



City of Salem
CITY OF SALEM AND SALEM URA
FINANCE COMMITTEE
MEETING AGENDA
April 17, 2023 4:00 PM

View Via YouTube: https://www.youtube.com/channel/UCQLj9RKZNHu4wfYcs_TC0TA

Si necesita ayuda para comprender esta información, por favor llame 503-588-6274

PARTICIPANTS

Board Members

Councilor Jose Gonzalez, Chair
Councilor Deanna Gwyn
Councilor Vanessa Nordyke
Councilor Micki Varney
Alternate-Councilor Linda Nishioka

Staff

Keith Stahley, City Manager
Dan Atchison, City Attorney
Josh Eggleston, Chief Financial Officer
Jenny Mattecheck, Chief Accountant
Jeremy Morgan, Accounting Supervisor
Anja Hill, Treasury Supervisor
Kelli Blechschmidt, Management Analyst I

AGENDA

1. Welcome and call to order
2. Approval of Minutes
 - a. February 3, 2023 (Package page 3)
 - b. February 13, 2023 (Package page 5)
3. Public Comment - Appearance of persons wishing to address the Committee on any matter other than those which appear on this Agenda
4. Action Items

5. Management Update/Information Items
 - a. Federal Grant Compliance Audit (Package page 7)
 - b. Revenue Options to Sustain City Services
6. Continued Business
7. New Business
8. Adjourn

Next Meeting: May 15, 2023

This meeting is being conducted virtually, with remote attendance by the governing body. No in-person attendance is possible. Interested persons may view the meeting online on [YouTube](#). To sign up to testify via Zoom or to submit public comment, contact the Finance Department via email at finance@cityofsalem.net or telephone at 503-588-6040 the day of the meeting by 1PM.

Special accommodations are available, upon request, for persons with disabilities or those needing sign language interpretation, or languages other than English. To request accommodations or services, please call 503-540-2371 (TTD/TTY 503-588-6439) at least two business days in advance.

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City of Salem also fully complies with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities

CITY OF SALEM AND SALEM URA FINANCE COMMITTEE Minutes

DATE: February 3, 2023

PLACE: ZOOM

CHAIRPERSON: Jose Gonzalez

STAFF LIAISON: Josh Eggleston, CFO 503-588-6130 JEggleston@cityofsalem.net

Members Present:

Councilor Jose Gonzalez, Chair
Councilor Deanna Gwyn
Councilor Micki Varney
Alternate-Councilor Linda Nishioka

Members Absent:

Councilor Vanessa Nordyke

Staff Present:

Keith Stahley, City Manager
Dan Atchison, City Attorney
Josh Eggleston, Chief Financial Officer
Brian Martin, Interim Public Works Director
Alicia Blalock, Public Works Assistant Director
Jenny Mattecheck, CPA, Chief Accountant
Jeremy Morgan, Accounting Supervisor (joined at 3:58pm)
Anja Hill, Treasury Supervisor
Kelli Blechschmidt, Management Analyst I
Shengnan Thomas, Administrative Analyst I

Guest Present:

1. CALL TO ORDER: 4:05 PM / Quorum

2. APPROVAL OF COMMITTEE MINUTES
 - a. November 21, 2022
Motion was moved by Member Varney, seconded by Member Gwyn, and carried by the following vote:

Aye: Unanimous
Nay: None
Abstentions: None

3. PUBLIC COMMENT

- a. None

4. ACTION ITEMS

- a. Revenue Options to Sustain City Services

Questions or comments by: Chair Gonzalez, Members Gwyn, Varney, and Nishioka

Responses by: Keith Staley, City Manager, and Josh Eggleston, Chief Financial Officer

Motion was made by Member Varney, seconded by Member Gwyn, to forward to City Council for consideration the City Operations Fee, Employee Paid Payroll Tax and a Local Option Levy for the General Fund and to have more revenue information about the Transportation Fund. Motion carried by the following vote:

Aye: Unanimous
Nay: None
Abstentions: None

5. MANAGEMENT UPDATE / INFORMATION ITEMS

- a. Quarterly Investment Report with Environmental, Social and Governance (ESG) factors reporting presentation by Josh Eggleston, Chief Financial Officer

6. New Business

- a. Josh Eggleston, Chief Financial Officer asked the committee meeting date and time for 2023.

