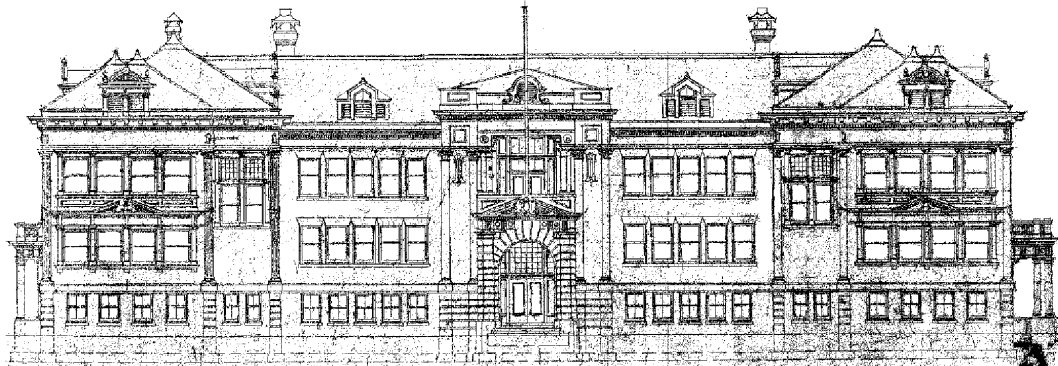




# REPORT ON REQUIREMENTS OF THE SINGLE AUDIT ACT AND OMB CIRCULAR A-133

for the year ended June 30, 2004



Richmond Elementary was designed by district architect T.J. Jones and was erected in 1908. It is the oldest structure still in use by the district, having been in continuous service for over 96 years. Inspired by the Second Empire architectural style, it was originally clad in wood cove lap siding. In 1953, as a result of the post-WWII design trend to become more "modern," the wood structure was "relieved" of its ornamentation and was clad in brick.

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

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

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**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

November 19, 2004

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, 2004, and have issued our report thereon dated November 19, 2004. 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 Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>DEPARTMENT OF AGRICULTURE</b>							
<b>National School Breakfast and Lunch Programs</b>							
202	School Breakfast Program	10.553	26-555-201	07-01-03	06-30-04	\$ 4,114,413	
202	National School Lunch Program	10.555	26-555-201	07-01-03	06-30-04	5,397,930	
	Food Donation	10.550		07-01-03	06-30-04	545,258	
						<u>10,057,601</u>	
<b>Child and Adult Care Food Program</b>							
G0339	Child Care Food Program - Head Start	10.558	USDA Food Program Assistance	07-01-00	06-30-05	214,458	
202	Child Care Food Program	10.558	USDA Food Program Assistance	07-01-00	06-30-05	45,453	
						<u>259,911</u>	
<b>Commodity Supplemental Food Program</b>							
G0339	Child Care Food Program - Head Start	10.565	USDA Food Program Assistance	07-01-00	06-30-05	18,505	
202	Child Care Food Program	10.565	USDA Food Program Assistance	07-01-00	06-30-05	3,269	
						<u>21,774</u>	
							<b>\$ 10,339,286</b>
<b>DEPARTMENT OF AGRICULTURE TOTAL</b>							
<b>DEPARTMENT OF COMMERCE</b>							
<b>Public Telecommunications Facilities Planning and Construction</b>							
G0014	K.B.P.S. F.M. C.P.B. N.P.P	11.550	none rec'd	10-01-98	09-30-04	3,937	
G0015	K.B.P.S. C.P.B. Grant	11.550	50-10-7470-53100	10-01-99	09-30-04	45,049	
G0432	Public Telecommunications Facilities	11.550	Contract #41-04-N02163	10-01-02	09-30-04	182,958	
							<u>231,944</u>
<b>DEPARTMENT OF COMMERCE TOTAL</b>							
<b>DEPARTMENT OF DEFENSE</b>							
<b>Mathematical Sciences Grants Programs</b>							
G0403	Starbase	12.901	248-02010	10-01-02	09-30-03	28,875	
G0484	Starbase	12.901	248-03005	10-01-03	09-30-04	157,952	
							<u>186,827</u>
<b>DEPARTMENT OF DEFENSE TOTAL</b>							
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
<b>Community Development Block Grants/Entitlement Grants</b>							
G0046	Home Repair Training	14.218	Contracts for each project	07-01-90	06-30-05	23,235	
G0485	Home Repair Training	14.218	TBA	07-01-03	06-30-04	376,579	
							<u>399,814</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOTAL</b>							

