

SCHOOL DISTRICT No. 1, MULTNOMAH COUNTY, OREGON

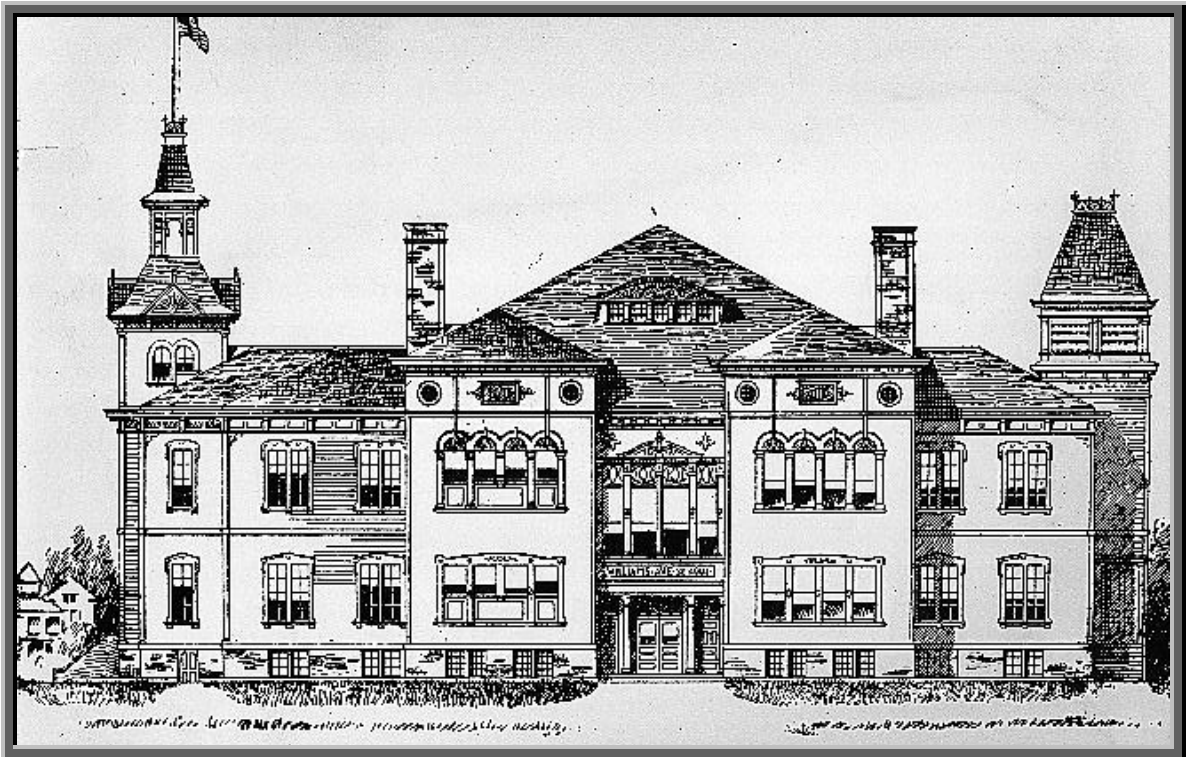
---

PORTLAND PUBLIC SCHOOLS



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

for the year ended June 30, 2005



**Williams Ave School**

The mission of the Portland Public Schools is to support all students in achieving their very highest educational and personal potential, to inspire in them an enduring love for learning, and prepare them to contribute as citizens of a diverse, multicultural, and international community.

