

School District No. 1J, 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, 2007



Roosevelt High 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.

Portland Public Schools

**Report on Requirements of the Single Audit Act
and OMB Circular A-133**

For the year ended June 30, 2007

School District No. 1J, Multnomah County, Oregon

Portland, Oregon

**School District No. 1J,
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 30, 2007

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of School District No. 1J, Multnomah County, Oregon, (the District), as of and for the year ended June 30, 2007, and have issued our report thereon dated November 30, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 07-01, 07-02 and 07-03 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

**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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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 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*.

* * * * *

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, Kowola & Warwick LLP

Certified Public Accountants



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

November 30, 2007

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

Compliance

We have audited the compliance of School District No. 1J, 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, 2007. 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 on 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, 2007.

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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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Internal Control Over Compliance (Continued)

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2007, and have issued our report thereon dated November 30, 2007. Our audit was performed for the purpose of forming opinions 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.



Certified Public Accountants

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
DEPARTMENT OF AGRICULTURE								
Food And Nutrition Service								
Child Nutrition Cluster								
10.553	School Breakfast Program School Breakfast Program	202	26-555-201	07-01-06	06-30-07	Pass-Through	\$ 3,322,169	
10.555	National School Lunch Program National School Lunch Program	202	26-555-201	07-01-06	06-30-07	Pass-Through	5,773,787	
10.559	Summer Food Service Program for Children Summer Food Service Program for Children	202	USDA Food Program Assistance	07-01-06	06-30-07	Pass-Through	367,258	
Food and Nutrition								
10.550	Food Donation Food Donation					Pass-Through	\$ 715,948	1
10.558	Child and Adult Care Food Program Child and Adult Care Food Program Childcare Food Program for Head Start	202 G0339	USDA Food Program Assistance USDA Food Program Assistance	07-01-06 07-01-00	06-30-07 06-30-07		368,050 241,101	
10.565	Commodity Supplemental Food Program Commodity Supplemental Food Program Childcare Food Program for Head Start	202 G0339	USDA Food Program Assistance USDA Food Program Assistance	07-01-06 07-01-00	06-30-07 06-30-07	Pass-Through	25,687 11,218	
DEPARTMENT OF AGRICULTURE Total							\$ 1,362,004	
Total Pass-Through Programs from Food and Nutrition							\$ 10,825,218	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
DEPARTMENT OF DEFENSE								
Office Of The Assistant Secretary (Strategy And Requirements)								
12.551	National Security Education-Scholarships							
	Mandarin Chinese Flagship Grant	G0684	270691A, AED 3045-UO-CHN	08-30-05	08-31-07		37,817	
	Mandarin Chinese Flagship Grant	G0845	270741A, NSEP-U631006-OU-CHN	09-01-06	08-31-07	Pass-Through	342,629	
							380,446	
National Security Agency								
Mathematical Sciences Grants Programs								
12.901	Starbase	G0636	248000-05004-IGA-5	10-01-05	09-30-06		32,080	
	Starbase	G0753	contract 248000-06006-IGA-5	10-01-06	09-30-07	Pass-Through	217,442	
							249,522	
								\$ 629,968
DEPARTMENT OF DEFENSE Total								
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Office Of Community Planning And Development								
14.218	Community Development Block Grants/Entitlement Grants							
	Home Repair Training	G0046	Contracts for each project	07-01-90	06-30-08	Pass-Through	9,711	
								\$ 9,711
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Total								
								\$ 9,711

