

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, 2011



Marshall High School 1961-2011

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.

Portland Public Schools

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

For the year ended June 30, 2011

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 15, 2011

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, 2011, and have issued our report thereon dated December 15, 2011. 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.

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 and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2011-01 that we consider to be a material weakness.

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. We considered the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2011-01 to be a material weakness.

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.

**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)**

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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, 2011. 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.

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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 15, 2011

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, 2011. 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, 2011.

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, 2011, and have issued our report thereon dated December 15, 2011. 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 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.



Certified Public Accountants

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011



| 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 (SBP) | | | | | | | |
| | Donated Foods | 202 | | 7/1/2010 | 6/30/2011 | | \$ 215,704 | 1 |
| | School Breakfast Program | 202 | 26-555-201 | 7/1/2010 | 6/30/2011 | Pass-Through | <u>2,429,921</u> | |
| | | | | | | | <u>2,645,625</u> | |
| 10.555 | National School Lunch Program (NSLP) | | | | | | | |
| | Donated Foods | 202 | | 7/1/2010 | 6/30/2011 | | 639,156 | 1 |
| | National School Lunch Program | 202 | 26-555-201 | 7/1/2010 | 6/30/2011 | Pass-Through | <u>6,870,077</u> | |
| | | | | | | | <u>7,509,233</u> | |
| 10.559 | Summer Food Service Program for Children (SFSPC) | | | | | | | |
| | Summer Food Service Program for Children | 202 | USDA Food Program Assistance | 7/1/2010 | 6/30/2011 | Pass-Through | <u>708,237</u> | |
| Total Pass-Through Programs from Child Nutrition Cluster | | | | | | | \$ 10,863,095 | |
| Food and Nutrition Services | | | | | | | | |
| 10.558 | Child and Adult Care Food Program | | | | | | | |
| | Donated Foods | 202 | | 7/1/2010 | 6/30/2011 | | \$ 102,598 | 1 |
| | Childcare Food Program for Head Start | G0339 | USDA Food Program Assistance | 7/1/2010 | 6/30/2011 | | <u>450,712</u> | |
| | Child and Adult Care Food Program | 202 | USDA Food Program Assistance | 7/1/2010 | 6/30/2011 | | <u>749,522</u> | |
| | | | | | | Pass-Through | <u>1,302,832</u> | |
| 10.582 | Fresh Fruit and Vegetable Program (FFVP) | | | | | | | |
| | Fresh Fruit and Vegetable Grants | 202 | 19806 thru 19823 | 7/1/2010 | 9/30/2010 | | 39,061 | |
| | Fresh Fruit and Vegetable Grants | 202 | 20658, 20689 thru 20705 | 10/1/2010 | 6/30/2011 | Pass-Through | <u>366,584</u> | |
| | | | | | | | <u>405,645</u> | |
| Total Pass-Through Programs from Oregon Department of Education | | | | | | | \$ 12,571,572 | |
| DEPARTMENT OF AGRICULTURE Total | | | | | | | | |
| DEPARTMENT OF DEFENSE | | | | | | | | |
| Office Of The Assistant Secretary | | | | | | | | |
| 12.550 | The Language Flagship Grants to Institutions of Higher Education | | | | | | | |
| | Mandarin Chinese Flagship Grant | G1059 | 270481A | 6/1/2009 | 5/31/2012 | Pass-Through | <u>\$ 395,779</u> | |

School District No. 1J, Multnomah County, Oregon
 Schedule of Expenditures of Federal Awards
 for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|--|--|----------------|-------------------------------|------------|------------|---------------------------|--------------|-----------------|
| | | | | Begin Date | End Date | | | |
| National Security Agency | | | | | | | | |
| <i>Mathematical Sciences Grants Programs</i> | | | | | | | | |
| 12.901 | Starbase | G1013 | OMB-248000-09009-IGA-09 | 10/1/2009 | 10/31/2010 | | \$ 73,697 | |
| | Starbase | G1133 | OMB-248000-10015-IGA-10 | 10/1/2010 | 9/30/2012 | Pass-Through | 232,161 | |
| | | | | | | | 305,858 | |
| DEPARTMENT OF DEFENSE Total | | | | | | | \$ | 701,637 |
| DEPARTMENT OF STATE | | | | | | | | |
| Bureau of Educational and Cultural Affairs | | | | | | | | |
| <i>Professional and Cultural Exchange Programs - Citizen Exchanges</i> | | | | | | | | |
| 19.415 | Summer Institute in Yunnan | G1118 | S-ECAPY-10-CA-139 | 3/4/2011 | 12/31/2011 | Pass-Through | \$ 51,603 | |
| DEPARTMENT OF STATE Total | | | | | | | \$ | 51,603 |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION | | | | | | | | |
| Aeronautics, Recovery Act | | | | | | | | |
| 43.004 | Student Spaceflight Experiment | G1113 | | 9/15/2010 | 9/14/2011 | Pass-Through | \$ 15,153 | |
| NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Total | | | | | | | \$ | 15,153 |
| DEPARTMENT OF ENERGY | | | | | | | | |
| Department of Energy | | | | | | | | |
| <i>State Energy Program - Recovery Act</i> | | | | | | | | |
| 81.041 | ARRA - Lighting Project 1 (Facilities) | G1102 | IGA 57394, DOE-SEP 10-1160 | 6/26/2009 | 7/31/2010 | | \$ 221 | |
| | ARRA - Lighting Project 2 (Facilities) | G1103 | IGA 57395, DOE-SEP 10-1161 | 6/26/2009 | 7/31/2010 | Pass-Through | 919 | |
| | | | | | | | 1,140 | |
| DEPARTMENT OF ENERGY Total | | | | | | | \$ | 1,140 |

