

**HOME FORWARD  
SINGLE AUDIT REPORT  
YEAR ENDED DECEMBER 31, 2023**



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**HOME FORWARD  
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**INDEPENDENT AUDITORS' 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**

Board of Commissioners  
Home Forward  
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 business-type activities and the aggregate discretely presented component units of Home Forward, as of December 31, 2023, and the related notes to the financial statements, which collectively comprise Home Forward's basic financial statements, and have issued our report thereon dated June 27, 2024. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units as described in our report on Home Forward's financial statements. The audits of the aggregate discretely presented component units were not performed in accordance with *Government Auditing Standards* and, accordingly, this report does not include the results of the other auditors' testing of internal control over financial reporting or instances of reportable noncompliance that are reported on separately by those auditors.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Home Forward'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 Home Forward's internal control. Accordingly, we do not express an opinion on the effectiveness of Home Forward'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.

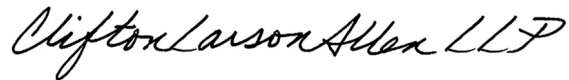
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Home Forward’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 Home Forward’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Forward’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Portland, Oregon  
June 27, 2024



**INDEPENDENT AUDITORS' REPORT 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**

Board of Commissioners  
Home Forward  
Portland, Oregon

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

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

We have audited Home Forward'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 Home Forward's major federal programs for the year ended December 31, 2023. Home Forward's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Home Forward complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Home Forward 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 Home Forward's compliance with the compliance requirements referred to above.

***Other Matter – Federal Expenditures Not included in the Compliance Audit***

Home Forward's basic financial statements include the operations of discretely presented component units which may have received federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our compliance audit, described in the Opinion on Each Major Federal Program, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

### ***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 Home Forward's federal programs.

### ***Auditors' 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 Home Forward'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Home Forward's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Home Forward'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 Home Forward'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 Home Forward'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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003 and 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Home Forward's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Home Forward's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003 and 2023-004 to be significant deficiencies.

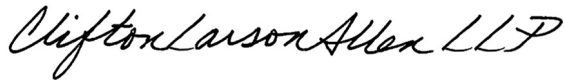
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Home Forward's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Home Forward's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 business-type activities and aggregate discretely presented component units of Home Forward as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Home Forward’s basic financial statements. We have issued our report thereon, dated June 27, 2024, 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 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.



**CliftonLarsonAllen LLP**

Portland, Oregon  
September 26, 2024



**HOME FORWARD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023**

Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct:				
Multifamily Housing Service Coordinators	14.191	Not applicable	\$ -	\$ 456,407
Section 8 Project-Based Cluster:				
Section 8 Moderate Rehabilitation Single Room Occupancy Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.249	Not applicable	-	189,497
	14.856	Not applicable	-	281,667
Subtotal Section 8 Project-Based Cluster			-	471,164
Continuum of Care Program	14.267	Not applicable	-	7,789,932
Demolition and Revitalization of Severely Distressed Public Housing	14.866	Not applicable	-	37,235
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	Not applicable	-	46,982,408
Emergency Housing Vouchers	14.871	Not applicable	-	8,207,332
Section 8 Mainstream Vouchers	14.879	Not applicable	-	2,699,416
Subtotal Housing Voucher Cluster			-	57,889,156
Moving to Work Demonstration Program	14.881	Not applicable	-	133,364,406
Family Self-Sufficiency Program	14.896	Not applicable	-	797,904
Subtotal Direct Programs			-	200,806,204
Pass-through from the City of Portland:				
Community Development Block Grant (CDBG) - Entitlement Grants Cluster:				
COVID-19 CDBG-CV	14.218	Not available	-	115,686
Total U.S. Department of Housing and Urban Development			-	200,921,890
<b>U.S. Department of the Treasury</b>				
Pass-through from the City of Portland:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	-	9,873,065
COVID-19 Emergency Rental Assistance Program	21.023	Not available	-	687,429
Total U.S. Department of the Treasury			-	10,560,494
<b>Federal Communications Commission</b>				
Direct:				
Affordable Connectivity Outreach Program	32.011	Not applicable	-	42,386
Total Federal Communications Commission			-	42,386
<b>U.S. Department of Homeland Security</b>				
Direct:				
Emergency Food and Shelter National Board Program	97.024	Not applicable	-	449,460
Total U.S. Department of Homeland Security			-	449,460
Total Expenditures of Federal Awards			\$ -	\$ 211,974,230

**HOME FORWARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (Schedule) presents the activities of all federal award programs of Home Forward. Home Forward's reporting entity is defined in Note 1 of Home Forward's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included in the Schedule. 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 Home Forward, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Home Forward.

Home Forward's reporting entity includes the operations of discretely presented component units which may have expended federal awards that are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the accrual basis of accounting and include capitalized expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of assistance listing number 21.023, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

Home Forward did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 LOANS OUTSTANDING**

Home Forward participates in federal award programs that sponsor revolving loan programs, which are administrated by Home Forward and the city of Portland, Oregon (City). The City contracts Home Forward to collect loan repayments for these programs through servicing and trust arrangements. The funds are returned to the City upon repayment of the principal and interest. The federal government has imposed certain significant continuing compliance requirements with respect to the loans rendered under the Home Investment Partnerships (HOME) Program (assistance listing number 14.239). The City is responsible to administer the continuing compliance requirements and report the outstanding loan balances. During the year ended December 31, 2023, Home Forward did not incur expenditures related to new loans under the HOME program.

