

FEDERAL GRANT COMPLIANCE REPORT
YAMHILL COUNTY, OREGON

Year Ended June 30, 2022



YAMHILL COUNTY
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Yamhill County
McMinnville, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yamhill County (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 23, 2023.

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 County'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 have not been identified.

Board of Commissioners
Yamhill County
Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Singer Lewak LLP

March 23, 2023

By:



Bradley G. Bingenheimer, Partner

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Yamhill County
McMinnville, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Yamhill County's (the "County") compliance with the types of compliance requirements identified as subject to an 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, 2022. 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 types of 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, 2022.

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; 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.

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 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 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 our 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.

Board of Commissioners
Yamhill County
Report on Compliance for Each Major Federal Program and Report on
Internal Control over Compliance Required by the Uniform Guidance

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

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

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

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

We have audited the financial statements of the County as of and for the year ended June 30, 2022, and have issued our report thereon dated March 23, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Singer Lewak LLP

March 23, 2023



YAMHILL COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
♦ Material weakness(es) identified?	No
♦ Significant deficiency(ies) identified? reported	None
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
♦ Material weakness(es) identified?	No
♦ Significant deficiency(ies) identified? reported	None
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

YAMHILL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Agriculture				
Food and Nutrition Service				
<i>Passed through Oregon Department of Education</i>				
<u>Child Nutrition Cluster</u>				
School Breakfast Program	10.553		\$ 5,357	
National School Lunch Program	10.555		<u>9,219</u>	
Subtotal Child Nutrition Cluster			<u>\$ 14,576</u>	<u>\$ -</u>
Total Department of Agriculture			<u>14,576</u>	<u>-</u>
Department of the Interior				
Fish and Wildlife Service				
National Wildlife Refuge Fund	15.659		<u>3,091</u>	<u>-</u>
Department of Justice				
OJP Bureau of Justice Assistance				
<i>Passed through Oregon Department of Corrections</i>				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		6,885	
<i>Passed through Oregon Criminal Justice Commission</i>				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		<u>135,242</u>	
			142,127	-
Office for Victims of Crime				
<i>Passed through Oregon State Department of Justice</i>				
Crime Victim Assistance	16.575	VOCA	<u>201,974</u>	<u>-</u>
Total Department of Justice			<u>344,101</u>	<u>-</u>
Department of Transportation				
Federal Transit Administration				
<i>Passed through Oregon Department of Transportation</i>				
<u>COVID - Formula Grants for Rural Areas</u>				
	20.509	34211	353,728	
		34999	<u>1,226,930</u>	
			1,580,658	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	35194	363,073	-
National Highway Traffic Safety Administration				
<i>Passed through Oregon Department of Transportation</i>				
<u>State and Community Highway Safety</u>				
	20.600	SE-21-35-05145	1,516	
<u>National Highway Safety Cluster</u>				
National Priority Safety Programs	20.616	164AL-21-14-01	35,763	
		164AL-22-14-02	101,763	
<i>Passed through Oregon Impact</i>				
<u>National Highway Safety Cluster</u>				
National Priority Safety Programs	20.616	DUII HVE 12.21	1,109	
		PED SAFE 10.21 - 12.21	642	
		DD HVE SPD-OT 12.21 - 2.22	<u>1,446</u>	
Subtotal Highway Safety Cluster			<u>142,239</u>	<u>-</u>
Total Department of Transportation			<u>2,085,970</u>	<u>-</u>
Department of the Treasury				
<i>Passed through Oregon State Department of Administrative Services</i>				
<u>COVID-19 - Coronavirus Relief Fund</u>				
	21.019		\$ 218,009	\$ -
Coronavirus State and Local Fiscal Recovery Funds	21.027		9,328,855	9,253,855
Equitable Sharing	21.016		<u>868</u>	<u>-</u>
Total Department of the Treasury			<u>9,547,732</u>	<u>9,253,855</u>

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YAMHILL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Administrative Services				
<i>Passed through Oregon Department of Administrative Services</i>				
Donation of Federal Surplus Personal Property	39.003		16,933	-
Department of Health and Human Services				
Administration for Children and Families				
<i>Passed through Oregon State Department of Justice</i>				
Child Support Enforcement	93.563		368,229	-
Centers for Disease Control and Prevention				
<i>Passed through Oregon Health Authority</i>				
Public Health Emergency Preparedness	93.069		107,652	-
Immunization Cooperative Agreements	93.268		184,238	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		633,112	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		11,958	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		72,500	-
Substance Abuse and Mental Health Services Administration				
<i>Passed through Oregon Health Authority</i>				
Substance Abuse and Mental Health Services Administration	93.243		190,000	-
Health Resources and Services Administration				
<i>Passed through Oregon Health Authority</i>				
Maternal, Infant and Early Childhood Home Visiting Grant	93.870		140,040	-
Maternal and Child Health Services Block Grant	93.994		39,469	-
Immed Office of the Secretary of Health and Human Services				
<i>Passed through Oregon Health Authority</i>				
National Bioterrorism Hospital Preparedness Program	93.889		8,947	-
Substance Abuse and Mental Health Services Administration				
<i>Passed through Oregon Health Authority</i>				
Opioid STR	93.788		132,974	-
Block Grants for Community Mental Health Services	93.958		100,891	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959		145,224	-
Total Department of Health and Human Services			2,135,234	-
Social Security Administration				
Social Security - Work Incentives - Planning and Assistance Program	96.008		3,200	-
Department of Homeland Security				
<i>Passed through Oregon Military Department, Office of Emergency Management</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		78,998	-
Emergency Management Performance Grants	97.042		159,540	-
Total Department of Homeland Security			238,538	-
Total Expenditures of Federal Awards			<u>\$ 14,389,375</u>	<u>\$ 9,253,855</u>

YAMHILL COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Yamhill County under programs of the federal government for the year ended June 30, 2022. The information in the Schedule 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 Schedule presents only a selected portion of the operations of Yamhill County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Yamhill County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented 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.

3. Indirect costs

The County does not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. The County allocates indirect costs as allowed by each grant.

YAMHILL COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2020-001

Status: The Corrective Action Plan for Finding 2021-001 has taken the form of implementing new review procedures in the Yamhill County Health and Human Services Department before requesting reimbursement for expenditures directly charged to this grant in accordance with 2 CFR Part 200.303.