

*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, 2006*



*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.*

*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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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

November 16, 2006

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

We have audited the financial statements of School District No. 1, Multnomah County, Oregon, (the District) as of and for the year ended June 30, 2006, and have issued our report thereon dated November 16, 2006. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's 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 an opinion 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 reportable 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 caused by error or fraud 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 operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance

**Compliance and Other Matters (Continued)**

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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance and certain matters that we have reported to management of the District in a separate letter dated November 16, 2006.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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This report is intended solely for the information and use of the Board of Education, management, Federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Talbot, Kowala & Warwick LLP*

Certified Public Accountants



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

November 16, 2006

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

**Compliance**

We have audited the compliance of School District No. 1, Multnomah County, Oregon, (the District) 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, 2006. The District's major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion the District'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 the District'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 the District's compliance with those requirements.

In our opinion, the District 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, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as findings 06-01 and 06-02.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**Internal Control Over Compliance**

The management of the District 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 the District'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 reportable 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 caused by error or fraud 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.

**Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the District, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 16, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 solely for the information and use of the Board of Education, management, 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.

*Talbot, Kowala & Warwick LLP*

Certified Public Accountants

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
	<b>DEPARTMENT OF AGRICULTURE</b>							
	<b>Food And Nutrition Service</b>							
10.550	<b>Food Donation</b>							
	Food Donation					Pass-Through	\$ 648,404	<sup>1</sup>
10.553	<b>School Breakfast Program</b>							
	School Breakfast Program	202	26-555-201	07-01-05	06-30-06	Pass-Through	3,441,873	
10.555	<b>National School Lunch Program</b>							
	National School Lunch Program	202	26-555-201	07-01-05	06-30-06	Pass-Through	5,633,872	
10.558	<b>Child and Adult Care Food Program</b>							
	Child and Adult Care Food Program	202	USDA Food Program Assistance	07-01-05	06-30-06		153,299	
	Childcare Food Program for Head Start	G0339	USDA Food Program Assistance	07-01-00	06-30-07	Pass-Through	244,666	
							397,965	
10.559	<b>Summer Food Service Program for Children</b>							
	Summer Food Svce Program for Children	202	USDA Food Program Assistance	07-01-05	06-30-06	Pass-Through	336,232	
10.565	<b>Commodity Supplemental Food Program</b>							
	Commodity Supplemental Food Program	202	USDA Food Program Assistance	07-01-05	06-30-06		11,456	
	Childcare Food Program for Head Start	G0339	USDA Food Program Assistance	07-01-00	06-30-07	Pass-Through	12,098	
							23,554	
<b>DEPARTMENT OF AGRICULTURE Total</b>								
Total Pass-Through Programs from Department of Education							\$ 10,481,900	<b>\$ 10,481,900</b>
	<b>DEPARTMENT OF DEFENSE</b>							
	<b>National Security Agency</b>							
12.901	<b>Mathematical Sciences Grants Programs</b>							
	Starbase	G0560	248-04004	10-01-04	09-30-05		30,840	
	Starbase	G0636	248000-05004-IGA-5	10-01-05	09-30-06	Pass-Through	191,135	
							221,975	



