

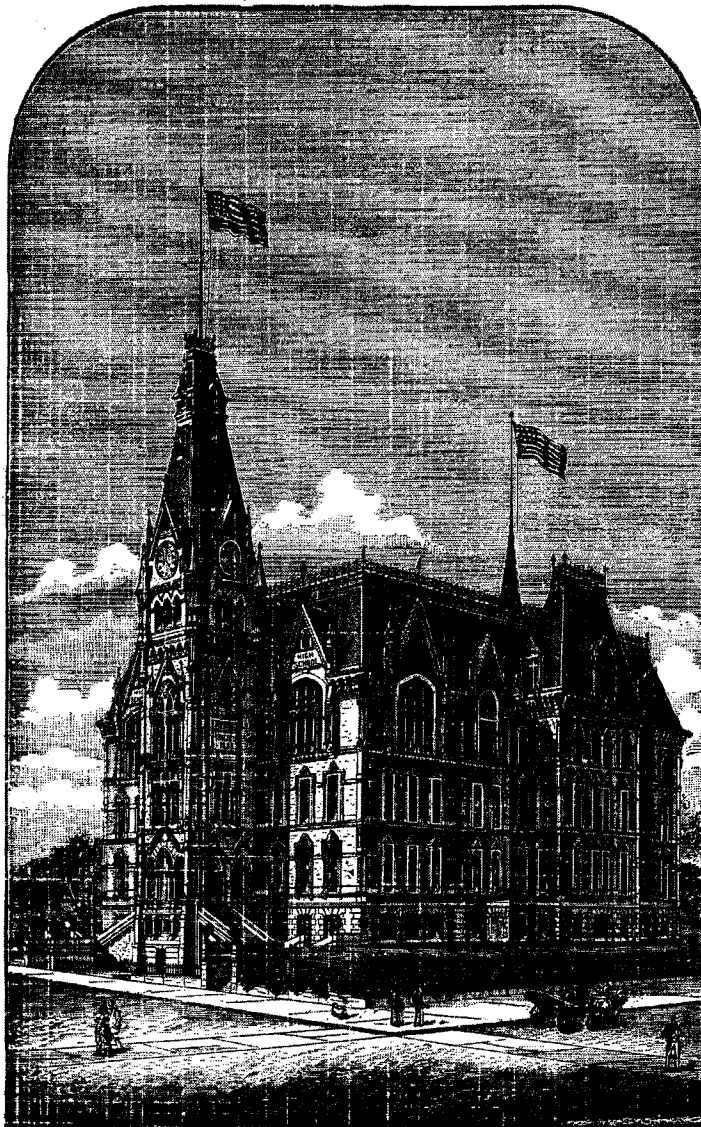
SCHOOL DISTRICT No. 1, MULTNOMAH COUNTY, OREGON

PORTLAND PUBLIC SCHOOLS



REPORT ON REQUIREMENTS OF THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133

for the fiscal year ended June 30, 2003



In 1883, Portland High School was the first public high school on the west coast and one of the earliest in the nation. During that time, there was strong opposition to public education beyond the elementary level. Despite this, suffragettes saw that opportunity for women was limited without public education and were instrumental in building the high school that became known nationally as "The Wonder of the West."

**SCHOOL DISTRICT NO. 1,
MULTNOMAH COUNTY, OREGON
PORTLAND PUBLIC SCHOOLS**

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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November 26, 2003

To the Board of Education
School District No. 1, Multnomah County, Oregon
Portland, Oregon

**INDEPENDENT AUDITORS' REPORT
ON THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

We have audited the financial statements of School District No. 1, Multnomah County, Oregon, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 26, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of School District No. 1, Multnomah County, Oregon, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Pauly, Rogers and Co., P.C.