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
NATIONAL SCIENCE FOUNDATION								
National Science Foundation								
Education and Human Resources								
47.076	Urban Systemic Program	G0327	ESR-0115114	09-01-01	08-31-07		194,518	
	Center for Learning and Teaching in the West	G0401	ESI-0119786	05-14-02	09-30-07		33,388	
	Presidential Award -Eric Olson	G0224	Award	07-01-00	06-30-07	Pass-Through	6	
							227,912	
NATIONAL SCIENCE FOUNDATION Total							\$ 227,912	
ENVIRONMENTAL PROTECTION AGENCY								
Office Of Research And Development								
P3 Award: National Student Design Competition For Sustainability								
66.516	WISE Action Grant-Lewis Elementary	G0851	IGA-927476	03-01-07	06-30-07	Pass-Through	4,750	
ENVIRONMENTAL PROTECTION AGENCY Total							\$ 4,750	
DEPARTMENT OF EDUCATION								
Office Of Vocational And Adult Education								
Vocational Education-Basic Grants to States								
84.048	Carl Perkins	G0747	7020	07-01-06	09-30-07		582,981	
84.048A	Carl Perkins	G0650	5544	07-01-05	09-30-06	Pass-Through	69,237	
Office Of Bilingual Education And Minority Languages Affairs							652,218	
Bilingual Education-Professional Development								
84.XXX	Project T.R.:A.D. Mini Grants 84.195A	G0447	T195A990070	09-01-02	06-30-07	Pass-Through	390	
	Project ROSE 84.195B	G0358	T195B010003, -02, -04	10-01-01	09-30-06	Direct	59,605	
Foreign Language Assistance							59,995	
84.293B	Foreign Language Immersion Project	G0792	T293B060084	09-15-06	09-14-09	Direct	52,200	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
Office Of Special Education And Rehabilitative Services								
Special Education-Grants to States (IDEA, Part B)								
84.027	I.D.E.A.	G0743	8234	07-01-06	12-31-07		4,515,393	
84.027	Special Ed SPR & J 2006-07	G0777	7505	08-15-06	06-30-07		19,638	
84.027	Regional Autism Training	G0791	7097	07-01-06	06-30-07		8,000	
84.027	Dispute Resolution Grant	G0798	8837	09-15-06	06-30-07		9,749	
84.027	IDEA Enhancement Grant	G0859	9426	04-16-07	09-30-07		960	
84.027A	Portland DART Schools - Federal	G0478	Contract 5127	07-01-03	06-30-05		6,572	
84.027A	I.D.E.A.	G0653	6140	07-01-05	12-31-06		3,775,133	
84.027A	Columbia Regional - Federal Funding	G0646	Contract 7214	07-01-05	06-30-07		4,859,027	
84.027A	Portland DART Schools - Federal	G0628	Contact 7320	07-01-05	06-30-07	Pass-Through	385,803	
							<u>13,580,275</u>	
84.126	Rehabilitation Services-Vocational Rehabilitation Grants to States							
	Oregon Commission For The Blind	G0749	Agreement 101-07	07-01-06	06-30-07	Pass-Through	41,500	
84.324S	Research On Special Education							
	Project Success	G0782	Contract 55041	07-01-06	06-30-07	Pass-Through	20,150	
84.326	Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities							
	Oregon Deafblind Project	G0800	8845	01-01-06	09-30-07	Pass-Through	4,829	
Office Of Elementary And Secondary Education								
Title I Grants to Local Educational Agencies								
84.000	Whitaker NWREL Research Grant	G0370	ED-01-CO-0013	11-01-01	06-30-07		35,436	
84.010	ImpactAid - PI 874 Project	G0108	47-OR-95-1703	10-01-90	06-30-07		10,100	
84.010	Title IA/ID - School Improvement	G0703	6258	10-01-05	09-30-07		816,385	
84.010	Title I - School Budgets	G0748	7303	07-01-06	09-30-07		9,842,708	
84.010	Title I - Central Budget	G0752	7303	07-01-06	09-30-07		4,271,918	
84.010	Title IA/ID - School Improvement - Benson	G0803	8895	09-01-06	08-31-08		75,912	
84.010	Title IA/ID - School Improvement - Binnsmead	G0804	8896	09-01-06	08-31-08		10,767	
84.010	Title IA/ID - School Improvement - George	G0805	8905	09-01-06	08-31-08		42,477	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
Title I Grants to Local Educational Agencies, continued								
84.010	Title IA/ID - School Improvement - Gregory Heights	G0806	8909	09-01-06	08-31-08		77,276	
84.010	Title IA/ID - School Improvement - Lane	G0808	8917	09-01-06	08-31-08		6,139	
84.010	Title IA/ID - School Improvement - Ockley	G0810	8922	09-01-06	08-31-08		17,321	
84.010	Title IA/ID - School Improvement - Portsmouth	G0811	8925	09-01-06	08-31-08		52,959	
84.010	Title IA/ID - School Improvement - Tubman	G0812	8930	09-01-06	08-01-08		138	