**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
12.551	Office Of The Assistant Secretary (Strategy And Requirements) <i>National Security Education-Scholarships</i> Mandarin Chinese Flagship Grant	G0684	270691A, AED 3045-UO-CHN	08-30-05	08-31-06	Pass-Through	\$ 169,910	
				Total Pass-Through Programs from University of Oregon			\$ 169,910	
				Total Pass-Through Programs from Oregon Military Department			\$ 221,975	
	<b>DEPARTMENT OF DEFENSE Total</b>						<b>\$ 391,885</b>	
	<b>DEPARTMENT OF EDUCATION</b>							
84.XXX	Assistant Secretary for Education Research, Statistics, and Improvement <i>Technology Innovation Challenge Grants</i> Lewis & Clark Rediscover Project 84.303A	G0053	Agreement	07-01-00	06-30-05	Pass-Through	717	<sup>2</sup>
84.XXX	Office Of Bilingual Education And Minority Languages Affairs <i>Bilingual Education-Professional Development</i> Tools for Academic Skills & Knowledge (TASK) 84.195A Project T.R.I.A.D. Mini Grants 84.195A Project ROSE 84.195B	G0291 G0447 G0358	L&C Letter T195A990070 T195B010003, -02, -04	09-01-00 09-01-02 10-01-01	06-30-06 06-30-07 09-30-06	Pass-Through Pass-Through Direct	1,721 185 272,262 274,168	
84.XXX	<i>Bilingual Education-Program Development and Implementation Grants</i> Project PREPARE 84.288S Project FORWARD 84.288S	G0352 G0354	T288S010325, -02, -03 T288S010377-01, -02, -03	10-01-01 10-01-01	09-30-04 09-30-04	Direct	(1,138) (3,765) (4,903)	<sup>3</sup>
84.215L	Office Of Educational Research And Improvement <i>Fund for the Improvement of Education</i> Smaller Learning Communities (OVAE)	G0512	V215L032014	09-01-03	08-31-06		288,452	
84.215S	Partnerships in Character Education	G0504	Q215S030155, -04, -05	10-01-03	09-30-07		340,679	
84.215X	Teaching American History	G0424	S215X020165	10-01-02	09-30-06		101,401	
84.215X	Teaching American History	G0687	U215X050249	10-01-05	12-31-08	Direct	79,168 809,700	
84.010	Office Of Elementary And Secondary Education <i>Title I Grants to Local Educational Agencies</i> Impact Aid - PI 874 Project Title IA/ID - School Improvement	G0108 G0703	47-OR-95-1703 6258	10-01-90 10-01-05	06-30-07 06-30-07		43,181 298,485	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.010A	<b>Title I Grants to Local Educational Agencies, continued</b>							
	Title I - Disadvantaged Child Program	G0475	EE037157, 51143	07-01-03	09-30-05		\$ 59,477	
	Title I - Disadvantaged Child Program (School Budgets)	G0550	2783	07-01-04	06-30-06		158,636	
	Title I - Disadvantaged Child Program (Central Budgets)	G0580	2783	07-01-04	06-30-06		2,161,103	
	Title IAD - School Improvement Grants	G0607	3849	12-01-04	06-30-06		885,388	
	Title I - Disadvantaged Child Program (School Budgets)	G0640	5540	07-01-05	09-30-06		9,375,904	
	Title I - Disadvantaged Child Program (Central Budgets)	G0645	5540	07-01-05	09-30-06	Pass-Through	3,044,597	
							<u>16,026,771</u>	
84.011A	<b>Migrant Education-State Grant Program</b>							
	Title IC - Migrant Education Summer School	G0569	EE041378, 51336, 03-817	06-01-04	08-31-04		(521)	<sup>3</sup>
	Title IC - Migrant Education Summer School	G0642	3870	06-01-05	08-31-05		12,521	
	Title IC - Migrant Preschool	G0552	3745	07-01-04	09-30-05		20,933	
	Title IC - Migrant Education	G0553	2784	07-01-04	06-30-06		7,077	
	Title IC - Migrant Preschool	G0641	5445	07-01-05	06-30-06		25,750	
	Title IC - Migrant Education	G0644	5541	07-01-05	09-30-06		188,121	
	Title IC - Migrant Education Summer Program	G0720	6792	03-15-06	09-30-06	Pass-Through	32,626	
							<u>286,507</u>	
84.013A	<b>Title I Program for Neglected and Delinquent Children</b>							
	Portland DART Schools - Federal	G0478	Contract 5127	07-01-03	06-30-05		1,827	<sup>2</sup>
	Portland DART Schools - Federal	G0628	Contact 7320	07-01-05	06-30-07	Pass-Through	119,389	
							<u>121,216</u>	
84.060A	<b>Indian Education-Grants to Local Educational Agencies</b>							
	Indian Education Program	G0566	E060A040938	07-01-04	08-31-05		14,694	
	Indian Education Program	G0655	B060A050938	07-01-05	08-31-06	Direct	198,071	
							<u>212,765</u>	
84.165A	<b>Magnet Schools Assistance</b>							
	Jefferson Cluster Magnet Project	G0583	U165A040120	08-01-04	07-31-07	Direct	1,459,688	
84.184A	<b>Safe and Drug-Free Schools and Communities-National Programs</b>							
	Grants To Reduce Alcohol Abuse	G0421	S184A020018	10-01-02	09-30-06		308,743	
	Emergency Response & Crisis Mgmt	G0508	Q184E030536	10-01-03	09-30-05	Direct	8,824	
							<u>317,567</u>	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.186A	<b>Safe and Drug-Free Schools and Communities-State Grants</b>							
	Title IV Safe & Drug-Free Schools	G0532	EE037369, 51652,	07-01-03	09-30-05		\$ 100,066	
	Title IV-A Safe & Drug-Free Schools	G0555	2788	07-01-04	09-30-06		346,980	
	Title IV-A Safe & Drug-Free Schools	G0652	6419	07-01-05	12-31-06		159,421	
	Community Service/Skills for Success - Roosevelt HS	G0533	ODE Cntrct 6802 (Yr1), 6999 (Yr2)	03-19-04	06-30-07	Pass-Through	21,525	
							<u>627,992</u>	
84.196A	<b>Education for Homeless Children and Youth</b>							
