

## **Draft Procedures for the 2019 Oakland Unified Measure N parcel tax audit.**

Pending discussion with the Measure N COC.

### Objectives of our audit

- Ensure proceeds and expenditures of the parcel tax are fully accounted in the books and records of the district.
- Ensure expenditures are in support of permissible uses as per the ballot language.
- Ensure expenditures are in support of approved activities per the approved site plans.
- Ensure that high school grants and charter school grants were allocated as per the ballot language. Include a schedule of allocations per school in the financial audit report.
- Ensure that the administrative overhead allocation does not exceed 10% cumulatively from inception, exclusive of county collection costs.
- Ensure that senior citizen exceptions and low-income exemptions are complete, accurate, and supported by source documents.
- Make a positive statement about the issue of supplanting versus supplementing.

### Scope of our audit

- District expenditures funded by measure N during fiscal year 2018-19.
- Charter expenditures charged to measure N during 2018-19.

### Methodology of our audit

1. Obtain parcel tax expenditure detail reports prepared by the District and agree amounts to the general ledger.
2. Separately for District schools and charter schools, review the nature of the expenditures, and review source documents as appropriate, to ensure they were within the permissible uses of the ballot language.
3. Ascertain if District schools and charter schools used funds to provide services which they were legally required to make available by virtue of being a school. Also, perform procedures to determine whether the parcel tax funded services that were previously provided with another funding source.
4. Test a sample of expenditures to ensure they were spent in accordance with Measure N, and the approved site plan.
5. Recalculate the ratio of administrative overhead charges to total proceeds to ensure that no more than 10% of proceeds are being spent on administrative overhead, cumulative and exclusive of county collection costs.
6. Select a sample of district schools and a sample of charter schools. Test the allocation of grant proceeds to the sample of schools.

7. Obtain an understanding of how the district processes the senior citizen exceptions and low-income exemptions. Select a sample of exemptions and apply procedures to ensure they are complete, accurate, and supported by source documents.
8. Examine sufficient supporting documentation to validate the amount of Measure N Parcel Tax revenues received and recorded by the District.

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