**HOME FORWARD  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes      \_\_\_\_\_ no

**Identification of Major Federal Programs**

**Assistance Listing Numbers**

14.881  
14.871/879  
14.267  
21.027

**Name of Federal Program or Cluster**

Moving to Work Demonstration  
Housing Voucher Cluster  
Continuum of Care  
COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

\$3,000,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        x   no

**HOME FORWARD  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2023 – 001**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Moving to Work Demonstration

Assistance Listing Number: 14.881

Federal Award Identification Number and Year: OR002VOW - 2023

Award Period: January 1, 2023 – December 31, 2023

Compliance Requirement: Allowable Costs – Payroll

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** In accordance with Uniform Grant Guidance (2 CFR Part 200), charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

**Condition:** Home Forward is not in compliance with allowable cost requirements related to payroll.

**Questioned costs:** \$116

**Context:** For 1 of 40 payroll transactions tested, an erroneous \$116 of additional pay was charged to the program.

**Cause:** Home Forward did not sufficiently monitor controls to ensure compliance with payroll requirements.

**Effect:** Home Forward is not in compliance with federal regulations regarding allowable costs for payroll.

**Repeat Finding:** No.

**Recommendation:** We recommend that Home Forward reviews the controls in place to ensure that payroll transactions charged to the program are supported.

**Views of responsible officials:** There is no disagreement with the audit finding.

**HOME FORWARD  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2023 – 002**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Moving to Work Demonstration

Assistance Listing Number: 14.881

Federal Award Identification Number and Year: OR002VOW - 2023

Award Period: January 1, 2023 – December 31, 2023

Compliance Requirement: Eligibility

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** Beneficiaries must be “low-income families,” as defined in Section 3(b)(2) of the 1937 Housing Act (42 USC 1437a(b)(2)) (Section 204(b) of Pub. L. No. 104-134 (42 USC 1437f (note))).

**Condition:** Home Forward is not in compliance with requirements related to eligibility.

**Questioned costs:** Unable to determine.

**Context:** For 1 of 40 files tested for public housing eligibility, family income and composition were not examined on a biennial basis and tenant income was not supported by 3rd party documentation.

**Cause:** Home Forward did not sufficiently monitor controls to ensure compliance with eligibility requirements

**Effect:** Home Forward is not in compliance with federal regulations regarding eligibility. Tenant rent may have been miscalculated due to using stale/inaccurate information in the rent calculation.

**Repeat Finding:** No.

**Recommendation:** We recommend that Home Forward reviews the controls in place to ensure that recertifications are performed timely and income is supported.

**Views of responsible officials:** There is no disagreement with the audit finding.

**HOME FORWARD  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2023 – 003**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Continuum of Care

Assistance Listing Number: 14.267

Federal Award Identification Number and Year: OR0036L0E012215 - 2024

Award Period: April 1, 2023 – March 31, 2024

Compliance Requirement: Procurement – Suspension and Debarment

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** According to §200.303 Internal controls of 2 CFR Part 200, the non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. According to §180.300 of 2 CFR Part 180, when you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. This is done by: (a) Checking SAM Exclusions; or (b) Collecting a certification from that person; or (c) Adding a clause or condition to the covered transaction with that person.

**Condition:** Home Forward is not in compliance with requirements related to suspension and debarment.

**Questioned costs:** Unable to determine.

**Context:** During our testing, it was noted that Home Forward did not review one of one vendors subject to the requirement prior to entering into a contract with the vendor to ensure the vendor did not have any active exclusion records.

**Cause:** Home Forward did not anticipate spending federal funds under the contract.

**Effect:** Home Forward is not in compliance with federal regulations that require verification to ensure that the business to which they have entered into a covered transaction is not excluded or disqualified, as specified in §180.300.

**Repeat Finding:** No.

**Recommendation:** We recommend Home Forward implements a process to ensure exclusion checks are done prior to the execution of a contract. This process should include a system to ensure documentation is maintained in the files evidencing the date of the exclusion check as well as documented review and approval of the results of the exclusion check by program staff.

**Views of responsible officials:** There is no disagreement with the audit finding.

**HOME FORWARD  
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2023 – 004**

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Continuum of Care

Assistance Listing Number: 14.267

Federal Award Identification Number and Year: OR0036L0E012114 – 2023; OR0036L0E012215 - 2024

Award Period: April 1, 2022 – March 31, 2023; April 1, 2023 – March 31, 2024

Compliance Requirement: Special Tests and Provisions – Reasonable Rental Rates

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** According to §200.303 Internal controls of 2 CFR Part 200, the non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. The Authority is required to establish a reasonable rent policy and ensure that policy is followed.

**Condition:** During our testing, we noted Home Forward did not have adequate internal controls designed to ensure the approval of comparables is formally documented in the files.

**Questioned costs:** Unable to determine.

**Context:** During our testing, it was noted that Home Forward did not formally document approval of comparables in 4 of 40 files.

**Cause:** Home Forward has not been consistent with keeping formal documentation of approval of comparables in the files.

**Effect:** The auditor noted no instances of noncompliance with the provisions of special tests and provisions - reasonable rental rates; however, the lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

**Repeat Finding:** No.

**Recommendation:** We recommend Home Forward design controls to ensure formal documentation of approval of comparables is in the files.

**Views of responsible officials:** There is no disagreement with the audit finding.



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