	McKinney Homeless Grant	G0577	3764	09-01-04	06-30-06	Pass-Through	2,963	
84.214A	<b>Even Start-Migrant Education</b>							
	Migrant Even Start Program	G0431	S214A020030	10-01-02	09-30-06	Direct	267,143	
							<u>267,143</u>	
	<b>Charter Schools</b>							
84.282	Center for Self Enhancement Charter School Planning	G0615	3902	01-15-04	07-15-05		25,000	
84.282	KOREducators Charter School	G0717	6660	02-01-06	04-15-06		989	
84.282	Charter Schools Title V-B Planning - Competitive	G0672	4049	05-19-05	09-30-06		12,422	
84.282	The Portland Village Charter School	G0678	4053	05-19-05	09-30-06		29,515	
84.282	Charter School Title V-B Planning	G0688	4059	05-19-05	09-30-06		5,817	
84.282A	Charter School - Champions Charter HS	G0714	EE041696, 39864, 03-655	06-17-04	09-30-05		24,823	
84.282A	KOREducators Charter School	G0610	3783	12-02-04	08-10-06	Pass-Through	36,334	
							<u>134,900</u>	
84.283	<b>Comprehensive Centers</b>							
	(CSRD) Hosford	G0563	2947	07-01-04	09-30-05		23,378	
	(CSRD) Roosevelt	G0613	2953	07-01-04	09-30-05	Pass-Through	90,162	
							<u>113,540</u>	
84.298	<b>State Grants for Innovative Programs</b>							
	Title IIA transfer to Title V (BY2004)	G0547	EE035478, 39251, 03-278	07-01-03	09-30-05		50,829 <sup>6</sup>	
	Title V - Innovative Programs	G0556	2789	07-01-04	09-30-06		153,816	
	Title V - Innovative Programs	G0647	6268	07-01-05	09-30-06		82,097	
	Title IIA transfer to Title V (BY2006)	G0709	6207	07-01-05	09-30-06	Pass-Through	332,113 <sup>6</sup>	
							<u>618,855</u>	
84.XXX	<b>Indian Education-Special Programs</b>							
	Special Projects Demonstration Grant 84.299A	G0437	S299A020025, S299A020025-03	10-01-02	09-30-06	Direct	203,807	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.318X	<b>Education Technology State Grants</b>							
	Title IID - Education through Technology	G0579	2786	07-01-04	06-30-06		\$ 77,628	
	Title IID - Education through Technology	G0657	5542	07-01-05	09-30-06	Pass-Through	202,925	
							<u>280,553</u>	
84.330	<b>Advanced Placement Program</b>							
	Advanced Placement Scholarship - Roosevelt	G0625	4137	06-01-05	09-30-05		383	
	Teacher Scholarship - Competitive, Theriault	G0663	5305	06-01-05	09-30-05		1,599	
	Teacher Scholarship - Competitive, Rierson	G0664	4111	06-01-05	09-30-05		1,600	
	Advanced Placement Incentive Program- Benson Polytech	G0722	6807	05-01-06	09-15-06		1,200	
	Advanced Placement Incentive Program - Franklin HS	G0726	6813	05-01-06	09-15-06		1,050	
	Advanced Placement Incentive Program - Roosevelt (Spanish-English International School)	G0730	6835	05-01-06	09-15-06		1,199	
	Advanced Placement Incentive Program - Roosevelt (Spanish-English International School)	G0733	6838	05-01-06	09-15-06		575	
	Advance Placement (AP) Fee Payment Program	S0073		09-01-98	06-30-07	Pass-Through	(3,603) <sup>4</sup>	
							<u>4,003</u>	
84.351C	<b>Arts in Education</b>							
	Portland ARTSplash Professional Development Project	G0506	U351C030041	10-01-03	09-30-06	Direct	166,202	
	<b>Reading First State Grants</b>							
84.357	Reading First	G0588	3500	09-01-04	09-30-05		60,390	
84.357	Reading First ELL Component Planning	G0662	4403	05-01-05	09-30-05		16,895	
84.357	Reading First	G0616	3925	09-01-04	09-30-06		417,780	
84.357	Reading First Cohort B	G0660	4437	05-01-05	09-30-06		786,197	
84.357	Reading First Cohort B Year 1 Part 2	G0704	6476	05-01-05	09-30-06		292,544	
84.357	Reading First Cohort B ELL - Rigler	G0689	5965	07-01-05	09-30-06		145,976	
84.357	Reading First Cohort A - Year 3	G0690	6493	09-01-05	09-30-06		984,075	
84.357A	Reading First Pathfinders - Vestal	G0499	EE035757, 39831, 03-553 // 3645	07-01-03	09-30-05	Pass-Through	129	
							<u>2,703,986</u>	
84.359B	<b>Early Reading First</b>							
	Portland Early Reading First Initiative	G0671	S359B050109	10-01-05	09-30-08	Direct	545,684	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.360A	<b>Dropout Prevention Programs</b> Student Transition & Retention (S.T.A.R.)	G0509	U360A030001	09-22-03	07-31-06	Direct	\$ 73,403	
84.361A	<b>Voluntary Public School Choice</b> Voluntary Public School Choice	G0427	S361A020029, -03	10-01-02	09-30-07	Direct	924,700	
84.367A	<b>Improving Teacher Quality State Grants</b> Title IIA - Teacher Quality	G0482	EE035478, 39251, 03-278	07-01-03	09-30-05		49,796	
	Title IIA transfer to Title V (BY2004)	G0547	EE035478, 39251, 03-278	07-01-03	09-30-05		-	6
	Title IIA - Teacher Quality	G0551	2785	07-01-04	09-30-06		2,331,056	
	Title IIA - Teacher Quality	G0643	6207	07-01-05	09-30-06		910,480	
	Title IIA transfer to Title V (BY2006)	G0709	6207	07-01-05	09-30-06	Pass-Through	-	6
							<u>3,291,332</u>	
84.371A	<b>Striving Readers</b> Striving Readers Project	G0718	S371A060053	03-01-06	02-28-11	Direct	51,327	
84.365A	<b>Office Of English Language Acquisition</b> <b>English Language Acquisition Grants</b> Title III - Language Instruction for Limited English Students (NCLB)	G0515	EE038532, 51531	07-01-03	09-30-05		35,748	
	Title III - Language Instruction for Limited English Students (NCLB)	G0554	2787	07-01-04	06-30-06		331,265	
