

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, 2012



Benson House Projects- Mallory House

At Portland Public Schools, this is our goal: By the end of elementary, middle, and high school, every student by name will meet or exceed academic standards and will be fully prepared to make productive life decisions. Portland Public Schools is an equal opportunity educator and employer.

About the cover

The Mallory House is located at 4225 NE Mallory Avenue, Portland, Oregon. Construction of the Mallory House was a three-year project. Designs were completed by Benson Architectural students in the spring of 2009 with groundbreaking in December of 2009. The house is an Energy Star-certified home with many desirable features such as hardwood flooring throughout, student-made hardwood cabinets, stainless steel appliances, granite countertops and Fir wood finish trim.

The Benson High School Program offers students hands-on experience in building a residential home through all phases of construction to final completion. The Benson High School Program has sold 16 homes since the late 1970's.

Teachers Tony Franciscone and Rich Weber teach the students all phases of building construction in this program from blueprint reading , foundation systems, floor and wall systems, flooring, window and door installation, roofing , siding, cabinetmaking and woodworking to construction math, building science and basic engineering. These homes are built primarily with student labor and donations of material and labor from industry and community partners. Benson House Projects usually take between two to three years to complete.

Once completed, these homes are offered on the market through a commercial broker. The Mallory House was listed on June 18, 2012 for \$305,000. The District received a purchase offer of \$320,000 on June 24, 2012 and the sale was completed in July 2012. Proceeds from the sale of this home are directed back into the program to sustain the Benson Construction Technology Program.

The next Benson Program House is planned for the adjacent corner lot at 4231 NE Mallory Avenue, cross street NE Skidmore Street. Work on the foundation for this house has begun.

Portland Public Schools

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

For the year ended June 30, 2012

School District No. 1J, Multnomah County, Oregon

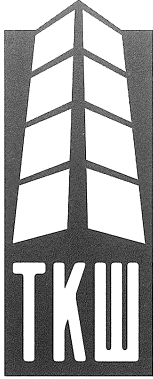
Portland, Oregon

Prepared by the Accounting and Payroll Services Department

**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**

December 3, 2012

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

We have audited the financial statements of School District No. 1J, Multnomah County, Oregon, (the District), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 3, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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 deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2012-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**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 (Continued)**

Page 2

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*.

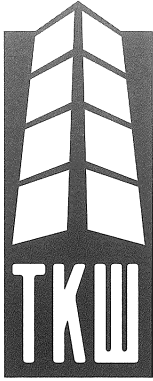
The District's response to the finding identified in our audit is described in the accompanying District Corrective Action Plan for Section II – Financial Statement Findings for the year ended June 30, 2012. We did not audit the District's response and, accordingly, we express no opinion on it.

* * * * *

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



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 3, 2012

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the Summary of Independent 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

INTERNAL CONTROL OVER COMPLIANCE

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, but not for the purpose of

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

INTERNAL CONTROL OVER COMPLIANCE (Continued)

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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, 2012, and have issued our report thereon dated December 3, 2012. 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 and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Talbot, Kowola & Warwick LLP

