

Reports of Independent Auditors and  
Schedule of Expenditures of Federal Awards

**Marion County, Oregon  
Federal Grant Programs**

June 30, 2025

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## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners  
Marion County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Marion County, Oregon (the County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 22, 2025. Our report includes a reference to other auditors who audited the financial statements of the Marion County Housing Authority, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Baker Tilly US, LLP*

Eugene, Oregon  
December 22, 2025

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

Board of Commissioners  
Marion County, Oregon

## **Report on Compliance for Each Major Federal Program**

### ***Opinion on Each Major Federal Program***

We have audited Marion County, Oregon's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### ***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

Marion County, Oregon's basic financial statements include the operations of Marion County Housing Authority, the discretely presented component unit of the County, which expended \$12,383,529 in federal awards for the year ended December 31, 2024 which is not included in Marion County, Oregon's schedule of expenditures of federal awards for the year ended June 30, 2025. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of Marion County Housing Authority because Marion County Housing Authority engaged other auditors to perform an audit of compliance.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Marion County, Oregon's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Marion County, Oregon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Marion County, Oregon as of and for the year ended June 30, 2025, and the related notes to the financial statements which collectively comprise the County's basic financial statements. We issued our report thereon dated December 22, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Baker Tilly US, LLP*

Eugene, Oregon  
March 30, 2026

**Marion County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>Department of Agriculture</u></b>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Oregon Health Authority	180023	\$ -	\$ 1,238,351
Opal Creek Wilderness Economic Grant Program	10.726	Oregon Business Development Department	22-DG-11062765-739	-	40,829
Opal Creek Wilderness Economic Grant Program	10.726	Oregon Business Development Department	23-DG-11062765-123	44,551	69,627
Subtotal Opal Creek Wilderness Economic Grant Program				44,551	110,456
<b>Total Department of Agriculture</b>				<b>44,551</b>	<b>1,348,807</b>
<b><u>Department of Housing and Urban Development</u></b>					
CDBG Cluster Entitlement/Special Purpose Grants	14.218	Direct	N/A	666,725	2,149,546
Home Investment Partnerships Program	14.239	Direct	N/A	-	1,233,507
COVID-19 Home Investment Partnerships Program	14.239	Direct	N/A	248,072	286,736
Subtotal Home Investment Partnerships Program				248,072	1,520,243
<b>Total Department of Housing and Urban Development</b>				<b>914,797</b>	<b>3,669,789</b>
<b><u>Department of Justice</u></b>					
National Criminal History Improvement Program (NCHIP)	16.554	Oregon State Police	15PBJS-23-GK-01448-NCHI	-	40,500
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA/CFA-2023-MarionCo.DAVAP-00010	-	376,771
Violence Against Women Formula Grants	16.588	Oregon Department of Justice	VAWA-C-2023-MarionCo.DAVAP-00002	-	103,803
State Criminal Alien Assistance Program	16.606	Direct	N/A	-	176,810
Public Safety Partnership and Community Policing Grants	16.710	Direct	N/A	-	24,303
Edward Byrne Memorial Justice Assistance Grant Program	16.738	City of Salem	15PBJA-22-GG-02258-JAGX	-	10,339
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	Direct	N/A	-	50,450
Equitable Sharing Program	16.922	Direct	N/A	-	1,039
Subtotal Department of Justice				-	784,015