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---|---|----------------|-------------------------------|------------|------------|---------------------------|--------------|-----------------|
| | | | | Begin Date | End Date | | | |
| DEPARTMENT OF EDUCATION | | | | | | | | |
| 84.410 | <i>Education Jobs Fund</i> Ed Jobs - ARRA - FY 10/11 | 109 | 20864 | 8/10/2010 | 9/30/2012 | Pass-Through | \$ 9,169,691 | 4 |
| 84.387 | <i>Education for Homeless Children and Youth, Recovery Act</i> ARRA - McKinney Homeless Grant | G1034 | 15560 | 2/17/2009 | 6/30/2011 | Pass-Through | 10,157 | |
| 84.394 | <i>State Fiscal Stabilization Fund Cluster</i> <i>State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)</i> SFSF - ARRA - FY 10/11 | 109 | 21073 | 2/17/2009 | 9/30/2011 | Pass-Through | 5,053,542 | 4 |
| Total Pass-Through from State Fiscal Stabilization Fund Cluster | | | | | | | \$ 5,053,542 | |
| Office of Vocational And Adult Education | | | | | | | | |
| <i>Career and Technical Education - Basic Grants to States</i> | | | | | | | | |
| 84.048 | Carl Perkins | G1012 | 15351 | 7/1/2009 | 9/30/2010 | | \$ 2,280 | |
| | Carl Perkins | G1132 | 19165 | 7/1/2010 | 9/30/2011 | Pass-Through | 543,657 | |
| | | | | | | | 545,937 | |
| 84.243 | <i>Tech-Prep Education</i> Carl Perkins | G1011 | 15351 | 7/1/2009 | 9/30/2010 | | 3,388 | |
| | Carl Perkins | G1131 | 19165 | 7/1/2010 | 9/30/2011 | Pass-Through | 57,013 | |
| | | | | | | | 60,401 | |
| Office of Special Education and Rehabilitative Services | | | | | | | | |
| <i>Special Education Cluster (IDEA)</i> | | | | | | | | |
| <i>Special Education_Grants to States</i> | | | | | | | | |
| 84.027 | I.D.E.A. | G1015 | 17810 | 7/1/2009 | 12/31/2010 | | 1,158,801 | |
| | Columbia Regional | G1025 | Contract 8608 | 7/1/2009 | 6/30/2011 | | 5,391,824 | |
| | Portland DART Schools | G1027 | Contract 8637 | 7/1/2009 | 6/30/2011 | | 172,137 | |
| | Regional Autism Training | G1028 | 21603 | 7/1/2010 | 6/30/2011 | | 2,737 | |
| | Enhancement & Extended Assessment | G1089 | 18312 | 9/1/2009 | 6/30/2010 | | 813 | |
| | IDEA Enhancement Grant 09-10 | G1090 | 18594 | 10/1/2009 | 9/30/2010 | | 511 | |
| | Dispute Resolution Grant | G1114 | 19870 | 7/7/2010 | 6/1/2011 | | 6,158 | |
| | I.D.E.A. | G1135 | 20354 | 7/1/2010 | 9/30/2012 | | 5,317,227 | |
| | Special Ed - SPR&I | G1138 | 20039 | 8/1/2010 | 6/30/2011 | | 17,623 | |
| | Enhancement & Extended Assess. | G1146 | 21523 | 9/1/2010 | 6/30/2011 | Pass-Through | 16,910 | |
| | | | | | | | 12,084,741 | |

School District No. 1J, Multnomah County, Oregon
 Schedule of Expenditures of Federal Awards
 for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---------|--|----------------|--|------------|-----------|---------------------------|----------------------|-----------------|
| | | | | Begin Date | End Date | | | |
| 84.391 | <i>Special Education-Grants to States-Recovery Act</i> | | | | | | | |
| | ARRA - IDEA | G0986 | 15271 | 2/17/2009 | 9/30/2011 | | \$ 2,881,252 | |
| | ARRA - Columbia Regional | G1042 | 16022 | 2/17/2009 | 9/30/2011 | | 1,568,766 | |
| | ARRA - DART - LTCT | G1052 | 15960 | 2/17/2009 | 9/30/2011 | Pass-Through | 79,246 | |
| | | | | | | | <u>4,529,264</u> | |
| 84.173 | <i>Special Education Pre-School Grants</i> | | | | | | | |
| | IDEA - Section 619 (FY 2009) | G1167 | 21862 | 07/01/09 | 09/30/11 | Pass-Through | 168,888 | |
| | | | | | | | <u>168,888</u> | |
| | | | Total Pass-Through from Special Education Cluster (IDEA) | | | | <u>\$ 16,782,893</u> | |
| 84.126 | <i>Vocational Rehabilitation Cluster</i> | | | | | | | |
| | <i>Rehabilitation Services, Vocational Rehabilitation Grants to States</i> | | | | | | | |
| | Oregon Commission For The Blind | G1134 | OCB101-10 | 7/1/2010 | 9/30/2011 | | \$ 41,500 | |
| | | | | | | | <u>41,500</u> | |
| | | | Total Pass-Through from Vocational Rehabilitation Cluster | | | | <u>\$ 41,500</u> | |
| | | | | | | | <u>41,500</u> | |
| 84.324A | <i>Institute of Education Sciences</i> | | | | | | | |
| | <i>Research In Special Education</i> | | | | | | | |
| | My Life Project | G1159 | 200GEE226 / R324A100166 | 6/1/2010 | 5/31/2012 | Pass-Through | \$ 37,933 | |
| | Project Success | G0782 | Contract 55041 | 7/1/2006 | 5/31/2010 | Pass-Through | (3,382) | ² |
| | | | | | | | <u>34,551</u> | |
| | | | Total Pass-Through Programs from Portland State University | | | | <u>\$ 34,551</u> | |
| 84.004F | <i>Office Of Elementary and Secondary Education</i> | | | | | | | |
| | <i>Civil Rights Training and Advisory Services</i> | | | | | | | |
| | Technical Assistance for Student Assignment Plans | G1060 | S004F090014 | 9/30/2009 | 9/30/2012 | Direct | \$ 99,660 | |
| | | | | | | | <u>\$ 99,660</u> | |

