



REPORT OF INDEPENDENT AUDITORS AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CITY OF PORTLAND, OREGON
FEDERAL GRANT PROGRAMS

June 30, 2018

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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 City Council
City of Portland, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Moss Adams, LLP

Portland, Oregon
October 30, 2018

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

The City Council
City of Portland, Oregon

Report on Compliance for Each Major Federal Program

We have audited the City of Portland, Oregon's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 30, 2018, 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 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.

Moss Adams, LLP

Portland, Oregon
February 13, 2019

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|--|--|--------------------|---------------------|--|----------------------------|
| DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE | | | | | |
| 10.558 | Child and Adult Care Food Program | | | | |
| | Passed through: | | | | |
| | Oregon Department of Education | | | | |
| | After School Meal Program | 26 16026 | \$ 56,807 | \$ - | \$ 56,807 |
| Total 10.558 | Child and Adult Care Food Program | | <u>56,807</u> | <u>-</u> | <u>56,807</u> |
| TOTAL DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE | | | 56,807 | - | 56,807 |
| DEPARTMENT OF COMMERCE | | | | | |
| Economic Development Cluster | | | | | |
| 11.307 | Economic Adjustment Assistance | | | | |
| | Direct Programs: | | | | |
| | EDA Revolving Loan Fund | 07-39-02259 | 2,449,517 | - | 2,449,517 |
| Total 11.307 | Economic Adjustment Assistance | | <u>2,449,517</u> | <u>-</u> | <u>2,449,517</u> |
| Total Economic Development Cluster | | | <u>2,449,517</u> | <u>-</u> | <u>2,449,517</u> |
| 11.619 | Arrangements of Interdisciplinary Research Infrastructure | | | | |
| | Direct Program: | | | | |
| | Low-Cost Urban Air Quality Measurements. | 70NANB16H258 | 35,012 | - | 35,012 |
| Total 11.619 | Arrangements of Interdisciplinary Research Infrastructure | | <u>35,012</u> | <u>-</u> | <u>35,012</u> |
| TOTAL DEPARTMENT OF COMMERCE | | | 2,484,529 | - | 2,484,529 |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | |
| Community Development Block Grants/Entitlement Grants Cluster | | | | | |
| 14.218 | Community Development Block Grants/Entitlement Grants | | | | |
| | Direct Programs: | | | | |
| | CDBG | | 6,560,412 | 4,170,542 | 10,730,954 |
| | Passed through: | | | | |
| | City of Gresham | | | | |
| | Gresham CDBG 17-18 | N/A | 10,062 | - | 10,062 |
| | Multnomah County | | | | |
| | Mult. Co. CDBG 17-18 | N/A | 3,518 | - | 3,518 |
| Subtotal 14.218 | Community Development Block Grants/Entitlement Grants | | <u>6,573,992</u> | <u>4,170,542</u> | <u>10,744,534</u> |

See notes to schedule of expenditures of federal awards.

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|--|--|---------------------|---------------------|--|----------------------------|
| Total Community Development Block Grants/Entitlement Grants Cluster | | | 6,573,992 | 4,170,542 | 10,744,534 |
| 14.231 | Emergency Solutions Grants Program | | | | |
| Direct Programs: | | | | | |
| ESG | | | - | 728,714 | 728,714 |
| Total 14.231 | Emergency Solutions Grants Program | | - | 728,714 | 728,714 |
| 14.239 | HOME Investment Partnerships Program | | | | |
| Direct Programs: | | | | | |
| HOME Loans | | | 65,496,706 | - | 65,496,706 |
| HOME | | | 5,783,760 | 342,076 | 6,125,836 |
| Total 14.239 | HOME Investment Partnerships Program | | 71,280,466 | 342,076 | 71,622,542 |
| 14.241 | Housing Opportunities for Persons with AIDS | | | | |
| Direct Programs: | | | | | |
| HOPWA | | | - | 1,256,250 | 1,256,250 |
| Total 14.241 | Housing Opportunities for Persons with AIDS | | - | 1,256,250 | 1,256,250 |
| 14.267 | Continuum of Care Program | | | | |
| Direct Programs: | | | | | |
| HMIS 17-18 | | OR0025L0E011609 | 200,457 | - | 200,457 |
| HMIS 18-19 | | OR-0025-L0-E0-11508 | 42,984 | - | 42,984 |
| Total 14.267 | Continuum of Care Program | | 243,441 | - | 243,441 |
| 14.905 | Lead Hazard Reduction Demonstration Grant Program | | | | |
| Direct Programs: | | | | | |
| 13-14-Lead Hazard Control 2013 | | ORLHD0256-13 | (40,825) | - | (40,825) |
| Lead Hazard Reduction Demonstration Grant 2017 | | ORLHD0318-17 | 197,757 | - | 197,757 |
| Total 14.905 | Lead Hazard Reduction Demonstration Grant Program | | 156,932 | - | 156,932 |
| TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | 78,254,831 | 6,497,582 | 84,752,413 |