**School District No. 1, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2003**



Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
DEPARTMENT OF AGRICULTURE							
DEPARTMENT OF AGRICULTURE							
Summer Food Service Program for Children							
G0290	Summer Food Service Program	10.559	Agreement 2616011	06/18/01	06/30/03	\$ (44,587)	
National School Breakfast and Lunch Programs							
202	School Breakfast Program	10.553	26-555-201	07/01/01	06/30/03	4,066,829	
202	National School Lunch Program	10.555	26-555-201	07/01/01	06/30/03	5,368,467	
	Including Donated Commodities	10.550				666,099	
						<u>10,101,395</u>	\$ 10,056,808
DEPARTMENT OF AGRICULTURE TOTAL							
DEPARTMENT OF COMMERCE							
Public Telecommunications Facilities Planning and Construction							
G0014	K.B.P.S. F.M. C.P.B. N.P.P.	11.550	50-10-7470-53100	10/01/98	09/30/04	107,188	
G0247	K.B.P.S. Radio Comm Grant	11.550	50-10-7470-53100	10/01/00	09/30/02	10,923	
G0432	Public Telecommunications Facilities	11.550	41-04-N02163	10/01/02	09/30/04	100,184	
						<u>218,295</u>	
DEPARTMENT OF COMMERCE TOTAL							
DEPARTMENT OF DEFENSE							
Mathematical Sciences Grants Program							
G0318	Starbase	12.901	248-01011	08/01/01	09/30/02	23,109	
G0403	Starbase	12.901	248-02010	10/01/02	09/30/03	142,910	
						<u>166,019</u>	
DEPARTMENT OF DEFENSE TOTAL							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Community Development Block Grants/Entitlement Grants							
G0046	Home Repair Training	14.218	Contract	07/01/90	06/30/04	79	
G0215	Home Repair Training	14.218	Contract	07/01/00	06/30/03	(3,123)	
G0312	Home Repair Training	14.218	Contract	07/01/01	06/30/02	1,561	
G0391	T.L.C. / T.N.T. - City of Portland	14.218	Contract	06/01/02	06/30/03	11,972	
G0405	Home Repair Training	14.218	34626	07/01/02	06/30/03	404,845	
						<u>415,334</u>	*

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Begin Date	End Date	Expenses	Totals
DEPARTMENT OF THE INTERIOR							
Wildlife Conservation and Appreciation							
G0253	Sunnyside Interpreting the Journey	15.617	922604	12/01/00	06/30/03	256	
G0373	EMS Wildlife Tours	15.617	923610	12/01/01	06/01/03	919	
G0374	Gregory Heights MS EcoRoof Project	15.617	923614	12/01/01	06/01/03	3,619	
							<u>4,794</u>
DEPARTMENT OF THE INTERIOR TOTAL							
DEPARTMENT OF LABOR							
Employment Services & Job Training - Pilot & Demonstration Programs							
G0341	Portland Night High School Alternative	17.249	4600002316	10/01/01	09/30/02	12,957	
							<u>12,957</u>
DEPARTMENT OF LABOR TOTAL							
NATIONAL SCIENCE FOUNDATION							
Geosciences							
G0034	Shaping the Pacific NW	47.050	EAR-0003005	08/01/00	07/31/02	8,099	
Education and Human Resources							
G0149	O.M.S.I. - Science Learning Network	47.076	NSI Letter	04/01/98	06/30/02	179	
G0224	Presidential Award -Eric Olson	47.076	Award Letter	07/01/00	06/30/04	638	
G0327	NSF Urban Systemic Program	47.076	ESR-0115114	09/01/01	08/31/04	800,021	
G0401	Center for Learning and Teaching	47.076	ESI-0119786	05/14/02	09/30/03	115,017	
							<u>915,855</u>
NATIONAL SCIENCE FOUNDATION TOTAL							
ENVIRONMENTAL PROTECTION AGENCY							
Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act							
G0418	IAQ Tools for Schools	66.034	XA-970397-01-0	09/01/02	06/30/04	12,535	
Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program							
G0419	Facilities Shelter in Place	66.810	Intergovernmental Contract 018-03	09/01/02	06/30/04	13,436	
							<u>25,971</u>
ENVIRONMENTAL PROTECTION AGENCY TOTAL							
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Community Assistance Program							
G0081	Learning To Learn	83.324M	9497181	10/01/99	09/30/02	707	
							<u>707</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY TOTAL							