**School District No. 1, Multnomah County, Oregon  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>DEPARTMENT OF THE INTERIOR</b>							
<b>Historic Preservation Fund Grants-In-Aid</b>							
G0575	Native Perspectives on Lewis & Clark	15.904	FY03-290	04-01-03	08-31-04	5,000	
							<b>5,000</b>
<b>DEPARTMENT OF THE INTERIOR TOTAL</b>							
<b>NATIONAL SCIENCE FOUNDATION</b>							
<b>Education and Human Resources</b>							
G0224	Presidential Award -Eric Olson	47.076	Award	07-01-00	06-30-05	685	
G0327	NSF Urban Systemic Program	47.076	ESR-0115114	09-01-01	08-31-05	1,665,679	
G0401	Center for Learning and Teaching	47.076	ESI-0119786	05-14-02	03-31-04	133,579	
							<b>1,799,943 *</b>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>							
<b>Surveys Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act</b>							
G0418	IAQ Tools for Schools	66.034	Contract XA-970397-01-0	09-01-02	06-30-04	4,404	
<b>Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program</b>							
G0419	Facilities Shelter in Place	66.810	Intergovernmental Contract 018-03	09-01-02	06-30-04	10,880	
							<b>15,284</b>
<b>ENVIRONMENTAL PROTECTION AGENCY TOTAL</b>							
<b>DEPARTMENT OF EDUCATION</b>							
<b>Title I Grants to Local Educational Agencies</b>							
G0370	Whitaker NWREL Research Grant	84.000	ED-01-CO-0013 (TTL \$60,000)	11-01-01	12-01-05	3,608	
<b>Title I Grants to Local Educational Agencies</b>							
G0108	Impact Aid - Pl 874 Project	84.010	47-OR-95-1703	10-01-90	06-30-05	20,972	
G0205	Distinguished Schools	84.010	EE019247, 00-26-001	07-01-99	06-30-04	618	
G0300	Title I - Disadvantaged Child	84.010A	EE026033, 50143, 2001-2002	07-01-01	09-30-03	294,112	
G0411	Title I - Disadvantaged Child	84.010A	EE029825, 50144, Title IA/ID 2002-03	07-01-02	09-30-04	3,085,483	
G0465	School Improvement - Marshall	84.010A	EE035114, 50272 & 50144, 02-SI	07-01-02	09-30-04	65,520	
G0475	Title I - Disadvantaged Child	84.010A	EE037157, 51143	07-01-03	09-30-05	10,662,501	
G0537	ODE School Improvement Grant	84.010A	EE040248, 51150, Year 1	07-01-02	09-30-04	188,119	
							<b>14,317,325 *</b>

