

Audit of Federal Awards Performed in Accordance with Government Auditing Standards and Uniform Guidance and Supplementary Information

For the fiscal year ended June 30, 2025



**CLACKAMAS COUNTY, OREGON
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* *incorporated by reference only*

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*

The Board of County Commissioners
Clackamas 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clackamas 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 January 30, 2026. Our report includes a reference to other auditors who audited the financial statements of Easton Ridge, LLC, Pedcor Investments 2016-CLV LP, Hillside Manor LP, and Webster Road Housing LP, aggregate discretely presented component units, 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 control 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

Portland, Oregon
January 30, 2026

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

The Board of Commissioners
Clackamas County, Oregon

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Clackamas 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 the County's major federal program for the year ended June 30, 2025. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Housing Authority of Clackamas County (the Authority) which expended \$43,263,640 in federal awards which are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2025. Our audit, described below, did not include the operations of the Authority because the Authority elected to perform a separate audit on compliance over the Authority's separately issued schedule of expenditures of federal awards for the year ended June 30, 2025.

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 its major federal program for the year ended June 30, 2025.

Basis for Opinion on the 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 the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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 the major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of 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. We issued our report thereon dated January 30, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Portland, Oregon
March 18, 2026

CLACKAMAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
10.447	The Rural Development (RD) Multi-Family Housing Revitalization Demonstration Program (MPR) - Loans Receivable as of 6/30/2024		Direct	\$ 50,000	\$ -
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Pass Through From: Oregon Health Authority	180003	997,279	-
10.664	Cooperative Forestry Assistance		Direct	82,422	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE				1,129,701	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
14.218	Community Development Block Grants/Entitlement Grants		Direct	2,452,674	157,337
14.218	Community Development Block Grants/Entitlement Grants - Program Income		Direct	178,262	-
14.218	Community Development Block Grants/Entitlement Grants - Loans Receivable as of 6/30/2024		Direct	4,556,032	-
14.218	Community Development Block Grants/Entitlement Grants - Loans Receivable as of 6/30/2024	Pass Through From: Oregon Housing and Community Services	1088	1,079,108	-
TOTAL Community Development Block Grants/Entitlement Grants - 14.218 and CDBG - Entitlement/Special Grants Cluster				8,266,076	157,337
14.228	COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Pass Through From: Oregon Housing and Community Services	9034	1,254	-
14.231	Emergency Solutions Grants Program		Direct	101,941	-
14.239	Home Investment Partnerships Program		Direct	11,963	-
14.239	COVID-19 Home Investment Partnerships Program-American Rescue Plan		Direct	3,045,815	-
14.239	Home Investment Partnerships Program - Program Income		Direct	187,825	-
14.239	Home Investment Partnerships Program - Loans Receivable as of 6/30/2024		Direct	20,132,943	-
TOTAL Home Investment Partnerships Program - 14.239				23,378,546	-
14.256	Neighborhood Stabilization Program (Recovery Act Funded) - Loans Receivable as of 6/30/2024	Pass Through From: Oregon Housing and Community Services	1123	428,223	-
14.267	Continuum of Care Program		Direct	1,833,343	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				34,009,383	157,337
U.S. DEPARTMENT OF THE INTERIOR					
15.234	Secure Rural Schools and Community Self-Determination		Direct	13,027	-
15.622	Sportfishing and Boating Safety Act	Pass Through From: Oregon Marine Board	2325-033	243	-
TOTAL U.S. DEPARTMENT OF THE INTERIOR				13,270	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

**CLACKAMAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. DEPARTMENT OF JUSTICE:					
16.554	National Criminal History Improvement Program (NCHIP)	Pass Through From: Oregon State Police	16.Unknown	47,044	-
16.575	Crime Victim Assistance	Pass Through From: Oregon Department of Justice	VOCA/CFA-2023-ClackamasCo.DAV/AP-00014	540,644	-
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		Direct	251,241	205,893
16.710	Public Safety Partnership and Community Policing Grants		Direct	62,802	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Direct	95,861	-
16.753	Congressionally Recommended Awards		Direct	196,173	-
16.812	Second Chance Act Reentry Initiative		Direct	253,069	-
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program		Direct	65,029	-
16.922	Equitable Sharing Program		Direct	718,217	-
TOTAL U.S. DEPARTMENT OF JUSTICE				2,230,080	205,893
U.S. DEPARTMENT OF LABOR					
17.259	WIOA Youth Activities	Pass Through From: Clackamas Education Service District	IGA	43,000	-
	TOTAL WIOA CLUSTER			43,000	-
17.805	Homeless Veterans' Reintegration Program		Direct	216,271	-
TOTAL U.S. DEPARTMENT OF LABOR				259,271	-
U.S. DEPARTMENT OF TRANSPORTATION					
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	23349	156,492	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	31035	3,567,133	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	31087	18,517	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	34401	102,784	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	34822	314,454	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	34906	13,655	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	34925	13,446	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	73000-00003197	26,464	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	73000-00008600	78,538	-
20.205	Highway Planning and Construction (Federal-Aid Highway Program)	Pass Through From: Oregon Department of Transportation	73000-00029343:4	5,371	-
	TOTAL Highway Planning and Construction (Federal-Aid Highway Program) - 20.205			4,296,855	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

**CLACKAMAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
20.218	Motor Carrier Safety Assistance Program	Pass Through From: Oregon Department of Transportation	PO-73000-00022097	1,928	-
TOTAL Motor Carrier Safety Assistance Program - 20.218 and FMCSA CLUSTER				1,928	-
20.507	Federal Transit-Formula Grants (Urbanized Area Formula Program)	Pass Through From: Metro	938589	72,035	-
20.526	Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs (Buses and Bus Facilities Program)	Pass Through From: Oregon Department of Transportation	34218	236,300	-
TOTAL FEDERAL TRANSIT CLUSTER				308,335	-
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Pass Through From: Oregon Department of Transportation	35634	351,721	-
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Pass Through From: Oregon Department of Transportation	35409 & 35410	549,353	-
20.509	Formula Grants for Rural Areas and Tribal Transit Program - Program Income	Pass Through From: Oregon Department of Transportation	35409 & 35410	94,353	-
TOTAL Formula Grants for Rural Areas and Tribal Transit Program - 20.509				995,427	-
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: TriMet	GO250803GS	280,402	-
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Ride Connection	19030	2,595	-
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Oregon Department of Transportation	35491	60,071	-
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Oregon Department of Transportation	35677	38,860	-
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	Pass Through From: Oregon Department of Transportation	34218 / 35678	7,067	-
TOTAL Enhanced Mobility of Seniors and Individuals with Disabilities - 20.513 and TRANSIT SERVICES PROGRAMS CLUSTER				388,995	-
20.600	State and Community Highway Safety	Pass Through From: Oregon Department of Transportation	CP-24-25-16-00	141,239	-
TOTAL State and Community Highway Safety - 20.600 and HIGHWAY SAFETY CLUSTER				141,239	-
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Pass Through From: Oregon Department of Transportation	PM_DG-24-14-00-00	27,474	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Pass Through From: Office of the State Fire Marshall	2025-HEMP-002	43,506	-
20.939	Safe Streets and Roads for All		Direct	139,672	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				6,343,431	-
U.S. DEPARTMENT OF THE TREASURY					
21.016	Equitable Sharing Program		Direct	175,324	-
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds		Direct	21,172,866	4,401,324
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Pass Through From: Higher Education Coordinating Commission	23-24-08	15,232	-
TOTAL Coronavirus State and Local Fiscal Recovery Funds - 21.027				21,188,098	4,401,324
21.032	Local Assistance and Tribal Consistency Fund		Direct	137,929	-
TOTAL U.S. DEPARTMENT OF THE TREASURY				21,501,351	4,401,324

