington: AIDS Education and Training Centers	93.145	193902	61,293
Total Department of Health and Human Services			<u>45,922,049</u>
<u>Corporation for National and Community Service</u>			
Passed Through University of Maryland Baltimore County: Americorp	94.006	95ADNM017	21,514
Total Corporation for National and Community Service			<u>21,514</u>
<u>Other Federal Assistance (No CFDA)</u>			
<u>Department of Agriculture</u>			
Direct Programs:			
U.S. Forest Service-Patrol Contract	10.01-LE-11060600-498		28,214
U.S. Forest Service-Patrol Contract	10.900847		67,600
Total Department of Agriculture			<u>95,814</u>
<u>U.S. Department of Energy</u>			
Direct Programs:			
Youth Employment Project/Bonneville Power Administration	81.93BP99731		27,708
Total Department of Energy			<u>27,708</u>
<u>Department of Veteran Affairs</u>			
Passed Through Willamette National Cemetery: Willamette National Cemetery	64.900167		16,157
Total Department of Veteran Affairs			<u>16,157</u>
Total Other Federal Assistance			<u>139,679</u>
Total Federal Assistance			<u>\$ 61,421,671</u>

* Represents a major program

Multnomah County, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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, 2001. The County's reporting entity is defined in Note 1 to the County's June 30, 2001 general purpose financial statements.

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using a basis of accounting which is consistent with the general purpose financial statements, as described in Note 1 to the County's general purpose financial statements.

NOTE C – RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

As described in Note 2 to the general purpose financial statements, federal financial assistance revenues reported in the County's general purpose financial statements are included with intergovernmental revenues.

NOTE D – NONCASH AWARDS

The accompanying Schedule of Expenditures of Federal Awards includes a noncash award from the Department of Health and Human Resources 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, 2001 is calculated on a proportionate basis.

Multnomah County, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

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
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,296,960
Supportive Housing Program	14.235	2,456,175
Public Safety Partnership and Community Policing Grants	16.710	22,920
Pilot and Demonstration and Research Programs	17.249	550,280
State Public Water System Supervision	66.432	1,440
Weatherization Assistance for Low Income Persons	81.042	203,908
Emergency Food and Shelter National Board Program	83.523	186,794
Safe and Drug Free Schools and Communities - National Programs	84.184	330,978
Special Programs for the Aging - Title III, Part F, Disease Prevention and Health Promotion Services	93.043	87,502
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.044	124,456
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	347,259
Health Center Grants for the Homeless Populations	93.151	50,118
Consolidated Knowledge development and Application Program	93.230	307,260
Alcohol Research Programs	93.273	3,120
Drug Abuse Research Programs	93.279	3,915
Center for Disease Control and Prevention: Investigations and Technical Assistance	93.283	475
Low-Income Home Energy Assistance Program	93.568	647,667
Community Services Block Grant	93.569	525,999
Child Care and Development Block Grant (Discretionary Fund of the Child Care and Development Fund)	93.575	192,115
Social Services Block Grant	93.667	431,413
Medicaid Assistance Program (Medicaid, Title XIX)	93.778	6,595,280
Diabetes, Endocrinology and Metabolism Research	93.847	16,135
HIV Emergency Relief Project Grants	93.914	2,501,818
HIV Care Formula Grants	93.917	252,764
Grants to Provide Outpatient Early Intervention Services With Respect to HIV Disease	93.918	66,375
Cooperative Agreements for State - Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	(267)
Healthy Start Initiative (Targeted Infant Mortality Initiative)	93.926	549,696
Pilot Clinical Pharmacology Training	93.928	2,500
Block grant for Community Mental Health Services	93.958	530,516
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	3,038,132
Total subrecipient pass through		\$ <u>21,323,703</u>

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ 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? ☒ yes ☐ no

Identification of major programs:

CFDA Number	<u>Name of Federal Program</u>
14.235	Department of Housing and Urban Development, Supportive Housing Program
16.523	Department of Justice, Juvenile Accountability Incentive Block Grant
16.595	Department of Justice, Executive Office for Weed and Seed
93.224	Department of Health and Human Services, Community Health Centers
93.558	Department of Health and Human Services, Temporary Assistance for Needy Families
93.568	Department of Health and Human Services, Low-Income Home Energy Assistance
93.914	Department of Health and Human Services, HIV Emergency Relief Project Grants

Dollar threshold used to distinguish between type A and type B programs: \$1,842,650

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Findings and Questioned Costs are listed on the following pages.

