



Report of Independent Auditors and
Schedule of Expenditures of Federal Awards for

**City of Portland, Oregon
Federal Grant Programs**

June 30, 2016

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

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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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 15, 2016.

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 result 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.

A handwritten signature in black ink that reads "Moss Adams, LLP".

Eugene, Oregon
November 15, 2016

**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, 2016. 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.

MOSS ADAMS_{LLP}

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, 2016.

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 15, 2016, 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

Eugene, Oregon
December 8, 2016

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

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 AGRICULTURAL					
10.170	Specialty Crop Block Grant Program- Farm Bill				
	Passed through:				
	Oregon Department of Agriculture				
	Oregon Dept of Agriculture: Fiscal Agent for PACSAC	ODA-3250-GR	\$ 2,734	\$ -	\$ 2,734
Total 10.170	Specialty Crop Block Grant Program- Farm Bill		<u>2,734</u>	<u>-</u>	<u>2,734</u>
10.558	Child and Adult Care Food Program				
	Passed through:				
	Oregon Department of Education				
	After School Meal Program	26 16026	44,356	-	44,356
Total 10.558	Child and Adult Care Food Program		<u>44,356</u>	<u>-</u>	<u>44,356</u>
TOTAL DEPARTMENT OF AGRICULTURE AGRICULTURAL			<u>47,090</u>	<u>-</u>	<u>47,090</u>
DEPARTMENT OF COMMERCE					
Economic Development Cluster					
11.307	Economic Adjustment Assistance-Recovery				
	Direct Programs:				
	Portland Regional Clean Tech Advance Project-EDA Jobs & Innovation Accelerator	07-79-06728	-	48,221	48,221
	AM JIAC	2013-304	14,522	-	14,522
	EDA Revolving Loan Fund	07-39-02259	2,386,073	-	2,386,073
Total 11.307	Economic Adjustment Assistance-Recovery		<u>2,400,595</u>	<u>48,221</u>	<u>2,448,816</u>
Total Economic Development Cluster			<u>2,400,595</u>	<u>48,221</u>	<u>2,448,816</u>
TOTAL DEPARTMENT OF COMMERCE			<u>2,400,595</u>	<u>48,221</u>	<u>2,448,816</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/Entitlement Grants Cluster					
14.218	Community Development Block Grants/Entitlement Grants				
	Direct Programs:				
	CDBG		5,271,856	4,470,389	9,742,245
	Passed through:				
	City of Gresham				
	Gresham CDBG 15-16	N/A	10,000	-	10,000
	Gresham CDBG 14-15 budget placeholder	N/A	(1,485)	-	(1,485)
	Multnomah County				
	Mult. Co. CDBG 15-16	N/A	3,400	-	3,400
	Mult.Co.CDBG 14-15	N/A	(428)	-	(428)
	Oregon Housing and Community Svcs				
	Neighborhood Stabilization Program 2011/2012	B-11-DN-41-001	(23,204)	-	(23,204)
	US Department of HUD				
	Neighborhood Stabilization Program 2011/2012 Program Income	B-11-DN-41-001	7,424	342,494	349,918
Subtotal 14.218	Community Development Block Grants/Entitlement Grants		<u>5,267,563</u>	<u>4,812,883</u>	<u>10,080,446</u>
Total Community Development Block Grants/Entitlement Grants Cluster			<u>5,267,563</u>	<u>4,812,883</u>	<u>10,080,446</u>
14.231	Emergency Shelter Grants Program				
	Direct Programs:				
	ESG		57,415	662,921	720,336
Total 14.231	Emergency Shelter Grants Program		<u>57,415</u>	<u>662,921</u>	<u>720,336</u>
14.239	HOME Investment Partnerships Program				
	Direct Programs:				
	HOME Loan Balance		54,978,474	-	54,978,474
	HOME		3,552,057	1,536,387	5,088,444
Total 14.239	HOME Investment Partnerships Program		<u>58,530,531</u>	<u>1,536,387</u>	<u>60,066,918</u>
14.241	Housing Opportunities for Persons with AIDS				
	Direct Programs:				
	HOPWA		29,894	1,129,418	1,159,312
Total 14.241	Housing Opportunities for Persons with AIDS		<u>29,894</u>	<u>1,129,418</u>	<u>1,159,312</u>
14.267	Supportive Housing Program				
	Direct Programs:				
	Continuum of Care (CoC) Planning Grant 14-15	OR0181L0E011300	76,479	-	76,479
	HMIS 15-16	OR-0025-L0-EO-11407	194,657	-	194,657
	OTIS/McKinney FY2015-16	OR-0031-L0-EO-11407	10,289	254,566	264,855
	Continuum of Care (CoC) Planning Grant 15-16	OR-0196-L0-EO-11400	164,115	-	164,115
	HMIS 16-17	OR-0025-L0-EO-11508	49,980	-	49,980
Total 14.267	Supportive Housing Program		<u>495,520</u>	<u>254,566</u>	<u>750,086</u>
14.905	Lead Hazard Reduction Demonstration Grant Program				
	Direct Programs:				
	13-14-Lead Hazard Control 2013	ORLHD0256-13	537,260	-	537,260
Total 14.905	Lead Hazard Reduction Demonstration Grant Program		<u>537,260</u>	<u>-</u>	<u>537,260</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 64,918,183</u>	<u>\$ 8,396,175</u>	<u>\$ 73,314,358</u>