*NOTE TO USERS: This report replaces an original report that is superseded by this reissuance. Each page includes a header that identifies this as the reissued report, and only this reissuance should be relied upon.*

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

---

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

***TABLE OF CONTENTS***

	<u>Page</u>
Independent Auditors' Report on the Supplementary Schedule of Expenditures of Federal Awards	1
Reissued Schedule of Expenditures of Federal Awards	2
Independent Auditors' Report On Compliance and On Internal Control Over Financial Reporting Based on an Audit Performed In Accordance with <i>Government Auditing Standards</i>	12
Independent Auditors' Report On Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance With OMB Circular A-133	13
Schedule of Prior and Current Year Audit Findings and Questioned Costs Relative to Federal Awards	15



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

**CERTIFIED PUBLIC ACCOUNTANTS**

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

November 21, 2006

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, 2005, and have issued our report thereon dated November 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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

**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2005**



Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>DEPARTMENT OF AGRICULTURE</b>								
<b>Child Nutrition Cluster</b>								
202	School Breakfast Program	10.553	26-555-201	07-01-04	06-30-05		\$ 3,764,015	
202	National School Lunch Program	10.555	26-555-201	07-01-04	06-30-05	Pass-Through	5,399,029	
							<u>9,163,044</u>	<sup>3</sup>
<b>Food Donation</b>								
		10.550		07-01-04	06-30-05	Pass-Through	<u>829,008</u>	<sup>1</sup>
<b>Child and Adult Care Food Program</b>								
G0339	Childcare Food Prog for Head Start	10.558	USDA Food Program Assistance	07-01-00	06-30-05		233,359	
202	Child Care Food Program	10.558	USDA Food Program Assistance	07-01-00	06-30-05	Pass-Through	<u>148,417</u>	
							<u>381,776</u>	
<b>Commodity Supplemental Food Program</b>								
G0339	Childcare Food Prog for Head Start	10.565	USDA Food Program Assistance	07-01-00	06-30-05		11,562	
202	Child Care Food Program	10.565	USDA Food Program Assistance	07-01-00	06-30-05	Pass-Through	<u>11,317</u>	
							<u>22,879</u>	
<b>Total Pass-Through Programs from Oregon Department of Education</b>							<b>\$ 10,396,707</b>	
<b>DEPARTMENT OF AGRICULTURE TOTAL</b>								
<b>DEPARTMENT OF DEFENSE</b>								
<b>Mathematical Sciences Grants Program</b>								
G0484	Starbase	12.901	248-03005	10-01-03	09-30-04		32,978	
G0560	Starbase	12.901	248-04004	10-01-04	09-30-05		178,193	
						Pass-Through	<u>211,171</u>	
<b>Total Pass-Through Programs from Oregon Military Department</b>							<b>\$ 211,171</b>	
<b>DEPARTMENT OF DEFENSE TOTAL</b>								
<b>Total Pass-Through Programs from Oregon Department of Education</b>							<b>\$ 10,396,707</b>	



**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**

Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>								
<b>Community Development Block Grants/Entitlement Grants</b>								
G0046	Home Repair Training - Special Projects	14.218	Contracts for each project	07-01-90	06-30-05		\$ 10,571	
G0559	Home Repair Training	14.218	Proposed Award	07-01-04	06-30-05	Pass-Through	426,991	
							437,562	
Total Pass-Through Programs from City of Portland							\$ 437,562	
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT 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		911	
G0401	NSF: Center for Learning and Teaching in the West	47.076	ESI-0119786	05-14-02	06-30-06		209,749	
G0327	NSF: Urban Systemic Program	47.076	ESR-0115114	09-01-01	08-31-06	Pass-Through	1,589,791	
							1,800,451	
Total Pass-Through Programs from National Science Foundation							\$ 1,590,702	
Total Pass-Through Programs from Portland State University							\$ 209,749	
Total Pass-Through Programs from City of Portland							\$ 437,562	
<b>NATIONAL SCIENCE FOUNDATION TOTAL</b>								
<b>ENVIRONMENTAL PROTECTION AGENCY</b>								
<b>Environmental Education Grants</b>								
G0605	PIIECL - Portland State University FEED Mini-Grants - Lewis, Buckman, Edwards	66.951	Award Letter	10-01-04	06-01-06	Pass-Through	4,899	
Total Pass-Through Programs from Portland State University							\$ 4,899	
<b>ENVIRONMENTAL PROTECTION AGENCY TOTAL</b>								
<b>DEPARTMENT OF EDUCATION</b>								
<b>Office of Elementary and Secondary Education</b>								
G0370	Whitaker NWREL Research Grant	84.000	ED-01-CO-0013 (TTL \$60,000)	11-01-01	12-01-05	Pass-Through	210	