Members agreed to remain virtually.

7. ADJOURNMENT: 4:59 PM

The next meeting is scheduled for Tuesday, February 21, 2023 at 4:00 PM.

CITY OF SALEM AND SALEM URA FINANCE COMMITTEE

Minutes

DATE: February 13, 2023

PLACE: ZOOM

CHAIRPERSON: Jose Gonzalez

STAFF LIAISON: Josh Eggleston, CFO 503-588-6130 JEggleston@cityofsalem.net

Members Present:

Councilor Jose Gonzalez, Chair
Councilor Deanna Gwyn
Councilor Micki Varney
Alternate-Councilor Linda Nishioka

Members Absent:

Councilor Vanessa Nordyke

Staff Present:

Keith Stahley, City Manager
Dan Atchison, City Attorney
Josh Eggleston, Chief Financial Officer
Jenny Mattechek, CPA, Chief Accountant
Jeremy Morgan, Accounting Supervisor
Anja Hill, Treasury Supervisor
Kelli Blechschmidt, Management Analyst I
Shengnan Thomas, Administrative Analyst I

Guest Present:

Ryan Pasquarella, CPA, Grove, Mueller, Swank, PC

1. CALL TO ORDER: 2:32 PM / Quorum

2. APPROVAL OF COMMITTEE MINUTES

a. Feb. 3, 2023

Motion was moved by Member Varney, seconded by Member Gwyn, and carried by the following vote:

Aye: Unanimous
Nay: None
Abstentions: None

3. MANAGEMENT UPDATE / INFORMATION ITEMS

a. Grove, Mueller, Swank Presentation of FY 2022 City of Salem and Urban Renewal Agency annual audit by Ryan Pasquarella, CPA. The Federal Grant Compliance audit is in process, filing is due March 31, 2023.

Questions or comments by: Members Varney and Nishioka

Responses by: Josh Eggleston, Chief Financial Officer, and Ryan Pasquarella, CPA with Grove, Mueller, Swank, PC

4. NEW BUSINESS

5. ADJOURNMENT: 3:00 PM

The next meeting is scheduled for Monday, March 20, 2023 at 4:00 PM.

TO: Finance Committee of the Salem City Council and the Urban
Renewal Agency of City of Salem

THROUGH: Josh Eggleston, Chief Financial Officer

FROM: Jennifer Mattecheck, CPA, Chief Accountant

SUBJECT:

Fiscal Year (FY) 2022 Federal Grants Compliance Report of the City of Salem, Oregon

ISSUE:

Results of the FY 2022 Federal Grants Compliance Audit of the City of Salem, Oregon

RECOMMENDATION:

Information Only

SUMMARY:

The certified public accounting firm of Grove, Mueller & Swank, PC, completed the annual Federal Grants Compliance audit of the City, also referred to as the Single Audit, for the fiscal year ending June 30, 2022. The audit was completed and the report was issued on March 31, 2022, meeting the Federal Grant Compliance reporting requirements. There were no formal findings or recommendations for improvement as a result of the audit.

FACTS AND FINDINGS:

Grants are audited on a rolling basis with the FY 22 Single Audit focusing on the American Rescue Plan Act (ARPA) federal monies, as well as Environmental Protection Agency (EPA) and Federal Emergency Management Agency (FEMA) grants. Other grants were reviewed as well and are featured on pages 6-7 of the Single Audit Report.

This was the sixth consecutive annual Single Audit performed by Grove, Mueller & Swank, PC, pursuant to its current contract with the City. Mr. Ryan Pasquarella, CPA of Grove, Mueller & Swank, PC, managed the City's Single Audit engagement.