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|------------------------------------|---|-------------------------|---------------------|--|----------------------------|
| NATIONAL PARK SERVICE | | | | | |
| 15.916 | Outdoor Recreation Acquisition, Development and Planning | | | | |
| | Passed through: | | | | |
| | Oregon Parks and Recreation Department | | | | |
| | Thomas Cully Park Development | NPS 41-01593;OP 2529 | 240,923 | - | 240,923 |
| Total 15.916 | Outdoor Recreation Acquisition, Development and Planning | | <u>240,923</u> | <u>-</u> | <u>240,923</u> |
| TOTAL NATIONAL PARK SERVICE | | | 240,923 | - | 240,923 |
| DEPARTMENT OF JUSTICE | | | | | |
| 16.590 | Grants to Encourage Arrest Policies and Enforcement of Protection Orders | | | | |
| | Passed through: | | | | |
| | Multnomah County | | | | |
| | DVERT 2015-Mult Co. Domestic Violence Enhanced Response Team | 4400001525/2014WEAX0043 | 14,686 | - | 14,686 |
| Total 16.590 | Grants to Encourage Arrest Policies and Enforcement of Protection Orders | | <u>14,686</u> | <u>-</u> | <u>14,686</u> |
| 16.738 | Edward Byrne Memorial Justice Assistance Grant Program | | | | |
| | Direct Programs: | | | | |
| | Justice Assistance Grant-16 | 2016-DJ-BX-0833 | - | 30,608 | 30,608 |
| | Justice Assistance Grant-15 w/Mult.Co.(DA,CommunityJustice,Sheriff),GrshM,Lifewks | 2015-DJ-BX-0532 | 99,959 | 24,847 | 124,806 |
| | Justice Assistance Grant-14 w/Mult.Co.(DA,CommunityJustice,Sheriff),GrshM,Lifewks | 2014-DJ-BX-1158 | 16,129 | - | 16,129 |
| Total 16.738 | Edward Byrne Memorial Justice Assistance Grant Program | | <u>116,088</u> | <u>55,455</u> | <u>171,543</u> |
| 16.751 | Edward Byrne Memorial Competitive Grant Program | | | | |
| | Direct Programs: | | | | |
| | FY16 BJA Sexual Assault Kit Initiative | 2015 AK-BX-K020 | 107,142 | 98,160 | 205,302 |
| | FY13 Smart Policing Initiative | 2014-WY-BX-0004 | 283,521 | - | 283,521 |
| Total 16.751 | Edward Byrne Memorial Competitive Grant Program | | <u>390,663</u> | <u>98,160</u> | <u>488,823</u> |
| 16.752 | Economic High-Tech and Cyber Crime Prevention | | | | |
| | Direct Programs: | | | | |
| | FY14 Intellectual Property Crime Enforcement Program | 2015-BE-BX-0005 | 52,749 | 30,485 | 83,234 |
| Total 16.752 | Economic High-Tech and Cyber Crime Prevention | | <u>52,749</u> | <u>30,485</u> | <u>83,234</u> |

