CITY OF PORTLAND, OREGON
FEDERAL AND STATE GRANT PROGRAMS

INDEPENDENT AUDITOR'S REPORTS
AND
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

JUNE 30, 2008

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* Incorporated by reference only

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*

The City Council
City of Portland, Oregon
Portland, Oregon

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon as of and for the year ended June 30, 2008, which collectively comprise of the City of Portland's basic financial statements and have issued our report thereon dated January 26, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City of Portland's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Portland's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Portland's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorized, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City of Portland'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*.

We noted certain matters that we reported to management of the City of Portland in a separate letter dated January 26, 2009.

This report is intended solely for the information and use of the City Council, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams, LLP

Eugene, Oregon
January 26, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The City Council
City of Portland, Oregon
Portland, Oregon

COMPLIANCE

We have audited the compliance of the City of Portland, Oregon (the City) 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, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City'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 City'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 City's compliance with those requirements. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City 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, 2008.

INTERNAL CONTROL OVER COMPLIANCE

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2008, and have issued our report thereon dated January 26, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. 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.

The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City Council, management and 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.

Moss Adams, LLP

Eugene, Oregon
February 6, 2009
(Except for the schedule of expenditures of federal
awards, to which the date is January 26, 2009)

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
U.S. Department. of Agriculture			
Passed through Friends of Zenger Farms, Inc			
Community Outreach and Assistance Partnership Program			
USDA Conf-Zenger	10.455	UNKNOWN	$ 14,760
Total U.S. Department. of Agriculture			**14,760**
U.S. Department. of Commerce			
Direct Programs:			
Economic Adjustment Assistance (Public Works and Economic Adjustment cluster)			
EDA Revolving Loan Fund (FUND 451)	11.307	07-39-02093	24,549
EDA Real Estate Revolving Loan Fund (FUND 452)	11.307	07-39-02259	34,841
Total Economic Adjustment Assistance			59,390
Passed through Lower Columbia River Estuary Partners			
Habitat Conservation			
LCREP Lower Willamette River	11.463	22-2006	37,751
Total U.S. Department of Commerce			**97,141**
U.S. Department. of Defense			
Direct Programs:			
Community Economic Adjustment Assistance for Establishment, Expansion,			
Realignment, or Closure of a Military Installation			
BRAC SEARS/SHARFF GRANT	12.607	CL0680-07-01	118,419
Total U.S. Department of Defense			**118,419**
U.S. Department. of Housing and Urban Development			
Community Development Block Grant/Entitlements (Entitlement and Small Cities cluster)			
Direct Programs:			
CDBG 07	14.218	B-07-MC-41-0003	6,562,471
CDBG 06	14.218	B-06-MC-41-0003	5,427,592
CDBG 05	14.218	B-05-MC-41-0003	15,534
CDBG Program Income	14.218	Program Income	1,252,578
Passed through City of Gresham			
Gresham CDBG 07/08	14.218	52979	16,340
Passed through Multnomah County			
Mult Co CDBG 07/08	14.218	52942	5,500
Total Community Development Block Grant/Entitlements			13,280,015

See accompanying notes.