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

**CLACKAMAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. ENVIRONMENTAL PROTECTION AGENCY					
66.432	State Public Water System Supervision	Pass Through From: Oregon Health Authority	180003	60,416	-
66.468	Capitalization Grants for Drinking Water State Revolving Fund	Pass Through From: Oregon Health Authority	180003	60,416	-
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				120,832	-
U.S. DEPARTMENT OF ENERGY					
81.U01	Low-income Energy Efficiency Program (LIEE)	Pass Through From: Oregon State Housing and Community Services	MGA 8018	19,479	-
81.042	Weatherization Assistance for Low-Income Persons	Pass Through From: Oregon State Housing and Community Services	MGA 8018	567,140	-
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	Pass Through From: Oregon State Housing and Community Services	MGA 8018	128,191	-
TOTAL U.S. DEPARTMENT OF ENERGY				714,810	-
U.S. ELECTION ASSISTANCE COMMISSION					
90.400	Help America Vote College Program		Direct	47,157	-
TOTAL U.S. ELECTION ASSISTANCE COMMISSION				47,157	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
93.044	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	Pass Through From: Oregon Department of Human Services	181171	641,027	313,942
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Pass Through From: Oregon Department of Human Services	181171	1,398,704	850,165
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	Pass Through From: Oregon Department of Human Services	181171	25,965	-
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services			1,424,669	850,165
93.053	Nutrition Services Incentive Program	Pass Through From: Oregon Department of Human Services	181171	93,592	87,927
	TOTAL AGING CLUSTER			2,159,288	1,252,034
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)		Direct	2,690,822	-
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) - Program Income		Direct	49,072,615	-
	TOTAL Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care) - 93.224			51,763,437	-
93.527	Grants for New and Expanded Services under the Health Center Program		Direct	297,505	-
	TOTAL HEALTH CENTER PROGRAM CLUSTER			52,060,942	-
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services.	Pass Through From: Oregon Department of Human Services	181171	49,560	49,560
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	Pass Through From: Oregon Department of Human Services	180655	19,500	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

**CLACKAMAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
93.052	National Family Caregiver Support Program	Pass Through From: Oregon Department of Human Services	181171	201,029	271
93.069	Public Health Emergency Preparedness	Pass Through From: Oregon Health Authority	180003	217,827	-
93.071	Medicare Enrollment Assistance Program	Pass Through From: Oregon Department of Human Services	184192	11,350	-
93.217	Family Planning-Services	Pass Through From: Oregon Health Authority	180003	51,814	-
93.136	Injury Prevention and Control Research and State and Community Based Programs	Pass Through From: Oregon Health Authority	180003	151,000	-
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		Direct	487,386	41,471
93.268	Immunization Cooperative Agreements	Pass Through From: Oregon Health Authority	180003	501,966	-
93.276	Drug-Free Communities Support Program Grants		Direct	28,677	-
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Pass Through From: Oregon Health Authority	180003	1,518	-
93.526	COVID-19 - Grants for Capital Development in Health Centers		Direct	17,722	-
93.556	Marylee Allen Promoting Safe and Stable Families	Pass Through From: Oregon Department of Early Learning and Care	23037	149,674	-
93.558	Temporary Assistance for Needy Families (TANF)	Pass Through From: Oregon Housing and Community Services	MGA 8018	174,720	-
93.569	Community Services Block Grant	Pass Through From: Oregon Housing and Community Services	MGA 8018	242,042	-
93.563	Child Support Services	Pass Through From: Oregon Department of Justice	23493	1,525,274	-
93.568	Low-Income Home Energy Assistance Program	Pass Through From: Oregon Housing and Community Services	MGA 8018	2,683,788	-
93.658	Foster Care Title IV-E	Pass Through From: Oregon Department of Human Services	172608	86,109	-
93.940	HIV Prevention Activities Health Department Based	Pass Through From: Oregon Health Authority	180003	97,043	65,000
93.958	Block Grants for Community Mental Health Services	Pass Through From: Oregon Health Authority	26004	325,820	86,212
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	155011	326,387	-
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	155011	34,369	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Pass Through From: Oregon Health Authority	26004	420,870	420,870
	TOTAL Block Grants for Prevention and Treatment of Substance Abuse - 93.959			781,626	420,870
93.994	Maternal and Child Health Services Block Grant to the States	Pass Through From: Oregon Health Authority	180003	122,786	-
93.994	Maternal and Child Health Services Block Grant to the States	Pass Through From: Oregon Health & Science University	1015198_CLACKAMAS	29,991	-
93.994	Maternal and Child Health Services Block Grant to the States	Pass Through From: Oregon Health & Science University	1029202_CLACKAMAS	23,066	-
	TOTAL Maternal and Child Health Services Block Grant to the States - 93.994			175,843	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				62,201,518	1,915,418