**Marion County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Department of Transportation</b>					
Highway Planning and Construction	20.205	Oregon Department of Transportation	15116	-	168,824
Highway Planning and Construction	20.205	Oregon Department of Transportation	16307	-	4,227
Highway Planning and Construction	20.205	Oregon Department of Transportation	19283	-	72,825
Highway Planning and Construction	20.205	Oregon Department of Transportation	20899	-	30,731
Highway Planning and Construction	20.205	Oregon Department of Transportation	21465	-	434,359
Highway Planning and Construction	20.205	Oregon Department of Transportation	23652	-	383,439
Highway Planning and Construction	20.205	Oregon Department of Transportation	31095	-	745,725
Highway Planning and Construction	20.205	Oregon Department of Transportation	32728	-	(410,346)
Highway Planning and Construction	20.205	Oregon Department of Transportation	32751	-	(1,311)
Highway Planning and Construction	20.205	Oregon Department of Transportation	33277	-	105,218
Highway Planning and Construction	20.205	Oregon Department of Transportation	33758	-	54,637
Highway Planning and Construction	20.205	Oregon Department of Transportation	34018	-	25,119
Highway Planning and Construction	20.205	Oregon Department of Transportation	32444/34108	-	82,459
Highway Planning and Construction	20.205	Oregon Department of Transportation	34298	-	741,261
Highway Planning and Construction	20.205	Oregon Department of Transportation	34299	-	68,316
Highway Planning and Construction	20.205	Oregon Department of Transportation	34386	-	2,997,790
Highway Planning and Construction	20.205	Oregon Department of Transportation	34397	-	2,606,938
Highway Planning and Construction	20.205	Oregon Department of Transportation	34622	-	26,048
Highway Planning and Construction	20.205	Oregon Department of Transportation	34659	-	69,414
Highway Planning and Construction	20.205	Oregon Department of Transportation	35121	-	102,721
Subtotal Highway Planning and Construction				-	8,308,394
Federal Lands Access Program	20.224	Direct	N/A	-	128,846
Highway Safety Cluster:					
State and Community Highway Safety	20.600	Oregon Department of Transportation	69A375253000040200R0	-	53,019
State and Community Highway Safety	20.600	Oregon Department of Transportation	69A375223000040200RO	-	34,445
State and Community Highway Safety	20.600	Oregon Impact	69A375224000040200RO	-	3,768
State and Community Highway Safety	20.600	Oregon Impact	69A375253000040200RO	-	2,253
State and Community Highway Safety	20.600	Oregon Department of Transportation	69A375253000040200RO	-	1,894
Subtotal State and Community Highway Safety				-	95,379
National Priority Safety Programs	20.616	Oregon Department of Transportation	69A3752240000405BORH	-	930
National Priority Safety Programs	20.616	Oregon Impact	69A3752240000405DORM	-	1,922
National Priority Safety Programs	20.616	Oregon Impact	69A3752240000405EORC	-	3,478
National Priority Safety Programs	20.616	Oregon Impact	69A3752530000405DORM	-	1,164
Subtotal National Priority Safety Programs				-	7,494
Subtotal Highway Safety Cluster				-	102,873
<b>Total Department of Transportation</b>				-	<b>8,540,113</b>

**Marion County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b><u>Department of Treasury</u></b>					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	N/A	4,276,718	18,379,072
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Oregon Business Development Department	SR2240	-	8,001,703
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Western Oregon University	WOU25-002-Marion_County	-	102,311
Subtotal Coronavirus State and Local Fiscal Recovery Funds				4,276,718	26,483,086
Local Assistance and Tribal Consistency Fund	21.032	Direct	N/A	-	501,670
<b>Total Department of Treasury</b>				<b>4,276,718</b>	<b>26,984,756</b>
<b><u>The Institute of Museum and Library Services</u></b>					
Grants to States	45.310	State Library of Oregon	LS-256838-OLS-24	-	1,000
<b>Total The Institute of Museum and Library Services</b>				-	<b>1,000</b>
<b><u>Department of Health and Human Services</u></b>					
Public Health Emergency Preparedness	93.069	Oregon Health Authority	180023	-	137,446
Immunization Cooperative Agreements	93.268	Oregon Health Authority	180023	-	253,887
COVID-19 Immunization Cooperative Agreements	93.268	Oregon Health Authority	180023	-	33,785
Subtotal Immunization Cooperative Agreements				-	287,672
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Oregon Health Authority	180023	-	550,756
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Oregon Health Authority	180023	-	57,405
Child Support Services	93.563	Oregon Department of Justice Mid-Willamette Valley Community Action Agency	23503	-	1,358,946
Low-Income Home Energy Assistance	93.568	Department of Human Services	JV-2423-18	-	5,768
Foster Care Title IV-E	93.658	Department of Human Services	172632	-	221,882
Opioid STR	93.788	Oregon Health Authority	168319	-	283,045
HIV Prevention Activities Health Department Based	93.940	Oregon Health Authority	180023	-	60,426
Block Grants for Community Mental Health Services	93.958	Oregon Health Authority	26019	-	383,477
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Oregon Health Authority	26019/180023	-	1,336,373
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	Oregon Health Authority	180023	-	129,338
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health Authority	180023	-	127,869
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health & Sciences University	1015198_MARION/1029202_MARION	-	54,982
Subtotal Maternal and Child Health Services Block Grant to the States				-	182,851
<b>Total Department of Health and Human Services</b>				-	<b>4,995,385</b>