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
DEPARTMENT OF EDUCATION							
Title I Grants to Local Educational Agencies							
G0370	Whitaker NWAREL Research Grant	84.000	ED-01-CO-0013	11/01/01	12/01/05	16,111	
Title I Grants to Local Educational Agencies							
G0208	Title I - Disadvantaged Child	84.010A	EE020993, 50142, 01-26-001	07/01/00	09/30/02	269,369	
G0270	Program Improvement - Lent	84.010A	EE023540, 50271, 01-PL	03/01/01	09/30/02	118	
G0273	Program Improvement - Kellogg	84.010A	EE023541, 50271, 01-PL	03/01/01	09/30/02	81	
G0274	Program Improvement - Lane	84.010A	EE023542, 50271, 01-PL	03/01/01	09/30/02	1,634	
G0275	Program Improvement - Portsmouth	84.010A	EE023543, 50271, 01-PL	03/01/01	09/30/02	1,692	
G0276	Program Improvement - Whitaker	84.010A	EE023544, 50271, 01-PL	03/01/01	09/30/02	6,583	
G0277	Program Improvement - Humboldt	84.010A	EE023537, 50271, 01-PL	03/01/01	09/30/02	40	
G0278	Program Improvement - James John	84.010A	EE023538, 50271, 01-PL	03/01/01	09/30/02	446	
G0279	Program Improvement - Kelly	84.010A	EE023539, 50271, 01-PL	03/01/01	09/30/02	4,800	
G0300	Title I - Disadvantaged Child	84.010A	EE026033, 50143, 2001-2002	07/01/01	09/30/03	401,739	
G0411	Title I - Disadvantaged Child	84.010A	EE029825, 50144, Title IA/ID 2002-03	07/01/02	09/30/04	11,680,676	12,367,178
Migrant Education State Grant Program							
G0328	Migrant Preschool - Title 1C	84.011A	EE025494, 50373, 2001-02	09/01/01	08/31/02	20,746	
G0329	Migrant Education Project - Title 1C	84.011A	EE024896, 50343, 2001-02	08/01/01	07/31/02	34,778	
G0347	Migrant Education Project - Title 1C	84.011A	EE028918, 50344,	07/01/02	09/30/03	276,373	
G0380	Migrant Education Title 1C - S	84.011A	EE028457, 50393, 2001-02	06/01/02	08/31/02	45,471	
G0423	Migrant Preschool - Title 1C	84.011A	EE029255, 50374	07/01/02	09/30/03	76,739	
G0440	Migrant Ed Title 1C - Summer School	84.011A	EE031886, 50394	03/15/03	09/30/03	33,392	487,499
G0404	Title I Program for Neglected and Delinquent Children Portland DART Schools	84.013A	EE028482, Contract 3220	07/01/02	06/30/03	270,181	270,181
Special Education Grants to States							
G0299	CSPD Inservice Training	84.027A	EE023935, 68704, 01/02-11	07/01/01	09/30/02	576	
G0301	EI-ECSE	84.027A	EE027051, Contract 3069	07/01/01	06/30/03	476,082	
G0302	I.D.E.A.	84.027A	4933497	07/01/01	12/31/02	901,145	
G0304	Columbia Regional	84.027A	EE027049, Contract 2725	07/01/01	06/30/03	2,672,034	
G0388	Autism Regional Program	84.027A	EE028440, 69024 & 62243, 01/02-246	02/02/02	09/30/02	9,244	
G0404	Portland DART Schools	84.027A	EE028482, Contract 3220	07/01/02	06/30/03	145,386	
G0406	Hospital Programs	84.027A	EE029876, 69607,69604,69605,69607, Contract 3363	07/01/02	06/30/03	151,150	
G0425	I.D.E.A.	84.027A	EE030184, 69013, 02/03-167	07/01/02	12/31/03	4,019,910	
G0436	Transition Planning for SpecEd	84.027A	EE030374, 69027, 02/03-208	10/01/02	06/30/03	5,000	
G0457	Dispute Resolution Grant	84.027A	EE032363, 69045, 02/03-227	02/29/03	02/29/04	1,498	8,382,025 *

