

# **CITY OF WILSONVILLE, OREGON**

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## **Federal Compliance Report**

For the year ended

**June 30, 2023**



# GROVE, MUELLER & SWANK

**redw**  
Advisors & CPAs

***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***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Wilsonville  
Wilsonville, 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 Wilsonville, Oregon (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 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*

CERTIFIED PUBLIC ACCOUNTANTS

December 13, 2023



# GROVE, MUELLER & SWANK

**redw**  
Advisors & CPAs

## ***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 BY THE UNIFORM GUIDANCE***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Wilsonville  
Wilsonville, Oregon

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Wilsonville, 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, 2023. 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 Wilsonville, 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, 2023.

#### ***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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 13, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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*

CERTIFIED PUBLIC ACCOUNTANTS

December 13, 2023

**City of Wilsonville**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Pass- Through Entity Grantor/Number</i>	<i>Expended in Fiscal Year 2022-23</i>
<b><u>U.S. Department of the Treasury</u></b>			
<i>Passed through Oregon Department of Administrative Services</i>			
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	unknown	\$ 2,767,330
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Passed through Oregon Military Department</i>			
Federal Emergency Management Agency (FEMA) Funds	97.036	4599-DR-OR	217,741
<b><u>U.S. Department of Transportation</u></b>			
Federal Transit Cluster:			
<i>Direct</i>			
COVID-19 Operating Assistance, Preventative Maintenance/ARPA	20.507	OR-2022-023	2,234,975
Scheduling Software	20.507	OR-2022-025	44,138
SMART Preventative Maintenance, Engineering and Design	20.507	OR-2020-045	50,428
Electric Buses, Electric Power Distribution	20.507	OR-2019-029	8,632
Preventative Maintenance, Software, Shelters	20.507	OR-2019-016	32,780
<i>Passed through Metro</i>			
Transit Options	20.507	936292	206,387
Bus and Bus Facilities Formula Program:			
Buses - 1 CNG Cutaway, 1 Electric Cutaway	20.526	OR-2019-015	1,291
Total Federal Transit Cluster			2,578,631
Transit Programs Cluster:			
<i>Direct (Enhanced Mobility of Seniors and Individuals with Disabilities)</i>			
Operating Assistance, ARPA	20.513	OR-2023-018	3,173
Operating Assistance, CRRSAA	20.513	OR-2023-017	3,173
Travel and Training	20.513	OR-2021-050	978
Travel and Training	20.513	OR-2018-015	3,335
Total Transit Programs Cluster			10,659
Highway Planning and Construction Cluster:			
<i>Passed through Oregon Department of Transportation</i>			
Vanpool Program	20.205	33073	3,850
<b>Total U.S. Department of Transportation</b>			2,593,140
<b><u>U.S. Department of Health and Human Services</u></b>			
Aging Cluster:			
<i>Passed through Clackamas County Social Services</i>			
Special Programs for the Aging - Title III, Part B	93.044	22-010	11,851
Special Programs for the Aging - Title III, Part C	93.045	22-010	85,170
Nutrition Services Incentive Program	93.053	22-010	15,115
<b>Total U.S. Department of Health and Human Services</b>			112,136
<b>Total Federal Awards</b>			<b>\$ 5,690,347</b>

See Notes to Schedule of Expenditures of Federal Awards

**City of Wilsonville**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

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***PURPOSE OF THE SCHEDULE***

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Wilsonville, Oregon for the year ended June 30, 2023.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

*Reporting Entity*

The reporting entity is fully described in Note 1 to the City's basic financial statements.

*Basis of Presentation*

The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The cost principles indicate that certain types of expenditures are not allowable or are limited as to reimbursement. 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.

***INDIRECT COST RATE***

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

***SUBRECIPIENTS***

There were no amounts paid to subrecipients by the City from federal funds for the year ended June 30, 2023.



**City of Wilsonville  
 Schedule of Audit Findings and Questioned Costs  
 Year Ended June 30, 2023**

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***SUMMARY OF AUDITOR’S RESULTS***

***Financial Statements***

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

***Federal Awards***

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

Major Programs:

<u><i>Assistance Listing Number(s)</i></u>	<u><i>Name of Federal Program or Cluster</i></u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

***FINANCIAL STATEMENT FINDINGS***

None.

***FEDERAL AWARD FINDINGS AND QUESTIONED COSTS***

None.