**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**

Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>Title I Grants to Local Educational Agencies</b>								
G0478	Portland DART Schools - Federal	84.013A	Contract 5127	07-01-03	06-30-05	Pass-Through	\$ 159,495	
G0411	Title I - Disadvantaged Child Program	84.010A	EE029825, 50144	07-01-02	09-30-04		56,508	
G0465	School Improvement Grant	84.010A	EE035114, 50272 & 50144, 02-SI	07-01-02	09-30-04		22,480	
G0537	ODE School Improvement Grant	84.010A	EE040248, 51150	07-01-02	09-30-04		301,049	
G0475	Title I - Disadvantaged Child Program	84.010A	EE037157, 51143	07-01-03	09-30-05		3,394,051	
G0550	Title I - Disadvantaged Child Program (School Budgets)	84.010A	2783	07-01-04	09-30-05		9,816,096	
G0580	Title I - Disadvantaged Child Program (Central Budgets)	84.010A	2783	07-01-04	09-30-05		2,941,638	
G0607	Title I(A/D) - School Improvement Grants	84.010A	3849	12-01-04	06-30-06	Pass-Through	311,494	
							<u>16,843,316</u>	
<b>Migrant Education - State Grant Program</b>								
G0569	Title IC - Migrant Education Summer School	84.011A	EE041378, 51336, 03-817	06-01-04	08-31-04		29,162	
G0598	Title IC Regular School Program	84.011A	3209	07-01-03	09-30-04		12,000	
G0642	Title IC - Migrant Education Summer School	84.011A	3870	06-01-05	08-31-05		31,503	
G0516	Title IC - Migrant Education	84.011A	EE038823, 51134	07-01-03	09-30-05		40,752	
G0517	Title IC - Migrant Preschool	84.011A	EE039403, 51335	07-01-03	09-30-05		21,043	
G0552	Title IC - Migrant Preschool	84.011A	3745	07-01-04	09-30-05		79,067	
G0553	Title IC - Migrant Education	84.011A	2784	07-01-04	09-30-05	Pass-Through	259,745	
							<u>473,272</u>	
<b>Special Education - Grants to States</b>								
G0593	Special Education Dispute Resolution	84.027	3556	09-01-04	06-30-05		3,891	
G0596	Special Education Systems Performance Review	84.027	3588	11-01-04	06-30-05		2,500	
G0538	Regional Autism Model Center Grant	84.027A	EE040514, 64707, 03/04-342	09-01-03	09-30-04		1,690	
G0490	I.D.E.A.	84.027A	EE035871, 62100, 03/04-136	07-01-03	12-31-04		3,272,824	
G0471	Columbia Regional - Federal Funding	84.027A	Contract 5142	07-01-03	06-30-05		3,822,033	
G0478	Portland DART Schools - Federal	84.027A	Contract 5127	07-01-03	06-30-05		253,018	
G0573	Regional Autism Development	84.027A	EE041234, 64710, 03/04-443, 2052	04-15-04	09-30-05		16,168	
G0557	I.D.E.A.	84.027A	3373	07-01-04	12-31-05		3,624,654	
G0628	Portland DART Schools - Federal	84.027A	Contract 7320	07-01-05	06-30-07	Pass-Through	201	
							<u>10,996,979</u>	

