

SCHOOL DISTRICT No. 1, MULTNOMAH COUNTY, OREGON

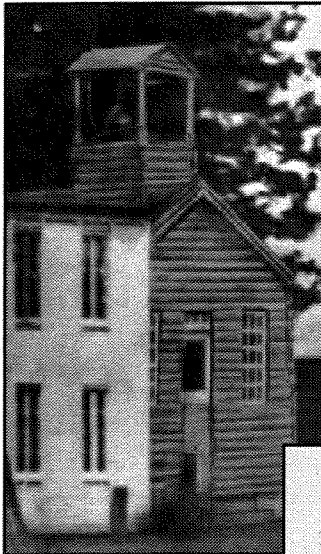
PORTLAND PUBLIC SCHOOLS

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

for the fiscal year ended June 30, 2002

Portland Public Schools

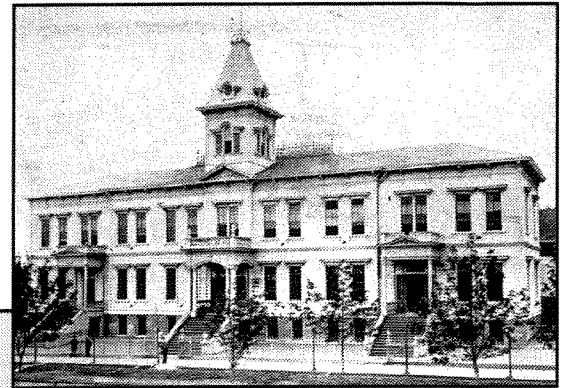
Sesquicentennial Celebration



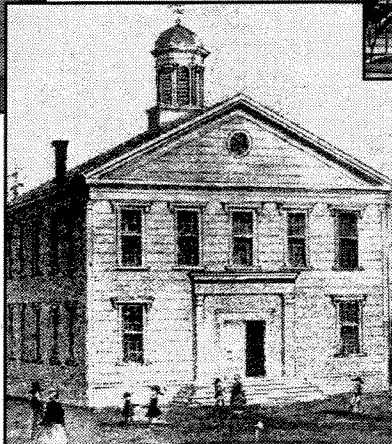
The School-House — Built in 1849, the District was founded here on Dec. 15, 1851. The building served as a church and a school. The original bell is now in the First United Methodist Church at 18th & Jefferson.



1851



Harrison School — The forerunner of Shattuck School now on PSU campus, it was originally built in 1866 and was the second school built by the district. The building shown replaced the 1866 structure and was built in 1880.



Central School — Built in 1857, it was the first school built by PPS and was located where Pioneer Courthouse Square is today.

Celebrating 150 Years in the Service of Public Education

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

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

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on the Supplementary Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of Federal Awards	2
Independent Auditors' Report On Compliance and On Internal Control Over Financial Reporting Based on an Audit Performed In Accordance with <i>Government Auditing Standards</i>	10
Independent Auditors' Report On Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance With OMB Circular A-133	11
Schedule of Prior and Current Year Audit Findings and Questioned Costs Relative to Federal Awards	13



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 27, 2002

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

**INDEPENDENT AUDITORS' REPORT
ON THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

We have audited the financial statements of School District No. 1, Multnomah County, Oregon, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 27, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of School District No. 1, Multnomah County, Oregon, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Pauly, Rogers and Co., P.C.