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
	Vocational Education Basic Grants to States						
G0319	Carl Perkins / Gender Equity	84.048A	EE024725, 15412	07/01/01	08/31/02	173,940	
G0402	Carl Perkins	84.048A	EE029159, 15413	07/01/02	08/31/03	585,714	
G0414	Expanding Your Horizons	84.048A	EE028967, 16302	07/01/02	06/30/03	4,999	
						<u>764,653 *</u>	
	Indian Education Grants to Local Educational Agencies						
G0349	Indian Education Program	84.060A	S060A010938	07/01/01	09/30/02	28,986	
G0397	Indian Education Program	84.060A	S060A020938	07/01/02	09/30/03	206,117	
						<u>235,103</u>	
	Rehabilitation Services Vocational Rehabilitation Grants to States						
G0334	Oregon Comm for the Blind	84.126	101-02	07/01/01	06/30/02	(601)	
G0409	Oregon Commission For The Blind	84.126	101-03	07/01/02	06/30/03	32,383	
						<u>31,782</u>	
	Immigrant Education						
G0337	Emergency Immigrant Education	84.162A	EE026976, 50746, 2002-121	07/01/01	09/30/02	61,644	
	Special Education Preschool Grants						
G0301	EI-ECSE	84.173A	EE027051, Contract 3069	07/01/01	06/30/03	595,214	
	Special Education Grants for Infants and Families with Disabilities						
G0301	EI-ECSE	84.181A	EE027051, Contract 3069	07/01/01	06/30/03	490,540	
	Safe and Drug-Free Schools and Communities National Programs						
G0421	Grants To Reduce Alcohol Abuse	84.184A	S184A020018	10/01/02	09/30/05	45,016	
G0092	Safe Schools / Healthy Student	84.184L	S184L990180-00, -01	10/01/99	09/30/04	1,926,663	
						<u>1,971,679</u>	
	Safe and Drug-Free Schools and Communities State Grants						
G0263	Title IV -Safe & Drug Free 30%	84.186A	EE021791, 57525, 01-SDFS-II	07/01/00	09/30/02	44,937	
G0264	Title IV Safe & Drug-Free School	84.186A	EE021999, 57525, 01-SDFS	07/01/00	09/30/02	9,152	
G0356	Title IV Safe & Drug-Free School	84.186A	EE026392, 57602, 01-104	07/01/01	09/30/03	135,480	
G0357	Title IV Safe & Drug-Free School	84.186A	EE026346, 57602/57614, 01-SDFS	07/01/01	09/30/03	188,708	
						<u>378,277</u>	
	Bilingual Education Professional Development						
G0291	Tools for Academic Skills & Knowledge	84.195A	L&C Letter	09/01/00	06/30/04	21,852	
G0360	Project T.R.I.A.D.	84.195A	T195A990070	10/01/01	06/30/03	5,220	
G0447	Project T.R.I.A.D. Mini Grants	84.195A	T195A990070	09/01/02	06/30/04	11,980	
G0358	Project ROSE	84.195B	T195B010003, -02	10/01/01	09/30/06	237,032	
						<u>276,084</u>	
	Education for Homeless Children and Youth						
G0348	Project Return Homeless	84.196A	EE024943, 50842, 02-HOME	07/01/01	09/30/02	142	
G0430	McKinney Homeless Grant	84.196A	EE030674, 50843	09/01/02	08/30/03	56,952	
						<u>57,094</u>	

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
Even Start Migrant Education							
G0212	Migrant Even Start Program	84.214A	S214A980006-00, S214A980006-01	09/01/00	08/31/02	33,721	
G0431	Migrant Even Start Program	84.214A	S214A020030	10/01/02	09/30/06	175,727 209,448	
Fund for the Improvement of Education							
G0424	Teaching American History	84.215X	S215X020165	10/01/02	09/30/05	152,175	
Goals 2000 State and Local Education Systemic Improvement Grants							
G0280	Goals 2000 - Math	84.276A	EE023435, 35150, 01-123	02/15/01	06/30/02	1,069	
G0285	Goals 2000 - Teacher End	84.276A	EE023389, 35150, 01-231	02/15/01	08/31/02	(1,381)	
G0286	Goals 2000 - Teacher End	84.276A	EE023400, 35150, 01-238	02/15/01	08/31/02	461	
G0288	Goals 2000 - Reading K-3	84.276A	EE023436, 35150, 01-316	02/15/01	09/30/02	6,634	
G0316	Roosevelt Goals 2000 High Perf	84.276A	EE023793, 35140, 01-607	03/15/01	09/30/02	7,921	
G0335	Goals 2000 - HPLC - Marshall	84.276A	EE023795, 35140, 01-602	03/12/01	09/30/02	7,166	
G0382	Curriculum Alignment in Math	84.276A	EE028567, 35150, 01-371	05/17/02	06/30/03	39,180 61,050	
School to Work Opportunities							
G0310	Benson New Century Project	84.278B	EE027949, Suffix 0001	01/25/02	06/15/03	3,174	
Eisenhower Professional Development State Grants							
G0323	Eisenhower Math & Science	84.281A	EE025590, 34170, 01-765	07/01/01	09/30/03	2,135	
Charter Schools							
G0229	Environmental MS Charter	84.282A	EE021244, 371000, 99-02	02/18/00	08/31/03	4,629	
G0259	Trillum School Charter Planning	84.282A	EE022976, 37100, 00-123	12/07/00	08/31/03	50,000	
G0260	Rose City Public Charter Planning	84.282A	EE022977, 37100, 00-122	12/07/00	08/31/03	87,500	
G0390	Exploratory School Charter Grant	84.282A	EE028633, 37120, 01-418	05/22/02	08/31/03	50,000	
G0410	Charter School Tech Assist Grant	84.282A	EE029026, 37120, 01-424	08/19/02	08/30/03	4,093	
G0429	York School of Academics Charter	84.282A	EE030886, 37130, 02-611	10/17/02	09/30/05	50,000	
G0454	Garden Laboratory Charter School	84.282A	EE032254, 37130, 02-625	02/20/03	08/31/03	50,000 296,222	
Twenty-First Century Community Learning Centers							
G0129	21st Century Comm Learning Centers	84.287B	R287A8991446, S278B001446-01, S287B001446-02	06/01/00	05/31/04	611,673 *	
Bilingual Education Program Development and Implementation Grants							
G0352	Project PREPARE (Year One)	84.288S	T288S010325, -02	10/01/01	09/30/04	218,310	
G0354	Project FORWARD	84.288S	T288S010377-01, -02	10/01/01	09/30/04	236,697 455,007 *	
Bilingual Education Comprehensive School Grants							
G0159	A.B.L.E. - Atkinson Bilingual	84.290U	T290U80235-98 / T290U980235-98 / T290U980235-01	07/01/98	06/30/04	176,682	