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

FINDING 01-1

Program:	CFDA #16.595 Executive Office for Weed and Seed CFDA #93.568 Low-Income Energy Assistance Program CFDA #14.235 Supportive Housing Program
Federal Agency:	Department of Justice Department of Health and Human Services Department of Housing and Urban Development
Award Year:	2000-2001
Requirement:	The Office of Management and Budget issued a revised Circular A-87 on May 4, 1995. This Circular was effective for all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995. The revised Circular increased the requirements related to time distributions, stating that unless a statistical time sampling system or other substitute system had been approved by the federal cognizant agency, time distributions for employed working on multiple grants must be supported by personnel activity reports. The reports must be prepared at least monthly and must coincide with one or more pay periods.
Finding:	The salary and wage distribution system was based on distribution percentages determined before the services were performed.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The County should base its time distributions on monthly surveys with each covering at least one pay period. All other aspects of the new Circular A-87 should be followed as appropriate.
County Response:	The County discussed this issue with Department of Health and Human Services (DHHS) when the SAP system was being implemented. The County told DHHS that this finding was likely to occur in fiscal year 2001, and the County committed to DHHS that monthly surveys to address the time distribution requirements of Circular A-87 would be implemented in fiscal year 2002.

Multnomah County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

FINDING 01-2

Program:	CFDA #16.595, Weed and Seed Program
Federal Agency:	Department of Justice
Award Year:	2000-2001
Requirement:	The grantee agrees to require that organizations which receive grant funds certify, as part of the contract, that they have appropriate hiring policies and screening procedures for employees who will be working with youth and other residents as part of the Weed and Seed strategy.
Finding:	County contracts with organizations receiving grant funds did not contain language specifically required by grant special conditions.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	Include required language in contracts as necessary.
County Response:	The County will include the employment screening requirements in the contracts when they are renewed in fiscal year 2002.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN

FINDING 00-1

Program:	CFDA #16.595, Weed and Seed Program
Federal Agency:	Department of Justice
Award Year:	1999 - 2000
Requirement:	Program costs must be paid for by County funds before reimbursement is requested from the Federal government.
Finding:	The County requested and received reimbursement for funds prior to payment of costs.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The County should reconcile monthly reimbursement requests to monthly expenditure reports and only request reimbursements after they have been paid by the County.
County Response:	The request for reimbursement for the period July 1, 1999-September 30, 1999 was filed on October 20, 1999. At that time, the grant period ended September 30, 1999. Therefore all costs for services provided during the period July 1, 1999-September 30, 1999 were included in the request because it was the final billing. The grant was subsequently extended.
2001 Update:	The County is currently reviewing cash versus accrual reporting for grant reimbursement and will set procedures in place for all departments to be consistent in reporting on all contracts and grants.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-2

Program:	CFDA #16.595, Weed and Seed Program
Federal Agency:	Department of Justice
Award Year:	1999 - 2000
Requirement:	Grantee must ensure that organizations which receive grant funds certify, as part of the contract, that they have appropriate hiring policies and screening procedures for employees who will be working with youth.
Finding:	County contracts with organizations receiving grant funds did not contain language specifically required by grant special conditions.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	Include required language in contracts as necessary.
County Response:	Effective May 2000, appropriate language regarding hiring policies and screening procedures was incorporated as a standard requirement for all Juvenile Justice Division contracts.
2001 Update:	The County is working to include the appropriate language and hiring procedures for all required contracts.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-3

Program: CFDA #16.595, Weed and Seed Program

Federal Agency: Department of Justice

Award Year: 1999 – 2000

Requirement: Quarterly financial status reports are due 45 days after the end of the quarter. Semi-annual progress reports are due 30 days after the end of the semi-annual period.