**School District No.1, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30,2002**



Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
DEPARTMENT OF AGRICULTURE						
G0290	Summer Food Service Program for Children	10.559	Agreement 2616011	06/18/01	\$ 273,822	
	Summer Food Service Program			08/17/01	<u>273,822</u>	
202	National School Lunch Program	10.555	26-555-201	07/01/01	7,814,198	
	National School Breakfast and Lunch Including Donated Commodities	10.550		06/30/02	<u>657,319</u>	
	TOTAL DEPARTMENT OF AGRICULTURE				<u>8,471,517</u>	\$ 8,745,339
FOREST SERVICE						
G0154	Cooperative Forestry Assistance	10.664	CS-110603-019	04/20/00	32,657	
	MLC Riparian Guardians			09/30/02	<u>32,657</u>	<u>32,657</u>
TOTAL FOREST SERVICE						
						<u>32,657</u>
DEPARTMENT OF COMMERCE						
G0015	Public Telecommunications Facilities - Planning & Construction	11.550	50-10-7470-53100	10/01/99	14,215	
G0247	K.B.P.S. C.P.B. Grant	11.550	50-10-7470-53100	10/01/00	91,835	
	K.B.P.S. Radio Comm. Grant			09/30/02	<u>106,050</u>	
	TOTAL DEPARTMENT OF COMMERCE					<u>106,050</u>
DEPARTMENT OF FINANCE						
G0318	Mathematical Sciences Grants Program	12.901	248-01011	08/01/01	140,370	
	Starbase			09/30/02	<u>140,370</u>	<u>140,370</u>
	TOTAL DEPARTMENT OF FINANCE					<u>140,370</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
G0046	Community Development Block Grants/Entitlement Grants	14.218	Contract	07/01/90	32,279	
G0215	Home Repair Training	14.218	Contract	07/01/00	1,561	
G0312	Home Repair Training	14.218	Contract	07/01/01	415,412	
				06/30/02	<u>449,252</u>	<u>449,252</u>
	TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					<u>449,252</u>

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
DEPARTMENT OF THE INTERIOR						
Wildlife Conservation and Appreciation						
G0252	Gregory Heights Riverscape Pro	15.617	622609	12/01/00	1,894	
G0253	Sunnyside Interpreting the Journey	15.617	922604	12/01/00	2,546	
G0254	Madison EcoSummit Project	15.617	922612	12/01/00	2,897	
G0373	EMS Wildlife Tours	15.617	923610	12/01/01	1,840	
G0374	Gregory Heights MS EcoRoof Prj	15.617	923614	12/01/01	1,123	
					<u>10,300</u>	<u>10,300</u>
TOTAL DEPARTMENT OF THE INTERIOR						
DEPARTMENT OF LABOR						
Employment Services & Job Training - Pilot & Demonstration Programs						
G0013	Roosevelt 2000 School To Work	17.249	U-7798-9-00-88-60	10/01/99	18,017	
G0073	Portland Night H.S. Alternative	17.249	0010662	10/01/99	11,498	
G0341	Portland Night H.S. Alternative	17.249	4600002316	10/01/01	37,770	
					<u>67,285</u>	<u>67,285</u>
TOTAL DEPARTMENT OF LABOR						
NATIONAL SCIENCE FOUNDATION						
G0034	Geosciences Shaping the Pacific NW	47.050	EAR-0003005	08/01/00	60,153	
					<u>60,153</u>	
Education and Human Resources						
G0149	O.M.S.I. - Science Learning Network	47.076	NSI Letter	04/01/98	947	
G0327	NSF Urban Systemic Program	47.076	ESR-0115114	09/01/01	544,869	
G0401	Center for Learning and Teaching	47.076	ESI-0119786	05/14/02	88,737	
S0033	Franklin Presidential Award	47.076	NSI Letter	01/24/96	74	
					<u>634,627</u>	<u>694,780 *</u>
TOTAL NATIONAL SCIENCE FOUNDATION						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
G0081	Community Assistance Program Learning To Learn	83.324M	9497181	10/01/99	6,267	
					<u>6,267</u>	<u>6,267</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY						
DEPARTMENT OF EDUCATION						
G0370	Title I Grants to Local Educational Agencies Whitaker NWREL Research Grant	84.000	ED-01-CO-0013	11/01/01	4,636	
					<u>4,636</u>	
G0108	Title I Grants to Local Educational Agencies Impact Aid - Pl 874 Project	84.010	47-OR-95-1703	10/01/90	6,374	
					<u>6,374</u>	<u>6,374</u>