**Marion County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Organization	Pass-Through Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Department of Homeland Security</b>					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Oregon Dept of Emergency Manangement	FEMA-4599-DR-OR	-	44,181
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Oregon Dept of Emergency Manangement	FEMA-4562-DR-OR	-	869,519
Subtotal Disaster Grants-Public Assistance (Presidentially Declared Disasters)				-	913,700
Hazard Mitigation Grant	97.039	Oregon Dept of Emergency Manangement	HMGP-DR-4562-38-P-OR	-	40,976
Hazard Mitigation Grant	97.039	Oregon Dept of Emergency Manangement	HMGP-DR-4599-12-R-OR	77,950	77,950
Subtotal Hazard Mitigation Grant				77,950	118,926
Emergency Management Performance Grants	97.042	Oregon Dept of Emergency Manangement	24-523	-	133,361
Homeland Security Grant Program	97.067	Oregon Dept of Emergency Manangement	23-214	-	2,620
Homeland Security Grant Program	97.067	Oregon Dept of Emergency Manangement	23-215	-	84,222
Homeland Security Grant Program	97.067	Oregon Dept of Emergency Manangement	24-201	-	7,887
Subtotal Homeland Security Grant Program				-	94,729
<b>Total Department of Homeland Security</b>				-	<b>1,260,716</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 5,314,016</b>	<b>\$ 47,584,581</b>

**Marion County, Oregon**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Marion County, Oregon (County) under programs of the federal government for the year ended June 30, 2025. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the County.

The reporting entity is fully described in the notes to the County's basic financial statements for the year ended June 30, 2025. Those statements include the operations of the Marion County Housing Authority (MCHA), a discretely presented component unit of the County. Federal awards expended by MCHA are reported separately and are not included in this SEFA.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE 3 - INDIRECT COST RATE**

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

**NOTE 4 – REVOLVING LOAN PROGRAMS**

The County makes loans to individual households for homebuyer assistance that can be used for a down-payment, closing costs, or buying down points on their mortgage. The seed money for these loans used to establish the program initially was provided through Federal funds under the HOME Investment Partnerships Program (ALN #14.239). The County's responsibility over these loans is to ensure that in the event that the home is sold or transfers ownership, the loan is paid back to the County according to the terms of the Deed of Trust and Promissory Note filed upon closing. Revenue received from a loan payoff is recorded as Program Income and is managed in accordance with HUD regulations under CFR 578.97. The outstanding loan balance as of June 30, 2025, was \$1,250,000.

**Marion County, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major federal programs:

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

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

Assistance Listing Numbers	Name of Federal Program or Cluster	Type of Auditor’s Report Issued on Compliance for Major Federal Programs
14.239	COVID-19 Home Investment Partnerships Program	Unmodified
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Unmodified
14.218	CDBG Cluster Entitlement/Special Purpose Grants Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 1,427,537

Auditee qualified as low-risk auditee?  Yes  No

**Section II – Financial Statement Findings**

None reported.