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
G0219	Foreign Language Assistance Hola Hola Phase II	84.293B	T293B000073, T293B000073-02	09/01/00	08/31/03	144,454	
G0416	Foreign Language Incentive Program Foreign Language Immersion Program	84.294A	T294A020194	08/15/02	09/30/03	87,713	
G0210	Innovative Education Program Strategies						
G0308	Title VI - Innovative Programs	84.298A	EE020774, 50532, 01-320	07/01/00	09/30/02	106,457	
G0396	Title VI - Innovative Programs	84.298A	EE026459, 50533, 01-320	07/01/01	09/30/03	18,750	
	Title V - Innovative Programs	84.298A	EE030409, 50551	07/01/02	09/30/04	31,986	
						157,193	
G0437	Indian Education Special Programs						
	Special Projects Demonstration	84.299A	S299A020025	10/01/02	09/30/05	3,773	
G0053	Technology Innovation Challenge Grants						
	Lewis & Clark Rediscover Project	84.303A	Agreement	07/01/00	06/30/04	43,779	
G0417	Education Technology State Grants						
	Title IID - Education through Technology	84.318X	EE029385, 37400, 02-099	07/01/02	09/30/04	278,178	
G0386	Special Education Research and Innovation to Improve Services and Results for Children with Disabilities						
G0355	Gender and Transition Project	84.324D	H324D010026 Subaward J475B	06/14/02	08/30/02	6,789	
	Project EXCEL	84.324T	H324T010055-01, -02, -03	09/01/01	08/31/04	119,912	
						126,701	
G0178	Special Education Personnel Preparation to Improve Services and Results for Children with Disabilities						
	Student Study Time	84.325	UofO SubContract 222131B	08/01/00	06/30/04	1,020	
G0400	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities						
	Oregon Deaf/Blind Project	84.326C	EE029679, 69072, 02/03-56	10/01/02	08/30/03	6,446	
G0065	Special Education Studies and Evaluations						
G0066	Abernethy Student Study Time	84.329	2221313B	02/01/00	06/30/03	660	
	Sabin Student Study Time	84.329	2221313B	02/01/00	06/30/03	38	
						698	
G0463	Advanced Placement Program						
	AP Scholarship - Madison	84.330	EE035082, 37609, 02-733	04/22/03	09/10/03	600	