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

CLACKAMAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Assistance Listing Number	Program or Cluster Title	Pass-Through Grantor	Pass-Through Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
94.016	Americorps Seniors Companion Program		Direct	115,219	-
TOTAL FOSTER GRANDPARENT/SENIOR COMPANION CLUSTER				115,219	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				115,219	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
97.029	Flood Mitigation Assistance	Pass Through From: Oregon Department of Emergency Management	EMS-2021-FM-004-0003	541,839	-
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Pass Through From: Oregon Department of Emergency Management	DR-4499	9,565	-
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Pass Through From: Oregon Department of Emergency Management	DR-4599	3,094	-
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	Pass Through From: Oregon Department of Emergency Management	DR-4768	174,321	-
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters) - 97.036				186,980	-
97.039	Hazard Mitigation Grant Program (HMGP)	Pass Through From: Oregon Military Department	HMGP-PF-FM-5327-13-F-OR	5,058	-
97.042	Emergency Management Performance Grants	Pass Through From: Oregon Department of Emergency Management	24-502	121,040	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: Oregon Department of Emergency Management	23-206	19,114	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: Oregon Department of Emergency Management	23-207	56,358	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: Oregon Department of Emergency Management	32003375	81,151	-
97.067	Homeland Security Grant Program (HSGP)	Pass Through From: City of Portland	32003061	154,327	-
Total Homeland Security Grant Program (HSGP) - 97.067				310,950	-
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	Pass Through From: Oregon Department of Emergency Management	CY22-159	146,367	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				1,312,234	-
TOTAL EXPENDITURE OF FEDERAL AWARDS				\$ 129,998,257	\$ 6,679,972

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

CLACKAMAS COUNTY, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards (the Schedule) is presented using the modified accrual basis of accounting, which is described in Note 1 to the basic financial statements of Clackamas County, Oregon (the County). Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) wherein certain types of expenses are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where applicable.

2. ELECTION OF DE MINIMIS INDIRECT COST RATE

During the fiscal year ended June 30, 2025, the County did not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance.

3. BASIS OF PRESENTATION

The Schedule presents the activity of all federally-funded programs of the County, except for the Housing Authority of Clackamas County (HACC) and the Workforce Investment Council of Clackamas County, Inc. (dba Clackamas Workforce Partnership), which issue separate reports. The reporting entity is defined in Note 1 to the County's basic financial statements. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule 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 financial position, or the cash flows of the County.

4. REVOLVING LOAN PROGRAMS

The County makes loans to developers for the construction of low-income housing units. The seed money for these loans used to establish the program initially was provided through Federal funds under the Rural Development Multi-Family Housing Revitalization Demonstration Program (ALN #10.447), Community Development Block Grants/Entitlement Grants (ALN #14.218), HOME Investment Partnerships Program (ALN #14.239), and Neighborhood Stabilization Program (ALN #14.256). The County's responsibility over these loans is to ensure that a specified percentage of the total rental units are rented to low-income individuals, and the ongoing compliance requirements relate to the accumulated loan balances.