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
Title I Grants to Local Educational Agencies						
G0208	Title I - Disadvantaged Child	84.010A	EE020993, 01-26-001	07/01/00	1,054,492	
G0270	Program Improvement - Lent	84.010A	EE023540, 50271, 01-PL	03/01/01	17,388	
G0273	Program Improvement - Kellogg	84.010A	EE023541, 50271, 01-PL	09/30/02	15,200	
G0274	Program Improvement - Lane	84.010A	EE023542, 50271, 01-PL	03/01/01	19,691	
G0275	Program Improvement - Portsmouth	84.010A	EE023543, 50271, 01-PL	03/01/01	11,105	
G0276	Program Improvement - Whitaker	84.010A	EE023544, 50271, 01-PL	09/30/02	12,762	
G0277	Program Improvement - Humboldt	84.010A	EE023537, 50271, 01-PL	03/01/01	16,405	
G0278	Program Improvement - James John	84.010A	EE023538, 50271, 01-PL	03/01/01	9,357	
G0279	Program Improvement - Kelly	84.010A	EE023539, 50271, 01-PL	09/30/02	14,870	
G0300	Title I - Disadvantaged Child	84.010A	EE026033, 50143, 2001-2002	07/01/01	10,374,459	
					<u>11,545,729</u>	
Migrant Education - Basic State Grant Program						
G0126	Migrant Education - Summer School	84.011A	EE019851, 50391, 1999-00	06/01/00	(37)	
G0185	Migrant Early Childhood - Title	84.011A	EE021084, 50372, 2000-01	09/01/00	13,362	
G0187	Migrant Education Project - Ti	84.011A	EE020219, 50342, 2000-01	09/01/00	6,661	
G0314	Migrant Education - Summer School	84.011A	EE024031, 50392, 2000-01	06/01/01	56,761	
G0328	Migrant Preschool - Title 1C	84.011A	EE025494, 50373, 2001-02	09/01/01	79,254	
G0329	Migrant Education Project - Ti	84.011A	Proposed ... Pre-GFA rec'd	08/01/01	309,131	
G0380	Migrant Education Title 1C - S	84.011A	EE028457, 50393, 2001-02	06/01/02	24,310	
					<u>489,442</u>	*
Title I Program for Neglected & Delinquent Children						
G0309	Contract Programs	84.013A	EE024853, Contract 1808	07/01/01	139,304	
					<u>139,304</u>	
Special Education - Research						
G0228	Problem Solving	84.024B	9497094	10/01/99	446	
					<u>446</u>	
Special Education - Program Support						
G0303	Hospital Programs	84.025A	EE027988, Contract 1807	07/01/01	17,000	
					<u>17,000</u>	
Special Education - Grants to States						
G0184	I.D.E.A. (PI 101-476)	84.027A	EE021200, 61803, 00/01-126	07/01/00	649,236	
G0295	CISCO Prog (Local Interagency)	84.027A	EE023965, 64803, 00/01-432	01/01/01	6,102	
G0299	CSPD In-service Training	84.027A	EE023935, 68704, 01/02-11	07/01/01	9,424	
G0301	EI-ECS	84.027A	EE027051, Contract 3069	07/01/01	933,369	
G0302	I.D.E.A.	84.027A	4933497	07/01/01	4,032,351	
G0303	Hospital Programs	84.027A	EE027988, Contract 1807	07/01/01	134,357	
G0304	Columbia Regional	84.027A	EE027049, Contract 2725	07/01/01	2,552,672	
G0309	Contract Programs	84.027A	EE024853, 1808	07/01/01	106,876	
					<u>8,424,387</u>	
Vocational Education - Basic Grants to States						
G0231	Carl Perkins / Gender Equity	84.048A	EE021398, 15411	07/01/00	59,188	
G0319	Carl Perkins / Gender Equity	84.048A	EE024725, 15412	07/01/01	598,816	
G0359	Expanding Your Horizons	84.048A	EE025735, 16302	07/01/01	2,995	
					<u>660,999</u>	