**School District No. 1, Multnomah County, Oregon  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>Migrant Education State Grant Program</b>							
G0347	Migrant Education Project - Title 1C	84.011A	EE028918, 50344,	07-01-02	09-30-03	15,312	
G0423	Migrant Preschool - Title 1C	84.011A	EE029255, 50374	07-01-02	09-30-03	23,261	
G0440	Migrant Ed Title 1C - Summer School	84.011A	EE031886, 50394	03-15-03	09-30-03	33,493	
G0516	Migrant Ed Project - Title 1C	84.011A	EE038823, 51134	07-01-03	09-30-05	228,898	
G0517	Migrant Preschool - Title 1C	84.011A	EE039403, 51335	07-01-03	09-30-05	69,471	
G0569	Migrant Ed Title 1C - Summer School	84.011A	EE041378, 51336, 03-817	06-01-04	08-31-04	28,990	
						<u>399,425</u>	
<b>Title I Program for Neglected and Delinquent Children</b>							
G0478	Portland DART Schools Federal	84.013A	Contract 5127	07-01-03	06-30-05	199,419	
<b>Special Education Grants to States</b>							
G0425	I.D.E.A.	84.027A	EE030184, 69013, 02/03-167	07-01-02	12-31-03	1,864,080	
G0457	Dispute Resolution Grant	84.027A	EE032363, 69045, 02/03-227	02-28-03	02-29-04	8,890	
G0471	Columbia Regional - Federal	84.027A	Contract 5142	07-01-03	06-30-05	2,080,746	
G0478	Portland DART Schools Federal	84.027A	Contract 5127	07-01-03	06-30-05	135,859	
G0490	I.D.E.A.	84.027A	EE035871, 62100, 03/04-136	07-01-03	12-31-04	3,559,486	
G0538	Regional Autism Model Ctr Grt	84.027A	EE040514, 64707, 03/04-342	09-01-03	09-30-04	5,660	
						<u>7,654,721</u>	
<b>Vocational Education Basic Grants to States</b>							
G0402	Carl Perkins	84.048A	EE029159, 15413	07-01-02	08-31-03	229,293	
G0476	Carl Perkins	84.048A	EE036766, 39112	07-01-03	07-31-04	577,537	
G0491	Expanding Your Horizons	84.048A	EE036781, 001, 39132	07-01-03	06-30-04	2,500	
G0536	Learn & Serve	84.048A	EE040678, 39300, 03-928	02-09-04	03-31-04	1,991	
G0545	Secondary Leadership CAM Asmt	84.048A	EE041286, 30551, 03-888	04-01-04	09-01-04	680	
						<u>812,001</u>	
<b>Indian Education Grants to Local Educational Agencies</b>							
G0397	Indian Education Program	84.060A	S060A020938	07-01-02	09-30-03	64,290	
G0470	Indian Education Program	84.060A	S060A030938	07-01-03	09-30-04	213,602	
						<u>277,892</u>	
<b>Rehabilitation Services Vocational Rehabilitation Grants to States</b>							
G0489	Oregon Comm For The Blind	84.126	Agreement 101-04	07-01-03	06-30-04	41,500	
<b>Safe and Drug-Free Schools and Communities National Programs</b>							
G0421	Grants To Reduce Alcohol Abuse	84.184A	S184A020018	10-01-02	09-30-05	398,930	
G0508	Emergency Response & Crisis Mgt	84.184E	Q184E030536	10-01-03	04-01-05	57,390	
G0092	Safe Schools / Healthy Student	84.184L	S184L990180-00, -01	10-01-99	09-30-04	351,207	
						<u>807,527</u>	