	Title III - Language Instruction for Limited English Students (NCLB)	G0651	5543	07-01-05	09-30-06	Pass-Through	207,098	
							<u>574,111</u>	
84.332	<b>Office Of Postsecondary Education</b> <b>Comprehensive School Reform Demonstration</b> (CSR) - Spanish-English International School	G0680	5509	07-01-05	09-30-06		53,428	
84.332	(CSR) - Pursuit of Wellness Education & Recreation	G0681	5508	07-01-05	09-30-06		58,120	
84.332	(CSR) - Arts, Communication & Technology School	G0682	5507	07-01-05	09-30-06		60,621	
84.332	(CSR) - Madison	G0705	4418	07-01-05	09-30-06		152,813	
84.332A	(CSR) Whitaker	G0564	2954	07-01-04	09-30-05	Pass-Through	5,097	
							<u>330,079</u>	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>Gaining Early Awareness and Readiness for Undergraduate Programs</b>								
84.334A	Roosevelt Cluster Gear Up Partnership	G0677	P334A050242	09-01-05	08-31-11	Direct	\$ 134,763	
84.334S	Gear-Up Roosevelt HS	G0589	SG-24015	09-15-04	09-30-05	Pass-Through	4,292	
84.334S	Gear-Up Marshall HS	G0590	SG-24014	09-15-04	09-30-05	Pass-Through	21,793	
84.334S	Gear-Up Madison HS	G0591	SG-24013	09-15-04	09-30-05	Pass-Through	11,706	
84.334S	Gear-up Roosevelt	G0666	SG-25014	10-01-05	09-30-06	Pass-Through	38,907	
84.334S	Gear-up Marshall	G0667	Revenue 52558 #2	10-01-05	09-30-06	Pass-Through	33,385	
84.334S	Gear-up Madison	G0668	SG-25006	10-01-05	09-30-06	Pass-Through	43,500	
							<u>288,346</u>	
84.938	<b>Hurricane Education Recovery</b> Hurricane Relief Emergency Aid	G0665	6684	10-01-05	09-30-06	Pass-Through	171,893	
<b>Office Of Special Education And Rehabilitative Services</b>								
<b>Special Education-Grants to States</b>								
84.027	Special Education Dispute Resolution	G0593	3556	09-01-04	06-30-05		5,609	<sup>2</sup>
84.027	System Performance Review & Improvement	G0624	3989	04-01-05	09-30-05		21,888	
84.027	IDEA Reauthorization Implementation - Formula	G0675	4303	06-01-05	09-30-05		10,000	
84.027	Regional Autism Training	G0679	5931	07-04-05	06-30-06		8,000	
84.027	System Performance Review & Improvement	G0674	5863	08-15-05	06-30-06		19,638	
84.027A	Columbia Regional - Federal Funding	G0471	Contract 5142	07-01-03	06-30-05		36,888	<sup>2</sup>
84.027A	Portland DART Schools - Federal	G0478	Contract 5127	07-01-03	06-30-05		2,858	<sup>2</sup>
84.027A	Regional Autism Development	G0573	EE041234, 64710, 03/04-443, 2052	04-15-04	09-30-05		16,833	
84.027A	I.D.E.A.	G0557	3373	07-01-04	12-31-05		4,031,793	
84.027A	I.D.E.A.	G0653	6140	07-01-05	12-31-06		3,941,322	
84.027A	Columbia Regional - Federal Funding	G0646	Contract 7214	07-01-05	06-30-07		2,993,914	
84.027A	Portland DART Schools - Federal	G0628	Contact 7320	07-01-05	06-30-07		186,737	
						Pass-Through	<u>11,275,480</u>	
84.126	<b>Rehabilitation Services-Vocational Rehabilitation Grants to States</b> Oregon Commission For The Blind	G0654	Contract 101-06	07-01-05	06-30-06	Pass-Through	41,500	
84.324T	<b>Research in Special Education</b> Project EXCEL	G0355	H324T010055-01, -02, -03	09-01-01	08-31-05	Direct	11,319	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.326	<b>Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</b> Oregon Deafblind Project	G0712	6531	10-01-05	09-30-06	Pass-Through	\$ 3,648	
84.048A	<b>Office Of Vocational And Adult Education</b> <b>Vocational Education-Basic Grants to States</b> Carl Perkins Carl Perkins	G0558 G0650	2790 5544	07-01-04 07-01-05	07-31-05 09-30-06	 Pass-Through	20,590 584,918 605,508	
<div style="border: 1px solid black; padding: 5px;">                     Total Direct Programs \$ 5,445,427                      Total Pass-Through Programs from Oregon Department of Education \$ 37,326,920                      Total Pass-Through Programs from Lewis &amp; Clark College \$ 1,906                      Total Pass-Through Programs from Oregon Commission for the Blind \$ 41,500                      Total Pass-Through Programs from Pottlatch School District \$ 717                 </div>								\$ 42,816,470
<b>DEPARTMENT OF EDUCATION Total</b>								
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
<b>Administration For Children And Families</b>								
93.575	<b>Child Care and Development Block Grant</b> Teen Parent Services (Block Grant)	G0649	CCD055046	07-01-05	06-30-06	Pass-Through	14,449	
93.600	<b>Head Start</b> Head Start - Federal Funding Head Start - Federal Funding	G0565 G0648	10CH0004/30 10CH0004/31	11-01-04 11-01-05	10-31-05 10-31-06		943,827 2,551,203 3,495,030	
<b>Centers For Disease Control</b>								
93.938	<b>Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems</b> Coordinated School Health Expansion - Tubman MS Coordinated School Health Expansion - Stephenson Coordinated School Health Expansion - Stephenson Coordinated School Health Expansion - Tubman Coordinated School Health Expansion Project - Marshall	G0586 G0587 G0695 G0697 G0696	3241 3244 5596 5595 5607	08-15-04 08-15-04 07-01-05 07-01-05 07-01-05	12-01-05 12-01-05 02-28-06 02-28-06 12-31-06		1,467 1,061 987 988 1,517 6,020	