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
Indian Education - Grants to Local Educational Agencies						
G0192	Indian Education Program	84.060A	S060A000938	07/01/00	35,717	
G0349	Indian Education Program	84.060A	S060A010938	07/01/01	224,192	
					<u>259,909</u>	
Rehabilitation Services - Vocational Rehabilitation Grants to States						
G0193	Oregon Comm. for the Blind	84.126	101-00	07/01/99	(111)	
G0334	Oregon Comm. for the Blind	84.126	101-02	07/01/01	37,601	
					<u>37,490</u>	
Immigration Education						
G0233	Emergency Immigrant Education	84.162A	EE022100, 50745, 2001-121	10/01/00	29,247	
G0337	Emergency Immigrant Education	84.162A	EE026976, 50746, 2002-121	07/01/01	186,741	
					<u>215,988</u>	
Special Education - Preschool Grants						
G0301	EI-ECSE	84.173A	EE027051, Contract 3069	07/01/01	835,083	
G0364	EI-ECSE - L.I.C.C.	84.173A	EE026806, 68204, 01/02-199	11/01/01	2,000	
					<u>837,083</u>	
Special Education - Grants for Infants and Families with Disabilities						
G0301	EI-ECSE	84.181A	EE027051, Contract 3069	07/01/01	1,098,423	
					<u>1,098,423</u>	
Safe and Drug-Free Schools and Communities - National Programs						
G0092	Safe Schools / Healthy Student	84.184L	S184L990180-00, -01	10/01/99	3,069,292	
					<u>3,069,292</u>	
Safe and Drug-Free Schools and Communities - State Grants						
G0083	Safe & Drug Free Schools Part	84.186A	EE015731, 99-135	07/01/99	34,519	
G0084	Safe & Drug Free Schools Part	84.186A	EE015731, 99-135	07/01/99	57,823	
G0263	Title IV -Safe & Drug Free 30%	84.186A	EE021791, 57525, 01-SDFS-II	07/01/00	214,014	
G0264	Title IV Safe & Drug-Free School	84.186A	EE021999, 57525, 01-SDFS	07/01/00	219,005	
G0357	Title IV Safe & Drug-Free School	84.186A	EE026346, 57602/57614, 01-SDF	07/01/01	40	
					<u>525,401</u>	
Bilingual Education - Professional Development						
G0291	Tools for Academic Skills & Knowledge	84.195	L&C Letter	09/01/00	8,675	
G0360	Project T.R.I.A.D.	84.195A	T195A990070	10/01/01	1,779	
G0358	Project ROSE	84.195B	T195B010003, -02	10/01/01	170,952	
					<u>181,406</u>	
Education for Homeless Children and Youth						
G0037	Project Return Homeless	84.196A	EE020790, 50841, 01-HOME	07/01/00	(7,822)	
G0348	Project Return Homeless	84.196A	EE024943, 50842, 02-HOME	07/01/01	34,858	
					<u>27,036</u>	
Even Start - Migrant Education						
G0212	Migrant Even Start Program	84.214A	S214A980006-00, S214A980006	09/01/00	317,730	
					<u>317,730</u>	*
Fund for the Improvement of Education						
G0235	Portland Smaller Learning Comm.	84.215L	Fed Award S215L000140	10/01/00	49,669	
					<u>49,669</u>	