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---------------------------------|---|----------------|-------------------------------|------------|-----------|---------------------------|-------------------|-----------------|
| | | | | Begin Date | End Date | | | |
| Title I , Part A Cluster | | | | | | | | |
| 84-010 | Title I Grants to Local Education Agencies | | | | | | | |
| | Title I - Central Budget | G0926 | 12853 | 7/1/2008 | 9/30/2009 | | \$ (650) | 2 |
| | Title IA/ID - School Improvement- ACT | G0977 | 14499 | 9/1/2008 | 8/31/2010 | | 21,783 | |
| | Title IA/ID - School Improvement - BizTech | G0978 | 14500 | 9/1/2008 | 8/31/2010 | | 1,938 | |
| | Title IA/ID - School Improvement - Lane | G0980 | 14502 | 9/1/2008 | 8/31/2010 | | 4,440 | |
| | Title IA/ID - School Improvement - POWER | G0981 | 14503 | 9/1/2008 | 8/31/2010 | | 2,362 | |
| | Title IA/ID - School Improvement - Sitton | G0982 | 14504 | 9/1/2008 | 8/31/2010 | | 41,767 | |
| | Title IA/ID - School Improvement - SEIS | G0983 | 14505 | 9/1/2008 | 8/31/2010 | | 5,874 | |
| | Title I - School Budgets | G1000 | 16627 | 7/1/2009 | 9/30/2010 | | 356,580 | |
| | Title I - Central | G1001 | 16627 | 7/1/2009 | 9/30/2010 | | 7,775,900 | |
| | Title ID | G1002 | 16481 | 7/1/2009 | 9/30/2010 | | 22,685 | |
| | School Improvement - ACT | G1092 | 19002 | 1/1/2010 | 9/30/2011 | | 31,400 | |
| | School Improvement - Biz Tech | G1093 | 19003 | 1/1/2010 | 9/30/2011 | | 31,975 | |
| | School Improvement - Bridger | G1094 | 19004 | 1/1/2010 | 9/30/2011 | | 26,156 | |
| | School Improvement - George | G1095 | 19005 | 1/1/2010 | 9/30/2011 | | 34,375 | |
| | School Improvement - Jefferson | G1096 | 19006 | 1/1/2010 | 9/30/2011 | | 39,839 | |
| | School Improvement - Kelly | G1097 | 19007 | 1/1/2010 | 9/30/2011 | | 20,670 | |
| | School Improvement - King | G1098 | 19008 | 1/1/2010 | 9/30/2011 | | 27,828 | |
| | School Improvement - POWER | G1099 | 19009 | 1/1/2010 | 9/30/2011 | | 28,227 | |
| | School Improvement - Sitton | G1100 | 19010 | 1/1/2010 | 9/30/2011 | | 22,696 | |
| | School Improvement - SEIS | G1101 | 19011 | 1/1/2010 | 9/30/2011 | | 30,307 | |
| | Title I - School Budgets | G1120 | 19482 | 7/1/2010 | 9/30/2011 | | 9,703,879 | |
| | Title I - Central | G1121 | 19482 | 7/1/2010 | 9/30/2011 | | 3,684,458 | |
| | Title ID | G1122 | 19547 | 7/1/2010 | 9/30/2011 | | 53,178 | |
| | School Improvement Tier III - BizTech | G1127 | 21653 | 9/1/2010 | 9/30/2012 | | 27,249 | |
| | School Improvement Tier III - Bridger | G1129 | 21654 | 9/1/2010 | 9/30/2012 | | 1,165 | |
| | School Improvement Tier III - Kelly | G1145 | 21677 | 9/1/2010 | 9/30/2012 | | 29,641 | |
| | School Improvement Tier III - King | G1162 | 21678 | 9/1/2010 | 9/30/2012 | | 7,779 | |
| | | | | | | Pass-Through | <u>22,033,501</u> | |

