



April 7, 2020

To the Board of Education, the Citizens' Bond Oversight Committee, and Management
Oakland Unified School District
Oakland, California

We have audited the financial statements of Oakland Unified School District's Measure B and Measure J General Obligation Bond Funds as of and for the year ended June 30, 2019 and have issued our report thereon dated March 31, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated October 31, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Oakland Unified School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated March 31, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Oakland Unified School District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the bond fund financial statements is Note 1 that describes its significant accounting policies. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following two uncorrected financial statement misstatements whose effects, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole are described as follows:

Accounting standards require that investments be stated at fair value. The bond fund's investments in the Alameda County Treasury Investment Pool are reported at book value, which is lower than market value by \$138 thousand or 0.38 percent (collectively).

A transaction was recorded into the fiscal year 2020 accounting records but should have been recorded into the fiscal year 2019 accounting records (timing difference). The transaction is a non-routine item that occurred after closing of the books. Had the transaction been recorded into the fiscal year 2019, assets of Measure J would have been larger by \$255 thousand, or 1.6 percent.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated March 31, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Oakland Unified School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Oakland Unified School District's auditors.

This report is intended solely for the information and use of the Board of Education, the Citizens' Bond Oversight Committee and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned in the lower-left area of the page.



April 7, 2020

To the Board of Education, the Citizens' Bond Oversight Committee, and Management
Oakland Unified School District
Oakland, California

In planning and performing our audit of the basic financial statements of Oakland Unified School District's Measure B and Measure J General Obligation Bond Funds as of and for the year ended June 30, 2019, 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, we considered Bond Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Bond Fund's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control over financial reporting, 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. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in the Bond Fund's internal control, as described as finding 2019-001 and 2019-002 in the Schedule of Findings and Responses of the separate Measure B and Measure J Bond Funds, to be material weaknesses:

2019-001 - Audit adjustments were necessary for the income statement to be presented in accordance with generally accepted accounting principles. The effect of the matter is that expenditures were not classified in accordance with generally accepted accounting principals on the internal management reports.

2019-002 - The building fund of the Oakland Unified School District includes \$233 thousand of cash as of June 30, 2019, that needs to be distributed between the separate Measure J and Measure B bond funds.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Eide Bailly LLP



**ANNUAL FINANCIAL REPORT
OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B
GENERAL OBLIGATION BOND FUND**

FOR THE YEAR ENDED JUNE 30, 2019

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND

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INDEPENDENT AUDITOR'S REPORT

Board of Education and
Citizens' Bond Oversight Committee
Oakland Unified School District
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the June 6, 2006 School Facilities Improvement Bond of 2006 (Measure B) of the Oakland Unified School District, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Measure B's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure B, as of June 30, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund specific to the Measure B Bond Fund, and are not intended to present fairly the financial position and results of operations of Oakland Unified School District in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020, on our consideration of Measure B's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Measure B's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure B's internal control over financial reporting and compliance.



Palo Alto, California
March 31, 2020

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND

BALANCE SHEET

JUNE 30, 2019

ASSETS

Deposits and investments	\$ 20,847,612
Interest receivable	118,094
Receivable from Measure J	<u>6,162,560</u>
Total assets	<u>\$ 27,128,266</u>

LIABILITIES AND FUND BALANCE

Liabilities

Trade accounts payable	\$ 1,803,497
Total liabilities	<u>1,803,497</u>

Fund Balance

Restricted for Measure B	<u>25,324,769</u>
Total Liabilities and fund balance	<u>\$ 27,128,266</u>

The accompanying notes are an integral part of these financial statements.

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE B GENERAL OBLIGATION BOND FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES		
Interest		\$ 743,444
Total revenues		<u>743,444</u>
EXPENDITURES		
Facilities modernization and improvement		
Salaries		31,130
Employee benefits		4,696
Equipment		563,776
Services and operating expenditures		61,754
Construction		44,488,132
Total expenditures		<u>45,149,488</u>
Excess of expenditures over revenues		<u>(44,406,044)</u>
OTHER FINANCING SOURCES		
Transfers In from Measure J		6,162,560
		<u>6,162,560</u>
Net change in fund balance		(38,243,484)
FUND BALANCE, BEGINNING OF YEAR		<u>63,568,253</u>
FUND BALANCE, END OF YEAR		<u>\$ 25,324,769</u>

The accompanying notes are an integral part of these financial statements.

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE B GENERAL OBLIGATION BOND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – THE REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure B General Obligation Bond fund (Fund) of Oakland Unified School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

A. Financial Reporting Entity

The Measure B General Obligation Bond Fund was established to account for the expenditures of general obligation bonds issued under the June 6, 2006 School Facilities Improvement Bond of 2006 (Measure B) of the Oakland Unified School District. Approval of measure B authorized the District to issue \$435,000,000 of general obligation bonds for construction or modernization of school facilities. The following table shows bonds issued under Measure B as of June 30, 2019.

<u>Series Name</u>	<u>Issue Date</u>	<u>Initial Principal Amount</u>
Series 2006	August 1, 2006	\$ 130,000,000
Series 2009A	August 12, 2009	87,885,000
Series 2009B	August 12, 2009	70,795,000
Series 2009C	August 12, 2009	26,320,000
Series 2012A	March 21, 2012	31,040,000
Series 2012B	March 21, 2012	23,960,000
Series 2016A	August 17, 2016	65,000,000
		<u>\$ 435,000,000</u>

These financial statements are not intended to present the financial position and results of operations of the Oakland Unified School District as a whole, in accordance with accounting principles generally accepted in the United States of America.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements of the Fund are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Using this measurement focus, only current assets and current liabilities are included in the balance sheet. Expenditures are not capitalized or depreciated in these financial statements. Long-term debt is not included as a liability of the Fund. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

C. Investments

Investments held at June 30, 2019, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and state investment pools are determined by the program sponsor.

D. Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

E. Fund Balances - Governmental Funds

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Bond Fund considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

F. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Policies and General Authorization – The Fund is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with the county treasurer (Education Code Section 41001). The balance available for withdrawal is based on the accounting records maintained by the county treasurer, which is recorded on the amortized cost basis. The Fund’s investment in the pool is reported in the financial statements at the Fund’s pro-rata share of amortized cost which approximates fair value. Amortized cost and fair value is provided by the county treasurer for the entire portfolio.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The sensitivity of the fair values of the District’s investment to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 393 days on June 30, 2019.

Fair Value Measurements – The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District can access at the measurement date.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data.

Uncategorized – The District’s investments in the Alameda County Investment Pool are not measured using the input levels described above because transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 3 – INTERFUND TRANSACTIONS

Transfers in of \$6,162,560 from Measure J of Oakland Unified School District are reimbursements for expenditures should have been initially paid by that fund. The reimbursements are necessary for the classification of expenses to agree with the August 2018 Spending Plan.

NOTE 4 – CONTINGENCIES AND COMMITMENTS

Performance Audit and Other Audit Findings – The 2018-2019 Alameda County Grand Jury Report and the Measure B Construction Bond Funds Performance Audit Report for the Fiscal Year Ended June 30, 2019 contain information that may be relevant to readers of the Fund financial statements. Management has determined that no conditions exist that require a loss contingency accrual, and no such estimate of an amount can be made based on facts and circumstances to date.

Litigation – The Fund is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Fund at June 30, 2019.

Construction Commitments – The Fund had contractual obligations of \$4,999,724 on June 30, 2019 for Measure B capital improvement projects.



**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***

Board of Education and
Citizens’ Bond Oversight Committee
Oakland Unified School District
Oakland, California

We have audited, in accordance with the 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, the financial statements of the June 6, 2006 School Facilities Improvement Bond of 2006 (Measure B) of the Oakland Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure B’s basic financial statements, and have issued our report thereon dated March 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Measure B’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Measure B’s internal control. Accordingly, we do not express an opinion on the effectiveness of Measure B’s internal control.

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 a 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001, and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fund's financial statements are free from 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*.

Management's Response to Findings

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Palo Alto, California
March 31, 2020

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE B GENERAL OBLIGATION BOND FUND
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes

Significant deficiency identified?

None Reported

Noncompliance material to financial statements noted?

No

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019

The following finding represents a significant deficiency related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*.

2019-001, Audit Adjustments – Material Weakness in Internal Control Over Financial Reporting

Criteria

Management of the District is responsible for ensuring that the financial statements of the bond funds are complete and accurate representations of the bond fund accounting records.

Condition

Audit adjustments were necessary for the income statement to be presented in accordance with generally accepted accounting principles.

Context

The amount reported as expenditures were understated by \$6,162,560 for the year ended June 30, 2019. The audit adjustment did not change the ending fund balance but modified how the accounting records were classified on the income statement. The adjustment was necessary because Measure B paid for vendor expenses that were budgeted to be paid from Measure J in the August 2018 Spending Plan. Both Measures are permissible funding sources.

Effect

Expenditures were not classified in accordance with generally accepted accounting principals on the internal management reports.

Cause

The State prescribed method of accounting does not always result in a GAAP basis presentation of financial statements.

Recommendation

We recommend the District's Controller review the year-end closing entries to ensure they are presented per GAAP.

Views of Responsible Officials

The District's Controller position was vacant during the time when we closed the fiscal year 2019 books. A permanent Controller was hired in December 2019. The Controller will review the fiscal year ending June 30, 2020 closing entries to ensure they are presented per GAAP.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE B GENERAL OBLIGATION BOND FUND AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019

2019-002, Stale Dated Warrants – Material Weakness in Internal Control Over Financial Reporting

Criteria

The cancellation of an expense transaction should be refunded to the source where it originated.

Condition and Questioned Costs

The building fund of the Oakland Unified School District includes \$233 thousand of cash as of June 30, 2019, that needs to be distributed between the separate Measure J and Measure B bond funds.

Context

The \$233 thousand is an accumulation of resources from the inception of the bond funds through June 30, 2018. This is a small part of the total bond fund expenditures. Of the \$233 thousand, a portion belongs to Measure J and Measure B, while a portion is escheat property that should be remitted to the California State Controller.

Effect

The balance of cash as of June 30, 2019, of the separate bond fund financial statements, does not include these amounts.

Cause

The District has not determined the part that belongs to Measure J, Measure B, or should be remitted to the California State Controller as escheat property.

Recommendation

We recommend management to refund Measure B for its share of the cancelled expenses. Going forward, management should ensure that refunds are credit to the account concurrently with the underlying transaction.

Views of Responsible Officials

We began analyzing the stale warrants in February of 2020 and intend to have the matter resolved by the closing of the 2020 fiscal year.



**ANNUAL FINANCIAL REPORT
OAKLAND UNIFIED SCHOOL DISTRICT
2012 MEASURE J
GENERAL OBLIGATION BOND FUND**

FOR THE YEAR ENDED JUNE 30, 2019

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE J GENERAL OBLIGATION BOND FUND

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INDEPENDENT AUDITOR'S REPORT

Board of Education and
Citizens' Bond Oversight Committee
Oakland Unified School District
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the November 6, 2012 School Facilities Improvement Bond of 2012 (Measure J) of the Oakland Unified School District, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Measure J's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure J, as of June 30, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund specific to the Measure J Bond Fund, and are not intended to present fairly the financial position and results of operations of Oakland Unified School District in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020, on our consideration of Measure J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Measure J's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure J's internal control over financial reporting and compliance.



Palo Alto, California
March 31, 2020

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE J GENERAL OBLIGATION BOND FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Cash and investments	\$ 15,352,670
Interest receivable	134,680
Prepaid items	314,753
Total assets	<u>\$ 15,802,103</u>

LIABILITIES AND FUND BALANCE

Liabilities

Trade accounts payable	\$ 4,019,493
Payable to Measure B	6,162,560
Payable to Oakland Unified School District	1,083,194
Total liabilities	<u>11,265,247</u>

Fund Balance

Nonspendable	314,753
Restricted for Measure J	4,222,103
Total fund balance	<u>4,536,856</u>
Total liabilities and fund balance	<u>\$ 15,802,103</u>

The accompanying notes are an integral part of these financial statements.

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE J GENERAL OBLIGATION BOND FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES	
Interest	\$ 718,876
Other local revenue	126,447
Total revenues	<u>845,323</u>
EXPENDITURES	
Facilities modernization and improvement	
Salaries	2,575,038
Employee benefits	1,087,054
Supplies and equipment	170,884
Services and operating expenditures	2,472,069
Construction	41,524,670
Total expenditures	<u>47,829,715</u>
Excess of expenditures over revenues	<u>(46,984,392)</u>
OTHER FINANCING USES	
Transfers out to Measure B	(6,162,560)
Transfers out to Fund 25	(1,083,191)
Refunds on prior year expenditures	130,873
Total other financing sources	<u>(7,114,878)</u>
Net change in fund balance	(54,099,270)
FUND BALANCE, BEGINNING OF YEAR	<u>58,636,126</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,536,856</u>

The accompanying notes are an integral part of these financial statements.

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE J GENERAL OBLIGATION BOND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – THE REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Measure B General Obligation Bond fund (Fund) of Oakland Unified School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

A. Financial Reporting Entity

The Measure B General Obligation Bond Fund was established to account for the expenditures of general obligation bonds issued under the November 6, 2012 School Facilities Improvement Bond of 2012 (Measure J) of the Oakland Unified School District. Approval of measure J authorized the District to issue \$475,000,000 of general obligation bonds for construction or modernization of school facilities. The following table shows bonds issued under Measure J as of June 30, 2019 and the subsequent period.

<u>Series Name</u>	<u>Issue Date</u>	<u>Initial Principal Amount</u>
Series 2013	September 4, 2013	\$ 120,000,000
Series 2015A	August 20, 2015	173,500,000
Series 2015B-Taxable	August 20, 2015	6,500,000
Series 2019A *	August 13, 2019	160,000,000
Series 2019B-Taxable *	August 13, 2019	15,000,000
		<u>\$ 475,000,000</u>

**Issued subsequent to June 30, 2019*

These financial statements are not intended to present the financial position and results of operations of the Oakland Unified School District as a whole, in accordance with accounting principles generally accepted in the United States of America.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements of the Fund are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Using this measurement focus, only current assets and current liabilities are included in the balance sheet. Expenditures are not capitalized or depreciated in these financial statements. Long-term debt is not included as a liability of the Fund. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE J GENERAL OBLIGATION BOND FUND

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

C. Investments

Investments held at June 30, 2019, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and state investment pools are determined by the program sponsor.

D. Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

E. Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services.

F. Fund Balances - Governmental Funds

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Bond Fund considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE J GENERAL OBLIGATION BOND FUND NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

G. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Policies and General Authorization – The Fund is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with the county treasurer (Education Code Section 41001). The balance available for withdrawal is based on the accounting records maintained by the county treasurer, which is recorded on the amortized cost basis. The Fund’s investment in the pool is reported in the financial statements at the Fund’s pro-rata share of amortized cost which approximates fair value. Amortized cost and fair value is provided by the county treasurer for the entire portfolio.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The sensitivity of the fair values of the District’s investment to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 393 days on June 30, 2019.