**School District No. 1, Multnomah County, Oregon  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>Safe and Drug-Free Schools and Communities State Grants</b>							
G0356	Title IV Safe & Drug-Free Schools	84.186A	EE026392, 57602, 01-104	07-01-01	09-30-03	85,095	
G0357	Title IV Safe & Drug-Free Schools	84.186A	EE026346, 57602/57614, 01-SDFS	07-01-01	09-30-03	28,892	
G0426	Title IV Safe & Drug-Free Schools	84.186A	EE030000, 57603	07-01-02	09-30-04	268,536	
G0533	Comm Serv/Skills for Success	84.186A	ODE Contract 6802	03-19-04	09-30-04	5,340	
						<u>387,863</u>	
<b>Bilingual Education Professional Development</b>							
G0291	Tools for Academic Skills & Knowledge	84.195A	L&C Letter	09-01-00	06-30-05	8,488	
G0360	Project T.R.I.A.D.	84.195A	T195A990070	10-01-01	09-30-04	3,530	
G0447	Project T.R.I.A.D. Mini Grants	84.195A	T195A990070	09-01-02	06-30-05	14,693	
G0358	Project ROSE	84.195B	T195B010003, -02	10-01-01	09-30-06	228,509	
						<u>255,220</u>	
<b>Education for Homeless Children and Youth</b>							
G0430	McKinney Homeless Grant	84.196A	EE030674, 50843	09-01-02	08-30-03	(6,952)	
G0530	McKinney Homeless Grant	84.196A	EE040422, 51931 & 51930,	09-01-03	08-30-04	66,091	
						<u>59,139</u>	
<b>Even Start State Educational Agencies</b>							
S0162	Even Start Summer School	84.213C	Contract	07-01-03	08-31-03	2,381	
<b>Even Start Migrant Education</b>							
G0431	Migrant Even Start Program	84.214A	S214A020030	10-01-02	09-30-06	302,535	
<b>Fund for the Improvement of Education</b>							
G0512	Smaller Learning Communities	84-215L	V215L032014	09-01-03	08-31-06	652,820	
G0504	Partnerships in Character Education	84.215S	Q215S030155	10-01-03	09-30-07	156,568	
G0424	Teaching American History	84.215X	S215X020165	10-01-02	09-30-05	250,790	
						<u>1,060,178</u> *	
<b>School to Work Opportunities</b>							
G0455	School-To-Work Innovations	84.278B	EE031910, 15690	01-01-03	09-30-03	1,489	
<b>Eisenhower Professional Development State Grants</b>							
G0323	Eisenhower Math & Science	84.281A	EE025590, 34170, 01-765	07-01-01	09-30-03	47,767	
<b>Charter Schools</b>							
G0258	New Urban HS Planning Grant	84.282A	EE022482, 37100, 00-103	10-19-00	06-30-04	(328)	
G0503	Mastery Learning Inst - Charter Schools	84.282A	EE035940, 39863, 03-606	07-24-03	01-24-05	10,000	
						<u>9,672</u>	



**School District No. 1, Multnomah County, Oregon  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>Twenty-First Century Community Learning Centers</b>							
G0129	21st Century Comm Learning Center	84.287B	R287A8991446, S278B001446-01, S287B001446-02	06-01-00	05-31-04	216,241	
<b>Bilingual Education Program Development and Implementation Grants</b>							
G0352	Project PREPARE (Year One)	84.288S	T288S010325, -02, -03	10-01-01	09-30-04	192,057	
G0354	Project FORWARD	84.288S	T288S010377-01, -02, -03	10-01-01	09-30-04	182,930	
						<u>374,987</u>	
<b>Bilingual Education Comprehensive School Grants</b>							
G0159	A.B.L.E. - Atkinson Bilingual	84.290U	T290U80235-98 / T290U980235-98 / T290U9802350-01	07-01-98	06-30-04	189,506	
<b>Foreign Language Assistance</b>							
G0219	Hola Hola Phase II	84.293B	T293B000073, T293B000073-02	09-01-00	08-31-03	60,926	
<b>Innovative Education Program Strategies</b>							
G0416	Foreign Language Immersion Program	84.294A	T294A020194	08-15-02	09-30-03	57,167	
<b>State Grants for Innovative Programs</b>							
G0308	Title VI - Innovative Programs	84.298A	EE026459, 50533, 01-320	07-01-01	09-30-03	15,206	
G0396	Title V - Innovative Programs	84.298A	EE030409, 50551	07-01-02	09-30-04	386,165	
G0483	Title V - Innovative Programs	84.298A	EE038706, 52312	07-01-03	09-30-05	290,951	
						<u>692,322</u>	
<b>Indian Education Special Programs</b>							
G0437	Special Projects Demonstration	84.299A	(1st) S299A020025, S299A020025-03	10-01-02	09-30-05	220,061	
<b>Technology Innovation Challenge Grants</b>							
G0053	Lewis & Clark Rediscover Project	84.303A	Agreement	07-01-00	06-30-05	13,362	
<b>Education Technology State Grants</b>							
G0417	Title IID - Education through Technology	84.318X	EE029385, 37400, 02-099	07-01-02	09-30-04	145,786	
G0487	Title IID - Education through Technology	84.318X	EE038673, 39402, 03-090	07-01-03	09-30-05	332,278	
						<u>478,064</u> *	
<b>Special Education Research and Innovation to Improve Services and Results for Children with Disabilities</b>							
G0355	Project EXCEL	84.324T	H324T010055-01, -02, -03	09-01-01	08-31-05	201,647	
<b>Special Education Personnel Preparation to Improve Services and Results for Children with Disabilities</b>							
G0178	Student Study Time	84.325	UofO SubContract 222131B	08-01-00	06-30-04	1,354	