The outstanding loan balances as of June 30, 2025 consists of:

<u>ALN</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
10.447	The Rural Development (RD) Multi-Family Housing Revitalization Demonstration Program	\$50,000
14.218	Community Development Block Grants/Entitlement Grants (Direct Federal)	\$4,556,032
14.218	Community Development Block Grants/Entitlement Grants (NSP-1 HERA Passed through OHCS)	\$1,079,108
14.239	Home Investment Partnerships Program	\$20,132,943
14.256	Neighborhood Stabilization Program (Recovery Act Funded) (NSP-2 ARRA Passed through OHCS)	\$428,223

**CLACKAMAS 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:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
93.224/93.527	Health Center Program Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Summary Schedule of Prior Audit Findings

Finding 2024-001: Reporting – Significant Deficiency 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 a FFATA report for one of its subrecipients that was granted the sub-award during the fiscal year. In addition, the County did not file two of its quarterly cash-on-hand reports by the due date specified in the award document.

Status of Finding: Partially corrected. Management received the finding and recommendation in March 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, one quarterly cash-on-hand report was not filed by the due date specified in the award document; however, all cash-on-hand reports were filed timely subsequent to March 2025.

Finding 2024-002: Procurement, Suspension and Debarment – Significant Deficiency in Internal Controls over Compliance and Instance of Noncompliance

Federal Agency: U.S. Department of Treasury

Federal Program: 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Condition: For two of the contracts tested, there was no evidence of verification from sam.gov being obtained to verify vendors were not suspended or debarred prior to conducting business. There was also no evidence in the County's contract with the vendor that the appropriate language had been included.

Status of Finding: Not resolved. The County did not do a retroactive review of contracts entered after receiving the finding in March 2025. The same condition was noted for two contracts tested in the current year.

Reason for Recurrence: The recurrence of this finding is attributable to the timing of the original testing period. The contracts reviewed during the audit were executed within the same period as the original finding, and prior to the implementation of updated internal controls. In addition, due to the ARPA obligation deadline of December 31, 2024, all contracts and agreements were required to be fully executed before that date. As a result, SAM.gov verification could not be performed retroactively for these agreements, and the updated contract language requirements were not yet in place at the time the contracts were executed.

Partial Corrective Action Taken: Following the initial finding, the County began revising its procurement and contracting procedures to incorporate mandatory SAM.gov verification and standardized



Department of Finance

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suspension/debarment language. Staff training and updated workflow requirements were initiated; however, these improvements were implemented after the contracts included in the audit sample had already been executed.

Planned Corrective Action: The County has fully implemented revised procurement procedures requiring documented SAM.gov verification prior to contract execution and the inclusion of required suspension and debarment language in all agreements. These controls are now embedded in the contracting workflow to ensure compliance for all future procurements. The County will continue to monitor adherence to these procedures to prevent recurrence.

Finding 2024-003: Allowable Costs – Significant Deficiency in Internal Controls over Compliance and Instance of Noncompliance

Federal Agency: U.S. Department of Treasury

Federal Program: 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Condition: For nine of the items tested, we noted the County had charged contracted services for temporary employees to assist with either accounting or Ballot Measure 108, neither of which are considered allowable in accordance with the regulations.

Status of Finding: Not resolved. For three of the items tested, the County charged the full cost of three separate 3-year broadband service plans (October 2024 through October 2027) to the current fiscal year. As the services extend beyond the current period of performance, the costs were not allocable to the current

Reason for Recurrence: The recurrence of this finding is due to timing and the continuation of prior-year practices during the audit period. The invoices tested were processed before updated guidance on allocability and period-of-performance requirements had been fully implemented across departments. As a result, multi-year service costs were recorded in the year of payment rather than allocated over the appropriate service periods.

Partial Corrective Action Taken: The County will work with departments to reinforce the requirement that expenses must be recorded in the correct fiscal period and aligned with the period of performance. Initial reviews of invoice coding and reporting practices will be conducted, and staff receive preliminary direction on identifying multi-year service costs.

Planned Corrective Action: The County will implement a strengthened review process in coordination with all departments to ensure that invoices are evaluated for allocability and proper period-of-performance alignment before financial reporting submissions. This includes enhanced training, updated procedures for identifying multi-year service agreements, and additional review steps within the reporting workflow. These measures are designed to ensure that costs are recorded in the correct fiscal period and to prevent recurrence of this issue.