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
Comprehensive School Reform Demonstration							
G0330	CSR Grant	84.332A	EE024926, 50252, 02-R21-CSR	07/01/01	09/30/02	7,562	
G0332	CSR	84.332A	EE026400, 50272, 02-R13-CSR	07/01/01	09/30/02	63,847	
G0394	CSR Hosford Grant	84.332A	EE028844, 50253, 02-R3Y1-CSR	07/01/02	09/30/03	67,607	
G0413	CSR Comprehensive School Reform	84.332A	EE029042, 50253, 02-R2Y2-CSR	07/01/02	09/30/03	311,361	
						<u>450,377</u>	
Reading Excellence							
G0054	Oregon Reads Project - King	84.338A	EE020117, 37200, 00-012	07/01/00	08/31/02	9,308	
G0255	James John Tutorial Assistance	84.338A	EE023039, 37200, 00-015	12/07/00	08/31/02	3,965	
						<u>13,273</u>	
Class Size Reduction							
G0209	Title VI - Class Size Reduction	84.340A	EE020542, 50541, 01-CSR	07/01/00	09/30/02	3,382	
G0307	Title VI - Class Size Reduction	84.340A	EE026604, 50542, 01-320	07/01/01	09/30/03	108,000	
						<u>111,382</u>	
Title I Accountability Grants							
G0383	Program Improvement Grants	84.348A	EE027156, 50272, 01-PL	07/01/01	09/30/03	104,029	
G0449	Comprehensive School Reform	84.348A	EE032068, 50272, 02-R4PG-CSR	07/01/02	09/30/03	20,000	
						<u>124,029</u>	
School Renovation Grants							
G0442	Marshall HS - School Renovation	84.352A	EE030797, 50952, 02-SRR-TECH	07/01/02	06/30/03	33,424	
G0452	School Roof Replacement - JHS	84.352A	EE030741, 50952, 02-SRR	07/01/02	06/30/04	250,000	
						<u>283,424</u>	
Reading First State Grants							
G0458	Oregon Reading First	84.357A	EE035187, 37890, 02-521	05/15/03	06/30/04	249,875	
						<u>249,875</u>	
Voluntary Public School Choice							
G0427	Voluntary Public School Choice	84.361A	S361A020029	10/01/02	09/30/07	116,593	
English Language Acquisition Grants							
G0435	Title III - NCLB	84.365	EE029616, 50451, Title III '02-'03	07/01/02	09/30/04	244,311	
Improving Teacher Quality State Grants							
G0412	Title II A	84.367A	EE029576, 37800, 02-301	07/01/02	09/30/04	2,347,454 *	
DEPARTMENT OF EDUCATION TOTAL							
							<u>33,143,903</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Demonstration Grants on Model Projects for Pregnant and Postpartum Women and Their Infants (Substance Abuse							
G0004	Inner-City Youth Institute	93.169	MOU60399014	02/1/99	08/31/04	6,653	
G0038	Inner-City Youth Institute	93.169	MOU60399014, emails	09/01/99	08/31/04	5,735	
						<u>12,388</u>	

Grant/Fund	Program Title / Grant Title	CFDA	Pass-Through Grantor's Number	Grant Period Begin Date	End Date	Expenses	Totals
Consolidated Knowledge Development and Application (KD&A) Program							
G0242	Chrysalis Youth Suicide Prevention	93.230	1-U79-SM53220-01	09/30/00	02/28/03	16,920	
G0336	Chrysalis Youth Suicide Prevention	93.230	5-U79-SM53220-02	09/30/01	02/28/03	21,417	
						<u>38,337</u>	
Child Care and Development Block Grant							
G0093	Teen Parent Child Care Block Grant	93.575	CCD 00-5046	09/01/00	06/30/03	37,796	
G0177	Teen Parent Onsite Child Care	93.575	Agreement	09/01/00	06/30/04	47,228	
G0379	Teen Parent Child Care Block Grant	93.575	CCD 025046	07/01/02	06/30/03	56,204	
						<u>141,228</u>	
Refugee and Entrant Assistance Discretionary Grants							
G0338	Refugee Assistance Program	93.576	EE027093, 50753, 2002-301	08/15/01	08/14/02	26,589	
Head Start							
G0306	Head Start	93.600	10CH0004/27	11/01/01	10/31/02	937,322	
G0339	Child Care Food Prog - Head Start	93.600	USDA Food Program Assistance	07/01/00	06/30/04	214,727	
G0407	Head Start - Federal	93.600	10CH0004/28	11/01/02	10/31/03	1,873,555	
S0102	Albina Head Start	93.600	Contract	09-08-99	06-30-04	49,907	
						<u>3,075,511</u>	
Medical Assistance Program							
S0027	Regional Durable Medical Equip	93.778	Medicaid Revenue	07-01-97	06-30-04	15,529	
S0053	Third Party Medical-Skip	93.778	Medicaid Revenue	07-01-98	06-30-04	4,692	
S0054	Third Party Medical-Contract Program	93.778	Medicaid Revenue	07-01-98	06-30-04	6,694	
						<u>26,915</u>	
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems							
G0372	Safe Routes To School	93.938	EE027111, 67651, 01-PA	11/01/01	11/30/02	2,004	
							<u>3,322,972</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL							
CORPORATION FOR NATIONAL & COMMUNITY SERVICE							
Learn and Serve America School and Community Based Programs							
G0353	EMS Digital Divide Impact Program	94.004	Award Letter	04/01/01	11/30/03	9,684	
AmeriCorps							
G0367	Martin Luther King Jr. Service	94.006	GH 02MKPOR007	12/01/01	06/30/02	628	
CORPORATION FOR NATIONAL & COMMUNITY SERVICE TOTAL							
							<u>10,312</u>
GRAND TOTAL							<u>\$ 48,302,026</u>