School District No. 1J, Multnomah County, Oregon
 Schedule of Expenditures of Federal Awards
 for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|--------|---|----------------|-------------------------------|------------|-----------|---------------------------|--|-----------------|
| | | | | Begin Date | End Date | | | |
| 84.389 | Title I Grants to Local Educational Agencies, Recovery Act | | | | | | | |
| | ARRA - Title ID - Stimulus | G0985 | 16919 | 2/17/2009 | 9/30/2010 | | \$ 11,353 | |
| | ARRA - Title IA - Stimulus | G0987 | 15722 | 2/17/2009 | 8/31/2011 | | 6,280,497 | |
| | ARRA- School Improvement - ACT | G1066 | 17975 | 9/1/2009 | 9/30/2011 | | 32,491 | |
| | ARRA - School Improvement - Biz Tech | G1067 | 17976 | 9/1/2009 | 9/30/2011 | | 33,050 | |
| | ARRA - School Improvement - George | G1069 | 17988 | 9/1/2009 | 9/30/2011 | | 17,982 | |
| | ARRA - Schoo Improvement - Jefferson | G1070 | 18001 | 9/1/2009 | 9/30/2011 | | 8,536 | |
| | ARRA - School Improvement - Kelly | G1071 | 18003 | 9/1/2009 | 9/30/2011 | | 4,778 | |
| | ARRA - School Improvement - King | G1072 | 18004 | 9/1/2009 | 9/30/2011 | | 32,504 | |
| | ARRA - School Improvement - Sitton | G1073 | 18026 | 9/1/2009 | 9/30/2011 | | 16,776 | |
| | ARRA - School Improvement - SEIS | G1074 | 18027 | 9/1/2009 | 9/30/2011 | | 288 | |
| | ARRA - School Improvement - POWER | G1085 | 18021 | 9/1/2009 | 9/30/2011 | | 33,050 | |
| | ARRA - School Improvement - Biz Tech | G1150 | 20482 | 9/1/2010 | 9/30/2011 | | 31,219 | |
| | ARRA - School Improvement - Bridger | G1151 | 20483 | 9/1/2010 | 9/30/2011 | | 18,905 | |
| | ARRA - School Improvement - George | G1152 | 20491 | 9/1/2010 | 9/30/2011 | | 34,669 | |
| | ARRA - School Improvement - Humboldt | G1153 | 20501 | 9/1/2010 | 9/30/2011 | | 10,200 | |
| | ARRA - Schoo Improvement - Jefferson | G1154 | 20503 | 9/1/2010 | 9/30/2011 | | 22,222 | |
| | ARRA - School Improvement - Kelly | G1155 | 20505 | 9/1/2010 | 9/30/2011 | | 34,669 | |
| | ARRA - School Improvement - King | G1156 | 20506 | 9/1/2010 | 9/30/2011 | Pass-Through | 34,669 | |
| | | | | | | | <u>6,657,858</u> | |
| 84.011 | Migrant Education_ State Grant Program | | | | | | | |
| | Title IC - Migrant Education | G1003 | 16203 | 7/1/2009 | 9/30/2010 | | \$ 5,020 | |
| | Title IC - Migrant Education - Preschool | G1004 | 17610 | 7/1/2009 | 9/30/2010 | | 8,502 | |
| | Title IC - Summer | G1005 | 19091 | 3/1/2010 | 8/31/2010 | | 10,657 | |
| | Title IC - Migrant Education | G1123 | 19282 | 7/1/2010 | 9/30/2011 | | 79,326 | |
| | Title IC - Migrant Summer | G1125 | 21626 | 3/1/2011 | 8/31/2011 | Pass-Through | 4,696 | |
| | | | | | | | <u>108,201</u> | |
| | | | | | | | Total Pass-Through from Title I, Part A Cluster \$ 28,691,359 | |

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---------|--|----------------|-------------------------------|--|-----------|---------------------------|------------------|-----------------|
| | | | | Begin Date | End Date | | | |
| 84.013 | <i>Title I State Agency Program for Neglected and Delinquent Children and Youth</i> Portland DART Schools | G1054 | Contract 8637 | 7/1/2009 | 6/30/2011 | Pass-Through | \$ 152,899 | |
| 84.060A | <i>Indian Education - Grants to Local Educational Agencies</i> Indian Education Program | G1016 | S060A090938 | 8/31/2009 | 8/30/2010 | | 87,932 | |
| | Indian Education Program | G1136 | S060A100938 | 9/1/2010 | 8/31/2011 | Direct | 85,824 | |
| | | | | | | | <u>173,756</u> | |
| 84.318 | Education Technology State Grants Cluster <i>Education Technology State Grants</i> Title IID - Enhancing Education through Technology | G1007 | 16413 | 7/1/2009 | 9/30/2010 | | 28,234 | |
| | | | | Total Pass-Through Programs from Education Technology State Grants Cluster | | | <u>\$ 28,234</u> | |
| 84.330 | Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants) Advanced Placement Incentive Program | G0933 | 14194 | 10/1/2008 | 9/30/2010 | | \$ 1,771 | |
| | Advanced Placement Incentive Program | G0943 | 14195 | 10/1/2008 | 9/30/2010 | | 2,264 | |
| | Advance Placement Fee Payment Program | G0972 | Agreement | 9/1/1998 | 6/30/2011 | Pass-Through | 130,234 | |
| | | | | | | | <u>134,269</u> | |
| 84.357 | Reading First State Grants Reading First | G0953 | 14219 | 8/1/2008 | 9/30/2010 | Pass-Through | 95,229 | |
| 84.360A | High School Graduation Initiative School Dropout Prevention Program | G1116 | S360A100137 | 10/1/2010 | 9/30/2015 | Direct | 643,307 | |
| 84.364A | Improving Literacy Through School Libraries Improving Libraries - Improving Literacy | G0965 | S364A080334 | 9/1/2008 | 4/30/2010 | Direct | 10,067 | |
| 84.366 | Mathematics and Science Partnerships Title IIB - Math & Science Partnership | G1056 | 16188 | 8/1/2009 | 9/30/2010 | Pass-Through | <u>104,916</u> | |
| 84.367 | Improving Teacher Quality State Grants Title IIA - Teacher Quality | G1006 | 16824 | 7/1/2009 | 6/30/2011 | | 594,907 | |
| | Title IIA transfer to Title IV | G1010 | 16824 | 7/1/2009 | 6/30/2011 | | 19,235 | 3 |
| | Moving Math Education Forward | G1086 | 18051 | 10/1/2009 | 9/30/2010 | | 15,148 | |
| | Title IIA - Teacher Quality | G1126 | 19696 | 7/1/2010 | 9/30/2011 | Pass-Through | <u>2,619,800</u> | |
| | | | | | | | <u>3,249,090</u> | |