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
G0262	Urban Community Services Urban Ecosystems Project	84.252A	Subcontract P252A950218-99	10/01/00	06/15/01	(2,512) (2,512)
G0144	Goals 2000 - State and Local Education Systemic Improvement Grants	84.276A	EE019605, 00-016	03/16/00	08/31/01	1,115
G0147	Goals 2000 - ART - Whiakar	84.276A	EE019614, 00-025	03/16/00	08/31/01	791
G0280	Goals 2000 - ESL - Clark	84.276A	EE023435, 35150, 01-123	02/15/01	06/30/02	20,190
G0281	Goals 2000 - Math	84.276A	EE023350, 35150, 01-200	02/15/01	08/31/02	3,000
G0282	Goals 2000 - Teacher Endorsement	84.276A	EE023351, 35150, 01-201	02/15/01	08/31/02	3,000
G0283	Goals 2000 - Teacher Endorsement	84.276A	EE023361, 35150, 01-211	02/15/01	08/31/02	2,609
G0284	Goals 2000 - Teacher Endorsement	84.276A	EE023369, 35150, 01-217	02/15/01	08/31/02	2,894
G0285	Goals 2000 - Teacher Endorsement	84.276A	EE023389, 35150, 01-231	02/15/01	08/31/02	4,381
G0286	Goals 2000 - Teacher Endorsement	84.276A	EE023400, 35150, 01-238	02/15/01	08/31/02	1,046
G0287	Goals 2000 - Research to Effect of Profe	84.276A	EE023464, 35150, 01-505	02/15/01	08/31/02	3,657
G0288	Goals 2000 - Reading K-3	84.276A	EE023436, 35150, 01-316	02/15/01	09/30/02	22,811
G0316	Goals 2000 - HPLC - Roosevelt	84.276A	EE023793, 35140, 01-607	03/15/01	09/30/02	40,298
G0335	Goals 2000 - HPLC - Marshall	84.276A	EE023795, 35140, 01-602	03/12/01	09/30/02	41,785
G0340	Goals 2000 - Reading Supplement	84.276A	EE019559, 35140, 00-069	03/16/00	09/30/01	23,148
G0382	Curriculum Alignment in Math	84.276A	EE028567, 35150, 01-371	05/17/02	09/30/02	8,831
						179,556
G0248	School Improvement Programs Benson New Century Project	84.278B	EE022339, Index 15690 & 15700	08/01/00	06/30/01	3,185
G0294	School To Work Transition Proj	84.278B	Contract 00P89	03/01/01	08/31/01	20,000
G0310	Benson New Century Project	84.278B	EE027949, Suffix 0001	01/25/02	06/15/03	3,327
						26,512
G0120	Eisenhower Professional Development State Grants Eisenhower Math & Science	84.281A	EE021665, 34165, 01-065	07/01/00	09/30/01	26,886
G0323	Eisenhower Math & Science	84.281A	EE025590, 34170, 01-765	07/01/01	09/30/03	371,140
						398,026
G0003	Charter Schools Albina Youth Opportunity Chart	84.282A	EE019654, 37100/37110, 99-02	02/18/00	08/31/03	75,000
G0109	Opal School Charter Grant	84.282A	EE019053, 37100, 99-01	11/12/99	08/31/03	230,000
G0229	Environmental MS Charter	84.282A	ODE 99-02 IASA, Title X-C PL 10	02/18/00	08/31/03	1,329
G0244	McCoy Academy Charter School	84.282A	EE022478, 37100, 00-105	10/19/00	06/30/02	210,000
G0257	Pild Arts & Science Planning	84.282A	EE022484, 37100, 00-106	10/19/00	08/31/03	15,000
G0258	New Urban HS Planning Grant	84.282A	EE022482, 37100, 00-103	10/19/00	06/30/02	7,500
G0259	Trillium School Charter Planning	84.282A	EE022976, 37100, 00-123	12/07/00	08/31/03	175,000
G0260	Rose City Public Charter Planning	84.282A	EE022977, 37100, 00-122	12/07/00	08/31/03	7,383
						721,212 *
G0129	21st Century Community Learning Centers 21st Century Comm. Learning Center	84.287B	R287A8991446-00, -01, -02	06/01/00	05/31/03	822,863
						822,863

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
	Bilingual Education - Program Development and Implementation Grants					
G0352	Project PREPARE	84.288S	T288S010325, -02	10/01/01	72,922	
G0354	Project FORWARD	84.288S	T288S010377-01, -02	10/01/01	65,767	
					<u>138,689</u>	
	Bilingual Education - Program Enhancement Grants					
G0088	Title VII - Project R.A.M.S.	84.289P	T289P990112	09/01/99	9,740	
G0089	Title VII - Project Capacity-A	84.289P	T289P990124	09/01/99	7,332	
					<u>17,072</u>	
	Bilingual Education - Comprehensive School Grants					
G0159	A.B.L.E. - Atkinson Bilingual	84.290U	T290U80235-98,-99,-00,-01	07/01/98	264,156	
					<u>264,156</u>	
	Foreign Language Assistance					
G0219	Hola Hola Phase II	84.293B	T293B000073, T293B000073-02	09/01/00	155,235	
					<u>155,235</u>	
	Innovative Education Program Strategies					
G0027	Title VI - DOSA Innovative Pro	84.298A	EE016220, 00-320	07/01/99	49,278	
G0210	Title VI - Innovative Programs	84.298A	EE020774, 01-320	07/01/00	159,330	
G0308	Title VI - Innovative Programs	84.298A	EE026459, 01-320	07/01/01	399,340	
					<u>607,948</u>	
	Technology Innovation Challenge Grants					
G0053	Lewis & Clark Rediscover Proj	84.303A	Agreement	07/01/00	6,113	
					<u>6,113</u>	
	Technology Literacy Challenge Fund Grants					
G0008	Metro Hola Hola	84.318X	EE019904, 00-029	04/20/00	5,999	
					<u>5,999</u>	
	Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities					
G0386	Gender and Transition Project	84.324D	Contract H324D010026 Subawan	06/14/02	270	
G0355	Project EXCEL	84.324T	H324T010055-01, -02	09/01/01	26,698	
					<u>26,968</u>	
	Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities					
G0178	Student Study Time	84.325	U of O SubContract 222131B	08/01/00	12,162	
					<u>12,162</u>	
	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities					
G0062	Columbia Regional - Deaf / Blind	84.326C	EE017752, 331-99 (99-01) EE02:	10/15/99	7,080	
					<u>7,080</u>	
	Special Education - Studies and Evaluations					
G0065	Abernethy Student Study Time	84.329	2221313B	02/01/00	2,693	
G0066	Sabin Student Study Time	84.329	2221313B	02/01/00	2,912	
					<u>5,605</u>	
	Advanced Placement Incentive Program					
S0073	Advance Placement (Ap) Fee Pay	84.330	Notification	09/01/98	1,239	
					<u>1,239</u>	