* Indicates a major program
This schedule is prepared on the modified accrual basis of accounting used in the preparation of the governmental fund types of School District No. 1, Multnomah County, Oregon, for the year ended June 30, 2003.



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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November 26, 2003

To the Board of Education
School District No. 1, Multnomah County, Oregon
Portland, Oregon

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of School District No. 1, Multnomah County, Oregon, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 26, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether School District No. 1, Multnomah County, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered School District No. 1, Multnomah County, Oregon's, Portland, Oregon, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Pauly, Rogers and Co., P.C.



PAULY, ROGERS AND CO., P.C.

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November 26, 2003

To the Board of Education
School District No. 1, Multnomah County, Oregon
Portland, Oregon

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE WITH OMB CIRCULAR A-133**

We have audited the compliance of School District No. 1, Multnomah County, Oregon, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. School District No. 1, Multnomah County, Oregon's, major federal programs are identified in the accompanying schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of School District No. 1, Multnomah County, Oregon's management. Our responsibility is to express an opinion on School District No. 1, Multnomah County, Oregon's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 School District No. 1, Multnomah County, Oregon'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. Our audit does not provide a legal determination on School District No. 1, Multnomah County, Oregon's, Portland, Oregon, compliance with those requirements.

In our opinion, School District No. 1, Multnomah County, Oregon, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

To the Board of Education
School District No. 1, Multnomah County, Oregon
Portland, Oregon
November 26, 2003
Page 2 of 2

The management of School District No. 1, Multnomah County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered School District No. 1, Multnomah County, Oregon's, internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Nasly, Rogers and Co., P.C.

**SCHOOL DISTRICT NO. 1, MULTNOMAH COUNTY, OREGON
SCHEDULE OF PRIOR AND CURRENT YEAR AUDIT FINDINGS
AND QUESTIONED COSTS RELATIVE TO FEDERAL AWARDS
For the Year Ended June 30, 2003**

CURRENT YEAR AUDITORS' REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS:

Unqualified Opinion

CURRENT YEAR REPORTABLE CONDITIONS AND MATERIAL WEAKNESSES:

None

CURRENT YEAR NONCOMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:

None reported

CURRENT REPORTABLE CONDITIONS AND MATERIAL WEAKNESSES IN INTERNAL CONTROLS OVER MAJOR PROGRAMS:

None reported

CURRENT YEAR AUDITORS' REPORT ON COMPLIANCE FOR MAJOR PROGRAMS:

Unqualified Report

MAJOR PROGRAMS FOR THE YEAR ENDED JUNE 30, 2003:

All passed through the State of Oregon, Department of Education:

- 14.218 Community Development Block Grants/Entitlement Grants
- 84.027A Special Education Grants to States
- 84.048A Vocational Education Basic Grants to States
- 84.287B Twenty-First Century Community Learning Centers
- 84.288S Bilingual Education Program Development and Implementation Grants
- 84.367A Improving Teacher Quality State Grants

DOLLAR THRESHOLD FOR DISTINGUISHING BETWEEN TYPE A AND B PROGRAMS:

\$1,249,061

LOW-RISK AUDIT QUALIFICATION:

The District qualified as a low-risk auditee under section .530. of OMB Circular A-133

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS:

None