

SCHOOL DISTRICT No. 1J, MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2018

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

IM TFS [gP YR hM WdVW]hR S IL eU IR g[  
- SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2017-001

HML WIS IML A[ TgYL [S gYIR S P IMB YR YL S gVWP ieolSTR IDT TL VYIL WdIL TL VIT [ R S TS YK hMBURVMS gMR S P WISU [MPS YVMeL TZ YVVMU LNSTR [UMd[ TN N P MX IK'OS- K [ IMBIVP gVML R S P WdVWIMBTR[R YS gY[ IIR S P IVB (R YP VML S RMM Y B gYU P MVYR R ILYe [TIMd [L WVMU L S R [ N TY TU Y [ dS WdVMeL E gYIR R YS [WVVMU LNSTR [TU dMBIR VT [ 0-3[ TL W[ R S YTVW [MP SVYVVP TL R TLS [IRIMV [7- [ FR [T[ P YR U S ) [ TR R YSIRV [TUU hSWVVP [L WYP R BLT [gM [ S P IDS [FS [YK WdV B [ PMR IS hMLV [gY [GML W[ L W [UI IS hVWP W[ L WYP R SUTSV [UW [ W[ UT- TL W [V YP R SUTS [W [1[ K n IML -[

HMP P YVSVB/IML C [gY [ IIR S P IDS R YTP VgYVWP YV IYW'gV [VU P P YL S [P VML [ S P M [ N P MVYR TL W [K N YK YL S WWS IMCLT [Y N YS IS W ML hMB gY [ FVVMU L BTR [TU Y YTK H [ P IL M S gIR [

S TR gY [hR S P gV [ RIMN YK YL K V W [ S I WYN TP B K P S S [e]VR [ YL R UTP YK [N YL R Y R [Y VMP W V g [MP P dVSW [Y [P -[

TgYE [h gY [ 2017 002 P [YR YL S gVWP ieol S P IDT TL VYIL WdIL TL VIT [ R S TS YK hMBURVMS gY P IMV B [ d W [W [Y B [MR ISVMP [IV YP R S TS YW [ UYT [hMIP W h S hM [S D Y [ I gY [hR S P YVSR STYV [U S RMM [S P SVS [MP [ TR R IRLS [T VU TS IMeQR [27 [N YL R IMW [P YU B P TYR [VIR V MR U P YR -[ SgIR [T VU TS hM [V [P P hMS/ U W V W [ I - IML [ YL R IMML [ S P IUU S IML R [

SCHOOL DISTRICT No. 1J, MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2018

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

Finding 2017-002 (Continued)

subsequent to measurement date that had not actually been made. As a result, deferred outflows and net position were overstated in the District's Statement of Net Position by approximately \$18 million.

Corrective Action: The Director of Financial Services has managed CAFR preparation for the 2017-18 fiscal year, including a thorough review of any work prepared by contractors. In addition, her preparation has been reviewed by the CFO.

Finding 2017-003

Condition: When the District presented the original trial balance and financial statements for audit, accrued interest was overstated by approximately \$5.6 million. In addition, there were misclassifications within the net position category of approximately \$37 million. The District's internal control over year-end financial statement preparation failed to detect and correct incorrectly calculated accrued interest and net position classifications at year end. As a result of the accrued interest error, net position was overstated by approximately \$42.6 million.

Corrective Action:

Finding 2017-004

Condition:

SCHOOL DISTRICT No. 1J, MULTNOMAH COUNTY, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2018

SECTION IV- SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

Finding 2017-004(Continued)

adjusted to correct the aforementioned questioned contributions. The control over recording and reporting matching information was not designed to review invoices from external vendors for amounts claimed as matching contributions. In addition, the control failed to identify a spreadsheet calculation error. The District over reported its matching contributions for the College Ahead Program and Mobilizing for College in their Annual Performance Reports.

Corrective Action: District finance and program staff now meet bi-weekly and have instituted joint review of processes and documentation. The District consulted with other large GEAR UP grant holders, culminating in a joint finance/program visit to LA Unified School District, which has a program similar to Portland's and is recognized for their effective management processes around their GEAR UP grant. As a result of the visit, the District has hired a business operations analyst in the GEAR UP program and is implementing new processes, accounting manuals and software. The District is also reestablishing a joint grant management team to improve management processes across all grants.