Certified Public Accountants

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



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								
Office of Food and Nutrition Service								
Child Nutrition Cluster								
10.553	School Breakfast Program (SBP)							
	Donated Foods	202		7/1/2011	6/30/2012		\$ 221,743 ¹	
	School Breakfast Program	202	26-555-201	7/1/2011	6/30/2012	Pass-Through	2,630,684	
							<u>2,852,427</u>	
10.555	National School Lunch Program (NSLP)							
	Donated Foods	202		7/1/2011	6/30/2012		636,307 ¹	
	National School Lunch Program	202	26-555-201	7/1/2011	6/30/2012	Pass-Through	7,156,178	
							<u>7,792,485</u>	
10.559	Summer Food Service Program for Children (SFSPC)							
	Summer Food Service Program for Children	202	USDA Food Program Assistance	7/1/2011	6/30/2012	Pass-Through	505,740	
							<u>11,150,652</u>	
Total Pass-Through Programs from Child Nutrition Cluster \$								
10.558	Child and Adult Care Food Program							
	Donated Foods	202		7/1/2011	6/30/2012		\$ 106,051 ¹	
	Childcare Food Program for Head Start	G0339	USDA Food Program Assistance	7/1/2011	6/30/2012		461,221	
	Child and Adult Care Food Program	202	USDA Food Program Assistance	7/1/2011	6/30/2012	Pass-Through	792,357	
							<u>1,359,629</u>	
10.582	Fresh Fruit and Vegetable Program (FFVP)							
	Fresh Fruit and Vegetable Grants	202	23285,23338-23359	10/1/2010	9/30/2011		63,299	
	Fresh Fruit and Vegetable Grants	202	24452,24533-24554	10/1/2011	9/30/2012	Pass-Through	420,243	
							<u>483,542</u>	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total	
				Begin Date	End Date				
	Office of Forest Service								
	Forest Service Schools and Roads Cluster								
10.665	<i>Schools and Roads - Grants to States</i>		USDA Schools and Roads	7/1/2011	6/30/2012	Pass-Through	\$ 28,871		
	Total Pass-Through Programs from Forest Service Schools and Roads Cluster \$							28,871	
	Total Pass-Through Programs from Oregon Department of Education \$							12,993,823	
	Total Pass-Through Programs from Multnomah County							28,871	
								\$	13,022,694
	DEPARTMENT OF AGRICULTURE Total								
	DEPARTMENT OF DEFENSE								
	Office Of The Assistant Secretary								
	<i>The Language Flagship Grants to Institutions of Higher Education</i>								
12.550	Mandarin Chinese Flagship Grant	G1059	270481A	6/1/2009	5/31/2012		\$ 470,591		
	Mandarin Chinese Flagship Grant	G1273	CASLS	6/1/2012	5/31/2013	Pass-Through	4,664		
								475,255	
	National Security Agency								
	<i>Mathematical Sciences Grants Programs</i>								
12.901	Starbase	G1133	OMB-248000-10015-IGA-10	10/1/2010	9/30/2012	Pass-Through	289,345		
	Total Pass-Through Programs from University of Oregon \$							475,255	
	Total Pass-Through Programs from Oregon Military Department							289,345	
								\$	764,600

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
19.415	Bureau of Educational and Cultural Affairs <i>Professional and Cultural Exchange Programs - Citizen Exchanges</i> Summer Institute in Yunnan	G1118	S-ECAPY-10-CA-139	3/4/2011	12/31/2011	Pass-Through	\$ 110,116	
Total Pass-Through Programs from American Councils for International Education							\$ 110,116	

\$ 110,116

DEPARTMENT OF STATE Total

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration
Highway Planning and Construction Cluster
Safe Routes to Schools
 Pedestrian and Bicycle Safety Education

20.205

G1178 HU-11-10-24 7/12/2011 12/31/2012 Pass-Through \$ 73,977

Total Pass-Through from Highway Planning and Construction Cluster \$ 73,977

Total Pass-Through Programs from Oregon Department of Transportation \$ 73,977

DEPARTMENT OF TRANSPORTATION Total

\$ 73,977

DEPARTMENT OF EDUCATION

84.410 *Education Jobs Fund, Recovery Act*
ARRA - Ed Jobs FY 10/11

109 20864 8/10/2010 9/30/2012 Pass-Through \$ 135,497

Office Of Vocational And Adult Education
Career and Technical Education - Basic Grants to States