**School District No. 1, Multnomah County, Oregon  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</b>							
G0527	Oregon Deaf/Blind Project	84:326C	EE039387, 62302, 03/04-268	12-01-03	08-30-04	3,700	
<b>Advance Placement Program</b>							
S0073	Advance Placement (AP) Fee Pay	84.330	ODE Letter	09-01-98	06-30-05	4,832	
G0460	AP Scholarship - Marshall	84.330	EE035079, 37609, 02-730	04-22-03	09-10-03	1,412	
G0461	AP Scholarship - Marshall	84.330	EE035080, 37609, 02-731	04-22-03	09-10-03	1,600	
G0462	AP Scholarship - Marshall	84.330	EE035081, 37609, 02-732	04-22-03	09-10-03	1,046	
G0463	AP Scholarship - Madison	84.330	EE035082, 37609, 02-733	04-22-03	09-10-03	941	
G0541	APS - Madison	84.330C	EE041170, 39983, 03-722	04-01-04	09-15-04	525	
G0542	APS - Marshall	84.330C	EE041172, 39983, 03-724	04-01-04	09-15-04	753	
G0544	APS - Roosevelt	84.330C	EE041179, 39983, 03-731	04-01-04	09-15-04	377	
						<u>11,486</u>	
<b>Comprehensive School Reform Demonstration</b>							
G0394	(CSR) Hosford Grant	84.332A	EE028844, 50253, 02-R3Y1-CSR	07-01-02	09-30-03	36,293	
G0413	(CSR) Comprehensive School Reform	84.332A	EE029042, 50253, 02-R2Y2-CSR	07-01-02	09-30-03	108,053	
G0474	(CSR) Comprehensive School Reform	84.332A	EE032534, 50254, 03-R2Y3-CSR	07-01-03	09-30-04	314,151	
G0488	(CSR) Hosford Grant	84.332A	EE032550, 50254, 03-AR3Y2-CSR	07-01-03	09-30-04	88,873	
G0535	(CSR) Roosevelt, Whitaker	84.332A	EE032515, 50254, 03-R4Y1-CSR	07-01-03	09-30-04	94,678	
						<u>642,048</u>	
<b>Gaining Early Awareness and Readiness for Undergraduate Programs</b>							
G0492	Gear Up - Roosevelt HS	84.334S	SG-22033	01-01-03	09-14-04	22,535	
G0493	Gear Up - Marshall HS	84.334S	SG-22027	01-01-03	09-14-04	34,944	
G0494	Gear Up - Madison HS	84.334S	SG-22026	01-01-03	09-14-04	21,247	
						<u>78,726</u>	
<b>Reading Excellence</b>							
G0500	Reading Excellence Pathfinders	84.338A	EE032626, 39650, 00-012	06-18-03	09-30-03	13,690	
<b>Title I Accountability Grants</b>							
G0383	Program Improvement Grants	84.348A	EE027156, 50272, 01-PL	07-01-01	09-30-03	44,682	
<b>Arts in Education</b>							
G0506	Ptld ART Splash Prof Development	84.351C	U351C030041	10-01-03	09-30-04	84,201	
<b>Reading First State Grants</b>							
G0458	Oregon Reading First	84.357A	EE035187, 37890, 02-521	05-15-03	06-30-05	1,265,467	
G0499	Reading First Pathfinder	84.357A	EE035757, 39831, 03-553	07-01-03	08-30-04	9,667	
						<u>1,275,134</u>	*