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

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 JUSTICE					
16.575	Crime Victim Assistance Passed through: Oregon Department of Justice VOCA	VOCA-NC-2012-00020	\$ 7,967	\$ -	\$ 7,967
Total 16.575	Crime Victim Assistance		<u>7,967</u>	<u>-</u>	<u>7,967</u>
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	29,593	-	29,593
Total 16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders		<u>29,593</u>	<u>-</u>	<u>29,593</u>
16.710	Public Safety Partnership and Community Policing Program Direct Programs: COPS Equity Grant-Race & Social Justice Initiative	2013-CK-WX-K030	38,914	-	38,914
Total 16.710	Public Safety Partnership and Community Policing Program		<u>38,914</u>	<u>-</u>	<u>38,914</u>
16.712	Police Corps Direct Programs: E-Citation Project/formerly Police Corps Officer Reimbursement	N/A	3,132	-	3,132
Total 16.712	Police Corps		<u>3,132</u>	<u>-</u>	<u>3,132</u>
16.737	Gang Resistance Education and Training Direct Programs: GREAT Region 2013	2013-JV-FX-0072	73,711	-	73,711
Total 16.737	Gang Resistance Education and Training		<u>73,711</u>	<u>-</u>	<u>73,711</u>
16.738	Edward Byrne Memorial Justice Assistance Grant Program Direct Programs: FY12 Justice Assistance Grant w/Multnomah County and City of Gresham Justice Assistance Grant-15 w/Mult.Co.(DA,CommunityJustice,Sheriff),GrshM,Lifewks Justice Assistance Grant 2013 w/Mult.Co.(DA,CommunityJustice,Sheriff) & Gresham Justice Assistance Grant-14 w/Mult.Co.(DA,CommunityJustice,Sheriff),GrshM,Lifewks	2012-DJ-BX-0558 2015-DJ-BX-0532 2013-DJ-BX-0329 2014-DJ-BX-1158	4,200 - 938 29,975	25,378 165,577 -	29,578 165,577 938 233,919
Total 16.738	Edward Byrne Memorial Justice Assistance Grant Program		<u>35,113</u>	<u>394,899</u>	<u>430,012</u>
16.751	Edward Byrne Memorial Competitive Grant Program Direct Programs: FY13 Smart Policing Initiative	2014-WY-BX-0004	189,713	-	189,713
Total 16.751	Edward Byrne Memorial Competitive Grant Program		<u>189,713</u>	<u>-</u>	<u>189,713</u>
16.752	Economic High-Tech and Cyber Crime Prevention Direct Programs: FY14 Intellectual Property Crime Enforcement Program	2015-BE-BX-0005	12,595	-	12,595
Total 16.752	Economic High-Tech and Cyber Crime Prevention		<u>12,595</u>	<u>-</u>	<u>12,595</u>
16.833	National Sexual Assault Kit Initiative Direct Programs: FY15 Sexual Assault Kit Initiative (SAKI)	2015-AK-BX-K020	42,231	17,603	59,834
Total 16.833	National Sexual Assault Kit Initiative		<u>42,231</u>	<u>17,603</u>	<u>59,834</u>
16.922	Equitable Sharing Program Direct Programs: Asset Forfeiture	N/A	166,249	-	166,249
Total 16.922	Equitable Sharing Program		<u>166,249</u>	<u>-</u>	<u>166,249</u>
TOTAL DEPARTMENT OF JUSTICE			\$ 599,218	\$ 412,502	\$ 1,011,720