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
Comprehensive School Reform Demonstration						
G0222	Comprehensive School Reform	84.332A	EE021639, 50251, 00-R12-CSRC	07/01/00	74,216	
G0330	CSR Grant	84.332A	EE024926, 50252, 02-R21-CSRC	09/30/02	299,038	
G0332	CSR Grant	84.332A	EE026400, 50272, 02-R13-CSRC	09/30/02	414,392	
					<u>787,646</u>	
Reading Excellence						
G0054	Oregon Reads Project - King	84.338A	EE020117, 37200, 00-012	07/01/00	131,620	
G0255	James John Tutorial Assistance	84.338A	EE023039, 37200, 00-015	12/07/00	55,220	
					<u>186,840</u>	
Class Size Reduction						
G0209	Title VI - Class Size Reduction	84.340A	EE020542, 50541, 01-CSRI	07/01/00	114,752	
G0307	Title VI - Class Size Reduction	84.340A	EE026604, 50542, 01-320	07/01/01	1,920,943	
					<u>2,035,695</u>	
TI Accountability						
G0240	CSR	84.348A	EE022187, 50271, 01-R-21-CSRI	10/27/00	3,838	
G0365	Hosford CSR Planning Grant	84.348A	EE026936, 50272, 01-R3PG-CSF	07/01/01	9,688	
G0383	Program Improvement Grants	84.348A	EE027156, 50272, 01-PL	07/01/01	41,155	
					<u>54,681</u>	
TOTAL DEPARTMENT OF EDUCATION						
						<u>34,366,529</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Adolescent Family Life Research Grants						
G0007	O.H.S.U. - Community Solutions	93.110	8405902A	09/30/98	5,054	
					<u>5,054</u>	
Demonstration Grants on Model Projects for Pregnant & Postpartum Women and their Infants (Substance Abuse)						
G0004	Inner-City Youth Institute	93.169	MOU60399014	02/11/99	7,885	
G0038	Inner-City Youth Institute	93.169	MOU60399014	05/31/01	8,037	
					<u>15,922</u>	
Consolidated Knowledge Development and Application Program						
G0242	Chrysalis Youth Suicide Prevention	93.230	1-U79-SM53220-01	09/30/00	56,989	
G0336	Chrysalis Youth Suicide Prevention	93.230	5-U79-SM53220-02	09/30/01	128,063	
					<u>185,052</u>	
Temporary Assistance for Needy Families						
G0289	AFS - Teen Parent Summer School	93.558	Agreement	04/04/01	45,348	
					<u>45,348</u>	
Child Care and Development Block Grant						
G0093	Teen Parent Child Care Block	93.575	CCD 00-5046	09/01/00	204	
G0177	Teen Parent Onsite Child Care	93.575	Agreement	09/01/00	10,454	
G0344	Teen Parent Child Care Block	93.575	CCD 015046	09/01/01	99,990	
					<u>110,648</u>	
Refugee and Entrant Assistance - Discretionary Grants						
G0075	Refugee Children Schools Grant	93.576	EE019400, 50751, 2000-305	10/15/99	21,466	
G0232	Refugee Children Schools Grant	93.576	EE021868, 2001-301, 50752	10/01/00	1,055	
G0338	Refugee Assistance Program	93.576	EE027093, 50753, 2002-301	08/15/01	48,411	
					<u>70,932</u>	