**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**



Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>Vocational Education - Basic Grants to States</b>								
G0594	Expanding Your Horizons	84.048	3251	07-01-04	06-30-05		\$ 2,000	
G0476	Carl Perkins	84.048A	EE036766, 39112	07-01-03	07-31-04		55,221	
G0582	Comprehensive Guidance & Counseling	84.048A	EE041755, 30551, 03-505	08-01-04	09-30-04		4,000	
G0558	Carl Perkins	84.048A	2790	07-01-04	07-31-05	Pass-Through	599,121	
							<u>660,342</u>	
<b>Indian Education - Grants to Local Educational Agencies</b>								
G0470	Indian Education Program	84.060A	S060A030938	07-01-03	08-31-04		69,684	
G0566	Indian Education Program	84.060A	E060A040938	07-01-04	08-31-05	Direct	234,471	
							<u>304,155</u>	
<b>Rehabilitation Services - Vocational Rehabilitation Grants to States</b>								
G0561	Oregon Commission For The Blind	84.126	101-05	07-01-04	06-30-05	Pass-Through	41,500	
<b>Magnet Schools Assistance</b>								
G0583	Jefferson Cluster Magnet Project	84.165A	U165A040120	08-01-04	07-31-07	Direct	123,520	
<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		391,930	
G0508	Emergency Response & Crisis Management	84.184E	Q184E030536	10-01-03	09-30-05		258,227	
G0092	Safe Schools / Healthy Students Initiative	84.184L	S184L990180-00, -01	10-01-99	09-30-04		415,771	
						Direct	<u>1,065,928</u>	
<b>Safe and Drug-Free Schools and Communities - State Grants</b>								
G0426	Title IV Safe & Drug-Free Schools	84.186A	EE030000, 57603	07-01-02	09-30-04		133,794	
G0532	Title IV Safe & Drug-Free Schools	84.186A	EE037369, 51652,	07-01-03	09-30-05		254,799	
G0533	Community Service/Skills for Success - Roosevelt HS	84.186A	Contract 6802, 6999	03-19-04	06-30-06		24,219	
						Pass-Through	<u>412,812</u>	
<b>Bilingual Education - Professional Development</b>								
G0291	Tools for Academic Skills & Knowledge (TASK)	84.195A	L&C Letter	09-01-00	06-30-05	Pass-Through	6,126	
G0447	Project T.R.I.A.D. Mini Grants	84.195A	T195A990070	09-01-02	06-30-05	Pass-Through	9,633	
G0358	Project ROSE	84.195B	T195B010003, -02, -04	10-01-01	09-30-06	Direct	210,946	
							<u>226,705</u>	



**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**



Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>Education for Homeless Children and Youth</b>								
G0577	McKinney Homeless Grant	84.196A	3764	09-01-04	06-30-06	Pass-Through	\$ 54,037	
<b>Even Start - Migrant Education</b>								
G0431	Migrant Even Start Program	84.214A	S214A020030	10-01-02	09-30-06	Direct	236,392	
<b>Fund for the Improvement of Education</b>								
G0512	Smaller Learning Communities (OVAE)	84.215L	V215L032014	09-01-03	01-00-00		1,375,280	
G0504	Partnerships in Character Education	84.215S	Q215S030155, -04	10-01-03	09-30-07		333,100	
G0424	Teaching American History	84.215X	S215X020165	10-01-02	09-30-05		248,750	
						Direct	1,957,130	
<b>Charter Schools</b>								
G0570	Pld Arthur Academy Charter School (formerly G0503)	84.282A	EE041309, 39864, 03-952	07-24-03	01-24-05		40,000	
G0606	Center for Self Enhancement Charter School Planning Grant	84.282A	EE040232, 39864, 03-635, 3786	01-15-04	06-15-05		25,000	
G0610	KOREducators Charter School	84.282A	3783	12-02-04	06-02-06	Pass-Through	1,227	
							66,227	
<b>Comprehensive Centers</b>								
G0563	(CSRD) Hosford	84.283	2947	07-01-04	09-30-05		134,093	
G0613	(CSRD) Roosevelt	84.283	2953	07-01-04	09-30-05		113,731	
						Pass-Through	247,824	
<b>Twenty-First Century Community Learning Centers</b>								
G0129	Twenty-First Century Comm Learning Centers	84.287B	R287A8991446, S278B001446-01, S287B001446-02	06-01-00	05-31-04	Direct	557	
<b>Bilingual Education - Program Development and Implementation Grants</b>								
G0352	Project PREPARE	84.288S	T288S010325, -02, -03	10-01-01	09-30-04		2,467	
G0354	Project FORWARD	84.288S	T288S010377-01, -02, -03	10-01-01	09-30-04	Direct	11,106	
							13,573	
<b>Bilingual Education - Comprehensive School Grants</b>								
G0159	A.B.L.E. - Atkinson Bilingual Education	84.290U	T290U80235-98 / T290U980235-98 / T290U9802350-01	07-01-98	06-30-04	Direct	116	