Finding: Program staff did not submit certain quarterly fiscal and semi-annual progress reports as required, as shown below:

	<u>Quarter Ended</u>	<u>Date Due</u>	<u>Date Sent</u>
2000-WS-QX-0024	06/30/99	08/15/99	09/01/99
2000-WS-QX-0024	09/30/99	11/15/99	11/17/99
1998-WS-QX-0044	06/30/99	08/15/99	09/24/99
	<u>Semi- annual Period Ended</u>	<u>Date Due</u>	<u>Date Sent</u>
2000-WS-QX-0024	06/30/00	07/31/00	08/05/00

Questioned Cost: None

Prevalence: Systemic

Recommendation: The County should implement procedures to ensure that reports are completed and submitted within the required time.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

County Response:	<p>This finding encompasses two departments. The responses are as follows:</p> <p><u>Juvenile Justice Division</u></p> <p>Changes in staffing and year-end fiscal reconciliation caused a delay in the filing of the fiscal reports. Since that time, the department has reorganized and hired two new grant accountants to ensure that reports are submitted accurately and timely.</p> <p><u>District Attorney's Office</u></p> <p>The District Attorney's Office has taken note of the time requirements for quarterly fiscal and semi-annual progress reports. Corrective action has been taken to ensure future compliance.</p>
2001 Update:	<p>The County is continuing to improve upon the system implemented in order to complete and submit all reports within the required time.</p>

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-4

Program: CFDA #16.595, Weed and Seed Program

Federal Agency: Department of Justice

Award Year: 1999 - 2000

Requirement: Semi-annual progress reports are due 30 days after the end of the semi-annual period.

Finding: There was insufficient documentation available to determine whether semi-annual progress reports were filed.

	<u>Semi- annual Period Ended</u>	<u>Date Due</u>	<u>Date Sent</u>
2000-WS-QX-0164	12/31/99	01/31/00	Unknown
2000-WS-QX-0164	06/30/00	07/31/00	Unknown
1998-WS-QX-0044	12/31/99	01/31/00	Unknown
1998-WS-QX-0044	06/30/00	07/31/00	Unknown

Questioned Cost: None

Prevalence: Systemic

Recommendation: The County should implement procedures to ensure that reports are completed and submitted within the required time.

County Response: Progress reports were sent by the Weed and Seed Coordinator directly to the Project Manager in Washington D.C. Copies of the reports were not provided to the County. It was unclear who in the Juvenile Justice Division was responsible for ensuring that progress reports were filed and obtaining copies for our files. That role has since been clarified.

2001 Update: The County is continuing to improve upon the system implemented in order to complete and submit all reports within the required time.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-5

Program:	CFDA #16.595, Weed and Seed Program
Federal Agency:	Department of Justice
Award Year:	1999 – 2000
Requirement:	Time distributions for employees working on multiple grants must be prepared monthly and must coincide with one or more pay periods.
Finding:	The Office of Management and Budget issued a revised Circular A-87 on May 4, 1995. This Circular was effective for all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995. The revised Circular increased the requirements related to time distributions, stating that unless a statistical time sampling system or other substitute system had been approved by the federal cognizant agency, time distributions for employees working on multiple grants must be supported by personnel activity reports. The reports must be prepared at least monthly and must coincide with one or more pay periods. Grant Thornton noted that the salary and wage distribution system was based on distribution percentages determined before the services were performed.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The District Attorney's Office and Juvenile Justice Division should base their time distributions on monthly surveys with each covering at least one pay period. All other aspects of the new Circular A-87 should be followed as appropriate.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

County Response:	<p>This finding encompasses two departments. The responses are as follows:</p> <p><u>Juvenile Justice Division</u></p> <p>Personnel costs were charged pursuant to the grant budget. We are currently developing procedures for obtaining time usage of employees charged to multiple grants (both direct and match) to prepare activity reports.</p> <p><u>District Attorney's Office</u></p> <p>Up to this point, employee time was split using a straight percentage based upon the budget; a percentage agreed upon by the funding sources. In order to abide by Circular A-87, the District Attorney's Office will alter this practice as follows: starting on the second pay period in December 2000 any employee whose time is split between various funding sources will be entering the actual time spent on the different programs.</p>
2001 Update:	<p>With the County's implementation of a new general ledger system, SAP, in fiscal year 2001, they are continuing to improve the reporting aspects of the system to meet requirements.</p>