Fair Value Measurements – The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District can access at the measurement date.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data.

Uncategorized – The District’s investments in the Alameda County Investment Pool are not measured using the input levels described above because transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE J GENERAL OBLIGATION BOND FUND NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 3 – INTERFUND TRANSACTIONS

Transfers out of \$6,162,560 to Measure B of Oakland Unified School District, and transfers out of \$1,083,194 to the Fund 25 Capital Facilities Fund of Oakland Unified School District, are reimbursements for expenditures initially paid from those sources. The reimbursements are necessary for the classification of expenses to agree with the August 2018 Spending Plan.

Transfers in of \$130,876 are refunds on Measure J expenditures that were initially deposited into a holding account within the District's Building Fund.

NOTE 4 – CONTINGENCIES AND COMMITMENTS

Performance Audit and Other Audit Findings – The 2018-2019 Alameda County Grand Jury Report and the Measure J Construction Bond Funds Performance Audit Report for the Fiscal Year Ended June 30, 2019 contain information that may be relevant to readers of the Fund financial statements. Management has determined that no conditions exist that require a loss contingency accrual, and no such estimate of an amount can be made based on facts and circumstances to date.

Litigation – The Fund is involved in various litigation arising from the normal course of business. In the opinion of management, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Fund at June 30, 2019.

Construction Commitments – The Fund had contractual obligations of \$123,166,733 on June 30, 2019 for Measure B capital improvement projects.

NOTE 5 – SUBSEQUENT EVENT

Bond Issuances – On August 13, 2019, the Fund issued general obligation bonds of \$175,000,000 with a yield of 1.430% to 3.020% and rates of 2.096% to 5.000%. The bonds mature through August 1, 2040.



**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***

Board of Education and
Citizens' Bond Oversight Committee
Oakland Unified School District
Oakland, California

We have audited, in accordance with the 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, the financial statements of the November 6, 2012 School Facilities Improvement Bond of 2012 (Measure J) of the Oakland Unified School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure J's basic financial statements, and have issued our report thereon dated March 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Measure J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Measure J's internal control. Accordingly, we do not express an opinion on the effectiveness of Measure J's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure J's financial statements are free from 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*.

Management's Response to Findings

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The signature is written in a cursive, handwritten style. It reads "Eide Bailly LLP".

Palo Alto, California
March 31, 2020

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE J GENERAL OBLIGATION BOND FUND
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>Yes</u>
Significant deficiency identified?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

OAKLAND UNIFIED SCHOOL DISTRICT

**MEASURE J GENERAL OBLIGATION BOND FUND
AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

The following finding represents a significant deficiency related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*.

2019-001, Audit Adjustments – Material Weakness in Internal Control Over Financial Reporting

Criteria

Management of the District is responsible for ensuring that the financial statements of the bond funds are complete and accurate representations of the bond fund accounting records.

Condition

Audit adjustments were necessary for the financial statements to be presented in accordance with generally accepted accounting principles.

Context

The following table itemizes the audit adjustments:

	Beginning Fund Balance	Accounts Payable	Expenditures	Others Sources and (Uses)
Per District books	\$ 58,767,002	\$ 1,499,227	\$ 52,555,203	\$ -
Audit adjustments				
Timing difference	-	2,520,266	2,520,266	-
Reclassification	-	-	(7,245,754)	(7,245,754)
Reclassification	(130,873)	-	-	130,873
Total, net audit adjustments	(130,873)	2,520,266	(4,725,488)	(7,114,881)
Per audited financial statements	\$ 58,636,129	\$ 4,019,493	\$ 47,829,715	\$ (7,114,881)

The ending fund balance was decreased by \$2,520,266 because of an item of expenditure that was recorded by management into the fiscal year 2019-20 accounting records. The other audit adjustment did not change the ending fund balance but modified how the accounting records were classified on the income statement. The adjustment was necessary because Measure B paid for vendor expenses that were budgeted to be paid from Measure J in the August 2018 Spending Plan. Both Measures are permissible funding sources.

Effect

Expenditures were not classified in accordance with generally accepted accounting principles on the internal management reports.

Cause

The State prescribed method of accounting does not always result in a GAAP basis presentation of financial statements.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE J GENERAL OBLIGATION BOND FUND AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019

Recommendation

We recommend the District's Controller review the year-end closing entries to ensure they are presented per GAAP.

Views of Responsible Officials

The District's Controller position was vacant during the time when we closed the fiscal year 2019 books. A permanent Controller was hired in December 2019. The Controller will review the fiscal year ending June 30, 2020 closing entries to ensure they are presented per GAAP.

OAKLAND UNIFIED SCHOOL DISTRICT

MEASURE J GENERAL OBLIGATION BOND FUND AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019

2019-002, Stale Dated Warrants – Material Weakness in Internal Control Over Financial Reporting

Criteria

The cancellation of an expense transaction should be refunded to the source where it originated.

Condition and Questioned Costs

The building fund of the Oakland Unified School District includes \$233 thousand of cash as of June 30, 2019, that needs to be distributed between the separate Measure J and Measure B bond funds.

Context

The \$233 thousand is an accumulation of resources from the inception of the bond funds through June 30, 2019. This is a small part of the total bond fund expenditures. Of the \$233 thousand, a portion belongs to Measure J and Measure B, while a portion is escheat property that should be remitted to the California State Controller.

Effect

The balance of cash as of June 30, 2019, of the separate bond fund financial statements, does not include these amounts.

Cause

The District has not determined the part that belongs to Measure J, Measure B, or should be remitted to the California State Controller as escheat property.

Recommendation

We recommend management to refund Measure J for its share of the cancelled expenses. Going forward, management should ensure that refunds are credit to the account concurrently with the underlying transaction.

Views of Responsible Officials

We began analyzing the stale warrants in February of 2020 and intend to have the matter resolved by the closing of the 2020 fiscal year.



**PERFORMANCE AUDIT REPORT
OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J
GENERAL OBLIGATION BOND FUNDS**

FOR THE YEAR ENDED JUNE 30, 2019



March 31, 2020

Board of Education, Citizens' Bond Oversight Committee, and Management of the
Oakland Unified School District
Oakland, California

Subject: Measure J and Measure B Construction Bond Funds Performance Audit Report for the Fiscal Year Ended
June 30, 2019

This report presents the results of our performance audit of the Oakland Unified School District's (OUSD or the District) 2012 Measure J and 2006 Measure B General Obligation School Facilities Bond (Bond Program) as required by District objectives and California Proposition 39, the "Smaller Classes, Safer Schools and Financial Accountability Act" (Proposition 39), California Constitution (State Constitution) Article XIII A, and California Education Code (Education Code) Section 15272. These California State (State) requirements specify that the proceeds from the sale of school facilities bonds are expended only on the specific projects listed in the proposition authorizing the sale of bonds (Listed Projects).

Both the State Constitution and Education Code require an annual independent performance audit to verify bond proceeds are used on Listed Projects. Finally, Senate Bill 1473, "School facilities bond proceeds: performance audits" (SB 1473), approved by the Governor on September 23, 2010, amended California Education Code to add Section 15286, which requires the annual performance audits to be conducted under the *Government Auditing Standards* issued by the Comptroller General of the United States.

EXECUTIVE SUMMARY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The performance audit objectives, scope, methodology, audit results, and a summary of the views of responsible district officials are included in the report body.

Performance audit procedures covered the period from July 1, 2018, through June 30, 2019. Based on the performance audit procedures performed and the results obtained, we have met our audit objectives. We conclude that for the fiscal year ended June 30, 2019, bond proceeds were used only for listed projects under the 2012 Measure J and 2006 Measure B, which authorized the sale of the Bond, with the following potential exceptions and clarifications:

- Although specific documentation was not available, the Bond Program overall maintains complete procurement and contract files and invoices evidencing approval for all expenditure transactions.
- The ballot language addresses projects at the District and school site levels; however, particular expenditures are not explicit in the Bond language.
- The District does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine everyday school facilities administrator expenses.

Project kick-off, planning meetings, and interviews with senior management were conducted during January 2020. The audit team was on-site daily throughout February 2020 to review documentation covering contracting and procurement, design and construction, claims avoidance, facilities management, and payment procedures. Interviews with all project managers were conducted as well. We reviewed documentation covering 93 percent of total vendor expenditures and 92 percent of salary expenditures. Over the course of our work, we personally discussed with 66 percent of bond program personnel, including 100 percent of the project managers. Close-out procedures occurred through the end of March 2020.

Based on our assessment, we identified several good management practices as described below:

- The District utilized other revenue sources to maximize the impact of Measure J and Measure B funds.
- The District reported the historical expenditure date for the projects and separated Measure J and Measure B expenditures.
- The importance of institutional knowledge is often overlooked. Senior management of the Bond Program was cooperative, responsive, and maintained the institutional knowledge that is often not within the OSUD. Bond program personnel were responsive to our questions and provided documentation timely.
- All of the contractors that we reviewed were selected per the competitive solicitation requirements.
- The District submitted a Contract Justification Form to the Board with the consent agenda contract that summarized relevant procurement process information. This form included relevant vendor information details on how vendors were selected, a summary of vendor services, determination of competitive pricing if the contract was not competitively bid, and competitive bid exceptions when applicable.
- While out-of-date, the District was able to provide a standardized items list for Bond Program materials procurement.
- The District was able to provide conflict of interest forms.
- Citizens' Bond Oversight Committee (CBOC) meeting minutes were posted on the District website, and the meeting minutes included links to the relevant documentation.
- The Board of Education Meeting minutes were posted on the District website, and the meeting minutes included links to the relevant documentation.
- The District is in the process of developing the Program Procedures Manual, which includes updated policies and procedures over the areas addressed in this report and prior year performance audit report. The most current draft is dated January 2020.

Additionally, we evaluated the effectiveness and efficiency of internal controls to provide an analysis of the School Construction Program and offer those charged with District governance and oversight information to improve program performance and operations. We identified the following internal control deficiencies related to compliance with Bond Program requirements, effectiveness, and efficiency of operations:

Expenditure Management and Controls

- The ballot language addresses projects at the District and school site levels; however, it is unclear if specific expenditures are allowable per the Bond language (see CAPA No. 1 for further information).
- The District does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine everyday school facilities administrator expenses. (see CAPA No. 2 for further information).

Program Management

- Financial reporting lacked details for critical stakeholders to analyze the schedule and budgetary information at the program and project level (see Observation 3.1 for further information).
- Five percent of the payment application packages that we reviewed were missing specific documents (see Observation 4.1 for further information).
- Two percent of the construction quality control packets that we reviewed were missing specific documents (see Observation 4.2 for further information).
- The policies and procedures surrounding procurement are out-of-date and incomplete (see Observation 6.1 for further information).
- Nine percent of the bid packets that we reviewed were missing specific documentation (see Observation 6.2 for further information).
- Fifteen percent of the contract files that we reviewed were missing specific documentation. (see Observation 6.3 for further information).
- The District's standardized items list for Bond Program materials procurement is not current and is potentially not complete (see Observation 7 for further information).
- The District did not provide complete Form 700s for specific management positions defined in the District's board policy within the facility department. (see Observations 8 and 9.1 for further information).
- Policies and procedures were not centrally located, did not define roles and responsibilities, and the process for updating manuals was not documented (see Observations 8 and 9.2 for further information).

Budgetary Management and Change Order Reporting and Controls

- Policies and procedures covering the process for developing and adhering to design and construction budgets are not current and are not followed in practice (see Observation 1.1 for further information).
- Board policy over the frequency of updates to the Facilities Master Plan ("FMP") is not consistently followed (see Observation 1.2 for further information).
- The District does not include expenditures by timeframe based on project forecasts to validate that sufficient funding is available to meet the financial requirements of Measure J objectives (see Observation 2 for further information).
- Policies about change orders lacked claims avoidance considerations and evidence preservation protocols to limit exposure (see Observation 5.1 for further details).
- The policies and procedures surrounding change order review and acceptance are inconsistently applied and incomplete (see Observation 5.2 for further information).
- There is not a defined policy for reporting of meaningful change orders to key stakeholders (see Observation 5.3 for further information).
- Change orders are often classified as "errors and omissions" due to the architect's drawings, not including all specifications (see Observation 5.4 for further information).

We provided improvement recommendations related to our observations for Expenditure Management and Controls, Adherence to Design and Construction Cost Budgets, Adherence to Design and Construction Schedules and Timelines, Financial Reporting and Internal Controls, Payment Procedures, Change Order and Claims Procedures, Bidding and Procurement Procedures, Best Practices for Procurement of Materials and Services, Conflict of Interest, Compliance with State Laws and Guidelines, and Board Policy.

Management remains responsible for the proper implementation and operation of an adequate system of internal control. Due to the inherent limitations of any internal control structure, errors, or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

This report is intended solely for the use of the District's Board of Education, District Administration, and the Citizen's Bond Oversight Committee. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Palo Alto, California

**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J FUNDS**

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**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J BOND FUNDS**

**BACKGROUND INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

A. OAKLAND UNIFIED SCHOOL DISTRICT APPROVED BOND FUNDS

On June 6, 2006, Oakland voters approved the School Facilities Improvement Bond of 2006 (Measure B) authorizing the District to issue \$435 million of general obligation bonds to finance the school facilities projects specified and listed in the Bond Project List. The funds were intended to “repair and modernize elementary, middle and high schools and pre-schools, including renovating classrooms, restrooms and other facilities to meet current safety standards, and repairing electrical, plumbing and other building systems; and to build libraries, classrooms, and science and computer labs.”

On November 6, 2012, Oakland voters approved the School Facilities Improvement Bond of 2012 (Measure J). Measure J authorized the District to issue \$475 million to "improve the quality of Oakland schools and school facilities to better prepare students for college and jobs, to upgrade science labs, classrooms, computers, and technology, improve student safety and security, repair bathrooms, electrical systems, plumbing, and sewer lines, improve energy efficiency and earthquake safety."

Bond Program accounting records for FY 2019 show total expenditures of \$92,979,203. Measure J Bond Program expenditures totaled \$47,829,715, and Measure B Bond Program expenditures totaled \$45,149,488 in the current year.

Unspent resources on June 30, 2019, and including the Measure J Series 2019 issued on August 13, 2019, are \$204,861,625. Measure J is \$179,536,856, and Measure B is \$25,324,769. The final series of bonds under Measure B was sold in August 2016. The August 2019 series of bonds is the final issuance under Measure J.