**School District No. 1, Multnomah County, Oregon  
Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>Dropout Prevention Programs</b>							
G0509	Student Transition & Retention	84.360A	U360A030001	09-22-03	09-24-05	94,071	
<b>Voluntary Public School Choice</b>							
G0427	Voluntary Public School Choice	84.361A	S361A020029, -03	10-01-02	09-30-07	700,285 *	
<b>English Language Acquisition Grants</b>							
G0435	Title III - NCLB	84.365	EE029616, 50451, Title III '02-'03	07-01-02	09-30-04	202,434	
G0515	Title III - Language Instruction	84.365A	EE038532, 51531	07-01-03	09-30-05	185,265	
<b>Improving Teacher Quality State Grants</b>							
G0412	Title IIA	84.367A	EE029576, 37800, 02-301	07-01-02	09-30-04	118,311	
G0482	Title IIA	84.367A	EE035478, 39251, 03-278	07-01-03	09-30-05	1,482,851	
G0572	Title IIA transfer to Title V	84.367A	EE029576, 37800, 02-301	07-01-02	09-30-04	459,985	
							<b>34,542,168</b>
<b>DEPARTMENT OF EDUCATION TOTAL</b>							
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<b>Demonstration Grants on Model Projects for Pregnant and Postpartum Women and Their Infants</b>							
G0004	Inner-City Youth Institute	93.169	MOU60399014	02-11-99	08-31-04	7,938	
G0038	Inner-City Youth Institute	93.169	MOU60399014, emails	09-01-99	08-31-04	6,111	
							<b>14,049</b>
<b>Child Care and Development Block Grant</b>							
G0177	Teen Parent Child Care	93.575	Agreement	09-01-00	06-30-05	2,274	
G0497	Teen Parent Services (Block Grant)	93.575	CCD 035046	07-01-03	06-30-04	20,660	
							<b>22,934</b>
<b>Refugee and Entrant Assistance Discretionary Grants</b>							
G0459	Refugee Children School Impact	93.576	EE032270, 59355	08-15-02	08-14-03	74,733	
<b>Head Start</b>							
S0102	Albina Head Start	93.600	Contract	09-08-99	06-30-04	6,293	
G0407	Head Start - Federal Funding	93.600	10CH0004/28	11-01-02	10-31-03	1,033,815	
G0481	Head Start - Federal Funding	93.600	10CH0004/29	11-01-03	10-31-04	2,311,656	
							<b>3,351,764</b>

**School District No. 1, Multnomah County, Oregon  
 Schedule of Expenditures of Federal Awards  
 for the Year Ended June 30, 2004**



Grant/ Fund	Program Title / Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Expenses	Totals
				Begin Date	End Date		
<b>Medical Assistance Program</b>							
S0027	Regional Durable Medical Equip	93.778	Medicaid Revenue	07-01-97	06-30-05	25,516	
S0053	Third Party Medical-Skip	93.778	Medicaid Revenue	07-01-98	06-30-04	299	
S0054	Third Party Medical-Contract	93.778	Medicaid Revenue	07-01-98	06-30-05	402,843	
						<u>428,658</u>	
<b>Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems</b>							
G0526	Coordinated School Health	93.938	EE036596, 52270	09-11-03	02-28-05	1,993	
							<u>3,894,131</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL</b>							
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>							
<b>Learn and Serve America School and Community Based Programs</b>							
G0353	EMS Digital Divide Impact Program	94.004	Award Letter	04-01-01	11-30-03	7,395	
<b>AmeriCorps</b>							
G0520	Environmental MS - MLK Day of Service	94.006	04MKPOR001	11-25-03	06-30-04	6,800	
							<u>14,195</u>
							<u>\$ 51,428,592</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, 2004.



**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

November 19, 2004

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, 2004, and have issued our report thereon dated November 19, 2004. 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.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
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November 19, 2004

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, 2004. 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, 2004.

To the Board of Education  
School District No. 1, Multnomah County, Oregon  
Portland, Oregon  
November 19, 2004  
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.

*Nash, 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, 2004**

**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, 2004:**

National Science Foundation:

47.076 Urban System Math/Science Project

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

84.010 Title I Grants to Local Educational Agencies

84.215 Fund for the Improvement of Education

84.318 Education Technology State Grants

84.357 Reading First State Grants

84.361 Voluntary Public School Choice

**DOLLAR THRESHOLD FOR DISTINGUISHING BETWEEN TYPE A AND B PROGRAMS:**

\$1,542,858

**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