**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**



Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>State Grants for Innovative Programs</b>								
G0556	Title V - Innovative Programs	84.298	2789	07-01-04	09-30-06		\$ 120,499	
G0396	Title V - Innovative Programs	84.298A	EE030409, 50551	07-01-02	09-30-04		8,803	
G0483	Title V - Innovative Programs	84.298A	EE038706, 52312	07-01-03	09-30-05		69,971	
G0572	Title IIA transfer to Title V (BY2003)	84.367A	EE029576, 37800, 02-301	07-01-02	09-30-04		434,760 <sup>2</sup>	
G0547	Title IIA transfer to Title V (BY2004)	84.367A	EE035478, 39251, 03-278	07-01-03	09-30-05	Pass-Through	404,548 <sup>2</sup>	
							<u>1,038,581</u>	
<b>Indian Education Special Programs</b>								
G0437	Special Projects Demonstration Grant	84.299A	(1st) S299A020025, S299A020025-03	10-01-02	09-30-05	Direct	192,019	
<b>Technology Innovation Challenge Grants</b>								
G0053	Lewis & Clark Rediscover Project	84.303A	Agreement	07-01-00	06-30-05	Pass-Through	26,656	
<b>Education Technology State Grants</b>								
G0487	Title IID - Education through Technology	84.318X	EE035673, 39402, 03-090	07-01-03	09-30-05		23,791	
G0579	Title IID - Education through Technology	84.318X	2786	07-01-04	09-30-05	Pass-Through	322,931	
							<u>346,722</u>	
<b>Research in Special Education</b>								
G0355	Project EXCEL	84.324T	H324T010055-01, -02, -03	09-01-01	08-31-05	Direct	90,423	
<b>Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</b>								
G0592	Oregon Deaf/Blind Project	84.326	3543	10-01-04	09-30-05	Pass-Through	6,965	
<b>Advanced Placement Program</b>								
G0625	Advanced Placement Scholarship - Roosevelt	84.330	4137	06-01-05	09-30-05		817	
G0540	Advanced Placement Scholarship - Madison	84.330C	EE041169, 39983, 03-721	04-01-04	09-15-04		1,166	
G0541	Advanced Placement Scholarship - Madison	84.330C	EE041170, 39983, 03-722	04-01-04	09-15-04		326	