B. CALIFORNIA STATE REQUIREMENTS

A Construction Bond Program Performance Audit is required for the District’s Measure J and Measure B Construction Bonds by Proposition 39, State Constitution Article XIII A, and Education Code Section 15272. These requirements specify that the proceeds from the sale of school facilities bonds can be expended only on Listed Projects. Both the State Constitution and Education Code require an annual independent performance audit to verify that Bond proceeds were used on Listed Projects. Finally, SB 1473, approved by the Governor on September 23, 2010, amended the California Education Code to add Section 15286, which requires an annual performance audit to be conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

California voters passed proposition 39 on November 7, 2000. Proposition 39 amended provisions to the California Constitution and the California Education Code. The purpose and intent of the initiative were "to implement class size reduction, to ensure that our children learn in a secure and safe environment, and to ensure that school districts are accountable for prudent and responsible spending for school facilities." It provided for the following amendments to the California Constitution and California Education Code:

1. To provide an exception to the limitation on ad valorem property taxes and the two-third vote requirements to allow school districts, community college districts, and county offices of education to equip our schools for the 21st Century, to provide our children with smaller classes, and to ensure our children’s safety by repairing, building, furnishing and equipping school facilities;

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2. To require school district boards, community college boards, and county offices of education to evaluate the safety, class size reduction and information technology needs in developing a list of specific projects to present to the voters;
3. To ensure that before they vote, voters will be given a list of specific projects their bond money will be used for;
4. To require an annual, independent financial audit of the proceeds from the sale of the school facilities bonds until all of the proceeds have been expended for the specified school facilities projects; and
5. To ensure that the proceeds from the sale of school facilities bonds are used for specified school facilities projects only, and not for teacher and administrator salaries and other school operating expenses, by requiring an annual independent performance audit to ensure that the funds have been expended on specific projects only.”

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**OBJECTIVES, SCOPE, AND METHODOLOGY
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The primary objective of the performance audit included verification of management’s compliance with Proposition 39, which required that bond proceeds only be used for school facilities projects that were listed with the Bond. The District created the Measure J and Measure B Bond funds under Proposition 39, which requires the District to expend these funds proceeds only on Listed Projects, and not for school operating expenses.

We conducted this Bond Program performance audit following *Government Auditing Standards* for Performance Audits, July 2018 Revision, issued by the Comptroller General of the United States (GAGAS). As required by GAGAS, we planned and performed the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Because GAGAS performance audit procedures require reasonable assurance, and these audit procedures did not require a detailed examination of all transactions and activities, there is a risk that compliance errors, fraud, or illegal acts may exist that were not detected by us. Based on the performance audit procedures performed and the results obtained, we have met our audit objective. Performance audit procedures covered the period July 1, 2018, through June 30, 2019.

Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors, or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

This performance audit did not constitute an audit of financial statements in accordance with Government Auditing Standards. Eide Bailly was not engaged to and did not render an opinion on District internal controls. The full list of performance audit objectives (as specified by the District and agreed upon for this performance audit) and methodology applied included the following:

Conduct a Performance Audit (CAPA) for Measure J and B

We reviewed the Bond Program’s financial records and expenditures to verify that funds were used for approved Bond Program purposes as outlined in the ballot language, Bond documents, Board-approved Listed Projects, and Proposition 39 requirements. We reviewed the Bond Program's financial records and expenditures by obtaining the Annual Financial Report and comparing the balances to the District's detailed accounting records. We analyzed control processes, tested the Bond Program expenditure cycle, and sampled supporting documentation to validate internal controls. We selected all vendor transactions with current-year expenditures of \$100,000 and over and at least one transaction of the vendors with current-year expenditures under \$100,000. Adjusted for the effects of interfund transfers, we tested 93 percent of the total of 283 vendor expenditures in the amount of \$80,787,813, consisting of 195 expenditures from Measure J totaling \$36,850,356 and 88 expenditures from Measure B totaling \$43,937,457.

These transactions included payments for contractors, employees, and journal entries. Our testing procedures were performed to verify:

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- Expenditures were for Listed Projects.
- Approval of payment applications and invoices was obtained.
- Expenditures complied with the approved contract, purchase order, or other procurement documentation.
- Expenditures were recorded in the proper period, accurately, and comprehensively in the District's books and records.
- Expenditures met allocability and allowability requirements for allowance and contingency usage per sampled job contract language.

We tested 92 percent of the full Measure J and Measure B salary expenditures for \$2,426,836 and 100 percent of benefits expenditures.

We attended entrance meetings with bond program senior management and are available to meet with District personnel, and the Citizen's Bond Oversight on an ongoing basis.

We conducted interviews with key personnel responsible for implementing the bond program. This included individuals in senior management and staff positions responsible for overseeing the planning, design, and construction work associated with the projects, such as team members of OUSD's program management team, OUSD's facilities, and administration, and contractor project management. We also interviewed the accounting staff responsible for monitoring and implementing the financial controls over the programs. A complete list of the individuals interviewed is included in Appendix A.

Specific Outcome No.1 Adherence to Design and Construction Cost Budgets

We reviewed management's process for the development and adherence to design and construction budgets on bond-funded projects in the facilities construction program to gather and test data to determine compliance and measure the effectiveness of controls.

We reviewed the reconciliation of projects for which bond funds were expended to projects approved by the Board, analyzed the reconciliation of projects approved by the Board to projects on the approved facilities master plan, and reviewed the reconciliation of the facilities master plan on the approved project lists for Proposition 39.

Specific Outcome No.2. Adherence to Design and Construction Schedules and Timelines

We reviewed the methods used by bond program management to track the schedule of available resources and expenditures for all projects and to plan each building project per the availability of funds. To accomplish this, we walked through existing schedule performance tracking methods, Bond fund expenditure schedules, and sample supporting documentation for expenditures and cost controls performance. Audit procedures included assessment of performance against schedule as well as controls needed for reliable schedule reporting.

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Specific Outcome No.3. Financial Reporting and Internal Controls

We evaluated the actions taken by bond program management to apply policies and procedures that accomplish the Bond Program schedule, scope management, and performance goals. We reviewed Bond Program reporting as needed to provide current, accurate, and complete cost, schedule, and budgetary information to Program stakeholders. Based on interviews and information gathered during the project audit, we conducted an analysis of financial reporting and controls.

This analysis also reviewed the cost, schedule, and budgetary reporting and review methodologies.

Specific Outcome No.4. Payment Processing

We verified that OUSD was compliant with its policies and procedures related to Proposition 39 expenditures and payments for the period. We documented the use of Bond Program funds and segregation of these funds for Bond Program purposes, traced Bond funds received by OUSD and reconciled amounts received with amounts expended, and verified that these funds were spent for Bond Program purposes. Payment approval and cost accounting control design and operation were verified. A review for payment per contract terms was conducted. We gathered and tested data to determine compliance and measure the effectiveness of payment controls. Cost reimbursable contracts were given specific focus and attention, as applicable. Processes to review and approve contractor charges were analyzed to prevent excessive fees and overpayments, and payment applications were examined to assess the adequacy of supporting documentation.

Specific Outcome No.5. Change Order and Claim Procedures

Change order documentation was reviewed for compliance with Public Contracting Code, California school construction state requirements, and other regulations. Controls and activities to manage change orders were evaluated. Contracts were reviewed to gain an understanding of allowable charges and reimbursable costs related to change orders. Policies and procedures covering the review and approval of contractor change orders were analyzed to identify potential exposures. Specific consideration was given to change order cause, responsibility, and pricing.

We reviewed policies and procedures to verify whether documentation exists before approval of change orders and to confirm that required approvals were applied. Additionally, we evaluated and reviewed the processes used to communicate potential claims and mitigate claims risk effectively.

Specific Outcome No.6. Bidding and Procurement Procedures

We validated support to ensure the use of sole-source procurement was documented, cost justification was available, and required approvals were applied. We summarized the sole source procurement documentation reviewed, including instances where the specifications were narrowly defined to be vendor-specific. For competitive bids, we verified compliance with requirements of the California school construction state requirements, Public Contracting Code, as well as State and other Professional Services Contract relevant laws

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and regulations. Additionally, we evaluated procurement controls for the application of competitive and compliant contracting practices.

Specific Outcome No.7. Best Practices for Procurement of Materials and Services

We determined whether bond program management had and used a standardized items list and educational specifications for Bond Program materials procurement to identify facilities material requirements. We assessed whether materials requirements were available to project architects and designers and verified whether materials specifications were used in procurements and provided to all bidders during the procurement process. Review for cost-benefit analysis performed in setting materials standards and for District management approvals required significant materials specification changes.

Specific Outcome Nos.8, and 9. Conflict of Interest and Compliance with State Laws and Guidelines and Board Policy

We analyzed for compliance with selected relevant state laws and regulations regarding school district facilities programs. We performed a risk assessment to identify requirements and regulations of which the District may be subject. The California Schools Accounting Manual (CSAM), Education Code, Public Contract Code, Government Code, California Code of Regulations (Title 21 and Title 24), and other appropriate regulations are considered within our analysis. We selected certain laws and regulations that are considered the highest risk for further review to assess the District's compliance. This analysis does not form a legal opinion or a complete analysis for compliance with all applicable state laws and regulations.

Present Audit Findings

The performance audit conclusions were developed as the engagement progressed. A draft report was prepared at the end of the engagement for distribution and comment before final report issuance. In our report, we found areas of effective practice and areas needing improvement within the framework of each of the significant scope areas named above. Good practices for each scope area are also presented. It is the responsibility of management, and those charged with governance, to decide whether to accept the risk associated with these conditions because of cost or other considerations.

The elements of a finding, as required by *Government Auditing Standards*, are Criteria, Condition, Context, and Recommendation are included in the following pages. Management's response, responsible individual, and planned resolution date are included in the audit recommendations matrix. Management's response to our audit findings was considered for reasonableness and consistency with our knowledge of the District, but management's response is not subject to audit procedures.

The deliverables provided to the management of the bond program are produced collaboratively and objectively and meaningfully convey the performance audit results to achieve maximum benefit to the District, its Administration, the Citizens' Bond Oversight Committee and the Governing Board. We are committed to the Oakland Unified School District and are continually available to consult about this report.

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CONDUCT A PERFORMANCE AUDIT (CAPA)

We reviewed expenditures for compliance with the Bond's requirements for listed projects to ensure that unallowable costs were not allocated to the Bond Program, under Government Auditing Standards for performance audits. The conclusions of our work are summarized as follows:

CAPA No. 1

The ballot language addresses projects at the District and school site levels; however, particular expenditures are not explicit the Bond language. We reviewed expenses for compliance with the Bond's requirements for Listed Projects to ensure that only allowable costs were allocated to the Bond Program. Of the 283 sampled expenditures, this finding applies to one item in Measure J. The District is currently paying rent for space at 1000 Broadway for interim housing of its administration offices totaling \$3.9 million during the fiscal year 2019. The former administration building is not usable due to flooding that occurred during the fiscal year 2013. While the expenditure provides benefits to the District, the Bond language for Measure J does not explicitly address the 1000 Broadway District administration office lease, and also does not expressly define "interim."

This decision was based on the advice of legal counsel and the State Trustee. The State Trustee wrote a letter to the District's then General Counsel in February 2018 addressing this matter. In the letter, the State Trustee cited discussions with Bond Counsel and concluded: "the [Measure J] language provides ample coverage for paying the lease of the 1000 Broadway site pending the construction of a new administration building..." The current plan was adopted on June 5, 2019, via Board Resolution 1819-0211 to move forward with a permanent District Administrative Center at the former Cole Elementary School. Funding for this project is contingent on future events.

Improvement Recommendations: Bond measures require long-term planning. There is always a trade-off between limiting a future Board's discretion to respond to the changing needs of the community versus the need to specify how each bond dollar must be spent. Key stakeholders may consider explicit language addressing this matter in a future ballot.

CAPA No. 2

The District does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine everyday school facilities administrator expenses. We evaluated and reviewed the funds used for administrator salaries only to the extent they performed administrative oversight work on Measure B or Measure J compliant construction projects, as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General. That opinion states that "a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter-approved bond measure."

The total payroll charged to the bond programs was \$2.6 million. Thirty people are full-time bond program employees. Of these amounts, three people whose collective salary charged to the bond program was \$326

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thousand, are allocated between the bond fund (80%) and the general fund (20%). This matter does not apply to employees who are performing specific limited tasks, such as cleaning a site before it may be occupied, because timecards document the particular hours worked in those situations. About six percent of the total salary expenditures charged to the bond fund during the fiscal year were for non-recurring tasks.

We interviewed 9 out of 21, fully funded or cross-funded employees, and reviewed all 21 employees' positions and responsibilities. We also reviewed timesheets for non-recurring payroll expenditures. We tested 92 percent of the total salary expenditures of both Measure B and Measure J, which comprise testing of 81 percent of the Measure B payroll expenditures and 92 percent of Measure J Payroll expenditures. Based on the conversations with employees, and review of timesheets and other documents, employees funded by the bond funds have exclusive responsibilities related to bond fund or a majority of works involved bond-related activities. Furthermore, from an accounting perspective, the payroll records are complete and accurate; every dollar of salary expense is traceable to the specific employee who is being paid.

Improvement Recommendation: We recommend management to formally document the basis for distributing salary between the narrow category of bond compliant construction projects, and routine everyday school facilities administrator expenses. We do not intend that the implementation of this recommendation causes a burden to employees performing their job duties nor an increase in cost to the District. The California School Accounting Manual (CSAM) procedure 905 addresses distributing salaries between restricted funding sources. Those principals and suggestions could be reasonably applied to the District's bond program.

Aside from mitigating the risk that the Bond program is subsidizing non-bond administrative costs, this could also assist in budget risk management, if the bond program is exhausted.

SPECIFIC OUTCOME NO.1 – ADHERENCE TO DESIGN AND CONSTRUCTION COST BUDGETS

Observation 1.1

Policies and procedures covering the process for developing and adhering to design and construction budgets are not current and are not followed in practice. As of the date of this report, the District is developing and formalizing the budget monitoring policy and procedures. We reviewed the drafted budget monitoring policy dated January 25, 2020.

We interviewed project managers and budget analysts and observed how the budget monitoring occurs in practice to gather and test data to determine compliance and measure the effectiveness of controls. We saw the following roles and responsibilities surrounding design and construction budget management (i.e., who prepares detailed budgets, when and how budgets are developed and reported, and who is responsible for recording budget information in accounting and project management software systems). However, we identified inconsistent practices by District staff, resulting in potentially confusing reporting to the Bond Program stakeholders.

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We recalculated the available resources compared to budgeted expenditures to ascertain if the Bond program has contracted for more projects than it can afford. On June 30, 2019, available resources were approximately \$205 million, and outstanding contracts of \$128 million will be paid from those resources as the expense is incurred. Therefore, the bond program has not contracted for obligations in excess of available resources as of June 30, 2019.