G1132 Carl Perkins 10/11 19165 7/1/2010 9/30/2011 9,018

G1189 Carl Perkins 11/12 22142 7/1/2011 9/30/2012 364,646

Pass-Through 373,664

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total	
				Begin Date	End Date				
84.243	Tech-Prep Education Carl Perkins 10/11	G1131	19165	7/1/2010	9/30/2011	Pass-Through	\$ 8,278		
	Office Of Special Education and Rehabilitative Services								
	Special Education Cluster (IDEA)								
84.027	Special Education - Grants to States								
	Columbia Regional	G1025	Contract 8608	7/1/2009	6/30/2011		70,676		
	Portland DART Schools	G1027	Contract 8637	7/1/2009	6/30/2011		12		
	Regional Autism Training	G1028	21603	7/1/2010	6/30/2011		1,871		
	I.D.E.A.	G1135	20354	7/1/2010	9/30/2012		2,456,918		
	Special Ed - SPR&I	G1138	20039	8/1/2010	6/30/2011		125		
	IDEA Enhancement Grant 10/11	G1147	21395	10/1/2010	9/30/2011		21,218		
	IDEA Enhancement Grant 11/12	G1190	23885	10/1/2011	9/30/2012		133		
	I.D.E.A.	G1192	23673	7/1/2011	9/30/2013		5,959,064		
	Special Education - SPR&I	G1195	23161	7/1/2011	6/30/2012		5,063		
	Regional Autism Training	G1196	23522	7/1/2011	6/30/2012		8,000		
	Columbia Regional	G1203	Contract 9107	7/1/2011	6/30/2013		3,570,653		
	Portland DART Schools	G1205	Contract 9147	7/1/2011	6/30/2013		179,272		
	Extended Assessment 11/12	G1208	24070	9/1/2011	6/30/2012		12,326		
	TBI Liason 11/12	G1220	24096	7/1/2011	6/30/2012		10,000		
						Pass-Through	12,295,331		
84.173	Special Education Preschool Grants IDEA - Section 619 (FY 2010)	G1168	22033	07/01/10	09/30/12	Pass-Through	76,145		
84.391	Special Education-Grants to States, Recovery Act ARRA - Columbia Regional ARRA - DART - LTCT	G1042 G1052	16022 15960	2/17/2009 2/17/2009	9/30/2011 9/30/2011		506,730 14,379		
						Pass-Through	521,109		
Total Pass-Through from Special Education Cluster (IDEA)							\$	12,892,585	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
Vocational Rehabilitation Cluster								
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States							
	Oregon Commission for the Blind	G1191	OCB101-11	7/1/2011	9/30/2012	Pass-Through	\$ 41,500	
				Total Pass-Through from Vocational Rehabilitation Cluster \$ 41,500				
Institute of Education Sciences								
84.324A	Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities							
	My Life Project	G1159	200GEE226	6/1/2010	5/31/2013	Pass-Through	\$ 45,684	
Office Of Elementary and Secondary Education								
84.004F	Civil Rights Training and Advisory Services							
	Technical Assistance for Student Assignment Plans	G1060	S004F090014	9/30/2009	9/30/2012	Direct	42,137	
Title I , Part A Cluster								
84.010	Title I Grants to Local Education Agencies							
	Impact Aid - PI 874 Project	G0108	47-OR-95-1703	10/1/1990	6/30/2012		24,735	
	Title I - Central Budgets	G0815	9995	7/1/2007	6/30/2009		391 ²	
	Title I - Central	G0926	12853	7/1/2008	6/30/2010		133 ²	
	School Improvement - Bridger	G1094	19004	1/1/2010	9/30/2011		4,062	
	School Improvement - Jefferson	G1096	19006	1/1/2010	9/30/2011		323	
	School Improvement - Sitton	G1100	19010	1/1/2010	9/30/2011		10,029	
	School Improvement - SEIS	G1101	19011	1/1/2010	9/30/2011		318	
	Title I - School Budgets	G1120	19482	7/1/2010	9/30/2012		433,054	
	Title I - Central	G1121	19482	7/1/2010	9/30/2012		3,231,740	
	School Improvement Tier III - BizTech	G1127	21653	9/1/2010	9/30/2012		1,151	
	School Improvement Tier III - Bridger	G1129	21654	9/1/2010	9/30/2012		31,935	
	School Improvement Tier III - George	G1130	21663	9/1/2010	9/30/2012		38,800	
	School Improvement Tier III - Humboldt	G1139	21674	9/1/2010	9/30/2012		27,500	
	School Improvement Tier III - Jefferson	G1141	21676	9/1/2010	9/30/2012		54,559	
	School Improvement Tier III - Kelly	G1145	21677	9/1/2010	9/30/2012		17,059	
	School Improvement Tier III - King	G1162	21678	9/1/2010	9/30/2012		25,821	
	Title I - School Budgets	G1180	22692	7/1/2011	9/30/2012		5,396,038	
	Title I - Central	G1181	22692	7/1/2011	9/30/2012		10,474,731	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