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

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 TRANSPORTATION					
20.200	Highway Research and Development Program				
Direct Programs:					
	Smart Cities	DTFH6116H00011	\$ 175,000	\$ -	\$ 175,000
Total 20.200	Highway Research and Development Program		175,000	-	175,000
Highway Planning and Construction Cluster					
20.205	Highway Planning and Construction				
Passed through:					
ODOT					
	SPRINGWATER TRAIL GAP SE UMATILLA TO SE 13TH AVE	ODOT #29674/KEY#18416	58,587	-	58,587
	SPRINGWATER GAPS FED T00206	25048	37,893	-	37,893
	Red Electric Trail: SW Bertha to SW Vermont Section - T00274	28038/21492	33,355	-	33,355
	NE Columbia Boulevard at OR 99E (MLK Jr. Boulevard) - T00024	27883	458,589	-	458,589
	SE Holgate & SE Ramona: 122nd to 136th Avenue Sidewalks (T00305)	28129/21492	908,680	-	908,680
	Active Corridor Management - T00363	28591/21492	469,350	-	469,350
	Peer to Peer Car Share	28452	44,350	-	44,350
	East Portland Access to Transit Project (T00383)	28473/26586	165,903	-	165,903
	20's Bikeway: NE Lombard-SE Harney Drive (T00338)	29636/26586	123,435	-	123,435
	Thurman St: Macleay Park Bridge Rehab, N (T00391)	29241 CITY#30003717	(15,860)	-	(15,860)
	T00376 SRTS 2013	29221	(3,893)	-	(3,893)
	Portland SRTS 2014 HU-14-10-10	HU-14-10-10	67,848	-	67,848
	Widen Burgard Rd add in bicycle lanes & sidewalks (T00386)	29815/26586	315,519	-	315,519
	Marine Drive Trail-CMAQ (T00437)-LGIP	29770/26586	32,981	-	32,981
	Growing Transit Communities TGM	30532/TG15LA02	150,575	-	150,575
	Vision Zero Safety Plan	RS-16-77-06	94,699	-	94,699
	TGM-Truck Parking and Loading	30683 / TGM15LA03	24,178	-	24,178
ODOT Traffic Safety Division					
	2015-17 ODOT Workzone BBB	1517WKZN-421 BBB	80,682	-	80,682
	2013-15 ODOT Workzone NNN-Regular	1315WKZN-421 NNN	4,973	-	4,973
Total 20.205	Highway Planning and Construction		3,051,844	-	3,051,844
Total Highway Planning and Construction Cluster			3,051,844	-	3,051,844
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	269,973	-	269,973
Total 20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants		269,973	-	269,973
Federal Transit Cluster					
20.500	Federal Transit_Capital Investment Grants				
Passed through:					
TRIMET					
	STREETCAR LOOP - CONSTRUCTION - TRIMET T00014	GH 080176TL	13,352	-	13,352
	Total 20.500 Federal Transit_Capital Investment Grants		13,352	-	13,352
20.507	Federal Transit_Formula Grants				
Passed through:					
Metro					
	RTO Smart Trips Metro Grant	931970	48,405	-	48,405
	Active Portland: Open Streets, Connected Communities	933338	122,653	-	122,653
TRIMET					
	Trimet Imprv Transit Bus Stops	OR-95-X008	52,824	-	52,824
Total 20.507	Federal Transit_Formula Grants		223,882	-	223,882
Total Federal Transit Cluster			\$ 237,234	\$ -	\$ 237,234