**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**

Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>Advanced Placement Program, continued</b>								
G0542	Advanced Placement Scholarship - Marshall	84.330C	EE041172, 39983, 03-724	04-01-04	09-15-04		\$ 677	
G0543	Advanced Placement Scholarship - Marshall	84.330C	EE041171, 39983, 03-723	04-01-04	09-15-04		1,200	
G0544	Advanced Placement Scholarship - Roosevelt	84.330C	EE041179, 39983, 03-731	04-01-04	09-15-04	Pass-Through	1,223	
							5,409	
<b>Comprehensive School Reform Demonstration</b>								
G0474	(CSRD) Comprehensive School Reform Demonstration	84.332A	EE032534, 50254, 03-R2Y3-CSR	07-01-03	09-30-04		144,290	
G0488	(CSRD) Hosford Grant	84.332A	EE032550, 50254, 03-AR3Y2-CSR	07-01-03	09-30-04		19,195	
G0535	(CSRD) Comprehensive School Reform - Whitaker, Roosevelt	84.332A	EE032515, 50254, 03-R4Y1-CSR	07-01-03	09-30-04		141,221	
G0564	(CSRD) Whitaker	84.332A	2954	07-01-04	09-30-05	Pass-Through	158,632	
							463,338	
<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		11,380	
G0493	Gear-Up Marshall HS	84.334S	SG-22027	01-01-03	09-14-04		16,764	
G0494	Gear-Up Madison HS	84.334S	SG-22026	01-01-03	09-14-04		1,916	
G0589	Gear-Up Roosevelt HS	84.334S	SG-24015	09-15-04	09-30-05		64,827	
G0590	Gear-Up Marshall HS	84.334S	SG-24014	09-15-04	09-30-05		42,623	
G0591	Gear-Up Madison HS	84.334S	SG-24013	09-15-04	09-30-05	Pass-Through	26,015	
							163,525	
<b>Arts in Education</b>								
G0506	Portland ARTSplash Prof Development Project	84.351C	U351C030041	10-01-03	09-30-06	Direct	210,375	
<b>Reading First State Grants</b>								
G0611	Title IB - Reading First LEA Training	84.357	3885	10-01-04	01-31-05		1,095	
G0588	Reading First	84.357	3500	09-01-04	09-30-05		1,014,270	
G0616	Reading First	84.357	3925	09-01-04	09-30-06		404,628	
G0660	Reading First Cohort B	84.357	4437	05-01-05	09-30-06		7,471	
G0458	Oregon Reading First	84.357A	EE035187, 37890, 02-521	05-15-03	06-30-05		36,618	
G0499	Reading First Pathfinders - Vestal	84.357A	EE035757, 39831, 03-553 // 3645	07-01-03	09-30-05	Pass-Through	27,791	
							1,491,873	

**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**



Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals																												
				Begin Date	End Date																															
<b>Dropout Prevention Program</b>																																				
G0509	Student Transition and Retention Grant (S.T.A.R.)	84.360A	U360A030001	09-22-03	07-31-06	Direct	\$ 114,920																													
<b>Voluntary Public School Choice</b>																																				
G0427	Voluntary Public School Choice	84.361A	S361A020029, -03	10-01-02	09-30-07	Direct	947,718																													
<b>English Language Acquisition Grants</b>																																				
Title III - Lang. Instruction for Limited English Students																																				
G0435	(NCLB)	84.365A	EE029616, 50451	07-01-02	09-30-04		13,751																													
Title III - Lang. Instruction for Limited English Students																																				
G0515	(NCLB)	84.365A	EE038532, 51531	07-01-03	09-30-05		239,174																													
Title III - Lang. Instruction for Limited English Students																																				
G0554	(NCLB)	84.365A	2787	07-01-04	06-30-06	Pass-Through	128,638																													
<b>Improving Teacher Quality State Grants</b>																																				
Title IIA transfer to Title V (BY2003)																																				
G0572		84.367A	EE029576, 37800, 02-301	07-01-02	09-30-04		-	2																												
G0482	Title IIA	84.367A	EE035478, 39251, 03-278	07-01-03	09-30-05		1,255,530																													
Title IIA transfer to Title V (BY2004)																																				
G0547		84.367A	EE035478, 39251, 03-278	07-01-03	09-30-05		-	2																												
G0551	Title IIA - Teacher Quality	84.367A	2785	07-01-04	06-30-06	Pass-Through	888,512																													
							2,144,042	3																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Total Direct Programs</td> <td>\$</td> <td>5,467,772</td> </tr> <tr> <td colspan="2">Total Pass-Through Programs from Oregon Department of Education</td> <td>\$</td> <td>35,792,797</td> </tr> <tr> <td colspan="2">Total Pass-Through Programs from Oregon University Systems</td> <td>\$</td> <td>163,525</td> </tr> <tr> <td colspan="2">Total Pass-Through Programs from Potlatch School District</td> <td>\$</td> <td>26,656</td> </tr> <tr> <td colspan="2">Total Pass-Through Programs from Lewis and Clark College</td> <td>\$</td> <td>15,759</td> </tr> <tr> <td colspan="2">Total Pass-Through Programs from Oregon Commission of Blind</td> <td>\$</td> <td>41,500</td> </tr> <tr> <td colspan="2">Total Pass-Through Programs from Northwest Regional Educational Laboratory</td> <td>\$</td> <td>210</td> </tr> </table>									Total Direct Programs		\$	5,467,772	Total Pass-Through Programs from Oregon Department of Education		\$	35,792,797	Total Pass-Through Programs from Oregon University Systems		\$	163,525	Total Pass-Through Programs from Potlatch School District		\$	26,656	Total Pass-Through Programs from Lewis and Clark College		\$	15,759	Total Pass-Through Programs from Oregon Commission of Blind		\$	41,500	Total Pass-Through Programs from Northwest Regional Educational Laboratory		\$	210
Total Direct Programs		\$	5,467,772																																	
Total Pass-Through Programs from Oregon Department of Education		\$	35,792,797																																	
Total Pass-Through Programs from Oregon University Systems		\$	163,525																																	
Total Pass-Through Programs from Potlatch School District		\$	26,656																																	
Total Pass-Through Programs from Lewis and Clark College		\$	15,759																																	
Total Pass-Through Programs from Oregon Commission of Blind		\$	41,500																																	
Total Pass-Through Programs from Northwest Regional Educational Laboratory		\$	210																																	