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|------------------------------------|--|--------------------|---------------------|--|----------------------------|
| 16.833 | National Sexual Assault Kit Initiative | | | | |
| | Direct Programs: | | | | |
| | FY15 Sexual Assault Kit Initiative (SAKI) | 2015 AK-BX-K020 | 98,237 | 204,285 | 302,522 |
| Total 16.833 | National Sexual Assault Kit Initiative | | 98,237 | 204,285 | 302,522 |
| 16.922 | Equitable Sharing Program | | | | |
| | Direct Programs: | | | | |
| | Asset Forfeiture | N/A | 57,821 | - | 57,821 |
| Total 16.922 | Equitable Sharing Program | | 57,821 | - | 57,821 |
| TOTAL DEPARTMENT OF JUSTICE | | | 730,244 | 388,385 | 1,118,629 |

DEPARTMENT OF TRANSPORTATION

Highway Planning and Construction Cluster

20.205 Highway Planning and Construction

Passed through:

Oregon Department of Transportation

| | | | | |
|--|-----------------------|-----------|---|-----------|
| SPRINGWATER TRAIL GAP SE UMATILLA TO SE 13TH AVE | ODOT #29674/KEY#18416 | (26,797) | - | (26,797) |
| NE Columbia Boulevard at OR 99E (MLK Jr. Boulevard) - T00024 | 27883 | 470,253 | - | 470,253 |
| SE Holgate & SE Ramona: 122nd to 136th Avenue Sidewalks (T00305) | 28129/21492 | (9,017) | - | (9,017) |
| Active Corridor Management - T00363 | 28591/21492 | (126) | - | (126) |
| Bike Share Development | 18025/STP-5900(267) | (358,442) | - | (358,442) |
| East Portland Access to Transit Project (T00383) | 28473/26586 | 262,021 | - | 262,021 |
| Widen Burgard Rd add in bicycle lanes & sidewalks (T00386) | 29815/26586 | 1,779,835 | - | 1,779,835 |
| Marine Drive Trail-CMAQ (T00437)-LGIP | 29770/26586 | 30,521 | - | 30,521 |
| Columbia Blvd ITS N/NE Project | 30517 | 1,133 | - | 1,133 |
| Southwest In Motion | 19301/5900280 | 189,844 | - | 189,844 |
| HSIP & Ops Safety Bike/Ped Improvements | 19299/5900288 | 157,110 | - | 157,110 |
| HSIP Signalized Improvements | 31084/30890 | 30,876 | - | 30,876 |
| Downtown I-405 Ped Safety & Improvements | 31092/30890 | 114,922 | - | 114,922 |
| St Johns Truck Strategy Phase II | 31093/30890 | 321,023 | - | 321,023 |
| Connected Cully, NE | 31091/18814 | 40,853 | - | 40,853 |
| Foster: Powell 90th, SE | 18022/STP-U 5900(287) | 401,133 | - | 401,133 |
| SE 122nd Avenue: Johnson Creek Bridge Replacement | 19794/5900289 | 312,105 | - | 312,105 |
| Columbia Blvd: Cully Blvd & Alderwood Rd | 31025/30890 | 104,211 | - | 104,211 |
| Central City Multi-Modal Safety | 31120/30890 | 669,088 | - | 669,088 |
| East Portland Access to Employment and Education | 31303/30890 | 251,135 | - | 251,135 |
| Safe Routes to Schools | HU-16-10-10 | 54,739 | - | 54,739 |
| Enhanced Transit Corridor | 31793/1E-15/TG16LA10 | 15,032 | - | 15,032 |
| FHWA Emergency Response December 2015 | N/A | 237,038 | - | 237,038 |