**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total	
				Begin Date	End Date				
<b>Centers For Medicare And Medicaid Services</b>									
93.778	<b>Medical Assistance Program</b>								
	Regional Durable Medical Equipment	S0027	Medicaid Revenue	07-01-97	06-30-07		\$ 29,534		
	Third Party Medical-DART Program	S0054	Medicaid Revenue	07-01-98	06-30-07	Pass-Through	102,071		
							131,605		
<b>Corporation For National And Community Service</b>									
94.004	<b>Learn and Serve America-School and Community Based Programs</b>								
	Learn and Serve America	G0529	EE040227, 39303	12-01-03	08-30-05		3,276		
	Walking Through History -Learn and Serve America	G0711	6628	01-03-06	08-31-06	Pass-Through	912		
							4,188		
<b>Substance Abuse And Mental Health Services Administration</b>									
93.XXX	<b>Demonstration Grants on Model Projects for Pregnant and Postpartum Women and Their Infants (Substance Abuse)</b>								
	Inner-City Youth Institute - Middle Schools 93.169	G0004	MOU60399014	02-11-99	08-31-06		7,316		
	Inner-City Youth Institute - High School 93.169	G0038	MOU60399014	09-01-99	08-31-06	Pass-Through	3,067		
							10,383		
							Total Direct Programs \$	3,495,030	
							Total Pass-Through Programs from Oregon State Outreach \$	10,383	
							Total Pass-Through Programs from Oregon Department of Education \$	156,262	
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES Total</b>									
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>									
<b>Office Of Community Planning And Development</b>									
14.218	<b>Community Development Block Grants/Entitlement Grants</b>								
	Home Repair Training	G0559	Contract 35610	07-01-04	06-30-05	Pass-Through	(9,726)		
							Total Pass-Through Programs from City of Portland \$	(9,726)	
							<b>\$ 3,661,675</b>		