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)									
	Title ID						\$		
	School Improvement Formula-Bridger	G1182	22556	7/1/2011	9/30/2012		8,169		
	School Improvement Formula-George	G1222	24345	9/1/2011	9/30/2012		15,111		
	School Improvement Formula-Hosford	G1223	24358	9/1/2011	9/30/2012		48,526		
	School Improvement Formula-Humboldt	G1224	24369	9/1/2011	9/30/2012		6,454		
	School Improvement Formula-Jefferson	G1225	24372	9/1/2011	9/30/2012		16,602		
	School Improvement Formula-Kelly	G1226	24373	9/1/2011	9/30/2012		5,885		
	School Improvement Formula-Vestal	G1227	24375	9/1/2011	9/30/2012		37,936		
		G1228	24410	9/1/2011	9/30/2012	Pass-Through	20,489		
							<u>19,931,551</u>		
Title I Grants to Local Educational Agencies, Recovery Act									
84.389	ARRA - Title IA	G0987	15722	2/17/2009	8/31/2011		1,046,000		
	ARRA - School Improvement - Jefferson	G1070	18001	9/1/2009	9/30/2011		22,627		
	ARRA - School Improvement - Sitton	G1073	18026	9/1/2009	9/30/2011		12,786		
	ARRA - School Improvement - Biz Tech	G1150	20482	9/1/2010	9/30/2011		3,450		
	ARRA - School Improvement - Bridger	G1151	20483	9/1/2010	9/30/2011		15,764		
	ARRA - School Improvement - Humboldt	G1153	20501	9/1/2010	9/30/2011		24,469		
	ARRA - School Improvement - Jefferson	G1154	20503	9/1/2010	9/30/2011	Pass-Through	12,447		
							<u>1,137,543</u>		
Total Pass-Through from Title I, Part A Cluster							\$	<u>21,069,094</u>	
Migrant Education - State Grant Program									
84.011	Title IC - Migrant Education	G1123	19282	7/1/2010	9/30/2011		\$	2,006	
	Title IC - Migrant Education - Preschool	G1124	19263	7/1/2010	9/30/2011		6,957		
	Title IC - Migrant Education - Summer	G1125	21626	3/1/2011	8/31/2011		10,767		
	Title IC - Migrant Education	G1183	22190	7/1/2011	9/30/2012		71,637		
	Title IC - Migrant Education - Preschool	G1184	22209	7/1/2011	9/30/2012		399		
	Title IC - Migrant Education - Summer	G1185	24756	5/1/2012	9/30/2012		6,296		
	Title1C - Migrant Education	G1233	24597	1/1/2012	6/30/2012	Pass-Through	6,046		
							<u>104,108</u>		