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---------|--|-------------------------|---|----------------------------------|-------------------------------------|---------------------------|---------------------------------|-----------------|
| | | | | Begin Date | End Date | | | |
| 84.371A | Striving Readers Striving Readers Project | G0718 | S371A060053-07A | 3/1/2006 | 12/31/2011 | Direct | \$ 3,225,631 | |
| 84.377 | School Improvement Grants Cluster School Improvement Grants | | | | | | | |
| | Title IA/ID - School Improvement | G0991 | 15045 | 7/1/2008 | 9/30/2010 | | 16,655 | |
| | Title IA/ID - School Improvement | G0993 | 15043 | 7/1/2008 | 9/30/2010 | | 357 | |
| | Title IA/ID - School Improvement | G0994 | 15041 | 7/1/2008 | 9/30/2010 | | 4,716 | |
| | Title IA/ID - School Improvement | G0995 | 15040 | 7/1/2008 | 9/30/2010 | | 12,293 | |
| | Title IA/ID - School Improvement | G0996 | 15046 | 7/1/2008 | 9/30/2010 | | 18,950 | |
| | Title IA/ID - School Improvement | G0997 | 15044 | 7/1/2008 | 9/30/2010 | | 21,498 | |
| | School Improvement G Funds - ACT | G1075 | 18097 | 9/1/2009 | 9/30/2010 | | 18,582 | |
| | School Improvement G Funds - Biz Tech | G1076 | 18098 | 9/1/2009 | 9/30/2010 | | 11,065 | |
| | School Improvement G Funds - George | G1077 | 18100 | 9/1/2009 | 9/30/2010 | | 290 | |
| | School Improvement G Funds - Jefferson | G1078 | 18101 | 9/1/2009 | 9/30/2010 | | 6,922 | |
| | School Improvement G Funds - SEIS | G1082 | 18106 | 9/1/2009 | 9/30/2010 | | 11,664 | |
| | School Improvement G Funds - Bridger | G1084 | 18099 | 9/1/2009 | 9/30/2010 | | 1,723 | |
| | School Improvement G Funds - Madison | G1210 | 22317 | 6/1/2011 | 9/30/2012 | Pass-Through | 4,740 | |
| | | | Pass-Through | | | | 129,455 | |
| 84.388 | School Improvement Grants, Recovery Act Roosevelt School Improvement - ACT Roosevelt School Improvement - SEIS Roosevelt School Improvement - POWER | G1108 G1109 G1110 | 19758 & 22255 19769 & 22266 19767 & 22264 | 5/1/2010 5/1/2010 5/1/2010 | 9/30/2012 9/30/2012 6/30/2013 | | 807,011 913,271 1,217,822 | |
| | | | Pass-Through | | | Pass-Through | 2,938,104 | |
| | | | Total Pass-Through from School Improvement Grants Cluster | | | | \$ 3,067,559 | |
| 84.184E | Office of Safe and Drug-Free Schools Safe and Drug-Free Schools and Communities_National Programs Readiness and Emergency Management for Schools | G1111 | Q184E100088 | 9/1/2010 | 8/31/2012 | Direct | \$ 140,323 | |
| 84.186A | Safe and Drug-Free Schools and Communities_State Grants Community Service/Skills for Success - Roosevelt | G0533 | Contract 6802, 6999 | 3/19/2004 | 6/30/2011 | | 340 | |
| 84.186 | Title IV - Safe & Drug-Free Schools | G1009 | 17129 | 7/1/2009 | 5/30/2011 | Pass-Through | 68,420 | |
| | | | | | | | 68,760 | |