**School District No. 1, Multnomah County, Oregon**  
**Schedule of Expenditures of Federal Awards, continued**  
**for the Year Ended June 30, 2006**



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
<b>ENVIRONMENTAL PROTECTION AGENCY</b>								
Office Of Environmental Education								
<i>Environmental Education Grants</i>								
66.951	PIECL - Portland State University FEED Mini-Grants	G0605	Contract 54138	10-01-04	06-01-06	Pass-Through	\$ 19,101	
Total Pass-Through Programs from Portland State University							\$ 19,101	19,101
<b>ENVIRONMENTAL PROTECTION AGENCY Total</b>								
<b>NATIONAL SCIENCE FOUNDATION</b>								
National Science Foundation								
<i>Education and Human Resources</i>								
47.076	Urban Systemic Program	G0327	ESR-0115114	09-01-01	08-31-06		1,125,564	
	Center for Learning and Teaching in the West	G0401	ESI-0119786	05-14-02	09-30-06		239,390	
	Presidential Award -Eric Olson	G0224	Award	07-01-00	06-30-07	Pass-Through	2,196	
Total Pass-Through Programs from National Science Foundation							\$ 1,364,954	
Total Pass-Through Programs from Portland State University							\$ 2,196	
<b>NATIONAL SCIENCE FOUNDATION Total</b>								
<b>GRAND TOTAL</b>							<b>\$ 58,728,455</b>	<b>\$ 58,728,455</b>