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
Direct Programs:			
Emergency Shelter Grants Program			
Emergency Shelter 06	14.231	02-S-05-MC-41-0001	435
Emergency Shelter 07	14.231	S07-MC-41-0001	449,543
Total Emergency Shelter Grants Program			449,978
Supportive Housing Program			
McKinney OTIS	14.235	OR16B501001	256,752
HMIS 07	14.235	OR16B601023	199,929
HMIS 08	14.235	OR16B701024	39,367
Total Supportive Housing Program			496,048
Home Investment Partnerships Program			
HOME 00	14.239	MC-00-DC-41-0203	108,530
HOME 02	14.239	MC-02-DC-41-0203	122,090
HOME 03	14.239	MC-03-DC-41-0203	730,233
HOME 04	14.239	MC-04-DC-41-0203	278,749
HOME 05	14.239	MC-05-DC-41-0203	1,920,100
HOME 06	14.239	MC-06-DC-41-0203	1,658,154
HOME 07	14.239	MC-07-DC-41-0203	115,653
Home Program Income	14.239	Program Income	352,430
Total Home Investment Partnerships Program			5,285,939
Housing Opportunities for Persons with AIDS			
HOPWA 05	14.241	ORH05F001	128,542
HOPWA 06	14.241	02-OR-H05-F001	775,109
Total Housing Opportunities for Persons with AIDS			903,651
Community Development Block Grants/Brownfields Economic Development Initiative			
HUD PORTLAND PUBLIC MARKET	14.246	B-04-SP-OR0626	27,000
HUD S WATERFRONT INFRASTRUCTURE	14.246	B-04-SP-OR-0630	712,280
HUD S WATERFRONT HOUSING	14.246	B-04-SP-OR-0631	397,640
HUD STREETCAR LOWELL EXT	14.246	B-06-SP-OR-0825	148,500
HUD N MAC AFFORDABLE HOUSING	14.246	B-05-SP-OR-0228	446,400
Total Community Development Block Grants/Brownfields Economic Development Initiative			1,731,820
Lead Based Paint Hazard Control in Privately-Owned Housing			
Lead Based Paint 04	14.900	ORLHB0192-04	407,058
Lead 06	14.900	ORLHB0337-06	804,407
Total Lead Based Paint Hazard Control in Privately-Owned Housing			1,211,465
Total U.S. Department of Housing and Urban Development			**23,358,916**

See accompanying notes.

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
U.S. Department. of Interior			
Direct Programs			
North American Wetlands Conservation Fund			
USFWS NAWCA (Errol Creek)	15.623	OR-N41B	50,000
USFWS NAWCA Oaks Bottom 07	15.623	OR-N71B	598
Total North American Wetlands Conservation Fund			50,598
Outdoor Recreation- Acquisition, Development and Planning			
IRVING PARK PLAYING FIELD REHAB	15.916	OP 2463/NPS 541-01536	1,144
PIER PARK POOL REHAB	15.916	OP 2494/NPS 41-01560	86,414
FERNHILL PARK REHAB	15.916	OP2482	17,242
Total Outdoor Recreation- Acquisition, Development and Planning			104,800
Passed through Oregon State Marine Board			
Sport Fish Restoration Program			
RIVERPLACE TRANSIENT TIE-UP	15.605	OSMB #1320	929
Passed through Oregon Dept of Fish and Wildlife Cooperative Endangered Species Conservation Fund			
SANDY RIVER BASIN HABITAT USFWS	15.615	PDFW#001-3049S-FISH	16,953
Passed through State Historic Preservation Office			
Historic Preservation Fund Grants-In-Aid			
SHPO FY 07/08	15.904	OR-07-18	4,265
SHPO FY 07/08	15.904	OR-07-18	1,000
Total Historic Preservation Fund Grants-In-Aid			5,265
Total U.S. Department of the Interior			**178,545**
U.S. Department. of Justice			
Direct Programs			
Crime Victims Assistance			
VOCA 2006	16.575	06-2652	12,041
VOCA 07	16.575	07-2924	31,630
Total Crime Victims Assistance			43,671
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
DVERT 06	16.590	2006-WE-AX-0057	27,764