**DEPARTMENT OF EDUCATION TOTAL**

**\$ 41,508,219**



**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**

Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<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 - Middle Schools	93.169	MOU60399014	02-11-99	12-31-05		\$ 12,317	
G0038	Inner-City Youth Institute - High School	93.169	MOU60399014	09-01-99	12-31-05	Pass-Through	4,264	16,581
<b>Child Care and Development Block Grant</b>								
G0497	Teen Parent Services (Block Grant)	93.575	CCD 035046	07-01-03	06-30-04		147	
G0177	Teen Parent Onsite Child Care	93.575	Agreement (Revenue Contract)	09-01-00	06-30-05		7,339	
G0567	Teen Parent Services (Block Grant)	93.575	TBA	07-01-04	06-30-05	Pass-Through	14,903	22,389
<b>Head Start</b>								
G0481	Head Start - Federal Funding	93.600	10CH0004/29	11-01-03	10-31-04		1,123,936	
G0565	Head Start - Federal Funding	93.600	10CH004/30	11-01-04	10-31-05	Direct	2,346,828	3,470,764 <sup>3</sup>
<b>Medical Assistance Program</b>								
S0027	Regional Durable Medical Equipment	93.778	Medicaid Revenue	07-01-97	06-30-06	Pass-Through	31,444	
<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 Expansion	93.938	EE036596.52270	09-11-03	02-28-05		3,244	
G0618	Coordinated School Health Expansion	93.938	3778	12-01-04	10-01-05		1,240	
G0585	Coordinated School Health Expansion - Applegate	93.938	3240	08-15-04	12-01-05		7,090	
G0586	Coordinated School Health Expansion - Tubman MS	93.938	3241	08-15-04	12-01-05		5,623	
G0587	Coordinated School Health Expansion - Stephenson	93.938	3244	08-15-04	12-01-05	Pass-Through	4,522	21,719
							Total Direct Programs	\$ 3,470,764
							Total Pass-Through Programs from Oregon State University	\$ 16,581
							Total Pass-Through Programs from Oregon Department of Education	\$ 75,552
							<b>\$ 3,562,897</b>	

**DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL**

**School District No. 1, Multnomah County, Oregon**  
**Reissued Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2005**