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|--|---|--------------------|---------------------|--|----------------------------|
| | FHWA Emergency Response December 2016 | N/A | 422,077 | - | 422,077 |
| | ODOT Traffic Safety Division | | | | |
| | 2015-17 ODOT Workzone BBB | 1719WKZN-421 BBB | 54,905 | - | 54,905 |
| | 2015-17 ODOT Workzone BBB | 1517WKZN-421 BBB | (148) | - | (148) |
| Total 20.205 | Highway Planning and Construction | | <u>5,525,324</u> | - | <u>5,525,324</u> |
| Total Highway Planning and Construction Cluster | | | <u>5,525,324</u> | - | <u>5,525,324</u> |
| 20.319 | High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants | | | | |
| | Passed through: | | | | |
| | ODOT | | | | |
| | Portland Union Station Tracks & Building PE/NEPA | PDC/28209 | 1,546,177 | - | 1,546,177 |
| Total 20.319 | High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants | | 1,546,177 | - | 1,546,177 |
| Federal Transit Cluster | | | | | |
| 20.500 | Federal Transit Capital Investment Grants | | | | |
| | Passed through: | | | | |
| | TRIMET | | | | |
| | Streetcar Loop-Construction | GH 080176TL | (143,525) | - | (143,525) |
| Total 20.319 | Federal Transit Capital Investment Grants | | (143,525) | - | (143,525) |
| 20.507 | Federal Transit-Formula Grants | | | | |
| | Passed through: | | | | |
| | Metro | | | | |
| | RTO Active Portland | 934628 | 214,192 | - | 214,192 |
| | Active Portland: Open Streets, Connected Communities | 933338 | 103,605 | - | 103,605 |
| | TRIMET | | | | |
| | TriMet Imprv Transit Bus Stops | OR-95-X008 | 32,581 | - | 32,581 |
| Total 20.507 | Federal Transit-Formula Grants | | <u>350,378</u> | - | <u>350,378</u> |
| Total Federal Transit Cluster | | | <u>206,853</u> | - | <u>206,853</u> |

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|---|---|--------------------|---------------------|--|----------------------------|
| | Highway Safety Cluster | | | | |
| 20.600 | State and Community Highway Safety | | | | |
| | Passed through: | | | | |
| | ODOT Traffic Safety Division | | | | |
| | 2018 ODOT Safety Belt Grant | OP-18-45-03 QQQ | 17,395 | - | 17,395 |
| | 2018 ODOT Speed Grant | SC-18-35-11 PPB | 8,883 | - | 8,883 |
| | 2017 ODOT Speed Grant | SC-17-35-11 PPB | 6,332 | - | 6,332 |
| Total 20.600 | State and Community Highway Safety | | <u>32,610</u> | - | <u>32,610</u> |
| 20.616 | National Priority Safety Programs | | | | |
| | Passed through: | | | | |
| | ODOT | | | | |
| | OR Impact DUII HVE 2018 | N/A | 57,916 | - | 57,916 |
| | ODOT Safetybelt Grant 2016-17 | M1HVE-17-46-03 RRR | 14,564 | - | 14,564 |
| | OR Impact DUII 2017 | N/A | 14,687 | - | 14,687 |
| Total 20.616 | National Priority Safety Programs | | <u>87,167</u> | - | <u>87,167</u> |
| Total Highway Safety Cluster | | | <u>119,777</u> | - | <u>119,777</u> |
| 20.608 | Minimum Penalties for Repeat Offenders for Driving While Intoxicated | | | | |
| | Passed through: | | | | |
| | ODOT Traffic Safety Division | | | | |
| | 2017 ODOT DISP | 164AL-17-14-17 | 15,859 | - | 15,859 |
| Total 20.608 | Minimum Penalties for Repeat Offenders for Driving While Intoxicated | | <u>15,859</u> | - | <u>15,859</u> |
| 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grants | | | | |
| | Passed through: | | | | |
| | Department of State Police | | | | |
| | AHLS & Tox-Medic Trainings | 2016-HMEP | 17,220 | - | 17,220 |
| Total 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grants | | <u>17,220</u> | - | <u>17,220</u> |
| TOTAL DEPARTMENT OF TRANSPORTATION | | | <u>7,431,210</u> | - | <u>7,431,210</u> |