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
Bulletproof Vest Partnership Program			
Bulletproof Vest 05	16.607	N/A	8,407
Bulletproof Vest 2006	16.607	XT3A-2	7,664
Bulletproof Vest	16.607	XHP-IIIA.0	11,592
Total Bulletproof Vest Partnership Program			27,663
Public Safety Partnership and Community Policing Grants			
COPS Meth 06	16.710	2006-CKWX0500	52,170
COPS More 98	16.710	98CLWX0183	148,569
Total Public Safety Partnership and Community Policity Grants			200,739
Police Corps			
Police Corp Officer Reimb	16.712	N/A	16,503
Gang Resistance Education and Training			
Great Regional 05	16.737	2005-JV-FX-K005	224,675
Great Local 2006	16.737	2006-JV-FX-0010	2,239
GREAT Local 07	16.737	2007-JV-FX-0214	150,000
Total Gang Resistance Education and Training			376,914
Edward Byrne Memorial Justice Assistance Grant Program			
JAG 05	16.738	2005-DJ-BX-0064	242,665
JAG 06	16.738	2006-DJ-BX-0381	127,634
JAG 07	16.738	2007 DJ BX-0887	346,881
Total Edward Byrne Memorial Justice Assistance Grant Program			717,180
Anti-Gang Initiative			
PSN Gang Initiative 2006	16.744	IGA # 4600006525	40,288
Passed through Oregon Dept of Justice			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program			
Marijuana Eradication 2006	16.580	LOA #2006-96	1,140
Marijuana Eradication 2007	16.580	LOA # 2007-98	7,228
Marijuana Eradication 08	16.580	LOA # 2008-97	9,731
Total Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program			18,099
Passed through Oregon High Intensity Drug Trafficking Area			
Community Capacity Development Office			
HIDTA 2006	16.595	I6PORP501	68,468
HIDTA 2007	16.595	I7PORP501Z	67,345
HIDTA 08 Gangs	16.595	I8PORP502	8,122
Total Community Capacity Development Office			143,935

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
Passed through Multnomah County District Attorney Office			
Community Prosecution and Project Safe Neighborhoods			
PSN AGI Firearms 07	16.609	MC# 460006908	53,913
Total U.S. Department of Justice			**1,666,669**
U.S. Department. of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction			
Passed through Oregon Dept of Transportation			
UNION STATION IMPROVEMENTS	20.205	ODOT CONT#20942	28,607
UNION STATION PH 2 ODOT	20.205	ODOT CONT#21492/24432	3,102
ODOT SPRINGWATER 3 BRIDGES	20.205	ODOT #19484/KEY#11456	111,112
WAUD BLUFF TRAIL	20.205	ODOT AGR#22,473/KEY#14273	14,511
EAST MAX STATION	20.205	AGMT#24637/IJ-07/EA#TGM8LA54	28,906
NE 122 & LOMBARD HAZ ELIM	20.205	ODOT 23012	21,055
N LEADBETTER EXTENSION OXING	20.205	ODOT C#23368	37,471
GIBBS ST PED BRIDGE	20.205	ODOT 24108	27,787
ISTEA-INTERMODAL ENHANCEMENT	20.205	VARIOUS FAU/FAIX NOS.	1,594,393
WATER STATE FORCE WORK ORDERS	20.205	VARIOUS FAU/FAIX NOS.	54,865
ODOT Work Zone 07	20.205	070908 WKZN-421 fff	110,477
COLUMBIA SLOUGH TRAIL	20.205	ODOT #24517/KEY#15208	233
Passed through Oregon Transportation Investment Act			
N GOING ST BRIDGE REHAB-OTIA	20.205	ODOT/OTIA#23352	78,494
Passed through Multnomah County			
SELLWOOD BRIDGE REHAB NEPA	20.205	MULTCO #4600006301	1,551
Passed through Metro			
METRO ST JOHNS PED/FREIGHT	20.205	ODOT # 23910/METRO #927449	75,000
COLUMBIA/MLK	20.205	ODOT # 23950/METRO #927137	5,058
Passed through Washington Dept of Transportation			
COLUMBIA RIVER CROSSING	20.205	GCA4842	14,318
COLUMBIA RIVER CROSSING EIS	20.205	GCA5586	56,290
Total Highway Planning and Construction Cluster			2,263,230