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

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					
	TSD 2015 Motor Officer Training Program	SC-15-35-05 PPB	\$ 15,485	\$ -	\$ 15,485
	2016 ODOT/TSD Speed Grant	SC-16-35-11 PPB	5,115	-	5,115
	2015 ODOT/TSD Speed Enforcement Grant	SC-15-35-11 PPB	2,589	-	2,589
	ODOT Safetybelt Grant 2014-15	M1HVE-15-46-03 YYY	10,100	-	10,100
Total 20.600	State and Community Highway Safety		33,289	-	33,289
20.601	Alcohol and Traffic Safety Drunk Driving Prevention Incentive Grants				
Passed through:					
Oregon Impact					
	Oregon IMPACT DUII 2014-15	K8-15-12-36	34,910	-	34,910
	Oregon Impact Pedestrian Safety Enforcement Program 2015	M6X-15-12-36	395	-	395
	Oregon Impact Pedestrian Safety Enforcement Program 2016	N/A	2,370	-	2,370
Total 20.601	Alcohol and Traffic Safety Drunk Driving Prevention Incentive Grants		37,675	-	37,675
20.616	National Priority Safety Programs				
Passed through:					
ODOT					
	ODOT Safetybelt Grant 2015-16	M1HVE-16-46-03 XXX	16,188	-	16,188
Total 20.616	National Priority Safety Programs		16,188	-	16,188
Total Highway Safety Cluster			87,152	-	87,152
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Passed through:					
ODOT Traffic Safety Division					
	2015 ODOT DISP (DUII Intensive Supervision Program)	164AL-15-14-17	12,922	-	12,922
	ODOT DISP 2016	164AL-16-14-17	34,787	-	34,787
	Oregon Impact DUII HVE OT 2015-16	164AL-16-14-36	94,753	-	94,753
Total 20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		142,462	-	142,462
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants				
Passed through:					
Office of State Fire Marshal					
	FLBSS Training		45,310	-	45,310
Total 20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		45,310	-	45,310
TOTAL DEPARTMENT OF TRANSPORTATION			4,025,163	-	4,025,163
NATIONAL ENDOWMENT FOR THE ARTS					
45.025	Promotion of the Arts_Partnership Agreements				
Passed through:					
Oregon Arts Commission					
	Multnomah Art Center Business Plan/Pre Design	FY14-ABC-12532	1,131	-	1,131
Total 45.025	Promotion of the Arts_Partnership Agreements		1,131	-	1,131
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			1,131	-	1,131
ENVIRONMENTAL PROTECTION AGENCY					
66.818	Brownfields Assessment and Cleanup Cooperative Agreements				
Direct Programs:					
	EPA Brownfield 2011 Revolving Loan Fund-subfund 217011	BF-00/45201	19,572	54,845	74,417
Total 66.818	Brownfields Assessment and Cleanup Cooperative Agreements		19,572	54,845	74,417
TOTAL ENVIRONMENTAL PROTECTION AGENCY			19,572	54,845	74,417
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Medicaid Cluster					
93.778	Medical Assistance Program				
Passed through:					
Oregon Department of Human Services					
	DD Employment Alternatives	SDS 0466D	264,881	-	264,881
Total 93.778	Medical Assistance Program		264,881	-	264,881
Total Medicaid Cluster					264,881
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 264,881	\$ -	\$ 264,881

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

EXECUTIVE OFFICE OF THE PRESIDENT

95.001	High Intensity Drug Trafficking Areas Program				
Passed through:					
Department of Justice/HIDTA					
	HIDTA 2014-Portland Area Metro Gang Task Force	GR14OR0002A	\$ 8,340	\$ -	\$ 8,340
	HIDTA 2015 DVD Interdiction Team	GR15OR0002A	107,533	-	107,533
	HIDTA 2014 Supplemental	GR14OR0002A	<u>60,000</u>	-	<u>60,000</u>
Total 95.001	High Intensity Drug Trafficking Areas Program		<u>175,873</u>	-	<u>175,873</u>

TOTAL EXECUTIVE OFFICE OF THE PRESIDENT			175,873	-	175,873
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DEPARTMENT OF HOMELAND SECURITY

97.008	Non-Profit Security Program				
Passed through:					
Oregon Office of Emergency Management					
	Urban Area Security Initiative - UASI 2014	14-170	<u>397,252</u>	<u>367,682</u>	<u>764,934</u>
Subtotal 97.008	Non-Profit Security Program		<u>397,252</u>	<u>367,682</u>	<u>764,934</u>

97.067	Homeland Security Grant Program				
Passed through:					
Oregon Office of Emergency Management					
	Urban Area Security Initiative 2015	15-170	4,130	-	4,130
	State Homeland Security Program FY 15/16	15-249	9,390	-	9,390
	OEM-SHSP 2015 MEDU Joint State Bomb Team Equip/Training	15-250	<u>4,340</u>	-	<u>4,340</u>
Total 97.067	Homeland Security Grant Program		<u>17,860</u>	-	<u>17,860</u>