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-6

Program: CFDA #93.568, Low-Income Home Energy Assistance

Federal Agency: Department of Health and Human Services

Award Year: 1999 – 2000

Requirement: Quarterly fiscal reports are due 20 days after the end of the quarter.
Quarterly program reports are due 15 days after the end of the quarter.

Finding: The program staff did not submit certain of the quarterly fiscal and program reports as required, as shown below:

	<u>Quarter Ended</u>	<u>Fiscal Report Date Due</u>	<u>Date Sent</u>
LIEAP – Client Education	06/30/00	07/20/00	07/26/00
LIEAP – Energy	06/30/00	07/20/00	07/26/00

	<u>Quarter Ended</u>	<u>Program Report Date Due</u>	<u>Date Sent</u>
LIEAP – Weather	09/30/99	10/15/99	10/21/99

Questioned Cost: None

Prevalence: Systemic

Recommendation: The County should implement procedures to ensure that reports are completed and submitted within the required time.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

County Response:

The audit notes one late program report, which the DCPD program office is responsible for, in September 1999. In December of 1999 programs were audited and informed of prior late reports. In response, on 12/13/99 last year a requirement was put in writing that all program reports from that point forward be submitted on time or early for LIEAP. Since that date, the program office has corrected the process problem of prior years.

The fiscal reports are late largely due to the terms set in the provider contracts which require fiscal reports from the same by the 20th day following fiscal year end. That date happens to be the same day the state/federal fiscal report is due. To change that requirement to an earlier date would give providers inadequate time to complete their June month closing process (or FYE closing in many cases). Given the difficulty in obtaining required reporting information at the end of the fiscal year, the reporting requirement for this particular month (July) is not reasonable. All other fiscal quarterly reporting due dates have been met.

2001 Update:

The County is continuing to improve upon the system implementation in order to complete and submit all reports within the required time.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-7

Program:	CFDA #14.235, Supportive Housing Program CFDA #14.218, Community Development Block Grant CFDA #93.230, Consolidated Knowledge Development and Application Program CFDA #93.568, Low Income Home Energy Assistance
Federal Agency:	Department of Housing and Urban Development Department of Health and Human Services
Award Year:	1999 – 2000
Requirement:	Time distributions for employees working on multiple grants must be prepared monthly and must coincide with one or more pay periods.
Finding:	The Office of Management and Budget issued a revised Circular A-87 on May 4, 1995. This Circular was effective for all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995. The revised Circular increased the requirements related to time distributions, stating that unless a statistical time sampling system or other substitute system had been approved by the federal cognizant agency, time distributions for employees working on multiple grants must be supported by personnel activity reports. The reports must be prepared at least monthly and must coincide with one or more pay periods. Grant Thornton noted that the salary and wage distribution system was based on distribution percentages determined before the services were performed.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The Department of Community and Family Services should base its time distributions on monthly surveys with each covering at least one pay period. All other aspects of the new Circular A-87 should be followed as appropriate.
County Response:	The department has historically used salary defaults and salary splits as described in the project budget documents to report personnel costs. Inasmuch as this is inadequate, the department's grant reporting accountants and program staff will work on developing a system to gather personnel activity. The department will work closely with the auditors on developing a system that meets their interpretation of A-87
2001 Update:	With the County's implementation of a new general ledger system, SAP, in fiscal year 2001, they are continuing to improve the reporting aspects of the system to meet requirements.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-8