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth							
	Portland DART Schools	G1054	Contract 8637	7/1/2009	6/30/2011		\$ 4,630	
	Portland DART Schools	G1206	Contract 9147	7/1/2011	6/30/2012	Pass-Through	123,414	
							<u>128,044</u>	
84.060A	Indian Education - Grants to Local Educational Agencies							
	Indian Education Program	G1136	S060A100938	9/1/2010	8/31/2011		59,488	
	Indian Education Program	G1193	S060A110938	9/1/2011	8/1/2012	Direct	109,888	
							<u>169,376</u>	
84.215L	Fund for the Improvement of Education							
	Smaller Learning Communities	G0887	S215L070492A-10	10/1/2007	9/30/2012	Direct	508,358	
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)							
	Advanced Placement Fee Payment Program	G0972	Agreement	9/1/1998	6/30/2012	Pass-Through	9,105	
84.360A	High School Graduation Initiative							
	School Dropout Prevention Program	G1116	S360A100137	10/1/2010	9/30/2015	Direct	1,825,244	
84.365	English Language Acquisition Grants							
	Title III - Language Instruction	G1128	20202	7/1/2010	6/30/2012		413,700	
	Title III - Language Instruction	G1187	23004	7/1/2011	9/30/2012	Pass-Through	63,157	
							<u>476,857</u>	
84.367	Improving Teacher Quality State Grants							
	Title IIA - Teacher Quality	G1186	22884	7/1/2011	9/30/2012		2,505,529	
	Title IIA - Teacher Quality	G1126	19696	7/1/2010	6/30/2012	Pass-Through	692,852	
							<u>3,198,381</u>	
84.371A	Striving Readers Comprehensive Literacy Program							
	Striving Readers Project	G0718	S371A060053-07A	3/1/2006	12/31/2011	Direct	235,824	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total	
				Begin Date	End Date				
School Improvement Grants Cluster									
School Improvement Grants									
84.377	School Improvement G Funds - Madison	G1210	22317	6/1/2011	9/30/2012		\$ 780,529		
	School Improvement G Funds - King	G1211	22316	6/1/2011	9/30/2012	Pass-Through	536,571		
							<u>1,317,100</u>		
School Improvement Grants, Recovery Act									
84.388	ARRA - Roosevelt School Improvement - ACT	G1108	19758 & 22255	5/1/2010	9/30/2012		713,139		
	ARRA - Roosevelt School Improvement - SEIS	G1109	19769 & 22266	5/1/2010	9/30/2012		614,062		
	ARRA - Roosevelt School Improvement - POWER	G1110	19767 & 22264	5/1/2010	9/30/2012	Pass-Through	<u>1,202,649</u>		
							2,529,850		
Total Pass-Through from School Improvement Grants Cluster							\$	<u>3,846,950</u>	
Office of Safe and Drug-Free Schools									
Safe and Drug-Free Schools and Communities - National Programs									
84.184E	Readiness & Emergency Management for Schools	G1111	Q184E100088	9/1/2010	8/31/2012	Direct	\$ 391,402		
Safe and Drug-Free Schools and Communities - State Grants									
84.186	Title IV-A Safe and Drug Free Schools	G1175	22946	7/15/2011	9/30/2011	Pass-Through	1,940		
Office of English Language Acquisition									
Foreign Language Assistance									
84.293A	Pathways to Proficiency in Russian	G0988	T293A100191	7/1/2010	6/30/2015		359,578		
84.293B	Foreign Language Assistance Project	G0938	T293B090123	9/1/2009	8/31/2012		396,242		
84.293B	Foreign Language Assistance Project	G0964	T293B080058	8/1/2008	7/31/2013		<u>288,357</u>		
						Direct	<u>1,044,177</u>		
Office of Innovation and Improvement									
Parental Information and Resource Centers									
84.310A	Early Childhood Parent Education Mini Grant	G1199	Ltr / Award 6/30/11	7/1/2011	9/30/2011	Pass-Through	3,000		
Voluntary Public School Choice									
84.361A	Voluntary Public School Choice	G0882	U361A070010	10/1/2007	9/30/2012	Direct	1,333,570		

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total																		
				Begin Date	End Date																					
Office of Education Research and Improvement																										
Twenty-First Century Community Learning Centers																										
84.287	21st Century Community Learning Centers	G1140	19340	7/1/2010	9/30/2011		\$ 178,505																			
	21st Century Community Learning Centers	G1142	19326	7/1/2010	9/30/2011		151,133																			
	21st Century Community Learning Centers	G1143	19316	7/1/2010	9/30/2011		8,823																			
	21st Century Community Learning Centers	G1197	23404	7/1/2011	9/30/2012		230,452																			
	21st Century Community Learning Centers	G1198	23420	7/1/2011	9/30/2012	Pass-Through	275,822																			
							<u>844,735</u>																			
Office of Postsecondary Education																										
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)																										
84.334A	Roosevelt Cluster GEAR UP Partnership	G0677	P334A050242	9/1/2005	8/31/2011		5,841																			
	College Ahead Program GEAR UP	G1188	P334A110243	9/26/2011	9/25/2018	Direct	319,719																			
							<u>325,560</u>																			
84.378A	College Access Challenge Grant Program	G1219	SG-2011-31	11/1/2011	8/13/2012	Pass-Through	45,674																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right;">Total Direct Programs \$</td> <td style="text-align: right;">5,875,648</td> </tr> <tr> <td></td> <td style="text-align: right;">Total Pass-Through Programs from Oregon Department of Education</td> <td style="text-align: right;">43,089,238</td> </tr> <tr> <td></td> <td style="text-align: right;">Total Pass-Through Programs from Portland State University</td> <td style="text-align: right;">45,684</td> </tr> <tr> <td></td> <td style="text-align: right;">Total Pass-Through Programs from Oregon University System</td> <td style="text-align: right;">45,674</td> </tr> <tr> <td></td> <td style="text-align: right;">Total Pass-Through Programs from Oregon Commission for the Blind</td> <td style="text-align: right;">41,500</td> </tr> <tr> <td></td> <td style="text-align: right;">Total Pass-Through Programs from Education Northwest</td> <td style="text-align: right;">3,000</td> </tr> </table>										Total Direct Programs \$	5,875,648		Total Pass-Through Programs from Oregon Department of Education	43,089,238		Total Pass-Through Programs from Portland State University	45,684		Total Pass-Through Programs from Oregon University System	45,674		Total Pass-Through Programs from Oregon Commission for the Blind	41,500		Total Pass-Through Programs from Education Northwest	3,000
	Total Direct Programs \$	5,875,648																								
	Total Pass-Through Programs from Oregon Department of Education	43,089,238																								
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	Total Pass-Through Programs from Oregon Commission for the Blind	41,500																								
	Total Pass-Through Programs from Education Northwest	3,000																								