School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011



| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---|--|----------------|-------------------------------|------------|------------|---------------------------|------------------|-----------------|
| | | | | Begin Date | End Date | | | |
| Office of English Language Acquisition | | | | | | | | |
| <i>Foreign Language Assistance</i> | | | | | | | | |
| 84.293A | Pathways to Proficiency in Russian | G0988 | T293A100191 | 7/1/2010 | 6/30/2015 | | \$ 172,866 | |
| 84.293B | Foreign Language Assistance Project | G0938 | T293B090123 | 9/1/2009 | 8/31/2012 | | 201,015 | |
| 84.293B | Portland Roadmap to Superior Programs | G0964 | T293B080058 | 8/1/2008 | 7/31/2013 | Direct | 226,984 | |
| | | | | | | | <u>600,865</u> | |
| 84.365 | English Language Acquisition Grants | | | | | | | |
| | Title III - Language Instruction | G1008 | 16252 | 7/1/2009 | 6/30/2011 | | 19,617 | |
| | Title III - Language Instruction | G1128 | 20202 | 7/1/2010 | 9/30/2011 | Pass-Through | 207,447 | |
| | | | | | | | <u>227,064</u> | |
| Office of Innovation and Improvement | | | | | | | | |
| <i>Fund for the Improvement of Education</i> | | | | | | | | |
| 84.215E | Elementary School Counseling | G0856 | Q215E070005-09 | 5/1/2007 | 10/31/2010 | | 12,211 | |
| 84.215L | Smaller Learning Communities (OVAE) | G0887 | S215L070492A-10 | 10/1/2007 | 9/30/2012 | Direct | 421,764 | |
| | | | | | | | <u>433,975</u> | |
| 84.282 | Charter Schools | | | | | | | |
| | Title V-B Charter School (Golden Leaf) | G1091 | 18369 | 12/14/2009 | 7/31/2010 | Pass-Through | 18,260 | |
| 84.361A | Voluntary Public School Choice | | | | | | | |
| | Voluntary Public School Choice | G0882 | U361A070010 | 10/1/2007 | 9/30/2012 | Direct | 1,343,046 | |
| 84.928A | National Writing Project | | | | | | | |
| | National Writing Project - George MS | G1166 | Agreement letter | 7/1/2010 | 6/30/2011 | Pass-Through | 8,000 | |
| 84.287 | Office of Education Research and Improvement | | | | | | | |
| | <i>Twenty-First Century Community Learning Centers</i> | | | | | | | |
| | 21st Century Community Learning Centers | G1020 | 16112 | 7/1/2009 | 9/30/2010 | | 138,067 | |
| | 21st Century Community Learning Centers | G1057 | 16930 | 7/1/2009 | 9/30/2010 | | 158,508 | |
| | 21st Century Community Learning Centers | G1058 | 16884 | 7/1/2009 | 9/30/2010 | | 171,867 | |
| | 21st Century Community Learning Centers | G1140 | 19340 | 7/1/2010 | 9/30/2011 | | 269,898 | |
| | 21st Century Community Learning Centers | G1142 | 19326 | 7/1/2010 | 9/30/2011 | | 328,281 | |
| | 21st Century Community Learning Centers | G1143 | 19316 | 7/1/2010 | 9/30/2011 | Pass-Through | 369,815 | |
| | | | | | | | <u>1,436,436</u> | |

School District No. 1J, Multnomah County, Oregon
 Schedule of Expenditures of Federal Awards
 for the Year Ended June 30, 2011



| CFDA # | Fund/ Grant | Grant Description | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total |
|---|----------------|--|-------------------------------|------------|------------|---------------------------|---------------|-----------------|
| | | | | Begin Date | End Date | | | |
| Office of Postsecondary Education | | | | | | | | |
| <i>Gaining Early Awareness and Readiness for Undergraduate Programs</i> | | | | | | | | |
| 84.334A | G0677 | Roosevelt Cluster Gear Up Partnership | P334A050242-06-07-08-09-10 | 9/1/2005 | 8/31/2011 | Direct | \$ 332,383 | |
| | | Total Direct Programs | | | | | \$ 7,003,013 | |
| | | Total Pass-Through Programs from Oregon Department of Education | | | | | \$ 69,004,896 | |
| | | Total Pass-Through Programs from Portland State University | | | | | \$ 34,551 | |
| | | Total Pass-Through Programs from University of California | | | | | \$ 8,000 | |
| | | Total Pass-Through Programs from Oregon Commission for the Blind | | | | | \$ 41,500 | |
| | | | | | | | | \$ 76,091,960 |
| DEPARTMENT OF EDUCATION Total | | | | | | | | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | | |
| Administration For Children And Families | | | | | | | | |
| CCDF Cluster | | | | | | | | |
| 93.575 | G1137 | Teen Parent Services (State Grant) | PPS-R57643 / ED 11-064 | 7/1/2010 | 6/30/2011 | Pass-Through | \$ 40,000 | |
| | | Total Pass-Through Programs CCDF Cluster | | | | | \$ 40,000 | |
| Head Start Cluster | | | | | | | | |
| 93.600 | G0937 | Head Start | 10CH0004/34 | 11/1/2008 | 10/31/2009 | | \$ (63) | ² |
| | G1023 | Head Start | 10CH0004/35 | 11/1/2009 | 10/31/2010 | | 937,264 | |
| | G1144 | Head Start | 10CH0004/36 | 11/1/2010 | 10/31/2011 | Direct | 2,094,500 | |
| | | Total Direct Programs | | | | | \$ 3,031,701 | |
| 93.708 | G0946 | ARRA - Head Start - Expansion | 10CH0004/35 | 9/30/2009 | 9/30/2011 | | 374,378 | |
| | G1035 | ARRA - Head Start - COLA | 10CH0004/35 | 7/1/2009 | 9/30/2010 | Direct | 48,076 | |
| | | Total Direct Programs from Head Start Cluster | | | | | \$ 422,454 | |
| | | | | | | | | \$ 3,454,155 |
| 93.658 | G1161 | Foster Care Transportation | IGA58209 | 9/1/2009 | 8/31/2011 | Pass-Through | \$ 68,922 | |
| Foster Care Title IV-E - Recovery | | | | | | | | |
| 93.676 | G1087 | Morrison Center DUCS Program | Contract R57611 | 11/1/2009 | 8/31/2011 | Pass-Through | \$ 350,108 | |
| Unaccompanied Alien Children Program | | | | | | | | |