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|--|---|--------------------|---------------------|--|----------------------------|
| ENVIRONMENTAL PROTECTION AGENCY | | | | | |
| 66.818 | Brownfields Assessment and Cleanup Cooperative Agreements | | | | |
| | Direct Programs: | | | | |
| | Brownfields Community Wide Assessment for Hazardous Substances and Petroleum | BF-01J23801-0 | 60,998 | - | 60,998 |
| | EPA Brownfield 2011 Revolving Loan Fund-subfund 217011 | BF-00J45201 | 34,514 | - | 34,514 |
| Total 66.818 | Brownfields Assessment and Cleanup Cooperative Agreements | | 95,512 | - | 95,512 |
| TOTAL ENVIRONMENTAL PROTECTION AGENCY | | | 95,512 | - | 95,512 |
| DEPARTMENT OF ENERGY | | | | | |
| 81.117 | Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Asst | | | | |
| | Direct Programs: | | | | |
| | Cities Leading through Energy Analysis and Planning | DE-EE0007737 | 125,785 | 10,132 | 135,917 |
| Total 81.117 | Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Asst | | 125,785 | 10,132 | 135,917 |
| TOTAL DEPARTMENT OF ENERGY | | | 125,785 | 10,132 | 135,917 |
| DEPARTMENT OF HOMELAND SECURITY | | | | | |
| 97.036 | Disaster Grants-Public Assistance | | | | |
| | Passed through: | | | | |
| | Oregon Office of Emergency Management | | | | |
| | FEMA Winter Storm 2015 | DR-4258-OR-PW 155 | 908,359 | - | 908,359 |
| Subtotal 97.036 | Disaster Grants-Public Assistance | | 908,359 | - | 908,359 |
| 97.042 | Emergency Management Performance Grants | | | | |
| | Passed through: | | | | |
| | Oregon Office of Emergency Management | | | | |
| | 2017 Emergency Management Performance Grant | 15-544 | 292,896 | - | 292,896 |
| | Emergency Management Preparedness Grant | 16-544 | (355) | - | (355) |
| Total 97.042 | Emergency Management Performance Grants | | 292,541 | - | 292,541 |

City of Portland, Oregon
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

| Federal Grantor | Federal CFDA Number / Program Title / Pass Through Agency / Identifying Name | Identifying Number | Direct Expenditures | Pass-Through Expenditures to Subrecipients | Total Federal Expenditures |
|--|---|---------------------------|----------------------------|---|-----------------------------------|
| 97.047 | Pre-Disaster Mitigation | | | | |
| | Passed through: | | | | |
| | Oregon Office of Emergency Management | | | | |
| | Portland Residential Seismic Strengthening Project | EMS-2016-PC-0001 | 2,500 | 158,381 | 160,881 |
| | Pre-Disaster Mitigation Grant FY 2013: Natural Hazard Mitigation Plan | PDMC-PL-10-OR-2013-003 | - | - | - |
| Total 97.047 | Pre-Disaster Mitigation | | <u>2,500</u> | <u>158,381</u> | <u>160,881</u> |
| 97.067 | Homeland Security Grant Program | | | | |
| | Passed through: | | | | |
| | Oregon Office of Emergency Management | | | | |
| | Urban Area Security Initiative 2015 | 15-170 | 1,436,155 | 33,188 | 1,469,343 |
| | Federal Urban Areas Security Initiatives Grant | 16-170 | 1,115,061 | 15,760 | 1,130,821 |
| | SHSP 2016 MEDU Joint State BombTeams Equip/Training | 16-251 | <u>15,379</u> | <u>-</u> | <u>15,379</u> |
| Total 97.067 | Homeland Security Grant Program | | <u>2,566,595</u> | <u>48,948</u> | <u>2,615,543</u> |
| TOTAL DEPARTMENT OF HOMELAND SECURITY | | | 3,769,995 | 207,329 | 3,977,324 |
| Total Federal Expenditures | | | | \$ | <u><u>100,293,264</u></u> |

City of Portland, Oregon
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Portland, Oregon (the City) under programs of the federal government for the year ended June 30, 2018. The information in this 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 the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule 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 Schedule or Notes to the Schedule 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 applicable.