DEPARTMENT OF EDUCATION Total

\$ 49,100,744

School District No. 1J, Multnomah County, Oregon
 Schedule of Expenditures of Federal Awards
 for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total
				Begin Date	End Date			
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Administration For Children And Families								
CCDF Cluster								
93.575	<i>Child Care and Development Block Grant</i>	G1194	Contract OED 12-034	7/1/2011	6/30/2012	Pass-Through	\$ 49,774	
				Total Pass-Through Programs CCDF Cluster			\$ 49,774	
Head Start Cluster								
93.600	Head Start	G0937	10CH0004/34	11/1/2008	10/31/2009		\$ 63 ²	
	Head Start	G1023	10CH0004/35	11/1/2009	10/31/2010		63 ²	
	Head Start	G1144	10CH0004/36	11/1/2010	10/31/2011		1,489,245	
	Head Start	G1201	10CH0004/37	11/1/2011	10/31/2012	Direct	2,815,694	
							4,305,065	
93.658	Foster Care - Title IV-E, Recovery Act	G1161	IGA 58209	9/1/2009	8/31/2011		1,175	
	ARRA - Foster Care Transportation	G1234	IGA 58988	9/1/2011	8/31/2013	Pass-Through	82,945	
							84,120	
93.676	Unaccompanied Alien Children Program	G1087	Contract R57611	11/1/2009	8/31/2011	Pass-Through	17,743	
Centers for Medicare and Medicaid Services								
Medicaid Cluster								
93.778	Medical Assistance Program	S0027	Medicaid Revenue	7/1/2011	6/30/2012		52,879	
	Regional Durable Medical Equipment	S0054	Medicaid Revenue	7/1/2011	6/30/2012		13,574	
	Third Party Medical - DART Program	S0085	Medicaid Revenue	7/1/2011	6/30/2012		13,392	
	Third Party Medical - 30% Initiative							
Total Pass-Through Programs from Medicaid Cluster							\$ 79,845	

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2012



CFDA #	Grant Description	Fund/ Grant	Pass-Through Grantor's No.	Grant		Direct or Pass-Through	Expenditures	Agency Total										
				Begin Date	End Date													
93.767	Children's Health Insurance Program Oregon Healthy Kids	G1174	OR Agreement 135489	5/15/2011	6/30/2013	Pass-Through	\$ 92,076											
93.243	Substance Abuse And Mental Health Services Administration Substance Abuse And Mental Health Services - Projects of Regional and National Significance Proactive Classroom Management	G1149	5U79SM060302-02	9/30/2010	9/29/2015	Direct	79,116											
93.501	Health Resources and Services Administration Affordable Care Act - Grants For School-Based Health Center Capital (SBHCC) Program Affordable Care Act - SBHCC Grant	G1221	4600009009	7/1/2011	6/30/2013	Pass-Through	38,373											
93.724	Centers for Disease Control and Prevention Prevention and Wellness - Communities Putting Prevention to Work, Recovery Act ARRA - Putting Communities to Work	202	4600008366	7/1/2010	3/18/2012	Pass-Through	264,153											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Direct Programs</td> <td style="text-align: right;">\$ 4,384,181</td> </tr> <tr> <td>Total Pass-Through Programs from Morrison Child and Family Services</td> <td style="text-align: right;">17,743</td> </tr> <tr> <td>Total Pass-Through Programs from Oregon DHS</td> <td style="text-align: right;">176,196</td> </tr> <tr> <td>Total Pass-Through Programs from Multnomah County</td> <td style="text-align: right;">302,526</td> </tr> <tr> <td>Total Pass-Through Programs from Oregon Department of Education</td> <td style="text-align: right;">129,619</td> </tr> </table>								Total Direct Programs	\$ 4,384,181	Total Pass-Through Programs from Morrison Child and Family Services	17,743	Total Pass-Through Programs from Oregon DHS	176,196	Total Pass-Through Programs from Multnomah County	302,526	Total Pass-Through Programs from Oregon Department of Education	129,619	
Total Direct Programs	\$ 4,384,181																	
Total Pass-Through Programs from Morrison Child and Family Services	17,743																	
Total Pass-Through Programs from Oregon DHS	176,196																	
Total Pass-Through Programs from Multnomah County	302,526																	
Total Pass-Through Programs from Oregon Department of Education	129,619																	