We further considered if the Bond Program has budgeted to start more projects than resources are available to complete. Our analysis used the following three documents: 1) The "August 2018 Spending Plan," which is the most current formal budget document and itemizes budget per project. 2) The "Historical Expenditures Details by Site" report, which shows the cumulative expenditures per project to June 30, 2019. 3) The "Project Status Meeting Agenda" report that shows the percentage of construction completion to June 30, 2019. Five of the most significant projects are summarized in the following table:

Project Name	Aug. 2018	As of June 30, 2019				
	Spending Plan	Total Project Budget*	Cumulative Expenditures*	Unused Budget*	Percentage of construction completed	Percentage of Budget Consumed
The Center	\$ 71,000,000	\$ 59,190,731	\$ 11,809,269	77%	83%	6%
Fremont	\$ 129,400,000	\$ 36,264,152	\$ 93,135,848	29%	28%	-1%
Glenview	\$ 58,800,000	\$ 39,211,055	\$ 19,588,945	82%	67%	-15%
Madison Park	\$ 36,400,000	\$ 26,121,549	\$ 10,278,451	78%	72%	-6%
ELC2	\$ 17,500,000	\$ 5,927,550	\$ 11,572,450	35%	34%	-1%

* Includes resources beyond Measure J and Measure B

Improvement Recommendation: The timing of this report did not allow management to investigate our analysis. Management should provide a specific response for the unfavorable variance about the Center, including information as of a more recent date than June 30, 2019. Bond program management should consider our analysis in refining the budget monitoring procedures. Specifically, address the frequency of monitoring and the threshold for further investigation about when the percentage of completion differs from the budgeted amounts (such as with the Center). We recommend that the above analysis be performed frequently for all projects.

The District should approve and implement the drafted budget monitoring policies and procedures to ensure consistent reporting, adequate controls, accountability, and communication of the policies and procedures (see Recommendations 8 and 9.2 for further information).

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Observation 1.2

The District's policy over Facilities Master Plan ("FMP") is not being followed as to the frequency of updates. Per Board policy (BP 7110), the facility master plan should be updated every five years in its entirety and also updated annually as to work accomplished in the prior year as well as the District's demographic. The District's latest facilities master plan was approved in 2012. After June 30, 2019, new FMP was presented to the Board and CBOC.

Improvement Recommendation: The District should update the Facility Master Plan per the frequency required by Board policy. Alternatively, if the alternative budget monitoring reports are sufficient, consider amending the Board policy to accommodate the current needs of the community.

**SPECIFIC OUTCOME NO.2 – ADHERENCE TO DESIGN AND CONSTRUCTION SCHEDULES
AND TIMELINES**

Observation 2

The District does not include expenditures by *timeframe* based on *project forecasts* to validate that sufficient funding is available to meet the financial requirements of Measure J objectives. We reviewed the methods utilized by management to track the schedule of expected expenditures for all projects and to plan each building project in accordance with the availability of funds. Based on the CBOC Report dated June 30, 2019, the "Historical Expenditures Details by Site" and "Details of Expenditure" reports included approved budgets for Measure J and expenditures from inception to FY 2019 for Fund 35 and 25 only (i.e., not Measure J) respectively and omitted the forecasted project-specific expenditures, revenues, and schedule/timeline data. (See our analysis of five of the largest projects at observation 1.1.)

Improvement Recommendation: Consistent with the Government Finance Officers Association (GFOA), the District should report the project schedule and planned expenditures by a project by funding sources to ensure enough funds are available to complete a project. Per the GFOA Capital Project Monitoring and Reporting best practices for Reporting on Projects Status and Activities, states, "Meaningful reports should provide straightforward project information...Highlight significant changes to project scope, costs, schedule, or funding. To aid in the reporting, an annual snapshot of key schedule, cost estimate, and available funding information should be taken to establish baseline data for performance measures and report components." Without an updated schedule and the associated cash flow by the project, it is difficult to see when the funds will be fully expended. Ensuring there are enough funds to complete a project prior to starting it and reporting the schedule of available revenues will help ensure projects that are started are adequately funded through completion and provide greater visibility into the program's financial position. Finally, schedule reporting and control policies and procedures should be implemented to ensure consistent tracking of Bond Program projects.

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SPECIFIC OUTCOME NO.3 – FINANCIAL REPORTING AND INTERNAL CONTROLS

Observation 3.1

Financial reporting lacked adequate details for critical stakeholders to analyze the schedule and budgetary information at the program and project level. Bond Program performance reporting practices were compared to GFOA's best practices to measure the effectiveness of controls surrounding the reporting of information to key stakeholders.

The District presented to the Citizens' Bond Oversight Committee (CBOC) on October 15, 2019. The presentation included the following key reports:

- **Cost and Budget** – The Measure J/B Expenditures Details by Site Report includes a reconciliation of bond fund expenses to project budgets, as approved by the Board on August 2018 Spending Plan (see Observation No. 1.2 for cost and budget, 5.4 for change orders, and below for further information).
- **Schedule** – The “Historical Expenditures Details by Site” and “Details of Expenditure” reports included approved budgets for Measure J and expenditures from inception to FY 2019 for Fund 35 and 25 only (i.e., not Measure J) respectively and omitted the forecasted project-specific spending, and schedule/timeline data (see Observation No. 2 for schedule and below for further information).

Following accepted best practices, at minimum, the following should be reported to key stakeholders:

- List of projects accompanied by measurements of their status in terms of budgets and timelines;
- Alterations to project budgets or schedules (exceeding a defined scope) with narrative explanations for these changes;
- Comparison of the current status of projects in terms of budgets and schedules to the original budget and timeline estimates of the project

The District has a report called “Project Status Meeting Agenda,” which shows project status, budget, current phase percentage, and the target completion date. Although the District has information about the timeline and the current state of projects, this information is not being presented to the key stakeholders in a useful manner. Supplying the schedules and status of each project will aid stakeholders in making better decisions and providing effective oversight.

Improvement Recommendation: Concise and meaningful reporting enables the District to monitor budgetary performance against committed contract values and can serve as an early warning indicator for potential problems. Accepted best practices suggest that budget-to-actual comparisons of expenditures, and the percentage of completion, be presented to key stakeholders. The reporting should be accompanied by narrative descriptions of variances over a specified threshold. This information provides decision-makers time to consider actions that may be needed if significant deviations in budget-to-actual results become evident.

For June 30, 2019 CBOC report, the District began to include Project Budget Reconciliation for Major projects. Project Budget Reconciliation provides budgetary information at the project level. Information such as list of

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contractors, total committed amount and reconciliation of the amount paid to the total contract amount are included in the report. Although District has improved reporting procedures, the above-mentioned information are not included in the current CBOC reports such as timeline and the current percentage of completion.

The information necessary to overcome this finding already exists within the Bond Program. Therefore, we do not expect that the implementation of this recommendation is burdensome. To that end, we recommend the District to formalize the policies and procedures about compilation and reporting of information to key stakeholders.

SPECIFIC OUTCOME NO.4 – PAYMENT PROCEDURES

Observation 4.1

Payment application packages were incomplete. The official procedures over payment processing require that project managers prepare a Construction Pay Application Transmittal, a Consultant Invoice Transmittal, or Other Expenditures Transmittal, which includes checklist of documents required for Accounting to process payment and attach all applicable required documents into a payment application packet. We reviewed 283 transactions, which consist of 88 transactions from Measure B and 195 transactions from Measure J. The total sample covers 93 percent of the total expenditures. We verified that the correct amounts were paid to the correct vendor, and for work that was accepted by the District. We found that 13 of the sampled payment packages (approximately 5%) were incomplete because they were missing information required by the District policy. We considered a document to be necessary if it was identified as such by the project manager, or necessary per the nature of the invoice and the District’s policy. (See Appendix D for additional detail.) We did not find instances where the nature of the incomplete payment application packets was of such severity that it exposed the bond program to undue risk.

Additionally, per the draft procedural documents, the District required approval from the OUSD Accounting, Audit, Finance, and Planning departments. This approval was not identified in any of the sampled expenditures documentation provided (Measure J 195/195, Measure B 88/88).

Improvement Recommendation: The District should have a clear guideline for payment processing, and they should be enforced. Furthermore, templates should be periodically updated to remain applicable. To that end, the District should finalize policies and procedures related to the payment approval process, including explicitly updating the payment application form template. Supplying clear policies and procedures can help ensure that expenditures are properly processed with appropriate internal controls.

Observation 4.2

Construction quality control documentation was incomplete. The process to monitor contractor performance was reviewed to verify if invoices are submitted only for work that was performed to specification. We examined 283 transactions, which consist of 88 transactions from Measure B and 195 transactions from Measure J. The total sample covers 93 percent of the total expenditures.

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Based on the draft procedural documents provided, the District required the following approvals before payment:

- Construction-related expenditures: Inspector of Record, Architect, Project Manager, Program Director, and Deputy Chief
- Other expenditures: Project Manager, Program Director, and Deputy Chief

Through our analysis of expenditure approvals, we found five out of 283 transactions (Measure J – 1/195 and Measure B - 4/88) did not receive all the required approvals necessary for payment (see Appendix D for additional details).

Improvement Recommendation: The District should have a clear guideline for payment processing, and it should be enforced. Furthermore, templates should be periodically updated to remain applicable. To that end, the District should finalize policies and procedures related to the payment approval process, including explicitly updating the payment application form template. Supplying clear policies and procedures can help ensure that expenditures are properly processed with appropriate internal controls.

SPECIFIC OUTCOME NO.5 – CHANGE ORDER AND CLAIM PROCEDURES

Observation 5.1

Policies lacked claims avoidance considerations, evidence preservation to limit exposure. Construction-related claims have many causes and often arise as a result of unresolved change orders, differing site conditions, or as a result of disruptions, delays, acceleration, and other time-related issues that require timely monitoring, planning, and practical actions to avoid claims.

We considered existing policies and procedures and reviewed the Program Procedures Manual drafted on January 25, 2020 for claims avoidance. The newly drafted procedures manual includes detailing the steps to take if a claim arises; however, the current policy does not standardize the preservation of evidence to enable an investigation or a meaningful defense if a claim is filed. We also interviewed every project manager about the claims avoidance process and change orders during the year (both accepted and denied).

Evidence preservation is essential because the most significant challenge with claims avoidance is that evidence is gone when the claim is filed—people (witnesses) in the District and the contractor move on to other jobs. Email correspondence is not the most effective way to preserve evidence.

Improvement Recommendation: We recommend the District to define a policy for when change orders are denied. Specifically, we recommend that the claims avoidance policies include a protocol to gather evidence so that if there is litigation, the District has a complete defense file. To that end, denied change orders over a certain threshold should be immediately communicated to legal counsel to gather the proper documentation around the change order.

Smaller (routine) change orders below the defined threshold should be resolved at the project manager level.

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Observation 5.2

The policies and procedures surrounding change order review and acceptance are inconsistently applied and incomplete. We considered existing policies and procedures and reviewed the Program Procedures Manual drafted on January 25, 2020 for change order. As of June 30, 2019, the District did not have an updated policies and procedures for change orders.

Alternatively, we interviewed project managers and reviewed change order files to understand how these matters are handled in practice. We identified the following potential issues regarding the actual implementation of change order policies and procedures that include:

- The District sometimes aggregates small change orders into one change order; however, there is no written policy on how they determine aggregation of change orders, so we noted inconsistency among project managers.
- The District's due-diligence process requires that the internal cost estimator performs a review; however, there is no documentation or signatures in the change order package providing written evidence of the analysis.
- Legal counsel reviews change orders at the discretion of the project manager.

Improvement Recommendations: Having policies and procedures surrounding change orders that are conflicting, out-of-date, and incomplete can lead to inconsistent implementation in practice, a lack of accountability, and increased claims risk. The GFOA recommends, within their article, *Documenting Accounting Policies and Procedures*, that the documentation of accounting policies and procedures should be evaluated annually and updated periodically no less than once every three years. As a best practice, the District should update and consolidate its policies and procedures surrounding change orders to ensure adequate controls, consistently applied, and communicated to. Any changes in policies and procedures should be updated in the documentation promptly as they occur, and a specific employee should be assigned the duty of overseeing this process. The resulting documentation can also serve as a useful training tool for staff.

District should complete, approve, and implement the drafted program procedures manual in a timely manner.

Observation 5.3

There is not a defined policy for reporting of meaningful change orders to key stakeholders. As a best practice, decision-makers should be aware of the status and responsible party about meaningful change orders. We reviewed the policies and procedures surrounding the aggregation and reporting of change orders to key stakeholders.

During our interview with project managers, we reviewed the Construction Contract Status Report and observed the following information:

- Project Name
- Project Number
- Original Construction Contract Amount

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- Approved Change Order Total
- Approved PCOs Not in Change Orders
- Estimated Costs Not in a PCO
- Final Contract Amount

However, the report does not include change order impact or identification of the responsible party. Identifying change order responsibilities may include classifications such as owner-initiated, scope changes, design errors, contract errors, and unforeseen conditions. Without this level of information, responsibility for change orders and associated costs will not be evident to key decision-makers.

Improvement Recommendation: As a best practice, the District should establish more robust change order reporting within Bond Program reporting to ensure end-users understand change order impact, assigned responsibility, and litigation exposure. To that end, key stakeholders should receive an active litigation report of claims filed. If there are none, there should be a standard report that says, "no litigation at this time." We further recommend that a threshold be established for reporting of *accepted* change orders, that materially increase the use of resources, to key decision-makers. Such a limit could be exceeding the contingency reserve (Allowance Expenditure Directive) amount by a percentage or absolute amount but should be formally set up in policy so that it may be consistently followed.

Change order reporting should include information such as itemized change amount, percentages, descriptions, change responsibility, and date of approval. Within the bond program, change order documentation should be available at the project and program level with both detailed and summary level information available. Review and complete change reporting are necessary to understand change order cause, responsibility, pricing, and compliance and to identify potentially duplicated work scopes and redundancies caused by unclear scope objectives and expectations within the master plan. Policies and procedures surrounding change order management and controls should be updated accordingly to ensure consistent practices.

Observation 5.4

Change orders are often classified as "error and omissions" due to the architect's drawings, not including all specifications. We interviewed every project manager to manually construct a population of accepted change orders that includes the District's assignment of responsibility, the dollar amount, and the percentage of the original contract. Our analysis showed that change orders were often classed as "error and omissions" due to the architects drawing not including all the specifications.

There is an implicit acknowledgment within the construction industry of the challenges to creating "perfect" building plans. It is normal that some aspects of work are not defined because architects do not have complete information. Nonetheless, it is possible to have real architect design failures. There may be situations where the District can recover funds or make better-informed decisions in the future.

A example is about the Fruitvale Fire Alarm project change order No. 2. The District's Contractor initiated the Fruitvale Fire Alarm project change order No. 2 due to "Design Error or Omission" discovered once work started on site. According to the Summary of Change Order, the reason for this change order was due to architects' drawings are missing skylights, changes in ceiling elevations and ceiling hatches. While the request from the

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contractor is factually correct, and the change order was approved by the District, there is no protocol to investigate if this is a professional error or matter unforeseen to the architect.

Improvement Recommendation: The District should define a "normal" scope of a change order classified as an architect "error and omissions." Accepted change orders exceeding the defined normal scope, should trigger an investigation. The investigation should determine if there is a professional who made a mistake, or if the change order is because of an unforeseeable condition or change in circumstances.