84.010A	Title I - Disadvantaged Child Program (School Budgets)	G0640	5540	07-01-05	09-30-06		126,483	
84.010A	Title I - Disadvantaged Child Program (Central Budgets)	G0645	5540	07-01-05	06-30-07		2,255,017	
84.010A	ODE School Improvement Grant	G0537	EE040248, 51150, Year 1	07-01-02	09-30-04	Pass-Through	(168)	
							17,640,868	
Migrant Education-State Grant Program								
84.011	Title IC - Migrant Education	G0744	8715	07-01-06	09-30-07		141,955	
84.011	Title IC - Migrant Education Summer	G0745	8715	07-01-06	09-30-07		7,323	
84.011A	Title IC - Migrant Education Summer Program	G0720	6792	03-15-06	09-30-06	Pass-Through	15,322	
							164,600	
84.013A	Title 1 Program for Neglected and Delinquent Children							
	Portland DART Schools - Federal	G0628	Contract 7320	07-01-05	06-30-07	Pass-Through	207,668	
Indian Education-Special Programs								
84.XXX	Special Projects Demonstration Grant 84.299A	G0437	S299A020025, S299A020025-03	10-01-02	09-30-06		1,807	
	Indian Education Program	G0742	S060A060938	09-01-06	08-31-07	Direct	166,713	
							168,520	
84.060A	Indian Education-Grants to Local Educational Agencies							
	Indian Education Program	G0655	B060A050938	07-01-05	09-30-06	Direct	40,496	
84.165A	Magnet Schools Assistance							
	Jefferson Cluster Magnet Project	G0583	U165A040120	08-01-04	07-31-07	Direct	2,245,604	
84.184A	Safe and Drug-Free Schools and Communities-National Programs							
	Grants To Reduce Alcohol Abuse	G0421	S184A020018	10-01-02	09-30-06	Direct	12,699	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
Safe and Drug-Free Schools and Communities-State Grants								
84.186	Title IV-A Safe & Drug-Free Schools	G0774	8637	07-01-06	06-30-07		242,211	
84.186A	Title IV-A Safe & Drug-Free Schools	G0652	6419	07-01-05	09-30-07		186,768	
84.186A	Community Service/Skills for Success - Roosevelt	G0533	ODE Cntrct 6802 (Yr1), 6999 (Yr2)	03-19-04	06-30-07	Pass-Through	31,236	
							460,215	
Education for Homeless Children and Youth								
84.196	McKinney Homeless Grant	G0771	6972	08-01-06	08-31-07		44,573	
84.196A	McKinney Homeless Grant	G0656	6578	09-01-05	06-30-07		57,000	
						Pass-Through	101,573	
Even Start-Migrant Education								
84.214A	Migrant Even Start Program	G0431	S214A020030	10-01-02	09-30-06		9,037	
	Migrant Even Start Program	G0783	S214A060008	10-01-06	09-30-10	Direct	151,171	
							160,208	
Charter Schools								
84.282	The Portland Village Charter School	G0678	4053	05-19-05	11-19-06		16,365	
84.282	Charter School Title V-B Planning	G0688	4059	05-19-05	11-19-06		19,183	
84.282	Charter School-Plan-OR Bldg Congr	G0758	6871	05-18-06	10-18-07		22,633	
84.282	The Portland Village Charter School	G0802	8947	11-14-06	05-19-08		50,127	
84.282	Title V-B Charter School - New Hope	G0846	9088	12-07-06	06-07-08		4,336	
84.282	Title V-B Charter School - Ivy School	G0847	9091	12-07-06	06-07-08		6,374	
84.282	Title V-B Charter School (Academy)	G0848	9186	02-01-07	06-30-07		4,946	
84.282A	KOREducators Charter School	G0610	3783	12-02-04	08-10-06	Pass-Through	12,440	
							136,404	
State Grants for Innovative Programs								
84.298	Title V - Innovative Programs	G0556	2789	07-01-04	09-30-06		7,925	
	Title V - Innovative Programs	G0647	6268	07-01-05	06-30-07		101,400	
	Title V - Innovative Programs	G0750	8439	07-01-06	09-30-07		28,406	
						Pass-Through	137,731	
Education Technology State Grants								
84.318X	Title IID - Education through Technology	G0657	5542	07-01-05	06-30-07		63,313	
	Title IID - Education through Technology	G0754	8010	07-01-06	09-30-07		90,547	
						Pass-Through	153,860	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.330	Advanced Placement Program							
	Advanced Placement Incentive Program - Benson Polytech	G0722	6807	05-01-06	09-30-06		400	
	Advanced Placement Incentive Program - Franklin	G0723	6810	05-01-06	09-30-06		1,065	
	Advanced Placement Incentive Program - Franklin	G0724	6811	05-01-06	09-30-06		1,005	
	Advanced Placement Incentive Program - Franklin	G0725	6812	05-01-06	09-30-06		1,600	
	Advanced Placement Incentive Program - Franklin	G0726	6813	05-01-06	09-30-06		150	