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
Federal Transit Cluster			
Federal Transit-Capital Investment Grants			
Passed through TRIMET			
TRIMET PIR MITIGATION	20.500	TRI-MET C# 02-0788	1,632
DOWNTOWN MALL LRT	20.500	GH070428TL	21,708
DOWNTOWN MALL LRT	20.500	GH070428TL	860,311
DOWNTOWN MALL LRT	20.500	GH070428TL	21,524
TRANSIT MALL	20.500	GH070428TL	1,136,008
I-205 LIGHT RAIL	20.500	GH050284TL/AMEND#1	15,108
I-205 LIGHT RAIL	20.500	GH050284TL/AMEND#1	79,569
I-205 LIGHT RAIL	20.500	GH050284TL/AMEND#1	178
I-205 LIGHT RAIL	20.500	GH050284TL/AMEND#1	108,371
Subtotal Federal Transit-Capital Investment Grants			2,244,409
Federal Transit-Formula Grants			
Passed through Metro			
SMARTRIPS MILWAUKIE	20.507	METRO #927702	63,370
REGIONAL TRAVEL OPTIONS	20.507	METRO CONT# 927059 07/08 928129	54,435
LO-PTLD ALTERNATIVE ANALYSIS	20.507	OR90-S134-00/MTERO #927166	4,361
SO WATERFRONT TMA	20.507	METRO#927634 CITY #52812	6,079
Passed through TRIMET			
TRIMET STREETCAR LOOP (placeholder 5)	20.507	OR95X01100/TRIMET C#GH080176TL	1,400,000
Subtotal Federal Transit-Formula Grants			1,528,245
Total Federal Transit Cluster			3,772,654
Public Transportation Research			
Passed through TRIMET			
TRIMET PROTOTYPE STREETCAR	20.514	GH060317-TL	964,431
Alternative Analysis			
Passed through Metro			
STREETCAR CORRIDOR STUDY MTIP METRO	20.522	METRO C#927475 CITY #52731	1,115,188
RAIL SYSTEM PLANNING	20.522	METRO#928291	200,000
Total Alternative Analysis			1,315,188
Highway Safety Cluster			
State and Community Highway Safety			
Direct Programs			
FHWA TRANSP OPS DEMO	20.600	DTFH61-05-H-00004	26,280
SAFE COMMUNITIES 07-08	20.600	SA-08-25-05	89,399
SAFER ROUTES TO SCHOOL	20.600	HU-08-10-14	87,007
Passed through Oregon Transportation Investment Act			
MATT 07	20.600	2007 157SC-07-35-05 PPB	32,661
SAFE COMMUNITIES 06/07	20.600	SA-07-25-05	20,432
Subtotal State and Community Highway Safety			255,779

See accompanying notes.

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants			
Passed through Oregon Transportation Investment Act			
ODOT DISP 08	20.601	K8-08-12-39	5,520
Passed through Washington Dept of Transportation			
OACP DUII 07	20.601	K8-08-12-38	39,606
OACP DUII 06	20.601	164 AL 07-14-02	15,140
Subtotal Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants			60,266
Occupant Protection			
Passed through Washington Dept of Transportation			
OACP Safetybelt 3 Flags 06	20.602	J2 07-46-08	18,232
OACP Seat Belt 07	20.602	K2-08-46-08	43,480
Subtotal Occupant Protection			61,712
Total Highway Safety Cluster			377,757
Total U.S. Department of Transportation			**8,693,260**
U.S. Environmental Protection Agency			
Direct Programs			
Congressionally Mandated Projects			
EPA Infrastructure Grant 02	66.202	XP97045801-0	306,271
Surveys, Studies, Investig., and Special Purpose Grants w/in the Office of Research and Develop.			
EPA Stormwater	66.510	X3-83220701-0	116,529
Source Reduction Assistance			
Ecological Business Program	66.717	X9-96045701	2,000
Brownfields Assessment and Cleanup Cooperative Agreements			
BROWNFIELD HAZ SUBSTANCES	66.818	BF-96024101	8,333
BROWNFIELD PETROLEUM CLEANUP	66.818	BF-96024001	18,304
Total Brownfields Pilot Cooperative Agreements			26,637
Passed through Lane Regional Air Protection Agency			
Air Pollution Control Program Support			
SUNDAY PARKWAYS	66.001	EPA-OAR-TRPD-07-09	87,211
Total U.S. Environmental Protection Agency			**538,648**