Bond program management should further create a database to monitor the situations where they went beyond the reasonable scope threshold, to identify if the same architect, or other patterns, are contributing to a disproportionate volume of "errors and omissions."

SPECIFIC OUTCOME NO.6 – BIDDING AND PROCUREMENT PROCEDURES

Observation 6.1

The policies and procedures surrounding procurement are out-of-date and incomplete. As a best practice, procurement policies and procedures should be clear, complete, and per Public Contract Code, Education Code, and other state laws and regulations (e.g., CUPCAA). The District did not have current procurement policies and procedures as of June 30, 2019. The District adopted a new CUPCAA policy effective January 1, 2019. Issues regarding the procurement policies and procedures provided by the District include:

1. The bidding process documents were last updated on December 19, 2014.
2. The Informal Bidding Process document is marked as Information Only.
3. The Formal Bidding Process document is marked as Information Only.
4. Bid thresholds were not defined for public works, material, or professional service procurement.

Having policies and procedures surrounding procurement that are out-of-date, incomplete, or not identified as Board-approved, could lead to improper or non-compliant procurement, varying processes or thresholds being used, and a lack of accountability if the roles and responsibilities surrounding procurement are not clearly defined.

We interviewed project managers and reviewed contract files to understand this process is managed in practice. See observation 6.2 for more information.

Improvement Recommendations: The benefit of a procurement manual is to assist responsible personnel in compliance with legal requirements. As a best practice, the District should update and consolidate its policies and procedures surrounding procurement to ensure adequate controls, accountability, and communication of the policies and procedures (see Recommendations 8 and 9.2 for further information).

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Observation 6.2

Bid documents - The District was unable to provide complete competitive solicitation documentation for three public works projects. The district has written instructions for bidders. The instructions itemize the documents necessary to submit for the bid to be complete (District Document 00 21 13). In summary, the following are required:

- Bid Bond or other security
- Designated Subcontractor List
- Site-Visit Certification, if a site visit was required
- Non-collusion Affidavit
- Iran Contracting Act Certification

We interviewed every project manager, and we reviewed 33 bidding documents. Within those documents, three contractors' bid packets did not include *specific* expected documentation (see Appendix E for more details).

Improvement Recommendations: Policies and procedures should be finalized, so the District consistently maintains bid and procurement documentation that is readily available in a central location, either physically or electronically. This will enable the District to verify compliance with applicable guidance and support the performance audit. Additionally, as a best practice, the District should maintain a consolidated bid and procurement activity report that will allow District senior management to identify, prevent, or detect noncompliance with District policies and procedures, state laws and regulations, and best practices (e.g., not sole source procurement). A checklist or equivalent mechanism, with appropriate sign-offs on procurement requirements, can serve as a useful tool for all relevant parties (Accounting, as well as Facilities and Procurement) to validate compliance with policy and procedure requirements.

Observation 6.3

Contract documents - The District did not provide complete contract documentation for five out of 33 sampled contracts, or 15 percent. The district requires all construction contractors' to submit a bonding certification and insurance certification to be qualified to bid for a project (Public Contracting Code 20111). The District was not able to provide insurance certification and bonding certification on 2 out of 33 contracts sampled. Based on our reviews and interviews, each contract package should also include Division of Facilities Planning and Management Routing Form, which provides key information including budget information, the term of the contract, proof of insurance for both general liability and workers compensation. This form is signed by the Director of Facilities Planning and Management, General Counsel, and Deputy Chief of Facilities Planning and Management to affirm that their knowledge services were not provided before a Purchase Order was issued. Two out of 33 sampled contract packet were missing signed Routing Forms.

Lastly, each contract is approved and signed by the following individuals.

- President, Board of Education
- Superintendent
- Deputy Chief of Facilities, Planning and Management

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- Special Facilities Counsel
- Contractor

Two contracts out of 33 contracts reviewed did not have Superintendent’s signature on the contract file provided.

(See Appendix F for specific details)

Improvement Recommendations: The District should maintain complete and consolidated bid and procurement documentation that is readily available in a central location, either physically or electronically (see Recommendation 6.2 for further information).

SPECIFIC OUTCOME NO.7 – BEST PRACTICES FOR PROCUREMENT OF MATERIALS AND SERVICES

Observation 7

The District’s standardized items list for Bond Program materials procurement is not current and is potentially not complete. We determined whether OUSD had and used a standardized items list and educational specifications for Bond Program materials procurement to identify facilities material requirements. We reviewed the OUSD Hardware Specifications Guideline Booklet and Draft Materials Standards document. Upon review we noted the following dates of specification updates:

1. OUSD Hardware Specification Guideline Booklet – 12/2/2014
2. OUSD Materials Standards Draft dated 6/30/2019
3. Facilities Master Plan – 2012 (as of June 30, 2019, District has posted FMP 2020 online)
4. OUSD Design Guidelines – 6/30/2019 – Draft
5. Educational Specifications Elementary School Level – 5/14/2014 – Draft
6. Educational Specifications Middle School Level – 5/14/2014 – Draft
7. Educational Specifications High School Level – 5/14/2014 – Draft
8. Essential Outdoor Classroom Elements – May 2013
9. Door Hardware Specification Guideline – 12/2/2014
10. Hydraulic Elevator Standards – 6/30/2019 - Draft
11. OUSD Minimum Wheelchair Lift Standards – 6/30/2019 - Draft
12. Fire Alarm Standards – 2/22/2019
13. Intrusion Alarm System Standards – 2/22/2019
14. Combination Fire Alarm and Intrusion Alarm System Standards – 3/19/2014
15. OUSD Standard Network Build Specification – 6/30/2019 – Draft

As noted in the updates above, at least eight categories of standardized specifications are still in draft, signifying they have are not complete, reviewed, and approved as a standard specification for use within the District. No evidence of formalized policies was available to document the procedures to update the material standards.

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From a facility's safety perspective, external regulations mandate compliance with building codes. There exist multiple layers of an independent review to verify compliance. Nonetheless, standardized specifications are to promote efficiency, energy conservation, and consider the educational needs of the community. Lack of standardization could also lead to increased owner-initiated changes orders, which can increase the project cost or time to completion.

Improvement Recommendations: The District should regularly update its standardized items and educational specifications list to accurately reflect the most current standards and guidance provided by local and state governments. The manual should include details such as material types, standard equipment and systems, manufacturer specification numbers, and minimum standards for new construction and modernization mandated by the District for projects undertaken. This manual should be provided to project architects and designers, and required products and system specifications should be provided to all bidders during the procurement process. As a best practice, these minimum standards mandated by the District should consider facility safety, energy conservation (e.g., Title 21 and 24), longevity, educational requirements, and other appropriate regulations and standards. Procurement staff should be trained on how to utilize the standard specifications when procuring materials or services for the District. Additionally, OUSD should define how to make updates to the Standards Specifications document. This policy should ensure that documentation exists, including the requestor and date of request, description of the change, cost-benefit relationship for the change, approver and date of approval, and a time-stamped updated specifications document (see Recommendations 8 and 9.2 for further information). The cost-benefit analysis for significant specification changes should be approved by appropriate OUSD management. The Standard Specifications document should avoid including narrow scope requirements to prevent excessive pricing to OUSD.

SPECIFIC OUTCOME NO.8 AND 9 – CONFLICT OF INTEREST AND COMPLIANCE WITH STATE LAWS AND GUIDELINES AND BOARD POLICY

Observation 8 and 9.1

The District did not provide a conflict of interest disclosure for specific management positions defined in the District's board policy within the facility department. The District's Conflict of Interest Code Board Policy (BP 10000) effective March 14, 2018, defines the designated officials, who are required to file Form 700 to comply with the amended Political Reform Act of 1974, which requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. According to section 4 of the Standard Code, designated employees shall file Statements of Economic Interests (California Form 700) with the District who will make the statements available for public inspection and reproduction (Gov. Code, § 81008). Based on the review of the board policy, we identified the following positions are required to file form 700 within the facilities department.

- Deputy Chief of Facilities
- Director of Facilities Planning and Management
- Accounts Payable Manager, who authorizes the payment

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The District provided one completed form 700 filed by Deputy Chief of Facilities and did not provide form 700 filed by either the Director of Facilities Planning and Management or the Program Accounting Manager.

To supplement the District-wide policy, the facilities department developed an alternative conflict of interest form to be completed by all employees who work within that department. We reviewed 27 of the alternative conflict of interest forms and confirmed that both the Director Facilities Planning and Management and the Program accounting manager had signed the conflict of interest forms.

Based on the Facilities Planning and Management Team organizational chart, we expected to review 30 conflicts of interest forms for review (3 Form 700 and 27 alternative Conflict of Interest forms); however, the District only provided 1 Form 700 and 27 alternative conflicts of interest forms. Two conflicts of interest forms were not available for us to review.

Improvement Recommendations: Having consolidated and documented policies and procedures as well as maintaining completed forms will provide insight to potential conflicts, allowing the District to make appropriate adjustments and help protect the District if a dispute of interest issues arise. We recommend facilities management to discuss with legal counsel about the current policy, and any recommendations should be implemented by formal written policy. Discussion topics about if the facilities department should have a policy separate from the District, identification of positions subject to the policy, and manner in which reported conflicts of interest are resolved.

We also recommend the District to designate a person responsible for obtaining from 700s for all employees listed in the District policy.

Lastly, to confirm that no such conflicts existed, Facilities Management should obtain conflict of interest certifications for the two employees who did not complete such forms applicable to the fiscal year ending June 30, 2019.

Observation 8 and 9.2

Policies and procedures were not centrally located, did not define roles and responsibilities, and the process for updating manuals was not documented as of June 30, 2019. The District did not have updated policies and procedures as of June 30, 2019; however, the District is in development of consolidating and updating manuals related to the areas and objectives noted throughout the report. Our analysis considered laws, policies, and regulations that the District is subject to. Below is a summary of areas and objectives where we noted exceptions:

- Compliance with Ballot Language – See Conduct a Performance Audit
- Payment Procedures – See Specific Outcome No. 4
- Change Orders and Claim Procedures – See Specific Outcome No. 5
- Bidding and Procurement Procedures – See Specific Outcome No. 6
- Best Practices for Procurement of Materials and Services – See Specific Outcome 7

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We reviewed the program procedures manual in a draft form dated January 25, 2020, and identified it includes flowcharts and process information and other procedures mentioned above and responsibilities.

Improvement Recommendation: The district should approve the policy and procedures in draft form and implement any changes promptly. The GFOA recommends, within their article “Documenting Accounting Policies and Procedures,” that the documentation of accounting policies and procedures should be evaluated annually and updated periodically no less than once every three years. Any changes in policies and procedures should be updated in the documentation promptly as they occur, and a specific employee should be assigned the duty of overseeing this process. We recommend that construction program procedures are documented, updated correspondingly, and approved promptly. The resulting documentation can also serve as a useful training tool for staff.

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**REPORTING VIEWS OF RESPONSIBLE OFFICIALS
JUNE 30, 2019**

CONDUCT A PERFORMANCE AUDIT (CAPA)

CAPA No. 1 – The ballot language addresses projects at the District and school site levels; however, particular expenditures are not explicit the Bond language.

The current plan was adopted on June 5, 2019, via Board Resolution 1819-0211 to move forward with a permanent District Administrative Center at the former Cole Elementary School.

Interim administrative housing was not needed or contemplated at the time of Measure J’s development or passage. Thus, it was not specifically delineated in the Bond Project List. However, the Bond Project List does include a reference to “administrative sites” and to renting facilities “on an interim basis.” Further, the use of bond funds for interim administrative housing is explicitly contemplated under Measure J. The Measure J Bond Project List mentions the use of bond funds for “administrative sites,” and it mentions the ability to use bond funds for “[r]ental...facilities...on an interim basis, as needed to accommodate...personnel.”

CAPA No. 2 – The District does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine everyday school facilities administrator expenses.

We agree that there is not a formal basis of allocation, but the 80 percent allocation for four specific employees and the 100 percent allocation for others is reasonable based on anecdotal evidence. To address this finding, the District will develop a time documentation for record keeping per the California School Accounting Manual (CSAM) Procedures 905.

SPECIFIC OUTCOME NO. 1 – ADHERENCE TO DESIGN AND CONSTRUCTION COST BUDGETS

Observation 1.1 We developed a new program procedures manual drafted on January 25, 2020 to update and include the facilities and project management policies and procedures in accordance with current laws and regulations to ensure compliance in managing bond-funded projects. We will consider the recommendations of the auditor and work to finalize those procedures.

Observation 1.2 As for context, the matters identified by the auditor are because there was a two year delay in issuing the 2012 bonds. Because there were no bond sales until late 2014, there were not meaningful updates. We completed the 2020 Facilities Master Plan (“FMP”), which is posted on our website.

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SPECIFIC OUTCOME NO. 2 – ADHERENCE TO DESIGN AND CONSTRUCTION SCHEDULES AND TIMELINES

The District, in consultation with CBOC has revised the format of reporting to address this finding. The current reports include summary of projects with specific funding source including Measure J and B and Project Reconciliation Summary for major projects, which provides detailed financial information at the project level.

We have a Project Status Report, which includes project timeline and the percentage of completion information; however, this information has not been presented to CBOC. We will consider the Auditor’s recommendation to include the completion timelines and project status in the CBOC report. We are also developing a system to create a report that track project schedules, construction costs, change orders and completion timeline.

SPECIFIC OUTCOME NO. 3 – FINANCIAL REPORTING AND INTERNAL CONTROLS

We are purchasing a new program management software that will enable us to more efficiently generate reports that include the recommended information such as project schedules, construction costs, change orders, and project timeline.

SPECIFIC OUTCOME NO. 4 – PAYMENT PROCEDURES

We concur. We will update the checklist, which assists accounting staff and project managers to gather all of the necessary documents to process the payments, to be aligned with the current procedures. We will also provide clear guidelines on which documents are applicable to certain expenditures to our staff.

We are also working to standardize our documentation organization so that every required document is memorialized in the payment packet.

Finally, we will also memorialize the acceptable omissions such as processing interim progress payments (but not final progress payments) without the certification of compliance with our local business policy.

SPECIFIC OUTCOME NO. 5 – CHANGE ORDER AND CLAIM PROCEDURES

We appreciate the helpful recommendation of the auditor about claims avoidance protocols and best practice. We developed a revised program procedures manual drafted on January 25, 2020. The revised manual consolidates and updates our claims avoidance protocols. We will consider the specific recommendations of the auditor and work to finalize those procedures.

Also, we are purchasing a new program management software that will enable us to more efficiently generate reports that include the best practice information such as project schedules, construction costs, change orders, and project timeline.

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**REPORTING VIEWS OF RESPONSIBLE OFFICIALS
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SPECIFIC OUTCOME NO. 6 – BIDDING AND PROCUREMENT PROCEDURES

We developed a new program procedures manual drafted on January 25, 2020 to update and include the facilities and project management policies and procedures in accordance with current laws and regulations to ensure compliance in managing bond-funded projects. We will consider the recommendations of the auditor and work to finalize those procedures.