School District No. 1J, Multnomah County, Oregon
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

| CFDA # | Grant Description | Fund/ Grant | Pass-Through Grantor's No. | Grant | | Direct or Pass-Through | Expenditures | Agency Total | | | | | | | | | | |
|---|---|----------------|--|------------|-----------|---------------------------|---|-------------------|-----------------------|--------------|---|------------|---|-----------|--|-----------|---|-----------|
| | | | | Begin Date | End Date | | | | | | | | | | | | | |
| Centers for Medicare and Medicaid Services | | | | | | | | | | | | | | | | | | |
| Medicaid Cluster | | | | | | | | | | | | | | | | | | |
| Medical Assistance Program | | | | | | | | | | | | | | | | | | |
| 93.778 | Third Party Medical-DART Program | S0054 | Medicaid Revenue | 7/1/1998 | 6/30/2011 | | \$ 545 | | | | | | | | | | | |
| | Third Party Medical - 30% Incentive | S0085 | Medicaid Revenue | 7/1/1998 | 6/30/2011 | | 799 | | | | | | | | | | | |
| | Regional Durable Medical Equipment | S0027 | Medicaid Revenue | 7/1/1997 | 6/30/2010 | | 52,570 | | | | | | | | | | | |
| | | | Total Pass- Through Programs from Medicaid Cluster | | | | \$ 53,914 | | | | | | | | | | | |
| 93.767 | Children's Health Insurance Program | | | | | | | | | | | | | | | | | |
| | Oregon Healthy Kids | G1174 | OR Agreement 135489 | 5/15/2011 | 6/30/2012 | Pass-Through | 7,095 | | | | | | | | | | | |
| Substance Abuse And Mental Health Services Administration | | | | | | | | | | | | | | | | | | |
| 93.243 | Substance Abuse And Mental Health Services_ Projects of Regional and National Significance | | | | | | | | | | | | | | | | | |
| | Proactive Classroom Management | G1149 | 1U79SM060302-01 | 9/30/2010 | 9/29/2015 | Direct | 95,299 | | | | | | | | | | | |
| 93.XXX | 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 | 2/1/1999 | 8/31/2010 | | 46 | | | | | | | | | | | |
| | Inner-City Youth Institute - High School 93.169 | G0038 | MOU60399014 | 9/1/1999 | 8/31/2010 | Pass-Through | 426 | | | | | | | | | | | |
| | | | | | | | 472 | | | | | | | | | | | |
| Centers for Disease Control and Prevention | | | | | | | | | | | | | | | | | | |
| 93.724 | ARRA - Prevention and Wellness - Communities Putting Prevention to Work | | | | | | | | | | | | | | | | | |
| | Putting Communities to Work | 202 | Contract Multnomah County | 7/1/2009 | 9/30/2010 | Pass-Through | 62,335 | | | | | | | | | | | |
| | | | | | | | <table border="1"> <tr> <td>Total Direct Programs</td> <td>\$ 3,549,454</td> </tr> <tr> <td>Total Pass-Through Programs from Morrison Child and Family Services</td> <td>\$ 350,108</td> </tr> <tr> <td>Total Pass-Through Programs from Oregon DHS</td> <td>\$ 76,017</td> </tr> <tr> <td>Total Pass-Through From Multnomah County</td> <td>\$ 62,335</td> </tr> <tr> <td>Total Pass-Through Programs from Oregon Department of Education</td> <td>\$ 94,386</td> </tr> </table> | | Total Direct Programs | \$ 3,549,454 | Total Pass-Through Programs from Morrison Child and Family Services | \$ 350,108 | Total Pass-Through Programs from Oregon DHS | \$ 76,017 | Total Pass-Through From Multnomah County | \$ 62,335 | Total Pass-Through Programs from Oregon Department of Education | \$ 94,386 |
| Total Direct Programs | \$ 3,549,454 | | | | | | | | | | | | | | | | | |
| Total Pass-Through Programs from Morrison Child and Family Services | \$ 350,108 | | | | | | | | | | | | | | | | | |
| Total Pass-Through Programs from Oregon DHS | \$ 76,017 | | | | | | | | | | | | | | | | | |
| Total Pass-Through From Multnomah County | \$ 62,335 | | | | | | | | | | | | | | | | | |
| Total Pass-Through Programs from Oregon Department of Education | \$ 94,386 | | | | | | | | | | | | | | | | | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES Total | | | | | | | \$ | 4,132,299 | | | | | | | | | | |
| GRAND TOTAL | | | | | | | \$ | 93,565,363 | | | | | | | | | | |

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 food is valued at estimated fair value. Donated food was allocated between 10.553, 10.555, 10.558 and 10.559 due to 10.550 being deleted.

² Refunds / credits due to final reporting issues.