	Advanced Placement Incentive Program - Roosevelt	G0728	6833	05-01-06	09-30-06		1,065	
	Advanced Placement Incentive Program - Roosevelt	G0729	6834	05-01-06	09-30-06		1,224	
	Advanced Placement Incentive Program - Roosevelt (Spanish-English International School)	G0730	6835	05-01-06	09-30-06		400	
	Advanced Placement Incentive Program - Roosevelt	G0731	6836	05-01-06	09-30-06		1,423	
	Advanced Placement Incentive Program - Roosevelt (Spanish-English International School)	G0733	6838	05-01-06	09-30-06		389	
	Advanced Placement Incentive Program	G0765	6982	05-01-06	09-30-06		1,173	
	Advanced Placement Incentive Program	G0767	6984	05-01-06	09-30-06		715	
	Advanced Placement Incentive Program - Madison	G0853	9132	12-01-06	09-30-07		2,150	
	Advanced Placement Incentive Program - Roosevelt	G0854	9131	12-01-06	09-30-07		1,800	
	Advance Placement (AP) Fee Payment Program	S0073		09-01-98	06-30-08	Pass-Through	4,804	
							<u>19,363</u>	
84.351C	Arts in Education							
	Portland ARTSplash Professional Development Project	G0506	U351C030041	10-01-03	09-30-06	Direct	212,105	
84.357	Reading First State Grants							
	Reading First	G0616	3925	09-01-04	09-30-06		12,059	
	Reading First Cohort B	G0660	4437	05-01-05	09-30-06		11,668	
	Reading First Cohort B Year 1 Part 2	G0704	6476	05-01-05	09-30-06		119,990	
	Reading First Cohort B ELL - Rigler	G0689	5965	07-01-05	09-30-06		22,024	
	Reading First Cohort A - Year 3	G0690	6493	09-01-05	09-30-06		264,067	
	Reading First	G0788	8740	07-01-06	09-30-07		1,237,340	
	K-3 Statewide Literacy Outreach	G0790	8761	10-05-06	05-31-07	Pass-Through	1,874	
							<u>1,669,022</u>	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.359B	Early Reading First Portland Early Reading First Initiative	G0671	S359B050109A	10-01-05	09-30-08	Direct	955,985	
84.360A	Dropout Prevention Programs Student Transition & Retention (S.T.A.R.)	G0509	U360A030001	09-22-03	07-31-06	Direct	59,918	
84.361A	Voluntary Public School Choice Voluntary Public School Choice	G0427	S361A020029, -03, -06	10-01-02	09-30-07	Direct	1,580,769	
Improving Teacher Quality State Grants								
84.367	Title IIA - Teacher Quality	G0772	7125	07-01-06	09-30-06		2,929	
84.367	Strategies for Student Success	G0795	7131	07-01-06	09-30-06		1,800	
84.367A	Title IIA - Teacher Quality	G0551	2785	07-01-04	09-30-06		65,528	
84.367A	Title IIA - Teacher Quality	G0643	6207	07-01-05	06-30-07		1,228,014	
84.367A	Title IIA transfer to Title V (BY2006)	G0709	6207	07-01-05	06-30-07		773,241	4
84.367A	Title IIA - Teacher Quality	G0751	7826	07-01-06	09-30-07	Pass-Through	2,052,087	
84.371A	Striving Readers Striving Readers Project	G0718	S371A060053-07A	03-01-06	02-28-11	Direct	4,925,645	
Office Of Educational Research And Improvement								
Fund for the Improvement of Education								
84.215L	Smaller Learning Communities (OVAE)	G0512	V215L032014	09-01-03	08-31-07		140,387	
84.215S	Partnerships in Character Education	G0504	Q215S030155, -04, -05, -06	10-01-03	09-30-07		342,786	
84.215X	Teaching American History	G0424	S215X020165	10-01-02	09-30-07		15,284	
84.215X	Teaching American History	G0687	U215X050249	10-01-05	12-31-08	Direct	230,812	
84.287	Twenty-First Century Community Learning Centers 21st Century Community Learning Centers	G0775	7166	07-01-06	06-30-07	Pass-Through	480,694	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
Office Of Postsecondary Education								
Comprehensive School Reform Demonstration								
84.332	(CSR) - Spanish-English International School	G0680	5509	07-01-05	09-30-06		38,686	
84.332	(CSR) - Pursuit of Wellness Education & Recreation	G0681	5508	07-01-05	09-30-06		35,045	
84.332	(CSR) - Arts, Communication & Technology School	G0682	5507	07-01-05	09-30-06		36,443	
84.332	(CSR) - Madison	G0705	4418	07-01-05	09-30-06		87,837	
84.332	(CSR) - Madison	G0768	7076	07-01-06	09-30-07	Pass-Through	237,188	
							<u>435,199</u>	
Gaining Early Awareness and Readiness for Undergraduate Programs								
84.334A	Roosevelt Cluster Gear Up Partnership	G0677	P334A050242 - 06-07	09-01-05	08-31-11	Direct	375,660	
84.334S	Gear-up Roosevelt	G0666	SG-25014	10-01-05	09-30-06	Pass-Through	8,193	