We are also working to standardize our documentation organization so that every required document is memorialized in the payment packet.

SPECIFIC OUTCOME NO. 7 – BEST PRACTICES FOR PROCUREMENT OF MATERIALS AND SERVICES

We are in the process of updating the list of standardized items and education specifications. As of June 30, 2019, we completed updating Elevator, Wheelchair Lift, and Technology Service Data and Communications Standards. We will continue to work on updating the design specifications to ensure compliance to appropriate regulations and standards.

SPECIFIC OUTCOME NOS. 8 and 9 – CONFLICT OF INTEREST AND COMPLIANCE WITH STATE LAWS AND GUIDELINES AND BOARD POLICY

The District will consult with the legal counsel to develop a policies and procedures over conflict of interest form within the facility department to ensure that all officers and employees authorizing procurements and financial commitments submits Form 700 and internally created conflict of interest form on a timely manner in compliance to state laws and board policies.

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**APPENDIX A – INTERVIEWS PERFORMED
JUNE 30, 2019**

Name	Position	Date Interviewed
Tadashi Nakadegawa	Acting Deputy Chief, Facilities Planning & Management	Throughout the audit
Kenya Chatman	Acting Director of Facilities Planning & Management	Throughout the audit
Michael Ezeh	Accounting Program Manager	Throughout the audit
Juanita Hunter	Administrative Assistant (Contracts & Bids Specialist)	2/3/2020
Donneva Reid	Principal Accounting Clerk	1/30/2020
Colland Jang	Design Manager	2/12/2020
Will Newby	Project Manager- Glenview	1/31/2020
John Esposito	Project Manager- Frick ISS, Edna Brewer	2/12/2020
Lee sims	Project Manager- Playmatting and Field	2/11/2020
John Howell	Project Manager- McClymond, Centro Infantil	2/12/2020
Mary Ledzma	Project Manager- Laurel Finishing Kitchen, etc	2/11/2020
Nicole Wells	Project Manager- Fire alarms, prop 39, boiler	2/12/2020
Richard Rogers	Project Manager- Surveillance systems	2/12/2020
Paul Orr	Project Manager- Fremont	2/12/2020
Al Anderson	Project Manager- Havenscourt, Castlemont	2/11/2020
Elena Comrie	Project Manager- the Center	2/11/2020
Pam Henderson	Project Manager- LBU	2/13/2020
Emiliano Vinuya	Bond Program Cost Estimator/Analyst	2/21/2020

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**APPENDIX B – REVIEW OF PRIOR YEAR AUDIT
JUNE 30, 2019**

The following table shows the current year status of each prior year performance audit observation.

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
CAPA 1	The ballot language addresses projects at the District and school site levels; however, it is unclear if some expenditures are allowable per the Bond language.	The District should continue to consult with its legal counsel to ensure costs incurred for the expenditures are allowable under the terms of the Measure J and Measure B bond language. Further, the District should formalize and report on relocation and/or reconstruction plans of the administration office building to ensure key stakeholders understand the total impact to the Bond Program.	See current year CAPA No. 1
CAPA 2	The District could not provide adequate documentation to support staff charge allocations the Bond Program.	The District should implement the processes and controls needed to provide supporting documentation that validates the applicability and accuracy of labor charged to the Bond Program consistent with Opinion 04-110. Specifically, a timekeeping system, or equivalent tracking system, should be implemented so that all labor costs incurred are identifiable, compliant, and have a direct beneficial relationship to the Bond Program. Additionally, the District should evaluate labor amounts charged to the Bond Program to ensure appropriateness and compliance with Opinion 04-110.	See current year CAPA No. 2
CAPA 3	The District was unable to explain a \$19,717.50 discrepancy to the Bond Program when comparing the Labor Distribution Report and the Cost Ledger for FY 2017/18.	The District should perform a regular reconciliation between the Labor Distribution Report and financial reports to ensure completeness and accuracy of labor charges to the Bond Program.	N/A

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**APPENDIX B – REVIEW OF PRIOR YEAR AUDIT (Continued)
JUNE 30, 2019**

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 1.1	The District did not provide policies and procedures covering the process for developing and adhering to design and construction budgets.	The District should develop, implement, and consolidate their policies and procedures surrounding design and construction budgets to ensure consistent reporting, effective controls, accountability, and communication of the policies and procedures	See Current Year Observation 1.1
Observation 1.2	The District’s Facilities Master Plan lacked adequate project-specific information by Bond Measure.	The District should update the 2012 Master Plan to include relevant financial data, the list of project by Measure, and the prioritization of those projects.	See current year Observation 1.2
Observation 2	The District does not include revenues and expenditures by timeframe based on project forecasts to validate that sufficient funding is available to meet the financial requirements of Measure J objectives.	Consistent with the GFOA, the District should report the project schedule, expenditure and available revenues by project by Measure to ensure enough funds are available to complete a project.	See current year Observation 2
Observation 3.1	The policies and procedures that guide accomplishment of the Bond Program schedule, scope management, and performance goals were incomplete and appeared to be out-of-date.	The District should develop, implement, and consolidate their policies and procedures surrounding performance goals to ensure consistent reporting, effective controls, accountability, and communication of the policies and procedures	See current year Observation 1.1, 8 and 9.2
Observation 3.2	Financial reporting lacked adequate details for key stakeholders to analyze the schedule and budgetary information at the program and project level.	Change order reporting should include information such as itemized change amount, percentages, descriptions, change responsibility, date of approval, subtotals, and totals for easy end-user reference.	See current year Observation 3.2
Observation 4.1	There were 37 instances where payment processing took longer than contractual requirements and was not supported by a payment application/invoice rejection letter justifying the delay. Additionally, the District was unable to provide formalized policies and procedures defining payment procedures and controls.	The District should finalize payment processing policies and procedures to ensure the District’s compliance with contractual agreements, state laws and ordinances, and other regulations.	Resolved

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**APPENDIX B – REVIEW OF PRIOR YEAR AUDIT (Continued)
JUNE 30, 2019**

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 4.2	The District was unable to validate that 23 expenditures were properly approved prior to payment.	The District should finalize policies and procedures related to the payment approval process and obtain Board approval as a best practice. The District should also implement controls to ensure proper review and approval prior to payment.	See current year Observation 4.2
Observation 5.1	Change Order No. 2 with Arntz/Focon Joint Venture, Inc. represented a 16.5% increase from the original contract value, which is not compliant with PCC 20118.4.	The District should update their policies and procedures to ensure future change orders are in compliance with PCC 20118.4 and best practices.	Resolved
Observation 5.2	Change order execution and associated Board approval was not timely.	The District should implement policies and procedures to include a proactive approach to addressing change order management reporting and controls, especially those for delays and time extensions. The changes should be addressed as they occur.	See current year observation 5.2
Observation 5.3	The policies and procedures surrounding change orders are conflicting, out of date and incomplete.	As a best practice, the District should update and consolidate their policies and procedures surrounding change orders to ensure effective controls, accountability, and communication of the policies and procedures. Any changes in policies and procedures should be updated in the documentation promptly as they occur and a specific employee should be assigned the duty of overseeing this process.	See current year Observation 5.3
Observation 5.4	Change orders were not reported to key Measure J stakeholders to document change order impact and assigned responsibility.	OUSD should establish more robust change order reporting within Bond Program reporting to ensure end users understand change order impact and assigned responsibility.	See current year Observation 5.4

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**APPENDIX B – REVIEW OF PRIOR YEAR AUDIT (Continued)
JUNE 30, 2019**

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 5.5	District policies and procedures lacked claims avoidance considerations that address reporting requirements to identify actions taken to identify or limit claim exposure.	OUSD should revise claims avoidance and control procedures within policy documents and update OUSD management reporting to reflect procedures performed to identify and avoid potential claims.	See current year Observation 5.1
Observation 6.1	The policies and procedures surrounding procurement are out-of-date and incomplete.	The District should update and consolidate their policies and procedures surrounding procurement to ensure effective controls, accountability, and communication of the policies and procedures	See current year Observation 6.1
Observation 6.2	The District was unable to provide complete competitive solicitation documentation for two public works projects.	The District should maintain complete and consolidated bid and procurement documentation that is readily available in a central location, either physically or electronically.	See current year Observation 6.2
Observation 6.3	The District did not provide sufficient documentation to allow us to review nine out of 17 sampled vendors, or 53%.	The District should maintain complete and consolidated bid and procurement documentation that is readily available in a central location, either physically or electronically.	See current year Observation 6.3
Observation 6.4	The District awarded and issued contracts to bidders prior to Board of Education approval.	The District should receive, and require, Board approval prior to issuing or awarding any contracts or Purchase Orders	See current year Observation 6.4
Observation 7	The District's standardized items list for Bond Program materials procurement is not current and is potentially not complete.	The District should regularly update its standardized items and educational specifications list to accurately reflect the most up-to-date standards and guidance provided by local and state governments.	See current year Observation 7

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**APPENDIX B – REVIEW OF PRIOR YEAR AUDIT (Continued)
JUNE 30, 2019**

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 8 and 9.1	The District did not provide conflict of interest forms for the entire facilities management team.	The District should clearly document their policies and procedures surrounding conflict of interest, maintain a complete set of completed conflict of interest forms, and review their current forms to determine if additional action needs to be taken.	See current year Observation 8 and 9.1
Observation 8 and 9.2	Policies and procedures were not centrally located, did not define roles and responsibilities and the process for updating manuals was not documented.	The District should consolidate all policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures.	See current year Observation 8 and 9.2

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**APPENDIX C – Observation 4.1
JUNE 30, 2019**

The following table contains the expenditures with incomplete payment application documents. See Observation 4.1 for more details.

PO#	Vendor Name	Warrant #	Date	Amount	AIA Form	Itemized Cost of Work	LBU participation calculation	Finance Funding Confirmation
Measure B								
PO19-01475	OVERAA TULUM ECLIPSE JV	51229641	6/26/2019	\$ 1,900,777	Yes	Yes	No	Yes
PO19-01425	CAHILL/FOCON JOINT VENTURE	51155189	11/5/2018	613,095	Yes	Yes	No	-
PO19-01333	WICKMAN DEVELOPMENT AND CONSTRUCTION	51135757	1/18/2019	236,082	Yes	No	No	-
PO19-01333	WICKMAN DEVELOPMENT AND CONSTRUCTION	51157789	11/13/2018	200,498	No	No	No	-
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51140295	2/1/2019	189,528	Yes	Yes	No	-
PO19-01427	CODY ANDERSON WASNEY ARCHITECTS	51113979	9/17/2018	147,068	Yes	Yes	No	-
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51205172	4/15/2019	144,060	Yes	Yes	No	-
PO19-01425	CAHILL/FOCON JOINT VENTURE	51171162	12/10/2018	140,014	Yes	Yes	No	-
PO19-00861	VILA TULUM JOINT VENTURES	51233238	6/30/2019	112,435	Yes	Yes	No	-
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51184709	3/26/2019	102,658	Yes	Yes	No	-
PO19-01337	D LINE CONSTRUCTORS	51116267	9/24/2018	60,566	Yes	Yes	No	-
Measure J								
PO19-01425	CAHILL/FOCON JOINT VENTURE	51149114	3/4/2019	\$ 2,121,366	Yes	Yes	Yes	No
PO19-00854	CAHILL/FOCON JOINT VENTURE	51161081	11/26/2018	484,051	Yes	Yes	Yes	No

**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J FUNDS**

**APPENDIX D – OBSERVATION 4.2
JUNE 30, 2019**

The following table contains the expenditures lacking proper approvals, if applicable. See Observation 4.2 for additional details

PO#	Vendor Name	Warrant #	Date	Amount	Signed by Project Manager	Signed by Inspector of Record	Signed by Contractor	Signed by Architect	Signed by Director	Signed by Deputy Chief
Measure B										
PO19-01425	CAHILL/FOCON JOINT VENTURE WICKMAN DEVELOPMENT AND	51113967	9/17/2018	\$ 1,721,322	Yes	No	Yes	Yes	Yes	Yes
PO19-01333	CONSTRUCTION	51157789	11/13/2018	200,498	Yes	No	Yes	Yes	Yes	Yes
PO19-00861	VILA TULUM JOINT VENTURES	51233238	6/30/2019	112,435	Yes	No	Yes	Yes	Yes	Yes
PO19-01337	D LINE CONSTRUCTORS	51116267	9/24/2018	60,566	Yes	No	Yes	Yes	Yes	Yes
Measure J										
PO19-01425	CAHILL/FOCON JOINT VENTURE	51149114	3/4/2019	\$ 2,121,366	Yes	No	Yes	Yes	Yes	Yes

**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J FUNDS**

**APPENDIX E – OBSERVATION 6.2
JUNE 30, 2019**

The following table contains the list of incomplete procurement documents. See Observation 6.2 for more details.

				Bids and bid documents submitted					
Project Number	Project Site - Name	Contractor Name	Contract Price	Bidding Documents/ Proposal	Non-Collusion Declaration	Site Visit Certification	IRAN Contracting Act Certification	Bonding Certification	Insurance Certification
Measure B									
15106	McClymonds-Mod ISS Phase II	Thompson Builders, Corp.	\$ 2,816,000	Yes	Yes	No	Yes	Yes	Yes
07093	Centro Infantill- Fire & Intrusion Alarm	Ray's Electric	346,800	Yes	Yes	No	Yes	Yes	Yes
Measure J & B									
13133	Foster-Central Kitchen	Overaa Tulum Eclipses-Phase 2	\$ 43,003,331	Yes	Yes	-	No	No	No

**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J FUNDS**

**APPENDIX F – OBSERVATION 6.3
JUNE 30, 2019**

The following table contains the list of incomplete contract documents. See Observation 6.3 for more details.

Project Number	Project Site- Name	Contractor Name	Contract Price	Signed by Contractor	Signed by	Signed by	Routing Form Sign off			Insurance Certificati on	Bonding Certificati on
					Legal Counsel	Superinten dent	DOF	GC	DCF		
Measure J											
13179	Laurel Elementary- Finishing Kitchen	Antonio	\$ 79,200	Yes	Yes	No	Yes	Yes	Yes	Yes	-
13158	Fremont HS New Construction	Cahill/Focon JV	7,093,095	Yes	Yes	Yes	No	No	No	Yes	Yes
13134	Glenview ES Mod & New Const	Michael's Transportation	1,536,240	Yes	Yes	Yes	No	No	No	Yes	-
13124	Madison Middle Foster-Central Kitchen	Vila Tulum Consolidated Engineering Lab	26,050,932 34,510	Yes Yes	Yes Yes	Yes No	Yes -	Yes -	Yes -	Yes -	No -
Measure J/B											
13133	Foster-Central Kitchen	Overaa Tulum Eclips	\$ 43,003,331	Yes	Yes	Yes	Yes	Yes	Yes	No	No

**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J FUNDS**

**APPENDIX G – LIST OF EXPENDITURES REVIEWED
JUNE 30, 2019**

The following table lists expenditures selected and tested for compliance and assessed for internal control.

PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure B					
	ACC ENVIRONMENTAL CONSULTANTS	51103066	8/10/2018	\$ 5,415	15125
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51161072	11/26/2018	1,862,550	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51158086	11/14/2018	1,847,592	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51191056	4/2/2019	1,376,274	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51135486	1/18/2019	1,248,506	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51143094	2/12/2019	912,620	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51217263	5/22/2019	858,926	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51226478	6/19/2019	797,072	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51233034	6/30/2019	783,168	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51145962	2/20/2019	760,269	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51221254	6/5/2019	550,265	13134
	ADI DIVISION OF HONEYWELL INTERNATIOI	51103067	8/10/2018	116	7102
PO19-02982	AEKO CONSULTING	51224203	6/14/2019	81,697	13143
PO19-01651	ALAMEDA ELECTRICAL DISTRIBUTION	51122041	10/5/2018	3,263	7102
PO19-01423	ANTHONIO	51135492	1/18/2019	33,440	13133
PO19-06362	ANTHONIO, INC.	51205136	4/15/2019	9,500	15125
PO19-11216	AREY JONES	51231626	6/30/2019	153,917	N/A
PO19-11216	AREY JONES	51231626	6/30/2019	153,917	N/A
PO19-01650	ASBESTOS MANAGEMENT GROUP OF CALIF	51116254	9/24/2018	13,975	7102
PO19-11798	AUTOMATIC FIRE SPRINKLERS INCD.\	51224240	6/14/2019	6,265	13143
PO19-01693	BOSCH SECURITY SYSTEMS,	51135504	1/18/2019	4,387	7102
PO19-01425	CAHILL/FOCON JOINT VENTURE	51245729	4/9/2019	2,517,009	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51174655	12/18/2018	2,153,779	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51113967	9/17/2018	1,721,322	13158
	CAHILL/FOCON JOINT VENTURE	51103072	8/10/2018	857,133	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51155189	11/5/2018	613,095	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51171162	12/10/2018	140,014	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51143181	2/12/2019	(447,088)	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51174655	12/18/2018	(472,240)	13158
PO19-11099	California Dept of Tax and Fee Admin	51214035	5/13/2019	190	13133
PO19-03935	CALIFORNIA GEOLOGICAL SURVEY	51158091	11/14/2018	3,600	13133
PO19-11362	CHAIN LINK FENCE & SUPPLY,	51230320	6/30/2019	2,933	19101
PO19-01427	CODY ANDERSON WASNEY ARCHITECTS	51113979	9/17/2018	147,068	13133
PO19-03977	COMACK PLUMBING	51171183	12/10/2018	5,658	3055
PO19-01337	D LINE CONSTRUCTORS	51116267	9/24/2018	60,566	16100
PO19-09151	DAILY JOURNAL CORPORATION	51205165	4/15/2019	1,216	19101
PO19-05860	DENBESTE WATER SOLUTIONS,	51135555	1/18/2019	775	13133
	DEPT OF TOXICS & SUBSTANCES CO	51103082	8/10/2018	1,060	7047

**OAKLAND UNIFIED SCHOOL DISTRICT
2006 MEASURE B AND 2012 MEASURE J FUNDS**

**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
JUNE 30, 2019**

PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure B (Continued)					
PO19-02781	DEPT OF TOXICS & SUBSTANCES CONTROL	51072284	10/10/2018	\$ 8,799	7047
PO19-07159	DIGITAL DESIGN COMMUNICATIONS	51216010	5/20/2019	472,733	15105
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51140295	2/1/2019	189,528	15125
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51221408	6/5/2019	172,467	15125
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51205172	4/15/2019	144,060	15125
PO19-01055	DIGITAL DESIGN COMMUNICATIONS	51184709	3/26/2019	102,658	15125
PO19-03904	DIVISION OF STATE ARCHITECTS	51159675	11/19/2018	3,280	16110
PO19-01395	EAST BAY BLUE PRINT AND SUPPLY	51113989	9/17/2018	195	15125
PO19-06359	EAST BAY MUNICIPAL UTILITY DISTRICT	51140301	2/1/2019	54,000	13133
PO19-01932	ELITE TREE SERVICE INC	51120534	10/1/2018	550	13133
	EMPEROR SUPPLY,	51103087	8/10/2018	410	7102
PO19-02980	GUTTMANN & BLAEVOET	51143289	2/12/2019	23,920	13133
PO19-01805	JENSEN HUGHES	51209220	4/25/2019	9,375	15125
PO19-03138	JOHNSON CONTROLS FIRE PROTECT.	51119295	10/26/2018	63,063	18100
PO19-02394	KDI CONSULTANTS	51224456	6/14/2019	28,994	13124
PO19-11866	MOBILE MODULAR MANAGEMENT CORP	51229640	6/26/2019	4,789	13124
	NINYO & MOORE	51103111	8/10/2018	26,890	7047
PO19-11363	NOR-CAL MOVING SERVICES	51229477	6/26/2019	5,550	19101
PO19-02880	NORTHWEST CASCADE, INC.	51123492	10/15/2018	456	13133
PO19-01605	OCEANIC CONTAINERS, LLC	51143456	2/12/2019	3,277	7130
PO19-01475	OVERAA TULUM ECLIPSE JV	51219339	5/29/2019	4,185,715	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51122937	10/12/2018	3,972,093	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51161102	11/26/2018	2,790,632	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51135794	1/18/2019	2,318,604	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51135794	1/18/2019	2,221,689	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51124646	10/17/2018	1,765,617	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51183209	3/22/2019	1,763,790	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51114016	9/17/2018	1,129,689	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51149405	3/4/2019	2,926,194	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51229641	6/26/2019	1,900,777	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51209227	4/25/2019	766,735	13133
PO19-11838	PACIFIC GAS AND ELECTRIC	51226583	6/19/2019	22,997	13133
PO19-10925	PIONEER ATHLETICS	51216149	5/20/2019	459	15138
PO19-01649	RAY'S ELECTRIC	51143478	2/12/2019	24,590	7093
PO19-11876	SCA ENVIORONMENTAL INC	51233200	6/30/2019	1,855	15106
	SIMPLEXGRINNELL LP	51205307	4/15/2019	1,140	7093
PO19-09152	SMALL BUSINESS EXCHANGE	51246008		468	19101
PO19-01702	STATE OF CALIFORNIA	51122175	10/5/2018	256	13133
PO19-11154	STATE WATER RESOURCES CONTROL BOAR	51214280	5/13/2019	484	13133
PO19-08567	STRIPEALOT	51217274	5/22/2019	1,300	15138

**OAKLAND UNIFIED SCHOOL DISTRICT
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**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
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PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure B (Continued)					
	TERRAPHASE ENGINEERING,	51103139	8/10/2018	\$ 2,196	16100
PO19-00862	VALLEY RELOCATION AND STORAGE	51116333	9/24/2018	3,065	13158
PO19-02637	VERDE DESIGN	51122955	10/12/2018	5,540	16100
PO19-00861	VILA TULUM JOINT VENTURES	51233238	6/30/2019	112,435	15127
	WICKMAN DEVELOPMENT AND CONSTR	51103149	8/10/2018	71,345	15105
	WICKMAN DEVELOPMENT AND CONSTR	51109759	8/27/2018	328,225	15105
PO19-01333	WICKMAN DEVELOPMENT AND CONSTR	51135757	1/18/2019	236,082	15105
PO19-01333	WICKMAN DEVELOPMENT AND CONSTR	51157789	11/13/2018	200,498	15105
PO19-01333	WICKMAN DEVELOPMENT AND CONSTR	51113165	9/12/2018	160,075	15105
PO19-01319	WILLIAM SCOTSMAN,	51172402	12/12/2018	1,564	13133
Measure J					
BPO19-00089	360 TOTAL CONCEPT,	51113960	9/17/2018	\$ 25,286	918
	ABC SECURITY SERVICES	51170720	12/7/2018	12,126	15124
	ACC ENVIRONMENTAL CONSULTANTS	51170721	12/7/2018	48,759	13158
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51122038	10/5/2018	1,929,531	13134
PO19-01476	ADCO/TURNER GROUP/ALTEN JOINT VENTI	51106382	9/13/2018	1,091,485	13134
PO19-00875	ANTHONIO	51229245	6/26/2019	43,348	13134
PO19-11174	ANTHONIO, INC.	51229245	6/26/2019	9,460	16126
	APPLIED MATERIALS ENGINEERING	51103068	8/10/2018	35,530	13134
PO19-08015	ARBITRAGE COMPLIANCE SPECIALIST	51184671	3/26/2019	1,700	918
PO19-03719	ARC DOCUMENT DBA ARC IMAGING RESOL	51159081	11/19/2018	147	918
PO19-11312	AREY JONES	51231626	6/30/2019	156,970	18105
PO19-05400	ARROW SIGN,	51177027	1/4/2019	32,746	15103
PO19-06918	ASBESTOS MANAGEMENT GROUP OF CALIF	51182948	3/22/2019	7,500	13125
PO19-03177	AURORA ENVIRONMENTAL SERVICES	51174621	12/18/2018	4,155	918
PO19-00860	BAYVIEW ENVIRONMENTAL SERVICES	51109761	8/27/2018	26,775	15127
BPO19-00098	BENTLEY SYSTEMS	51105148	8/22/2018	35,583	918
PO19-01059	BYRENS KIM DESIGN WORKS	51169238	12/3/2018	60,669	13124
PO19-01425	CAHILL/FOCON JOINT VENTURE	51149114	3/4/2019	2,121,366	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51174655	12/18/2018	1,943,137	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51143181	2/12/2019	1,572,230	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51171162	12/10/2018	616,897	13158
PO19-01425	CAHILL/FOCON JOINT VENTURE	51245729	4/9/2019	(1,122,154)	13158
PO19-00854	CAHILL/FOCON JOINT VENTURE	51174655	12/18/2018	584,111	15118
PO19-00854	CAHILL/FOCON JOINT VENTURE	51161081	11/26/2018	484,051	15118
PO19-00854	CAHILL/FOCON JOINT VENTURE	51124523	10/17/2018	452,841	15118
PO19-00854	CAHILL/FOCON JOINT VENTURE	51135507	1/18/2019	451,207	15118
PO19-00854	CAHILL/FOCON JOINT VENTURE	51182973	3/22/2019	127,621	15118
PO19-00854	CAHILL/FOCON JOINT VENTURE	51229275	6/26/2019	110,351	15118
PO19-11824	CALIFORNIA BANK OF COMMERCE #10924	51229510	6/26/2019	17,075	15137

**OAKLAND UNIFIED SCHOOL DISTRICT
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**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
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PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure J (Continued)					
PO19-05868	CANON SOLUTIONS AMERICA	51139597	1/28/2019	\$ 4,408	918
PO19-10923	CDW-G	51224303	6/14/2019	63,475	18105
PO19-03934	CHAIN LINK FENCE & SUPPLY,	51143200	2/12/2019	6,484	15124
PO19-05538	CITY OF OAKLAND	51135532	1/18/2019	21,145	15124
	CITY OF OAKLAND/ POLICE ADMIN	51103074	8/10/2018	5,909	13134
PO19-02539	CLARK PEST CONTROL	51124537	10/17/2018	300	13134
PO19-01427	CODY ANDERSON WASNEY ARCHITECTS	51113979	9/17/2018	130,610	13133
PO19-07229	COLLAND JANG ARCHITECTURE	51224315	6/14/2019	47,432	918
PO19-04227	CONSOLIDATED ENGINEERING LABORATOR	51135541	1/18/2019	43,665	13133
PO19-04422	CORDOBA CORP	51219249	5/29/2019	160,148	918
PO19-04422	CORDOBA CORP	51144757	2/19/2019	159,775	918
PO19-04422	CORDOBA CORP	51174692	12/18/2018	159,566	918
PO19-02783	CORDOBA CORP	51072275	10/10/2018	156,529	918
PO19-04422	CORDOBA CORP	51229304	6/26/2019	150,273	918
PO19-04422	CORDOBA CORP	51211690	5/6/2019	148,664	918
PO19-04422	CORDOBA CORP	51127439	1/9/2019	142,164	918
PO19-04422	CORDOBA CORP	51245757	4/9/2019	141,296	918
PO19-02783	CORDOBA CORP	51124580	10/17/2018	136,506	918
PO19-02783	CORDOBA CORP	51072275	10/10/2018	132,819	918
PO19-04422	CORDOBA CORP	51138612	1/25/2019	124,176	918
PO19-04422	CORDOBA CORP	51229304	6/26/2019	171,647	918
PO19-07454	CORODATA SHREDDING	51183005	3/22/2019	46	918
BPO19-00088	CUMMING CONSTRUCTION MANAGEMENT	51122082	10/5/2018	122,639	918
BPO19-00088	CUMMING CONSTRUCTION MANAGEMENT	51122082	10/5/2018	100,865	918
BPO19-00088	CUMMING CONSTRUCTION MANAGEMENT	51219250	5/29/2019	91,628	918
BPO19-00088	CUMMING CONSTRUCTION MANAGEMENT	51226516	6/19/2019	90,668	918
BPO19-00088	CUMMING CONSTRUCTION MANAGEMENT	51159671	11/19/2018	87,413	918
BPO19-00088	CUMMING CONSTRUCTION MANAGEMENT	51217266	5/22/2019	83,338	918
PO19-02692	DAILY JOURNAL CORPORATION	51192220	4/4/2019	650	18105
PO19-03202	DANIEL GALVEZ	51135551	1/18/2019	5,000	15106
	DANNIS WOLIVER KELLEY	51177076	1/4/2019	55,991	918
PO19-01107	DAVILLIER - SLOAN,	51158101	11/14/2018	13,818	918
PO19-06915	DEPARTMENT OF INDUSTRIAL RELATDELSE	51144762	2/19/2019	46	918
PO19-07707	DEPT OF TOXICS & SUBSTANCES CONTROL	51183019	3/22/2019	18,690	13158
PO19-10943	DEVINE & GONG INC.	51226527	6/19/2019	6,050	918
PO19-11301	DIGITAL DESIGN COMMUNICATIONS	51233100	6/30/2019	23,320	15125
PO19-05399	DIVISION OF STATE ARCHITECTS	51177079	1/4/2019	17,177	15104
PO19-01506	DOUGHERTY, DENNIS	51124650	10/17/2018	116,239	13175
PO19-01559	DOUGHERTY, DENNIS	51124650	10/17/2018	153,429	13184
PO19-04469	EAST BAY BLUE PRINT AND SUPPLY	51229326	6/26/2019	600	13124

