

ASPIRE PUBLIC SCHOOLS

**OAKLAND UNIFIED SCHOOL
DISTRICT DISTRICTWIDE
TEACHER RETENTION AND
MIDDLE SCHOOL
IMPROVEMENT ACT -
MEASURE G1 FUNDING**

PERFORMANCE AUDIT

YEAR ENDED JUNE 30, 2020

ASPIRE PUBLIC SCHOOLS
MEASURE G1 FUNDING
TABLE OF CONTENTS
JUNE 30, 2020

	<u>PAGE</u>
Independent Auditor's Report	1
Objectives	2
Scope of the Audit	2
Background Information	2
Procedures Performed	2
Conclusion	3
Findings and Recommendations	3

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Aspire Public Schools
Oakland, California**

We have conducted a performance audit of the Aspire Public Schools' (the Organization) Measure G1 funds 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 conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 2 of this report, which includes determining the compliance with the performance requirements for the Measure G1 funds under the applicable provisions of the administrative regulations for allocation of Measure G1 funds. Management is responsible for the Organization's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the Organization to determine if internal controls were adequate to help ensure the Organization's compliance with the requirements of Measure G1. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, except for one instance as noted in the Findings and Recommendations section of this report, the Organization expended Measure G1 funds for the year ended June 30, 2020 only for the specific purposes approved by the voters in accordance with the requirements of Measure G1.



**GILBERT CPAs
Sacramento, California**

March 8, 2021

ASPIRE PUBLIC SCHOOLS MEASURE G1 FUNDING

PERFORMANCE AUDIT REPORT JUNE 30, 2020

OBJECTIVES

The objectives of our audit were as follows: ensure proceeds and expenses of the Measure G1 parcel tax are fully accounted in the books and records; ensure that the administrative overhead allocation does not exceed 1% cumulatively from inception; ensure that Aspire Public Schools (the Organization) has an education improvement plan with the minimal requirements specified in the ballot; make a positive statement about the issue of supplanting versus supplementing; and ensure expenses are in support of allowable uses as per the ballot language for the salary of school site educators, administrative overhead, and separately with respect to middle school grants for the fiscal year ended June 30, 2020.

SCOPE OF THE AUDIT

The scope of our audit covered the Organization's expenses funded by Measure G1 during the fiscal year ended June 30, 2020. The amount of Measure G1 funding collected and expended in the year ended June 30, 2020 was \$703,399. We tested 96% of the revenues and expenses. The seven schools that collected and expended Measure G1 funding were:

- Aspire Lionel Wilson College Preparatory Academy
- Aspire Triumph Technology Academy
- Aspire College Academy
- Aspire Monarch Academy
- Aspire Berkeley Maynard Academy
- Aspire Golden State College Preparatory Academy
- Aspire ERES Academy

BACKGROUND INFORMATION

The Teacher Retention and Middle School Improvement Act Fund (Measure G1) was established to pay for compensation for teachers and educational staff, as well as enriching middle school curriculum that better prepares students for high school and beyond and is to be used for schools and charter schools within the Oakland Unified School District ("OUSD").

PROCEDURES PERFORMED

We obtained the Measure G1 parcel tax funds general ledger detail prepared by the Organization for the fiscal year ended June 30, 2020. Within the year audited, we obtained the actual invoices and other supporting documentation for a selection of expenses to ensure compliance with Measure G1 funding. We performed the following procedures:

- We reviewed the parcel tax expenditure detail reports and agreed the amounts to the general ledger.
- For a sample of payroll related expenses, we obtained and reviewed the necessary supporting documentation to satisfy ourselves that they were only to provide raises to "school site educators," as the term is used in the ballot text. We tested payroll benefits for reasonableness.

ASPIRE PUBLIC SCHOOLS MEASURE G1 FUNDING

PERFORMANCE AUDIT REPORT JUNE 30, 2020

- We ensured the same percentage increase in salary was applied to all school site educators, if applicable.
- We reviewed the nature of the expenses incurred by the charter school sites and source documents to ensure they were within the specific purposes of the ballot language.
- We verified that the parcel tax is funding supplemental activities by performing the following procedures: ascertained if funds were used to provide services which were legally required to be made available by virtue of being a school; and we performed procedures to ascertain whether the parcel tax funded services that were previously provided with another funding source.
- We obtained the approved education improvement plans for the charter school and perform the following procedures: ensure the plan contains the minimal elements required by the ballot; and verify if the actual parcel tax expenses are consistent with the approved plan.
- We determined, from the expense testing performed, if there were any a) control deficiencies, b) significant deficiencies or c) material weaknesses in internal control noted.
- We examined supporting documentation to validate the amount of Measure G1 parcel tax revenues received.

CONCLUSION

Based upon the procedures performed, we found that, except for one instance as noted in the Findings and Recommendations section of this report, the Organization followed the administrative regulations for allocation of Measure G1 funds and supplemented existing programs within the Organization.

FINDINGS AND RECOMMENDATIONS

We noted the Organization calculated bonuses for part-time employees using a base salary that assumed the employees were employed at 1.0 FTE. This resulted in part-time employees receiving a greater percentage increase than full-time employees. As a result of the error, bonuses totaling \$14,528 were overpaid to part-time employees and bonuses totaling \$29,834 were not paid to full-time employees during the year ended June 30, 2020. The Organization recorded an adjustment to correct their allocation of bonuses and funded the net impact of \$15,306 with unrestricted funds. The Organization made payments to employees who were initially underpaid during fiscal year 2020-2021 after the adjustment was identified. After adjustment, the final expenditures as of June 30, 2020 result in the application of the same percentage increase in salary to all school site educators.