**Marion County, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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

**2025-001 Reporting (Significant Deficiency in Internal Controls over Compliance and Instance of Noncompliance)**

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program</i>	<i>Award Number</i>	<i>Award Year</i>
14.218	CDBG Cluster Entitlement/Special Purpose Grants	Multiple	Multiple

**Criteria:** Under the requirements of FFATA (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, the County is required to submit reports to the Federal Funding Accountability and Transparency Act Subaward Reporting System for any subawards of \$30,000 or more. Reports are due by the end of the month following the month in which the prime awardee awards any sub-award equal to or greater than \$30,000. Additionally, the IDIS PR 29 Cash on Hand Quarterly Report is due by the end of the next month following the quarter.

**Condition:** Reports required to be submitted under the Federal Funding Accountability and Transparency Act (FFATA) were not submitted for 1 subaward and not submitted timely for 4 subawards during the year ended June 30, 2025. Additionally, we were unable to confirm two of the IDIS PR 29 Cash on Hand Quarterly Reports were filed by their due date as we were only provided with the amended reporting which was filed after the deadline.

**Context:** IDIS PR 29 Cash on Hand Quarterly Report reports were filed late for 2 quarters. FFATA reports were not submitted for 1 subaward and not submitted timely for 4 subawards for the programs see below for details.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
4	1	3	-	0
Dollar Amount of Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$ 1,061,932	\$ 200,000	\$ 861,932	\$ -	\$ -

**Cause:** The County has not implemented the proper controls to ensure all required reports are submitted to the federal agency timely.

**Effect:** FFATA and IDIS PR 29 Cash on Hand Quarterly Report reports were not submitted by their due dates.

**Questioned Costs:** None

**Repeat Finding:** Yes, 2024-001.

**Recommendation:** We recommend that the County ensure that adequate controls are in place to ensure that report due dates are met and documentation of the original filing dates are maintained by the County.

**Marion County, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

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**Views of Responsible Officials:** Management agrees with the auditor recommendation.  
**2025-002 Allowable Costs (Significant Deficiency in Internal Controls over Compliance and Instance of Noncompliance)**

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program</i>	<i>Award Number</i>	<i>Award Year</i>
14.218	CDBG Cluster Entitlement/Special Purpose Grants	Multiple	Multiple

*Criteria or specific requirement:* Uniform Guidance (2 CFR §200.430 – Compensation for Personal Services) requires that charges to federal awards for salaries and wages be supported by a system of internal controls that provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Personnel expenses must be supported by records that accurately reflect the work performed and must reasonably reflect the total activity for which the employee is compensated. These records must also be incorporated into the official records of the organization.

*Condition:* During our testing of payroll expenditures charged to federal awards, we noted that the County maintains time sheets to support the allocation of personnel costs to federal programs; however, the allocation is based on budget rather than actual time worked. In addition, management does not perform a periodic review or “lookback” to compare budgeted payroll allocations to actual work performed to ensure that payroll costs charged to federal awards is accurate.

*Context:* Timesheets to support the allocation of personnel charges did not agree to the actual time charged to the program.

*Effect:* Without supporting documentation and periodic reconciliation, there is an increased risk that payroll costs charged to federal awards may not accurately reflect work performed. This may result in unallowable or improperly allocated costs being charged to federal programs and could lead to questioned costs or noncompliance with federal requirements.

*Cause:* Management has not implemented a formal review process to periodically reconcile budgeted payroll allocations to actual activity.

Questioned Costs: None.

*Repeat finding:* No.

*Recommendation:* We recommend that management implement procedures to ensure compliance with Uniform Guidance requirements for personnel costs. These procedures should include:

- Maintaining time sheets or equivalent documentation that supports the allocation of personnel costs across funding sources, and
- Performing periodic reviews (lookbacks) comparing budgeted payroll allocations to actual work performed to ensure charges to federal awards are reasonable and properly supported.

*Views of responsible officials:* Management agrees with the auditor recommendation.

**County Commissioners**  
Colm Willis, Chair  
Kevin Cameron  
Danielle Bethell



**Chief Administrative Officer**  
Jan Fritz

**Chief Financial Officer**  
Jeff White

## MARION COUNTY FINANCE

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### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS** **2 CFR § 200.511(b)** **For the Year Ended June 30, 2025**

#### **Finding 2024-001: Reporting – Material Weakness in Internal Controls over Compliance and Instance of Noncompliance**

**Federal Agency:** U.S. Department of Housing and Urban Development (HUD)

**Federal Program:** 14.218 – Community Development Block Grants/Entitlement Grants

**Condition:** The county did not file FFATA reports for 2 subawards and did not submit timely for 3 subawards for the programs.

