



OAKLAND UNIFIED
SCHOOL DISTRICT
Community Schools, Thriving Students

FCMAT report on improper spending of Capital Funds



iamOUSD

November 28, 2018
FACILITIES PLANNING AND MANAGEMENT

FCMAT Items Identified

The Committee has requested accounting changes to correct the improper spending identified in the FCMAT report. The specific Capital Fund items identified in the FCMAT report are:

1. \$8,375,128 from the building fund (Fund 25) for payment of the district's deferred maintenance state matching
2. \$7,676,836.77 from the capital facilities fund (Fund 25) to the debt service fund (Fund 56) for the Chabot Observatory & Science Center JPA certificates of participation (COPs) debt payment.
3. The district has charged approximately \$2.8 million per year for at least three years to the state school facilities fund (Fund 35) for rent expense associated with the district's downtown Oakland district office.

Conclusion

These accounting decisions were made at the Chief Business Officer and Superintendent level and were not under the control of the Division of Facilities Planning & Management.

Facilities must be included in decisions regarding all expenditures of capital funds. Any proposals to use funds outside of explicitly prescribed allowable expenditures must be agreed to by Facilities, Bond Counsel, and FCMAT approved auditor advice. Without this policy and oversight in place the District will remain at risk to audit findings from “creative financing” schemes proffered by non-facilities representatives.