

**ENVISION EDUCATION INC.
ENVISION ACADEMY OF ARTS & TECHNOLOGY (E.A. CAMPUS)
MEASURE G1 PARCEL TAX PERFORMANCE AUDIT**

FOR THE YEAR ENDED JUNE 30, 2020



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**ENVISION EDUCATION INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Envision Education Inc.
Envision Academy of Arts & Technology
Oakland, California

We have conducted a performance audit of compliance as required by Oakland Unified School District (OUSD) of Envision Education's Envision Academy of Arts & Technology (E.A. Campus) for the year ended June 30, 2020.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our 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.

Our audit was limited to the objectives listed in this report which includes determining E.A. Campus' compliance with the performance requirements for the Teacher Retention and Middle School Improvement Act Fund (Measure G1) funds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the E.A. Campus' Measure G1 compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of E.A. Campus to determine if internal controls were adequate to help ensure compliance with the requirements of Measure G1, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that, in all significant respects, E.A. Campus expended Measure G1 funds for the fiscal year ended June 30, 2020, only for the specific purposes identified by OUSD and approved by the voters, in accordance with the requirements of Measure G1, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

Board of Directors
Envision Education Inc.

The purpose of this is intended solely for the information and use of OUSD, the board of directors, and management of Envision Education Inc., and is intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
August 5, 2020

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BACKGROUND INFORMATION

The Teacher Retention and Middle School Improvement Act (Measure G1) was authorized by an election of the registered voters of the County of Alameda. Measure G1 was established to provide a districtwide educator salary increase designed to attract/retain teachers; provide enhanced middle school art, music, languages/other programs in addition to core educational programs; improve academic achievement; provide safe, positive schools, and prepare students for college/careers in Oakland Unified School District (OUSD) schools as well as charter schools in Oakland. The funds for this measure will come from OUSD levying a tax of \$120 per parcel, providing \$12.4 million annually, for 12 years, with exemptions for senior and low income residents.

OBJECTIVES

- Ensure proceeds and expenditures of the parcel tax are fully accounted in the books and records of the charter school.
- Ensure expenditures are in support of allowable uses as per the ballot language, separately with respect to middle school grants and salary for school site educators.
- Ensure that the charter school receiving middle school grant funding has an approved education improvement plan with the minimal requirements specified in the ballot.
- For the charter school receiving middle school grant funding, make a positive statement about the issue of supplanting versus supplementing.

SCOPE OF THE AUDIT

- The scope of our performance audit covered the fiscal period from July 1, 2019 to June 30, 2020. The sample of expenditures tested included object and resource codes associated with the Measure G1. The propriety of expenditures funded through other state, federal or local funding sources, other than the proceeds of Measure G1, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

1. We obtained parcel tax expenditure detail reports prepared by the charter school and agreed amounts to the general ledger.
2. We selected a sample of payroll related expenditures, obtained and reviewed the necessary supporting documentation to satisfy ourselves that they were only to provide raises to “school site educators,” as the term was used in the ballot text. We also tested payroll benefits for reasonableness.

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3. We ensured the same percentage increase in salary was applied to all school site educators.
4. We did not review the nature of the expenditures incurred by the charter school for the middle school grant funding, and review source documents as appropriate, to ensure they were within the specific purpose of the ballot language as the school did not receive this funding.
5. We did not verify if the parcel tax middle school grant is funding supplemental activities by performing the following procedures. Ascertain if funds were used to provide services, which were legally required to be made available by virtue of being a school. Also, perform procedures to ascertain whether the parcel tax funded services that were previously provided with another funding source as the school did not receive this funding.
6. We did not obtain the approved education improvement plans for the charter schools receiving the middle school grant and perform the following procedures. Ensure the plan contains the minimal elements required by the ballot. Verify if the actual parcel tax expenditures are consistent with the approved plan as the school did not receive this funding.
7. We examined supporting documentation to validate the amount of Measure G1 Parcel Tax revenues received.

FINDINGS AND RESPONSES

None noted.

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SCHEDULE OF INCOME STATEMENT ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>E.A. Campus</u>
Measure G1 Revenues:	
Measure G1 Parcel Tax Revenues	\$ 61,132
Measure G1 Expenditures:	
Measure G1 Expenditures - Raises to School Site Educators	61,132
Total Expenditures	<u>61,132</u>
Revenues less Expenditures - Measure G1	<u><u>\$ -</u></u>