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**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
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PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure J (Continued)					
PO19-05532	ECONOMY LUMBER COMPANY	51135570	1/18/2019	\$ 6,717	15124
BPO19-00087	ELATION SYSTEMS	51158105	11/14/2018	37,500	918
PO19-00905	EMILIANO E. VINUYA	51120536	10/1/2018	16,800	918
PO19-01058	ENGEO INC.	51122906	10/12/2018	15,162	13134
PO19-02782	ENGIE SERVICES U.S. INC	51231681	6/30/2019	150,885	16117
PO19-11820	FAGEN FRIEDMAN & FULFROST	51226541	6/19/2019	2,696	918
PO19-03720	FIRST ALARM SECURITY & PATROL	51158109	11/14/2018	435	13158
PO19-02269	G & G BUILDERS	51135597	1/18/2019	102,747	17122
PO19-06640	GENERAL ROOFING COMPANY	51191071	4/2/2019	20,120	15124
PO19-02785	GERALD D. SMITH	51123478	10/15/2018	775	13134
PO19-04960	GOVERNMENT FINANCIAL STRATEGIES	51135605	1/18/2019	5,625	918
PO19-01648	GRAINGER	51139622	1/28/2019	3,864	13126
PO19-01467	HANSON & FITCH	51149232	3/4/2019	314	13134
PO19-01060	HARDISON KOMASTSU IVELICH & TUCKER	51120581	10/1/2018	39,806	13134
	INTEGRAL GROUP, INC.	51103096	8/10/2018	7,044	13158
PO19-02686	INTER-COMMUNICATIONS	51174799	12/18/2018	6,485	918
PO19-02786	INTERGAL GROUP INC	51217268	5/22/2019	18,110	13158
PO19-00742	JENSEN HUGHES	51127828	1/11/2019	7,740	15118
	JOHN P. ESPOSITO	51103099	8/10/2018	39	918
PO19-11102	JOHNSON CONTROLS FIRE PROTECT.	51229638	6/26/2019	2,256	13134
PO19-06439	JOYCE CHEUNG	51184732	3/26/2019	123	918
PO19-04061	JTS TREE EXPERT, INC.	51169288	12/3/2018	9,300	15124
PO19-11884	K 12 SCHOOL FACILITIES	51233135	6/30/2019	15,394	918
PO19-02394	KDI CONSULTANTS	51161090	11/26/2018	69,884	13124
PO19-08014	KISTER, SAVIO, REI,	51245875	4/9/2019	2,400	13179
PO19-02558	KW ENGINEERING	51122927	10/12/2018	8,242	13124
PO19-00805	LAYA'S PARTNERSHIP	51120647	10/1/2018	18,900	918
PO19-01934	LCA ARCHITECTS,	51205227	4/15/2019	193,707	13158
PO19-01934	LCA ARCHITECTS,	51140345	2/1/2019	103,487	13158
PO19-01934	LCA ARCHITECTS,	51183137	3/22/2019	257,954	13158
PO19-01934	LCA ARCHITECTS,	51155299	11/5/2018	248,086	13158
PO19-01934	LCA ARCHITECTS,	51205227	4/15/2019	247,167	13158
PO19-01934	LCA ARCHITECTS,	51229410	6/26/2019	175,042	13158
PO19-01934	LCA ARCHITECTS,	51217269	5/22/2019	173,908	13158
PO19-01934	LCA ARCHITECTS,	51216078	5/20/2019	171,742	13158
PO19-01934	LCA ARCHITECTS,	51226564	6/19/2019	170,849	13158
PO19-01934	LCA ARCHITECTS,	51123490	10/15/2018	115,071	13158
PO19-08566	LELAND SAYLOR ASSOCIATES	51192260	4/4/2019	10,370	918
PO19-03903	LEONARD'S CONSTRUCTION	51158126	11/14/2018	41,359	17120
PO19-11839	LOZANO SMITH, LLP	51230389	6/30/2019	34,406	918

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**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
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PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure J (Continued)					
PO19-01703	MAGDAVE ASSOCIATES INC.	51120663	10/1/2018	\$ 5,190	918
PO19-11825	MARCON CO.	51229639	6/26/2019	150,746	19120
PO19-11825	MARCON CO.	51226566	6/19/2019	140,758	19120
PO19-01057	MARCON CO.	51183150	3/22/2019	260,355	13179
PO19-01057	MARCON CO.	51135651	1/18/2019	257,912	13179
PO19-01057	MARCON CO.	51161094	11/26/2018	244,535	13179
PO19-01057	MARCON CO.	51143385	2/12/2019	241,500	13179
PO19-01057	MARCON CO.	51110892	9/4/2018	208,766	13179
PO19-01057	MARCON CO.	51124627	10/17/2018	203,236	13179
PO19-01057	MARCON CO.	51174865	12/18/2018	153,094	13179
PO19-01057	MARCON CO.	51191089	4/2/2019	146,514	13179
PO19-01057	MARCON CO.	51221557	6/5/2019	142,921	13179
PO19-01057	MARCON CO.	51139635	1/28/2019	141,410	13179
PO19-01057	MARCON CO.	51214173	5/13/2019	123,608	13179
PO19-01057	MARCON CO.	51113141	9/12/2018	114,193	13179
PO19-01057	MARCON CO.	51226566	6/19/2019	94,700	13179
PO19-02271	MARINSHIP DEVELOPMENT INTEREST	51209223	4/25/2019	104,639	18106
PO19-00865	MCGINNIS CHEN ASSOCIATES INC.	51109730	8/27/2018	4,834	15131
PO19-01456	MICHAEL EZEH	51214186	5/13/2019	194	N/A
	MICHAEL'S TRANSPORTATION,	51177149	1/4/2019	27,680	13134
PO19-05968	MICHELLE FIERSTON	51229341	6/26/2019	11,660	918
PO19-07426	MJ PLUMBING SOLUTIONS	51183178	3/22/2019	39,800	15124
PO19-11871	MK THINK	51231750	6/30/2019	94,781	918
PO19-05540	MOBILE MODULAR MANAGEMENT CORP	51127468	1/9/2019	124,992	15127
PO19-05667	MOSS ADAMS LLP	51214194	5/13/2019	50,696	918
PO19-03596	MURAKAMI AND NELSON ARCHITECTURAL	51205252	4/15/2019	56,030	17115
PO19-01348	NINYO & MOORE	51143445	2/12/2019	100,465	13158
PO19-03976	NORTH AMERICAN FENCE AND RAILING,	51159272	11/19/2018	3,771	13134
PO19-01647	NORTHERN SAFETY & INDUSTRIAL	51139648	1/28/2019	409	13179
PO19-10444	NORTHWEST CASCADE, INC.	51205260	4/15/2019	126	15124
PO19-00871	O.C. JONES & SONS	51109741	8/27/2018	78,481	13154
PO19-11498	OFFICE DEPOT	51221610	6/5/2019	2,417	918
PO19-04173	OJO TECHNOLOGY	51171322	12/10/2018	14,481	17104
PO19-03599	OLD REPUBLIC TITLE	51156701	11/7/2018	800	918
PO19-01475	OVERAA TULUM ECLIPSE JV	51209227	4/25/2019	2,069,102	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51219339	5/29/2019	739,364	13133
PO19-01475	OVERAA TULUM ECLIPSE JV	51229641	6/26/2019	335,753	13133
PO19-11781	PACIFIC GAS AND ELECTRIC	51224589	6/14/2019	893	13128
PO19-07011	PENTI TARPEH	51214232	5/13/2019	176	N/A
PO19-04468	R&S OVERHEAD GARAGE DOOR	51183235	3/22/2019	4,957	15124

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**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
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PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure J (Continued)					
PO19-11601	REDGWICK CONSTRUCTION	51229508	6/26/2019	\$ 257,883	16126
PO19-11817	REDGWICK CONSTRUCTION	51226587	6/19/2019	324,425	15137
PO19-03937	ROOFLINE SUPPLY & DELIVERY	51159301	11/19/2018	1,392	15124
PO19-11100	ROOK ELECTRIC CO.	51214257	5/13/2019	30,000	15103
	RUDYS COMMERCIAL REFRIGERATION	51103123	8/10/2018	9,123	13133
PO19-05074	S MEEK ARCHITECTURE	51174981	12/18/2018	9,750	15127
PO19-04281	SAFE 2 PLAY	51172382	12/12/2018	485	17121
PO19-02784	SANDIS CIVIL ENGINEERS	51124674	10/17/2018	20,319	13158
PO19-01627	SANDRA H. SOO	51221669	6/5/2019	55	918
PO19-05073	SCA ENVIRONMENTAL INC	51183260	3/22/2019	5,204	17115
BPO19-00086	SCHOOL FACILITY CONSULTANTS	51135726	1/18/2019	4,024	918
PO19-10281	SCHOOL OUTFITTERS	51210612	5/2/2019	5,370	15103
	SCHOOL SPECIALTY	51103126	8/10/2018	19,763	13179
PO19-01304	SHAH KAWASAKI ARCHITECTS,	51113152	9/12/2018	96,543	15124
	SIEGFRIED ENGINEERING INC	51103128	8/10/2018	17,748	15137
	SIMPLEXGRINNELL LP	51103132	8/10/2018	420	15127
PO19-00802	SIMS, LEE	51116321	9/24/2018	5,400	918
	STAR ELEVATOR,	51103135	8/10/2018	10,459	15124
PO19-04399	STATE WATER RESOURCES CONTROL BOAR	51172390	12/12/2018	484	13134
PO19-00863	STRAWN CONSTRUCTION INC.	51110935	9/4/2018	32,807	15104
PO19-02587	STRONGER BUILDING SERVICES	51072441	10/10/2018	282,787	15131
	STRONGER BUILDING SERVICES	51113197	9/12/2018	82,080	15131
	STRONGER BUILDING SERVICES	51104715	8/21/2018	82,080	15131
PO19-11249	SULLIVAN THOMPSON MASONRY	51221710	6/5/2019	79,960	15124
PO19-00503	SUNPOWER	51229577	6/26/2019	13,267	13128
	SYSKA HENNESSY GROUP, INC.	51103137	8/10/2018	5,250	13158
PO19-01437	TADASHI NAKAPEGAWA	51224562	6/14/2019	61	918
PO19-05398	TECHNICAL ROOF SERVICES,	51177218	1/4/2019	876	15131
PO19-01056	TERRAPHASE ENGINEERING,	51113156	9/12/2018	17,265	13124
PO19-00870	THOMPSON BUILDERS INC	51110944	9/4/2018	455,268	15106
PO19-00870	THOMPSON BUILDERS INC	51122179	10/5/2018	413,944	15106
PO19-00870	THOMPSON BUILDERS INC	51119402	10/26/2018	234,167	15106
PO19-00870	THOMPSON BUILDERS INC	51159352	11/19/2018	149,544	15106
PO19-00870	THOMPSON BUILDERS INC	51135744	1/18/2019	101,556	15106
PO19-11880	TRIMARK ECONOMY RESTAURANT FIXTURE	51233231	6/30/2019	5,313	15127
BPO19-00099	UNION PACIFIC RAILROAD,	51113157	9/12/2018	4,473	918
PO19-01346	URBAN DESIGN CONSULTING	51113159	9/12/2018	9,534	13124
PO19-01775	VALLEY RELOCATION AND STORAGE	51183303	3/22/2019	7,850	13179
PO19-01692	VERDE DESIGN	51229610	6/26/2019	44,521	17111
PO19-00861	VILA TULUM JOINT VENTURES	51161133	11/26/2018	393,110	15127

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**APPENDIX G – LIST OF EXPENDITURES REVIEWED (Continued)
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PO #	Vendor Name	Warrant #	Date	Amount	Project #
Measure J (Continued)					
PO19-03137	WELL PUT TOGETHER, LLC	51229619	6/26/2019	\$ 14,400	918
PO19-01222	WICKMAN DEVELOPMENT AND CONSTRUC	51120838	10/1/2018	15,607	13124
PO19-03135	WILSON, IHRIG & ASSOCIATES	51159376	11/19/2018	392	13134
	Cahill/Focon--Pay App#16	JE	6/30/2019	4,386,289	13158
	Cahill/Focon	JE	6/30/2019	2,859,465	13158
	Transfer Broadway July Rent from Prepaids	JE	7/31/2018	293,232	918

**OAKLAND UNIFIED SCHOOL DISTRICT
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**APPENDIX H – LIST OF CONTRACTS AND PROCUREMENT DOCUMENTS REVIEWED
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The following table consists the list of contracts and procurement documents reviewed.

Project Number	Project Site- Name	Contractor Name	Contract Price
Measure B			
15106	McClymonds-Mod ISS Phase II	Thompson Builders, Corp.	\$ 2,816,000
13133	Foster-Central Kitchen	Anthonio	402,800
13133	Foster-Central Kitchen	Guttman & Blaevoet	314,550
13133	Foster-Central Kitchen	Jensen Hughes	31,600
13124	Madison-Expansion	KDI Consultants	274,930
13124	Madison-Expansion	Mobile Modular Management Corp	203,898
07093	Centro Infantil CDC- Fire & Intrusion Alarm	Ray's Electric	346,800
15125	Fruitvale -Fire & Intrusion Alarm	Digital Design	796,800
15126	Fruitvale -Fire & Intrusion Alarm	Jensen Hughes	104,700
Measure J and B			
13134	Glenview ES Mod & New Const	ADCO/Turner Group/ Alten Joint Venture	\$ 37,390,043
13133	Foster-Central Kitchen	Cody Anderson Wasney Architects,	3,495,760
13133	Foster-Central Kitchen	Overaa Tulum Eclipses-Phase 2	43,003,331
Measure J			
13179	Laurel Elem-Finishing Kitchen	Mar Con Builders, Inc	\$ 2,732,000
13179	Laurel Elem-Finishing Kitchen	Bryens Kim Design works	263,190
13179	Laurel Elem-Finishing Kitchen	Anthonio	79,200
15104	Castlemont ISS-Phase II	Strawn Construction, Inc.	1,312,374
13158	Fremont HS New Construction	ACC Environmental Consultants	92,000
13158	Fremont HS New Construction	Cahill/Focon JV	7,093,095
13158	Fremont HS New Construction	KDI Consultants	1,000,000
13158	Fremont HS New Construction	LCA Architects	5,316,000
13158	Fremont HS New Construction	Ninyo & Moore	45,000
13134	Glenview ES Mod & New Const	Anthonio	425,040
13134	Glenview ES Mod & New Const	Applied Materials Engineering	238,102
13134	Glenview ES Mod & New Const	Hardison Komastu Ivelich & Tucker	2,724,900
13134	Glenview ES Mod & New Const	Michael's Transportation	1,536,240
13133	Foster-Central Kitchen	Consolidated Engineering Lab	34,510
15118	Havenscourt-Science Lab	Anthonio	45,980
15118	Havenscourt-Science Lab	Cahill/Focon JV	2,400,000
15118	Havenscourt-Science Lab	LCA Architects-1	126,500
15118	Havenscourt-Science Lab	LCA Architects-2	213,650
13124	Madison Middle	Vila Tulum	26,050,932
15139	Frick Middle	Anthonio Inc.	29,700
918	Facilities Planning	Orbach Huff & Suarez	300,000