84.334S	Gear-up Marshall	G0667	Revenue 52558 #2	10-01-05	09-30-06	Pass-Through	17,700	
84.334S	Gear-up Madison	G0668	SG-25006	10-01-05	09-30-06	Pass-Through	2,990	
84.334S	Gear-up Roosevelt	G0784	SG 2006-022 Contract 54722	10-01-06	09-17-07	Pass-Through	43,920	
84.334S	Gear-up Marshall	G0785	Agreement SG-2006-016	10-01-06	09-30-07	Pass-Through	47,772	
84.334S	Gear-up Madison	G0786	Agreement SG-2006-014	10-01-06	09-30-07	Pass-Through	24,832	
							<u>521,067</u>	
84.938	Hurricane Education Recovery Hurricane Relief Emergency Aid	G0665	6684	10-01-05	09-30-06	Pass-Through	17,611	
Office Of English Language Acquisition								
English Language Acquisition Grants								
84.365	Title III - Language Instruction	G0755	9028	07-01-06	09-30-07		386,795	
84.365A	Title III - Language Instruction for Limited English Students (NCLB)	G0651	5543	07-01-05	06-30-07	Pass-Through	294,515	
							<u>681,310</u>	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total												
				Begin Date	End Date															
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Total Direct Programs</td> <td style="width: 50%; text-align: right;">\$ 11,578,683</td> </tr> <tr> <td>Total Pass-Through Programs from Oregon Department of Education</td> <td style="text-align: right;">\$ 40,777,010</td> </tr> <tr> <td>Total Pass-Through Programs from Lewis & Clark College</td> <td style="text-align: right;">390</td> </tr> <tr> <td>Total Pass-Through Programs from NWREL</td> <td style="text-align: right;">\$ 35,436</td> </tr> <tr> <td>Total Pass-Through Programs from Portland State University</td> <td style="text-align: right;">\$ 20,150</td> </tr> <tr> <td>Total Pass-Through Programs from Oregon Commission for the Blind</td> <td style="text-align: right;">\$ 41,500</td> </tr> </table>								Total Direct Programs	\$ 11,578,683	Total Pass-Through Programs from Oregon Department of Education	\$ 40,777,010	Total Pass-Through Programs from Lewis & Clark College	390	Total Pass-Through Programs from NWREL	\$ 35,436	Total Pass-Through Programs from Portland State University	\$ 20,150	Total Pass-Through Programs from Oregon Commission for the Blind	\$ 41,500
Total Direct Programs	\$ 11,578,683																			
Total Pass-Through Programs from Oregon Department of Education	\$ 40,777,010																			
Total Pass-Through Programs from Lewis & Clark College	390																			
Total Pass-Through Programs from NWREL	\$ 35,436																			
Total Pass-Through Programs from Portland State University	\$ 20,150																			
Total Pass-Through Programs from Oregon Commission for the Blind	\$ 41,500																			
\$ 52,453,169																				
DEPARTMENT OF EDUCATION Total																				
DEPARTMENT OF HEALTH AND HUMAN SERVICES																				
Administration For Children And Families																				
93.575	<i>Child Care and Development Block Grant</i> Teen Parent Services (Block Grant) Early Literacy for Childcare	G0773	Contract 508030-06	07-01-06	06-30-07		20,000													
		G0849	9051	12-08-06	06-30-07	Pass-Through	2,229													
93.600	<i>Head Start</i> Head Start - Federal Funding Head Start - Federal Funding	G0648	10CH0004/31	11-01-05	06-07-08		675,806													
		G0746	10CH0004/32	11-01-06	10-31-07	Direct	2,789,396													
								3,465,202												
Centers For Medicare And Medicaid Services																				
93.778	<i>Medical Assistance Program</i> Regional Durable Medical Equipment	S0027	Medicaid Revenue	07-01-97	06-30-07	Pass-Through	39,211													
Centers For Disease Control																				
93.938	<i>Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems</i> Coordinated School Health Expansion - Tubman MS Coordinated School Health Expansion - Stephenson Coordinated School Health Expansion - Stephenson Coordinated School Health Expansion Project - Tubman	G0586	3241	08-15-04	12-01-05		(1,467)													
		G0587	3244	08-15-04	12-01-05		(14)													
		G0695	5596	07-01-05	02-28-06		(987)													
		G0697	5595	07-01-05	02-28-06		(947)													
										(3,415) ²										