The Single Audit is included as an attachment to this staff report. This report, as well as others, can be found on the City's webpage at:

<https://www.cityofsalem.net/government/budget-finance/financial-reports>

BACKGROUND:

Federal law requires an annual audit of the City's compliance and internal controls associated with federal grants awarded to the City. The annual Single Audit provides reasonable assurance about whether material noncompliance with the federal compliance requirements occurred, whether due to fraud or error, and express an opinion on the City's compliance based on the audit.

***CITY OF SALEM, OREGON
FEDERAL GRANT COMPLIANCE REPORT
Year Ended June 30, 2022***

CITY OF SALEM, OREGON
FEDERAL GRANT COMPLIANCE REPORT
TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3-5
Schedule of Expenditures of Federal Awards	6-7
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9



GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

***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***

Honorable Mayor and
Members of the City Council
City of Salem
Salem, Oregon

We have audited, in accordance with 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 the City of Salem, Oregon (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2023.

Report on 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) 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 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 City's financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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*.

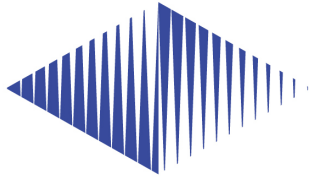
Purpose of this Report

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

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

January 31, 2023



GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and
Members of the City Council
City of Salem
Salem, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Salem, Oregon (the City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. 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.

In our opinion, the City of Salem, Oregon 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; 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 City 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 City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City'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 City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 City'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 City'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 City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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.

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.

Grove, Mueller & Swank, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

March 31, 2023

CITY OF SALEM, OREGON
FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Federal Dept. or Pass Through Entity Identifying Number</i>	<i>Federal Expenditures</i>	<i>Amount Paid to Subrecipients</i>
Department of Housing and Urban Development				
Direct funding				
Community Planning and Development				
HOME Investment Partnerships Program	14.239	M-16-DC-41-0204	\$ 19,315	\$ 19,315
HOME Investment Partnerships Program	14.239	M-17-DC-41-0204	6,416	-
HOME Investment Partnerships Program	14.239	M-18-DC-41-0204	12,829	12,829
HOME Investment Partnerships Program	14.239	M-19-DC-41-0204	119,694	119,694
HOME Investment Partnerships Program	14.239	M-20-DC-41-0204	126,043	126,043
HOME Investment Partnerships Program	14.239	M-21-MC-41-0204	94,822	30,000
HOME Investment Partnerships Program	14.239	M-20-DC-41-0204	46,423	-
<i>Total Community Planning and Development</i>			425,542	307,881
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-41-0004	20,000	20,000
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-41-0004	310,783	310,783
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-41-0004	253,795	253,795
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-41-0004	76,520	74,223
Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-41-0004	613,047	425,967
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-41-0004	399,643	239,506
<i>Total CDBG - Entitlement Grants Cluster</i>			1,673,788	1,324,274
Total Department of Housing and Urban Development			2,099,330	1,632,155
Department of Justice				
Direct funding				
Drug Enforcement Administration				
Law Enforcement Assistance-Narcotics & Dangerous Drugs Training				
Organized Crime Drug Enforcement Task Force				
DEA Task Force Grant	16.004	Unknown	45,175	-
DEA Task Force Grant-OCDETF Grant	16.004	PA-OR-0280	8,541	-
Passed through Oregon Criminal Justice Service Division				
Office on Violence Against Women				
Violence Against Women Formula Grants	16.588	VAWA-C-2020-SalemPD-00022	111,949	-
Victims of Crime Act Grants	16.575	VOCA-SP-2020-SalemPD-00004	2,104	-
Direct funding				
Criminal Division				
Equitable Sharing Program	16.922	Various	423,272	-
Total Department of Justice			591,041	-
Department of Transportation				
Federal Aviation Administration				
Direct funding				
Airport Rescue Grant	20.106	3-41-0055-028-2022	59,000	-
Airport Improvement Program	20.106	3-41-0055-026-2021	531,901	-
Airport Improvement Program	20.106	3-41-0055-025-2021	3,311	-
<i>Total Federal Aviation Administration</i>			594,212	-
Federal Highway Administration				
Passed through Oregon Department of Transportation:				
<i>Highway Planning and Construction Cluster</i>				
Salem Regional Traffic Signal Center	20.205	31840/K19229	288,420	-
Traffic Signal Enhancements (Unit 2)	20.205	32727/K20220	53,721	-
Commercial St: Oxford St SE-Winding Way SE	20.205	32428/K20169	45,537	-
Broadway Street at Pine Street	20.205	32433/K20204	66,595	-
Hilfiker Ln-Commercial St Intersection Improvements	20.205	33020/K20738	153,752	-
River Rd: Shangri-La to Wheatland	20.205	33250/K20740	80,096	-
McGilchrist St SE: 12th St SE to 25th St SE	20.205	32537/K20739	976,776	-
McGilchrist St SE at 22nd Ave SE	20.205	34064/K21887	100,430	-
<i>Total Highway Planning and Construction Cluster</i>			1,765,327	-