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
U.S. Department. of Energy			
Direct Programs:			
Energy Efficiency & Renewable Energy Info. Dissemination, Training & Tech. Analysis/Assit.			
USDOE/Solar Now	81.117	DE-FC36-07GO17064	65,275
Total U.S. Department of Energy			**65,275**
U.S. Department of Health and Human Services			
Direct Programs			
US PUBLIC HEALTH SERVICE GRANT	93.UNKNOWN	CONTRACT#282-99-0035	24,076
Total U.S. Department of Health and Human Services			**24,076**
U.S. Department of Homeland Security			
Direct Programs			
Assistance to Firefighters Grant			
2006 DHS ASSIST TO FIREFIGHTERS	97.044	EMW-2006-FG-12197	362,006
2006 AFG SAFE & SOUND	97.044	EMW-2006-FP-01454	340,038
Total Assistance to Firefighters Grant			702,044
Passed through Oregon Emergency Management			
Disaster Grants - Public Assistance			
VERNONIA FLOOD FEMA	97.036	PMAT-IGA	5,109
VERNONIA FLOOD -FEMA	97.036	PMAT-IGA	54,973
Total Disaster Grants - Public Assistance			60,082
Emergency Management Performance Grants			
EMERGENCY MGMT 06/07	97.042	UNKNOWN	32,648
EMERGENCY MGMT 07/08	97.042	UNKNOWN	77,796
Total Emergency Management Performance Grants			110,444
Pre-Disaster Mitigation (PDM) Competitive Grants			
FEMA PDM WILDFIRE	97.047	FY05/PDM-C CITY CONTRACT 52628	147,382
FEMA PDM WILDFIRE	97.047	FY05/PDM-C CITY CONTRACT 52628	16,113
FEMA PDM WILDFIRE	97.047	FY05/PDM-C CITY CONTRACT 52628	76,170
FEMA LENTS FLOODPLAIN	97.047	PDM EMS-2005 PC-0004 (9)	157,393
CONDUIT TRESTLES-FEMA PDM	97.047	EMS-2005-PC-0004	2,329,347
Total Pre-Disaster Mitigation (PDM) Competitive Grants			2,726,405
Metropolitan Medical Response System			
MMRS 06/07	97.071	06-081	212,599

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor and Program Title	Federal CFDA Number	Identifying Number	Expenditures Year Ended 6/30/2008
Passed through Oregon Criminal Justice Services Division			
Citizen Corps			
CCP 06	97.053	06-113	4,032
State Homeland Security Program (SHSP)			
TOPOFF 4/SHSP06	97.073	06-235	63,025
TOPOFF 4/SHSP06	97.073	06-235	7,631
Total State Homeland Security Program (SHSP)			70,656
Law Enforcement Terrorism Prevention Program (LETPP)			
TOPOFF 4/LETPP06	97.074	06-176	77,734
Homeland Security Cluster			
Passed through Oregon Criminal Justice Services Division			
Urban Areas Security Initiative			
UASI 05	97.008	05-071	39,347
UASI 05	97.008	05-071	39,180
UASI 05	97.008	05-071	1,700,573
UASI 05	97.008	05-071	1,264
UASI 06	97.008	06-071	612
UASI 06	97.008	06-071	3,908
UASI 06	97.008	06-071	1,364
UASI 06	97.008	06-071	34,317
UASI 06	97.008	06-071	11,676
UASI 06	97.008	06-071	967
UASI 06	97.008	06-071	3,687
UASI 06	97.008	06-071	6,068
UASI 06	97.008	06-071	28,705
UASI 06	97.008	06-071	2,702,439
UASI 06	97.008	06-071	8,840
UASI 06	97.008	06-071	1,073
UASI 06	97.008	06-071	72,944
UASI 07	97.008	06-176	457,767
UASI 07	97.008	06-176	30,000
Subtotal Urban Area Security Initiative			5,144,731
State Homeland Security Program (SHSP)			
TOPOFF 4/SHSP05	97.073	05-300	53,845
Law Enforcement Terrorism Prevention Program (LETPP)			
TOPOFF 4/LETPP 05	97.074	05-192	190,097
Total Homeland Security Cluster			5,388,673
Total U.S. Department of Homeland Security			**9,352,669**
Total Federal Expenditures			**$ 44,108,378**

See accompanying notes.