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards, continued
for the Year Ended June 30, 2007



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
93.XXX	Substance Abuse And Mental Health Services Administration							
	Demonstration Grants on Model Projects for Pregnant and Postpartum Women and Their Infants (Substance Abuse)							
	Inner-City Youth Institute - Middle Schools 93.169	G0004	MOU60399014	02-11-99	08-31-07		6,913	
	Inner-City Youth Institute - High School 93.169	G0038	MOU60399014	09-01-99	08-31-07	Pass-Through	5,236	
							<u>12,149</u>	
				Total Direct Programs			\$ 3,465,202	
				Total Pass-Through Programs from Oregon Department of Education			\$ 70,174	
								\$ 3,535,376
	DEPARTMENT OF HEALTH AND HUMAN SERVICES Total							
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							
	Learn and Serve America-School and Community Based Programs							
94.004	Walking Through History -Learn and Serve America	G0711	6628	01-03-06	06-30-07	Pass-Through	6,624	
				Total Pass-Through Programs from Oregon State Outreach			\$ 6,624	
								\$ 6,624
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE, Total							
	GRAND TOTAL							
							\$ 67,692,728	\$ 67,692,728

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.

- 1 Donated commodities are valued at their estimated fair value.
- 2 Refunds/credits due to final reporting issues.
- 3 Represents write-off of prior year expense.
- 4 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. 1J, MULTNOMAH COUNTY, OREGON
Portland, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2007