Program:	CFDA #93.224, Department of Health and Human Services Community Health Centers Program CFDA #93.926, Healthy Start Initiative
Federal Agency:	Department of Health and Human Services
Award Year:	1999 – 2000
Requirement:	Time distributions for employees working on multiple grants must be prepared monthly and must coincide with one or more pay periods.
Finding	<p>The Office of Management and Budget issued a revised Circular A-87 on May 4, 1995. This Circular was effective for all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995. The revised Circular increased the requirements related to time distributions, stating that unless a statistical time sampling system or other substitute system had been approved by the federal cognizant agency, time distributions for employees working on multiple grants must be supported by personnel activity reports. The reports must be prepared at least monthly and must coincide with one or more pay periods. Grant Thornton noted that the salary and wage distribution system was based on a quarterly review of one week's performance rather than a pay period (semimonthly or biweekly).</p> <p>This repeats a finding from the prior year.</p>
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The Health Department should base its time distributions on random surveys four times a year with each covering at least one pay period (this approach was approved by the County's cognizant agency). All other aspects of the new Circular A-87 should be followed as appropriate.
County Response:	In July 2000, the Health Department began a new method of cost allocation (RVU allocation) in 33 of its clinics. HRSA (the Health Department's cognizant federal agency) approved the substitute method under the provisions of Revised Circular A-87. The method is automated, generates cost savings by reducing unnecessary effort and is more accurate than time sampling.
2001 Update:	With the County's implementation of a new general ledger system, SAP, in fiscal year 2001, they are continuing to improve the reporting aspects of the system to meet requirements.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-9

Program:	CFDA #93.045, Special Programs for the Aging
Federal Agency:	Department of Health and Human Services
Award Year:	1999 – 2000
Requirement:	Contractors are required to determine that the customers served are over the age of 60.
Finding:	For 4 out of 25 sample items selected, there was insufficient documentation on file to determine compliance with this requirement.
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The program staff should monitor eligibility criteria more closely.
County Response:	The County's Aging and Disability Services Department will review the age determination requirement with all contractors and establish a periodic review procedure to monitor compliance with this requirement.
2001 Update:	The department is working towards ensuring all requirements of contracts are being followed and that adequate supporting documentation is tracked for audit purposes.

Multnomah County, Oregon

SCHEDULE OF PRIOR YEAR FINDINGS AND CORRECTIVE ACTION PLAN - CONTINUED

FINDING 00-10

Program:	CFDA #93.044 and 93.045, Special Programs for the Aging
Federal Agency:	Department of Health and Human Services
Award Year:	1999 – 2000
Requirement:	Time distributions for employees working on multiple grants must be prepared monthly and must coincide with one or more pay periods.
Finding:	<p>The Office of Management and Budget issued a revised Circular A-87 on May 4, 1995. This Circular was effective for all awards or amendments, including continuation or renewal awards, made on or after September 1, 1995. The revised Circular increased the requirements related to time distributions, stating that unless a statistical time sampling system or other substitute system had been approved by the federal cognizant agency, time distributions for employees working on multiple grants must be supported by personnel activity reports. The reports must be prepared at least monthly and must coincide with one or more pay periods. Grant Thornton noted that the salary and wage distribution system was based on distribution percentages determined before the services were performed.</p>
Questioned Cost:	None
Prevalence:	Systemic
Recommendation:	The Department of Aging and Disability Services should base its time distributions on monthly surveys with each covering at least one pay period. All other aspects of the new Circular A-87 should be followed as appropriate.
County Response:	<p>The employees who work on multiple grants are, for the most part, providing central administrative and support service functions to the entire Aging and Disability Services Department. The services these employees provide are not conducive to an after-the-fact time reporting system. The time and effort spent on developing a personnel or fiscal policy is not done for a specific grant, but rather is done for the entire department. The department has developed a plan for the allocation of these costs to each funding source. The department will work with the Federal cognizant agency to get approval of this cost allocation plan.</p> <p>Also, the above allocations are already approved annually by the Oregon State Senior and Disabled Services Division as part of the Annual Area Plan filed by the County. The preparation and filing of the Area Plan is a requirement of the Federal Older Americans Act.</p>
2001 Update:	With the County's implementation of the new general ledger, SAP, in fiscal year 2001, they are continuing to improve the system to meet requirements.