NOTE 1 - ACCOUNTING POLICIES

General - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Portland, Oregon. The City's financial reporting entity is described in note I.A to the City's basic financial statements. Financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies is included in the accompanying schedule.

Basis of accounting - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note I.C to the City's basic financial statements.

Relationship to basic financial statements - Financial assistance revenues are reported in the City's basic financial statements included with revenues from federal and state sources, as described in note I.C to the City's basic financial statements.

NOTE 2 - LOAN BALANCES

The City of Portland has outstanding loan receivable balances, considered major federal financial assistance programs, which were created by grants from the U.S. Department of Commerce.

The Industrial Sites Loan Program has an outstanding loan balance of $1,069,233, and no undisbursed loan commitments, at June 30, 2008. During the fiscal year ending June 30, 2008, program income, consisting primarily of investment interest and interest earned on loans, is $81,673. Costs associated with the administration of this grant totaled $34,841.

The Revolving Loan Program has an outstanding loan balance of $846,788, and undisbursed loan commitments of $544, at June 30, 2008. During the fiscal year ending June 30, 2008, program income, consisting primarily of investment interest and interest earned on loans, is $59,035. Costs associated with the administration of this grant totaled $24,549.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	___✓___	no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	___✓___	none reported
Noncompliance material to financial statements noted?	_____	yes	___✓___	no

Federal awards

Internal control over major programs:

Material weakness(es) identified?	_____	yes	___✓___	no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____	yes	___✓___	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 Circular A-133?	____	yes	___✓___	no

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
14.218	Community Development Block Grant
14.246	Community Development Block Grant/Brownfields Economic Development Initiative
20.522	Alternative Analysis
97.047	Pre-Disaster Mitigation
97.008, 97.073 & 97.074	Homeland Security cluster

Dollar threshold used to distinguish between type A and type B programs? $1,323,251

Auditee qualified as low-risk auditee? ✓ yes ____ no

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported

CITY OF PORTLAND, OREGON
SCHEDULE OF EXPENDITURES OF STATE AWARDS (UNAUDITED)
YEAR ENDED JUNE 30, 2008

State and Private Grantor/Program Title	CFDA Number	Grant Number	Expenditures
Clackamas County			
Green Bldg Resource Cntr	N/A	N/A	$ 5,000
Corporation for Supportive Housing			
Corporation for Supportive Housing 05/06	N/A	06-125-G	341,905
ECOS Consulting Inc.			
ECOS MF	N/A	N/A	33,956
Energy Trust of Oregon			
Energy Trust Green Investment Fund	N/A	00270/00563	38,055
Energy Trust Co-Gen	N/A	N/A	362,000
Oregon Climate Trust			
Climate Trust 2002	N/A	N/A	122,197
Oregon Dept. of Energy			
ODOE SHOW 05	N/A	I07023	38,785
Oregon Dept. of Environmental Quality			
DEQ PSU 06	N/A	078-06	822
DEQ OCEH 07-08	N/A	083-07	12,035
DEQ Rebuilding 07-08	N/A	082-07	29,710
Sewer Expansion	N/A	R74164	95,379
Chlorine Conversion	N/A	R74165	2,626
Oregon Department of Transportation			
ODOT BIKE GUIDE SIGNS	99.999	ODOT C#23861	27,406
Oregon Economic and Community Development Department			
Oregon PDX Lounge	N/A	52895	20,000
Oregon Parks and Recreation			
HOLLYFARM 05/06	99.999	LGP0170	74,544
Oregon Watershed Enhancement Board			
OAKS BOTTOM AMPHIBIAN	N/A	206-305	8,035
Metro			
NATURE IN NEIGHBORHOODS FANNO BASIN	N/A	METRO #927218	2,814
Green Bldg Resource Cntr	N/A	N/A	51,583
Pacificorp			
Pacificorp Small Business	N/A	N/A	28,157
Washington County			
Green Bldg Resource Cntr	N/A	N/A	2,000
TOTAL STATE AND PRIVATE GRANTS			$ 1,297,009