DEPARTMENT OF HEALTH AND HUMAN SERVICES Total

\$ 5,010,265

GRAND TOTAL

\$ 68,082,396

This schedule is prepared on the modified accrual basis of accounting.

¹ Donated food is valued at estimated fair value. Donated food was allocated between 10.553, 10.555 and 10.558.

² Minor expenditures related to final reporting issues since grant expired.

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2012

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?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None reported

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
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 <i>Circular A-133</i> ?	None reported

Identification of major programs:

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM OR CLUSTER
10.582	Fresh Fruit and Vegetable Program
84.010, 84.389	Title I, Part A Cluster
84.027, 84.173, 84.391	Special Education Cluster (IDEA)
84.048	Career and Technical Education – Basic Grants to States
84.184	Safe and Drug-Free Schools and Communities
84.360	High School Graduation Initiative

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2012

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

Dollar threshold used to distinguish between type A and B programs:	\$ 2,041,606
Auditee qualified as low-risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2012-01

Criteria:	The District should have a system of internal controls over purchasing card transactions such that misstatement of the accounting records would be prevented, or detected and corrected by management or employees in the normal course of their duties.
Condition:	The District has not properly designed and implemented a process for all purchasing card transactions resulting in the transactions not being subjected to a proper control environment (reviewed and approved at the appropriate level).
Context:	The volume and dollar value of purchasing card transactions being processed could be significant to the financial statements. It is possible expenses without a clear business purpose, necessary to perform job functions, are being charged to the District in error.
Effect:	It was not feasible to determine the dollar amount of purchase card transactions not subject to review and approval.
Cause:	The District lacks a system of controls over purchasing card transactions which presents a risk of misstatement of the financial statements.
Recommendation:	We recommend that the District develop appropriate internal controls including policies and procedures for reviewing and approving purchasing card transactions to ensure the appropriateness of the business expense.
View of responsible official and District corrective action plan:	We understand and concur with the finding and recommendation. To prevent a re-occurrence, the District will implement a mandatory review over all purchasing card transactions by department supervisors.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2012

Finding 2011-01

Condition: The District recorded property insurance for fiscal year 2012 as a claims expense for fiscal year 2011, instead of recording it as a prepaid expense.

Corrective Action: Corrective action has been completed.

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. It is the policy of the Portland Public School Board that there will be no discrimination or harassment of individuals or groups on the grounds of age, color, creed, disability, marital status, national origin, race, religion, sex or sexual orientation in any educational programs, activities or employment.

Board of Education Policy 1.80.020-P

Contact Information for Civil Rights Matters

District Title VI and Title IX: Greg Wolleck

Phone: 503-916-3963

District 504: Tara Vargas

Phone: 503-916-2000 x71016

American Disabilities Act: Jeff Fish, HR Legal Counsel

Phone: 503-916-3246

2011-12 Single Audit Act and OMB Circular A-133 Preparation

Neil Sullivan, RSBO, CGFM, Chief Financial Officer

Sharie Lewis, CPA, Accounting and Payroll Director

Grant Accounting

Edward Reckford, Sr. Financial Analyst

Christie Christie, Grant Accountant III

Chris Roe, Grant Accountant III

Kate Massey, Grant Accountant III

Published by



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Portland, Oregon*