Note 3 – Federal Loan Programs

The federal loans under the federal program listed subsequently are administered directly by the City and balances and transactions relating to this program are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2018 consists of:

| CFDA Number | Program Name | Outstanding Balance at June 30, 2018 |
|-------------|---|--|
| 14.239 | U.S. Department of Housing and Urban Development HOME Investment Partnerships Program | \$ 65,100,883 |

Note 4 – Election of De Minimis Indirect Rate

During the current year end, June 30, 2018, the City did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Portland, Oregon

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Note 5 – Homeland Security Grant Program

The Homeland Security Grant Program, CFDA 97.067, is comprised of several component programs that have been merged or consolidated into the Homeland Security Grant Program, including but not limited to the Urban Areas Security Initiative Program (UASI). According to the OMB Compliance Supplement, this program was previously reported under CFDA 97.008. Program guidance for this program dictates that when completing the Schedule, recipients should record their expenditures using the CFDA number shown on the legal award document for the period in which the funds were awarded. Subawards issued by the primary grantee are legally binding agreements, and, therefore, CFDA numbers cited by the grantee in the subgrant award must be used by the subgrantee as the CFDA reference in the Schedule.

The total expenditures of federal awards for this program has been reported together in the Schedule under the Homeland Security Grant Program where it has been merged in to this program along with the expenditures of federal awards listed under CFDA 97.067 during the current year.

Note 6 – Economic Adjustment Assistance Program

The City has an EDA revolving loan fund (RLF) under the Economic Adjustment Assistance Program, CFDA 11.307. According to the OMB Compliance Supplement, for purposes of completing the Schedule, each EDA RLF (CFDA 11.307) should be shown as a separate line item calculated as follows:

1. Balance of RLF loans outstanding at the end of the recipient's fiscal year, *plus*
2. Cash and investment balance in the RLF at the end of the recipient's fiscal year, *plus*
3. Administrative expenses paid out of RLF income during the recipient's fiscal year, *plus*
4. The unpaid principal of all loans written off during the recipient's fiscal year; *and then multiply this sum (1+2+3+4) by*
5. The Federal share of the RLF. The Federal share is defined as the Federal participation rate (or the Federal grant rate) as specified in the grant award.

City of Portland, Oregon
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 6 – Economic Adjustment Assistance Program (continued)

The figures used in this calculation to arrive at the RLF amount to be shown on the Schedule are as of June 30, 2018, and the calculation is as follows:

| CFDA Number | Program Name | Outstanding Balance at June 30, 2018 |
|-------------|--|--|
| 11.307 | Department of Commerce Economic Adjustment Assistance Program – EDA revolving Loan Fund 2018 | \$ 2,449,517 |
| | Revolving Loan Fund Calculation | |
| | Loans Receivable | 1,058,049 |
| | Cash | 739,484 |
| | Restricted Cash | 687,549 |
| | Administrative Costs | 14,425 |
| | Loan Write-Offs Unpaid Principal | - |
| | | 2,499,507 |
| | Federal Participation Rate | 98% |
| | Federal Share of Revolving Loan Fund | <u><u>\$ 2,449,517</u></u> |

City of Portland, Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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>CFDA Numbers</i> | <i>Name of Federal Program or Cluster</i> | <i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i> |
|---------------------|---|---|
| 14.239 | Home Investment Partnerships Program | Unmodified |
| 14.231 | Emergency Solutions Grant Program | Unmodified |
| 20.319 | Prosper Portland Union Station | Unmodified |
| 16.751 | Edward Byrne Memorial Competitive Grants | Unmodified |
| 97.036 | Disaster Grants – Public Assistance | Unmodified |

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

\$ 860,122

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.