Notes:

This schedule is prepared on the modified accrual basis of accounting.  
 CFDA Numbers ending with "XXX" are deleted programs and updated CFDA information is not available.

- <sup>1</sup> Donated commodities are valued at their estimated fair value.
- <sup>2</sup> Expenditures incurred subsequent to grant ending date allowed by the grant award.
- <sup>3</sup> These credits represent a necessary adjustment of expenditures for prior years.
- <sup>4</sup> Amount represents funds received in excess of expenditures incurred.
- <sup>5</sup> Amount represents funds received from non-federal sources to reimburse grant expenditures.
- <sup>6</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)"

**SCHOOL DISTRICT NO. 1, MULTNOMAH COUNTY, OREGON**

Portland, Oregon

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2006**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued: Unqualified

Internal control over financial reporting;

Material weakness(es) identified? Yes \_\_\_\_\_ No x

Reportable condition(s) identified that are not considered to be material weakness(es) Yes \_\_\_\_\_ x none reported

Noncompliance material to financial statements noted? Yes \_\_\_\_\_ No x

**Federal Awards:**

Internal control over major programs:

Material weakness(es) identified? Yes \_\_\_\_\_ No x

Reportable condition(s) identified that are not considered to be material weakness(es) Yes \_\_\_\_\_ x none reported

Type of auditor's report issued on compliance for major program Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133 Yes x No \_\_\_\_\_

Identification of major programs:

**CFDA NUMBER(S)                      NAME OF PROGRAM OR CLUSTER**

All passed through the State of Oregon Department of Education:

84.027	Special Education-Grants to States
84.165A	Magnet Schools Assistance
84.214A	Even Start-Migrant Education
84.298	State Grants for innovative Programs
84.XXX	Indian Education – Special Programs (formerly 84.299A)
84.367A	Improving Teachers Quality State Grants

Dollar threshold used to distinguish between type A and B programs \$ 1,761,854

Auditee qualified as low-risk auditee? Yes x No \_\_\_\_\_

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SCHOOL DISTRICT NO. 1, MULTNOMAH COUNTY, OREGON**  
Portland, Oregon

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2006**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST**

**Finding 06-01**

Federal Program: 84.027 Special Education - Grants to States

Federal Agency: Department of Education

Award Year 2005-06

Condition: The Columbia Regional Grant received funds in excess of expenditures incurred. Excess funding received was deposited in an interest-bearing account.

Criteria: A Grantee may keep interest amounts up to \$100 per year for administrative expense. OMB A-133 Compliance Supplement requires that interest earned in excess of \$250 be remitted to the Department of Health and Human Services.

Effect: Interest income amounted to approximately \$13,500 for the fiscal year ended June 30.

Cause: The District interpreted the contract to allow interest income to be used as program income.

Recommendation: Interest earned in excess of allowable should be returned to the federal government on a quarterly basis. Policies and procedures should be written to provide guidance for treatment of interest earned on funds received in advance of expenditures.

*Management's  
Response:*

*The Columbia Regional Program is governed by a contractual relationship between the District and the State of Oregon. The contract dictates the payment terms and is silent about the interest earned when funds are received in advance of expenditures. The District will work with the contractor to specify in the contract that in the event interest is earned, it may be used by the District or the Columbia Regional Program and not be refunded.*

**Finding 06-02**

Federal Program 84.367A Improving Teacher Quality State Grants

Federal Agency Department of Education

Award Year 2005-06

Condition: The District did not document performance of the required professional development needs assessment with the involvement of teachers, including teachers participating in programs under part A of Title I. Additionally, in October, 2005 the District was audited by the Oregon Department of Education who noted that the District had not conducted the required needs assessment for this program.

**SCHOOL DISTRICT NO. 1, MULTNOMAH COUNTY, OREGON**  
Portland, Oregon

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2006**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST (Continued)**

**Finding 06-02 (Continued)**

Effect: To be eligible to receive a subgrant of Title II, Part A funds, the District must conduct and document an assessment of local needs for professional development and hiring, as identified by the District and school staff.

Cause: Lack of documentation to assure compliance with grant requirements.

Recommendation: We recommend that policies and procedures be written to assure that needs assessments are conducted and documented on a timely basis.

*Management's  
Response:*

*A corrective action plan related to needs assessment for Title IIA was developed and approved by the Oregon Department of Education in response to the consolidated Program Review report finding issued in December, 2005. The corrective action plan was successfully implemented in June, 2006.*

**SCHOOL DISTRICT NO. 1, MULTNOMAH COUNTY, OREGON**  
Portland, Oregon

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006**

The 2005 Single Audit report as originally issued contained no findings. The U.S. Department of Health and Human Services has required the District to obtain a new Single Audit report for the year ended June 30, 2005. As of our report date, the Single Audit for the Year ended June 30, 2005 has not been completed. Therefore, a summary of prior audit findings is not available.

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

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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

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

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**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