Grant/Fund	Program Title / Grant Title	CFDA Number	Pass-Through Grantor's Number	Grant Period	Expenses	Totals
	Head Start					
G0207	Head Start	93.600	10CH0004/25 & 26	11/01/00	884,415	
G0211	Albina Head Start H.I.P.P.Y.	93.600	Contract	10/01/00	3,443	
G0306	Head Start	93.600	ACYF 10CH0004/27	11/01/01	2,256,333	
G0339	Child Care Food Prog - Head St	93.600	USDA Food Program Assistance	07/01/00	206,842	
S0102	Albina Head Start	93.600	Contract	09/08/99	61,390	
					<u>3,412,423 *</u>	
S0027	Medical Assistance Program					
S0053	Regional Durable Medical Equip	93.778	Medicaid Revenue	07/01/97	18,684	
S0054	Third Party Medical-Skip	93.778	Medicaid Revenue	07/01/98	215	
	Third Party Medical-Contract P	93.778	Medicaid Revenue	07/01/98	305,398	
					<u>324,297</u>	
	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems					
G0372	Safe Routes To School	93.938	EE027111, 67651, 01-PA	11/01/01	933	
					<u>933</u>	
	TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					<u>4,170,609</u>
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
	Learn and Serve America - School and Community Based Programs					
G0353	EMS Digital Divide Impact Program	94.004	Award Letter	04/01/01	7,376	
					<u>7,376</u>	
G0246	AmeriCorps					
	Martin Luther King Jr. Service	94.006	334P053-01	12/01/00	378	
G0367	Martin Luther King Jr. Service	94.006	GH 02MKPOR007	12/01/01	6,872	
					<u>7,250</u>	
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					<u>14,626</u>
	GRAND TOTAL					<u>\$ 48,804,064</u>

* Indicates a major program

This schedule is prepared on the modified accrual basis of accounting used in the preparation of the governmental fund types of School District No. 1, Multnomah County, Oregon, for the year ended June 1, 2002.



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 27, 2002

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial statements of School District No. 1, Multnomah County, Oregon, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 27, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether School District No. 1, Multnomah County, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered School District No. 1, Multnomah County, Oregon's, Portland, Oregon, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Pauly, Rogers and Co., P.C.



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 27, 2002

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE WITH OMB CIRCULAR A-133**

We have audited the compliance of School District No. 1, Multnomah County, Oregon, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. School District No. 1, Multnomah County, Oregon's, major federal programs are identified in the accompanying schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of School District No. 1, Multnomah County, Oregon's management. Our responsibility is to express an opinion on School District No. 1, Multnomah County, Oregon's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District No. 1, Multnomah County, Oregon's, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on School District No. 1, Multnomah County, Oregon's, Portland, Oregon, compliance with those requirements.

In our opinion, School District No. 1, Multnomah County, Oregon, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

To the Board of Education
School District No. 1, Multnomah County, Oregon
Portland, Oregon
November 27, 2002
Page 2 Of 2

The management of School District No. 1, Multnomah County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered School District No. 1, Multnomah County, Oregon's, internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Pauly, Rogers and Co., P.C.

**SCHOOL DISTRICT NO. 1, MULTNOMAH COUNTY, OREGON
SCHEDULE OF PRIOR AND CURRENT YEAR AUDIT FINDINGS
AND QUESTIONED COSTS RELATIVE TO FEDERAL AWARDS
For the Year Ended June 30, 2002**

CURRENT YEAR AUDITORS' REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS:

Unqualified Opinion

CURRENT YEAR REPORTABLE CONDITIONS AND MATERIAL WEAKNESSES:

None

CURRENT YEAR NONCOMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:

None reported

CURRENT REPORTABLE CONDITIONS AND MATERIAL WEAKNESSES IN INTERNAL CONTROLS OVER MAJOR PROGRAMS:

None reported

CURRENT YEAR AUDITORS' REPORT ON COMPLIANCE FOR MAJOR PROGRAMS:

Unqualified Report

MAJOR PROGRAMS FOR THE YEAR ENDED JUNE 30, 2002:

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

Education and Human Resources – CFDA No. 47.076

Migrant Education – Basic State Grant Program – CFDA No. 84.011A

Even Start – Migrant Education – CFDA No. 84-214A

Charter Schools – CFDA No. 84.282

Headstart – CFDA No. 93.600

DOLLAR THRESHOLD FOR DISTINGUISHING BETWEEN TYPE A AND B PROGRAMS:

\$1,464,122

LOW-RISK AUDIT QUALIFICATION:

The District qualified as a low-risk auditee under section .530. of OMB Circular A-133

PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS:

None