97.073	State Homeland Security Grant Program				
Passed through:					
Oregon Office of Emergency Management					
	OEM-SHSP 2014 MEDU Joint State Bomb Team Equip/Training	14-245	<u>63,876</u>	-	<u>63,876</u>
Total 97.073	State Homeland Security Grant Program		<u>63,876</u>	-	<u>63,876</u>

Total - Homeland Security Grant Program (See Note 5 in the Notes to the SEFA)			478,988	367,682	846,670
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97.042	Emergency Management Performance Grants				
Passed through:					
Oregon Office of Emergency Management					
	EMPG 2015		388,126	-	388,126
	Emergency Management Performance Grant 2014	14-544	<u>(3,754)</u>	-	<u>(3,754)</u>
Total 97.042	Emergency Management Performance Grants		<u>384,372</u>	-	<u>384,372</u>

97.044	Assistance to Firefighters Grant				
Direct Programs:					
	2014 AFG-Bailout System	EMW-2014-FO-00712	256,950	-	256,950
	2014 Fire Prevention & Safety: Hearing Impairment Campaign	EMW-2014-FP-00307	<u>45,987</u>	-	<u>45,987</u>
Total 97.044	Assistance to Firefighters Grant		<u>302,937</u>	-	<u>302,937</u>

97.047	Pre-Disaster Mitigation				
Passed through:					
Oregon Office of Emergency Management					
	Pre-Disaster Mitigation Grant FY 2013: Natural Hazard Mitigation Plan	PDMC-PL-10-OR-2013-003	<u>196,487</u>	-	<u>196,487</u>
Total 97.047	Pre-Disaster Mitigation		<u>196,487</u>	-	<u>196,487</u>

97.083	Staffing for Adequate Fire and Emergency Response (SAFER)				
Direct Programs:					
	Staffing for Adequate Fire and Emergency Response	EMW-2013-FH-00077	<u>1,325,659</u>	-	<u>1,325,659</u>
Total 97.083	Staffing for Adequate Fire and Emergency Response (SAFER)		<u>1,325,659</u>	-	<u>1,325,659</u>

TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 2,688,443	\$ 367,682	\$ 3,056,125
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Total Federal Expenditures					\$ 84,419,574
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CITY OF PORTLAND, OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016

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, 2016. 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, 2016 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance at June 30, 2016</u>
14.239	U.S. Department of Housing and Urban Development HOME Investment Partnerships Program	57,987,377

Note 4 – Election of De Minimis Indirect Rate

During the current year end, June 30, 2016, the City did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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) and the State Homeland Security Program (SHSP). According to the OMB Compliance Supplement, these two programs were previously reported under CFDA 97.008 and CFDA 97.073, respectively. Program guidance for this program dictates that when completing the Schedule of Expenditures of Federal Awards (SEFA), recipients should record their expenditures using the CFDA number(s) 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 SEFA. As a result, the City has presented expenditures of federal awards for the UASI and SHSP programs under CFDA 97.008 and CFDA 97.073, respectively, as shown on the legal award document for each program.

The total expenditures of federal awards for these two programs have been reported together in the SEFA under the Homeland Security Grant Program where they have 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 of Expenditures of Federal Awards (SEFA), 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, 2016

Note 6 – Economic Adjustment Assistance Program (Continued)

The figures used in this calculation to arrive at the RLF amount to be shown on the SEFA are as of June 30, 2016, and the calculation is as follows:

CFDA Number	Program Name	Outstanding Balance at June 30, 2016
11.307	Department of Commerce Economic Adjustment Assistance Program - EDA revolving Loan Fund 2016	\$ 2,386,073
	<u>Revolving Loan Fund Calculation</u>	
	Loans Receivable	1,538,777
	Cash	822,012
	Restricted Cash	-
	Administrative Costs	73,979
	Loan Write-Offs - Unpaid Principal	-
		2,434,768
	Federal Participation Rate	98%
	Federal Share of Revolving Loan Fund	\$ 2,386,073

CITY OF PORTLAND, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

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>
11.307	Economic Adjustment Assistance Program	Unmodified
14.218	Community Development Block Grants/Entitlement Grants	Unmodified
14.267	Continuum of Care Program	Unmodified
14.241	Housing Opportunities for Persons with Aids	Unmodified
20.205	Highway Planning and Construction	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

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