See notes to schedule of expenditures of federal awards.

CITY OF SALEM, OREGON
FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Federal Dept. or Pass Through Entity Identifying Number</i>	<i>Federal Expenditures</i>	<i>Amount Paid to Subrecipients</i>
National Highway Traffic Safety Administration				
<i>Highway Safety Cluster</i>				
Passed through Oregon Association of Chiefs of Police				
State and Community Highway Safety				
Speed Grant	20.600	Unknown	\$ 2,296	\$ -
Occupant Protection	20.600	Unknown	7,563	-
Distracted Driving Enforcement	20.600	Unknown	2,033	-
<i>Total Highway Safety Cluster</i>			<u>11,892</u>	<u>-</u>
Passed through Oregon Association of Chiefs of Police				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Impaired Driving OT Enforcement Grant	20.608	Unknown	2,573	-
Total Department of Transportation			<u>2,374,004</u>	<u>-</u>
Department of Treasury				
Direct funding				
COVID-19 - American Recovery Plan Act / CSLFRF	21.027	Unknown	31,580,307	3,340,342
Department of General Services Administration				
Passed through Oregon Department of Administrative Services				
Donation of Federal Surplus Personal Property	39.003	Unknown	271	-
Department of Environmental Protection Agency				
<i>Drinking Water State Revolving Fund (DWSRF) Cluster</i>				
Passed through Oregon Business Development Department				
Drinking Water State Revolving Funds	66.468	S21010, 238-35	578,673	-
Department of Energy				
Direct funding				
Bonneville Power Administration				
Minto Brown Island Phase 3	81.000	Contract 86230	38,646	-
Department of Homeland Security				
Passed through Oregon Emergency Management				
FEMA Disaster DR4499 COVID-19 Pandemic	97.036	DR-4499-OR	1,809,322	-
FEMA Disaster DR4599 Severe Winter Storm	97.036	DR-4599-OR	3,737,950	-
Emergency Management Performance Grants	97.042	21-542	144,806	-
Homeland Security Grant Program				
OEM SHSP Grant #19-258	97.067	19-258	3,486	-
OEM SHSP Grant #20-234	97.067	20-234	59,095	-
OEM SHSP Grant #21-285	97.067	21-285	73,783	-
OEM SHSP Grant #21-236	97.067	21-236	41,323	-
Total Department of Homeland Security			<u>5,869,765</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 43,132,037</u>	<u>\$ 4,972,497</u>

CITY OF SALEM, OREGON
FEDERAL GRANT COMPLIANCE REPORT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

PURPOSE OF THE SCHEDULE

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Salem, Oregon (the City) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*, where applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF SALEM, OREGON
FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's opinion issued:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
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 section 200.516(a)?	No

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG - Entitlement Grants Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$1,293,961
--	-------------

Auditee qualified as low-risk auditee?	Yes
--	-----

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.