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes _____ No ✓

Significant deficiency(ies) identified not considered to be material weakness(es)? Yes ✓ No _____

Noncompliance material to financial statements noted? Yes _____ No ✓

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? Yes _____ No ✓

Significant deficiency(ies) identified not considered to be material weakness(es)? Yes _____ No ✓

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

Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of *Circular A-133*? Yes _____ No ✓

Identification of major programs:

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM OR CLUSTER
84.010 & 84.010A	Title I Grants to Local Educational Agencies
84.048 & 84.048A	Vocational Education Basic Grants to States
84.287	Twenty-First Century Community Learning Centers
84.357	Reading First State Grants
84.359B	Early Reading First
84.361A	Voluntary Public School Choice
84.371A	Striving Readers

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2007

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS (Continued)

Dollar threshold used to distinguish
between type A and B programs: \$ 2,030,782

Auditee qualified as low-risk auditee? Yes ✓ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 07-01

Criteria: Long-term notes receivable should be recorded in the fund financial statements under generally accepted accounting principles.

Condition: Long-term notes receivable and related deferred revenue balance were not recorded on the General Fund Balance Sheet.

Context: Review of the financial statements.

Effect: Assets and liabilities of the General Fund were understated.

Recommendation: We recommend that the District record notes receivable and deferred revenue on the General Fund Balance Sheet.

Corrective Action Plan: The District has made the correction to the General Fund Balance Sheet.

Finding 07-02

Criteria: The District's financial reporting system and financial statements should agree to the adopted budget appropriations.

Condition: The District recorded a budget transfer to their financial reporting system and financial statements that was not in agreement with the adopted budget appropriations.

Context: Review of the adopted budget appropriations on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

Effect: The General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual did not reflect the adopted budget appropriations.

Recommendation: We recommend that the District record and report only those appropriations adopted and approved by the Board of Education.

Corrective Action Plan: The District has corrected the budget appropriation in the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding 07-03

Criteria: Donated food commodities are required to be recorded as a contribution and usage as an expenditure on the Cafeteria Fund Schedule of Revenues, Expenditures and Changes in Fund Balance under generally accepted accounting principles.

Condition: Donated food commodities were not recorded on the Cafeteria Fund Schedule of Revenues, Expenditures and Changes in Fund Balance. Donated food commodities were recorded on the Schedule of Expenditures of Federal Awards.

Context: Review of the financial statements.

Effect: Revenues and expenditures were understated on the Cafeteria Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

Recommendation: We recommend that the District record donated food commodities received and consumed on the Cafeteria Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

Corrective Action Plan: The District has corrected the Cafeteria Fund Schedule of Revenues, Expenditures and Changes in Fund Balance for this understatement.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS

Finding 06-01

Audit Finding: The District received funds in excess of expenditures incurred that were deposited in an interest-bearing account. OMB A-133 Compliance Supplement requires that interest earned in excess of \$250 be remitted to the Federal Agency.

Corrective Action Taken: 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 when funds are received in advance of expenditures. The District worked with the contractor to specify in the contract that in the event interest is earned, it will be used by the Columbia Regional Program and not be refunded.

Finding 06-02

Audit Finding: 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. 1J, MULTNOMAH COUNTY, OREGON
Portland, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2007

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS (Continued)

Finding 06-02 (Continued)

Corrective Action
Taken:

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.

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