Grant/ Fund	Grant Title	CFDA #	Pass-Through Grantor's Number	Grant Period		Direct or Pass-Through	Expenses	Totals
				Begin Date	End Date			
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>								
<b>Learn and Serve America - School and Community Based Programs</b>								
G0529	Learn and Serve America	94.004	EE040227, 39303	12-01-03	08-30-05	Pass-Through	\$ 4,902	
Total Pass-Through Programs from Oregon Department of Education							\$ 4,902	
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE TOTAL</b>								
<b>GRAND TOTAL</b>							<b>\$ 4,902</b>	
<b>GRAND TOTAL</b>							<b>\$ 57,926,808</b>	

This schedule is prepared on the accrual basis of accounting.

- <sup>1</sup> Donated commodities are valued at their estimated fair value.
- <sup>2</sup> Based on the A-133 Compliance Supplement, Section IV, *Transferability* (SEAs and LEAs), expenditures were transferred from CFDA 84.367A to CFDA 84.298 as described in III.A.3, "Activities Allowed or Unallowed - Transferability (SEAs and LEAs)"
- <sup>3</sup> Indicates major program.



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

**CERTIFIED PUBLIC ACCOUNTANTS**

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

November 21, 2006

To the Board of Education  
School District No. 1  
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*

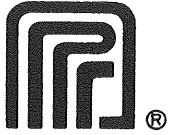
We have audited the basic financial statements of School District No. 1, Multnomah County, Oregon, as of and for the year ended June 30, 2005, and have issued our report thereon dated November 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether School District No. 1's basic 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 solely for the information and use of the audit committee, management, board of education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Pauly, Rogers and Co. P.C.*  
PAULY, ROGERS AND CO., P.C.



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

**CERTIFIED PUBLIC ACCOUNTANTS**

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

November 21, 2006

To the Board of Education  
School District No. 1  
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, 2005. School District No. 1'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's management. Our responsibility is to express an opinion on School District No. 1's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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'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's 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, 2005.

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'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.



School District No. 1  
November 21, 2006

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 solely for the information and use of the audit committee, management, board of education and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Pauly, Rogers and Co. P.C.*  
PAULY, ROGERS AND CO., P.C.

SCHOOL DISTRICT NO. 1

SCHEDULE OF PRIOR AND CURRENT YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS RELATIVE TO FEDERAL AWARDS

Year Ended June 30, 2005

---

Current Year Auditor's Report On The Basic Financial Statements:

UNQUALIFIED OPINION

Current Year Noncompliance, Audit Findings and Questioned Costs:

The District is required to conduct an assessment of local needs for professional development with the involvement of teachers. During 2004-05 the District did not conduct this required needs assessment. Subsequent to June 30, 2005, the District implemented a corrective action plan to ensure that the required needs assessment is conducted.

Current Year Auditor's Report On Compliance For Major Programs:

UNQUALIFIED OPINION

Major Programs For The Year Ended June 30, 2005:

Child Nutrition Cluster - CFDA # 10.553 and CFDA # 10.555

Title IIA – Improving Teacher Quality – CFDA # 84.367A

Head Start – CFDA # 93.600

Dollar Threshold For Distinguishing Between Type A and B Programs:

\$1,737,804

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:

There were no findings for the year ended June 30, 2004.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of School District No. 1 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

---

### **Portland Public Schools Nondiscrimination Statement**

---

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. All individuals and groups shall be treated with fairness in all activities, programs and operations, without regard to age, color, creed, disability, marital status, national origin, race, religion, sex, or sexual orientation.

Board of Education Policy 1.80.020-P

---

### **Contact Information for Civil Rights Matters**

---

**District Title VI & Title IX Contact:**

Carolyn M. Leonard, Compliance      Phone: 503-916-3183

**District 504 Contact:**

Carolyn M. Leonard, Compliance      Phone: 503-916-3183

**American Disabilities Act Contact:**

Maureen Sloane, HR Legal Counsel      Phone: 503-916-3025