³ Based on the A-133 Compliance Supplement, Section IV, *Transferability* (SEAs and LEAs), expenditures were transferred from CFDA 84.367 and 84.367A to CFDA 84.298 and 84.186 as described in II.B.1, "What funds may an LEA transfer" - *Transferability* (SEAs and LEAs)¹

⁴ These amounts include \$144,006 (SFSF) & \$255,052 (Ed Jobs) that were paid to nine charter schools - that are sub-recipients.

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

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 |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | None reported |
| 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 |
|---------------------------------|---|
| 84.010, 84.389 | Title I, Part A Cluster |
| 84.027, 84.027A, 84.173, 84.391 | Special Education Cluster (IDEA) |
| 84.215 | Fund for Improvement of Education |
| 84.287 | Twenty-First Century Community Learning Centers |
| 84.293 | Foreign Language Assistance |
| 84.377, 84.388 | School Improvement Grants Cluster |
| 84.394 | State Fiscal Stabilization Fund Cluster |
| 84.410 | Education Jobs Fund |
| 93.600, 93.708 | Head Start Cluster |

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2011

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

| | |
|---|--------------|
| Dollar threshold used to distinguish between type A and B programs: | \$ 2,806,961 |
| Auditee qualified as low-risk auditee? | No |

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2011-01

| | |
|---|---|
| Criteria: | An expense paid for a future period should be recorded as a prepaid expense in accordance with accounting principles generally accepted in the United States of America (GAAP). |
| 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. |
| Context: | The volume and dollar value of the transactions being processed close to year end are significant. |
| Effect: | Claims expense was overstated and prepaid expense was understated by \$945,185 at June 30, 2011. |
| Cause: | The District's failure to record the expense as a prepaid expense was an oversight. |
| Recommendation: | We recommend that the District implement a checklist for invoices received close to year end to verify what year they are applicable to. |
| View of responsible official and District corrective action plan: | We understand and concur with the finding and recommendation. Through an oversight, the insurance premium was recorded as an expense in the wrong fiscal year. To prevent a re-occurrence, the District has added the insurance premium payments as a checklist item to the year-end general ledger close checklist to ensure they are reported in the correct fiscal year. |

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, 2011

Finding 2010-01

Condition: The District did not perform a timely bank reconciliation for the January 2010 Payroll Account. The bank reconciliation was not performed until September 2010.

Corrective Action: Corrective action has been completed.

Finding 2010-02

Condition: The District was unable to provide the calculation for the amount of funds spent on choice-related transportation. The District therefore was out of compliance with Title I requirements that it determine that spending for choice-related transportation meets the minimum threshold percentages specified.

Corrective Action: The District developed a process to track transportation requests, calculate the minimum thresholds, and expend the appropriate transportation costs.

Finding 2010-03

Condition: The District expended ARRA funds for construction, alteration, maintenance or repair of a modular building and did not include the Buy-American contract terms required by the ARRA act in one of its contracts.

Corrective Action: This was the first ARRA contract in which funds were being spent on construction, therefore, an oversight. The District has coordinated with the legal office to include the Buy-American clause for future contracts requiring Buy-American terms. The District will also coordinate with ARRA program administrators, who have primary responsibility for contract execution, to ensure the Buy-American clause is included in their District ARRA contracts.

Finding 2010-04

Condition: The District was unable to provide the calculation of the amount of IDEA-B funds used in school-wide programs. The District therefore was unable to determine whether it has exceeded spending requirements specified in the guidance.

Corrective action: The District has begun a process of tracking IDEA-B funds to assure it does not exceed the spending requirements.

SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

YEAR ENDED JUNE 30, 2011

Finding 2010-05

Condition: Two schools tested were in school improvement and had not prepared school-wide plans as required by federal regulations.

Corrective Action: The schools who are in school improvement status typically submit an application to the State and within that application include all the components of the school-wide plan requirements. The State changed the application template and the new template left off the transition plan. The State has changed its application to assure that components of the school-wide plan are now included.

**Finding 2010-06,
2010-07, 2010-08**

Condition: Some time cards in the control testing samples were not signed by the employee or supervisor, as required by Circular A-87, which mandates certification of all time records.

Corrective Action: Non-compliant time approvers have been identified and advised. The District implemented an automated Time & Attendance system for all school based programs during the current fiscal year. As such, electronic records are available, rather than paper timecards, with an electronic approval methodology that certifies time records.

Finding 2010-09

Condition: Purchase orders were initiated and approved by the same person, which breached internal controls that required an adequate segregation of duties.

Corrective Action: The Nutrition Department changed their approval process and communicated the new process to address purchase order initiation and approval.

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: Carolyn M. Leonard | Phone: 503-916-3183 |
| District 504: Carolyn M. Leonard | Phone: 503-916-3183 |
| American Disabilities Act: Jeff Fish, HR Legal Counsel | Phone: 503-916-3246 |

2010-11 Single Audit Act and OMB Circular A-133 Preparation

Neil Sullivan, RSBO, CGFM, Chief Financial Officer
Carol Ann Kirby, CPA, CIA, Director, Accounting and Payroll Services (*)

Grant Accounting

Sharie Lewis, CPA, Assistant Director
Edward Reckford, Sr. Financial Analyst
Brandi Berg, Grant Accountant III
Christie Christie, Grant Accountant III
Premila Kumar, Grant Accountant II
Chris Roe, Grant Accountant III

(*) Carol Ann Kirby retired in September 2011 and Sharie Lewis became the Director of Accounting and Payroll Services.

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Portland, Oregon*