#### **Status of Findings:**

Partially corrected. Management received notification of the finding and recommendation in January 2025 at which time the county did file FFATA reports for its subrecipients; however, the reports were not submitted by the end of the month following the month in which the subaward was made. In addition, two quarterly cash-on-hand reports were not filed by the due date specified in the award document; however, all cash-on-hand reports were filed timely subsequent to March 2025.

The system that collects the cash on hand reports has shown different submission dates, depending on how the information is requested. It is believed that the cash on hand reports were submitted on time as the county has never received notice from HUD that the reports were late or missing. Moving forward, the CDBG/HOME Program Specialist will take screenshots when submitting to capture the date.



**MARION COUNTY FINANCE**

In response to the finding identified as: 2025-001 Reporting (Significant Deficiency in Internal Controls over Compliance and Instance of Noncompliance), and to maintain compliance with the reporting requirements of the Federal Funding Accountability and Transparency Act (FFATA) and the US Housing and Urban Development CDBG/HOME reporting requirements, the following Corrective Action Plan is being provided.

**CORRECTIVE ACTION PLAN  
 2 CFR § 200.511(c)  
 For the Year Ended June 30, 2025**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2025-001	<p>1. FFATA reports for all CDBG and HOME (ALN 14.218 and 14.239) subrecipient awards of \$30,000 or more will be filed within 30-days following the date the annual allocation award is signed, finalized, and the information transmitted to the System of Award Management (SAM.gov) by a representative from HUD. This information transmission creates the award in the SAM.gov reporting portal to which subrecipients can be associated. They cannot be entered before this occurs.</p> <p>FFATAs will be entered into the SAM.gov website by the CDBG/HOME Program Specialist following review by the CDBG/HOME Program Manager. Once the reports have been filed on SAM.gov, a copy of the reports will be provided via email to the Marion County Chief Financial Officer, the Marion County Grants Manager, and the Community and Economic Development Director.</p> <p>2. PR29 CDBG Cash on Hand Reports will be filed in the HUD Integrated Disbursement and Information System (IDIS) within 30-days of the quarter end date. The report will be entered into IDIS by the CDBG/HOME Program Specialist following review by the CDBG/HOME Program Manager. A copy of the report and screenshot verifying date of submission will be saved by the CDBG/HOME Program Specialist and provided via email to the Marion County Grants Manager for storage in the Audit Workpapers file.</p>	The procedure will be in effect immediately as of the filing of this plan on 3/31/26.	Steve Dickey, CDBG/HOME Program Manager

**County Commissioners**  
 Colm Willis, Chair  
 Kevin Cameron  
 Danielle Bethell



**Chief Administrative Officer**  
 Jan Fritz

**Chief Financial Officer**  
 Jeff White

## MARION COUNTY FINANCE

In response to the finding identified as: 2025-002 Allowable Costs (Significant Deficiency in Internal Controls over Compliance and Instance of Noncompliance, and to maintain compliance with the Uniform Guidance 2 CFR § 200.430 – Compensation for Personal Services, the following Corrective Action Plan is being provided:

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**For the Year Ended June 30, 2025**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2025-002	1. Timesheets will be maintained supporting the allocation of personnel costs across funding streams. 2. Quarterly reviews will be performed comparing budgeted payroll allocations to actual work performed to ensure charges to federal awards are reasonable and properly supported. Reviews will also include comparing approved timesheets to the electronic payroll systems to ensure accuracy. 3. If necessary, periodic reconciliation will occur to correct any discrepancies. 4. Documentation of this review will be maintained for future reviews.	The procedure will be in effect immediately as of the filing of this plan on 3/31/26.	Steve Dickey, CDBG/HOME Program Manager

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