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Memo

To	Oakland Unified School District Measure G Committee
From	Lisa Grant-Dawson, Chief Business Officer
Committee Meeting Date	March 21, 2022
Subject	Measure G Information Summary and Audit Reports
	<p>Dear Mr. Harold Lowe, Chair of the Measure G Oversight Committee</p> <p>In response to the February 28, 2022 committee meeting, please find the attached information to provide history and insight to Measure G 2019-20 performance audit for which the committee was in preparation of sending a letter to the Board regarding its response and recommendations, but was interrupted due to changes in membership on the committee.</p> <p>To further assist in clarification of why a performance audit is conducted for Measure G versus a financial audit, as is performed annually for the District General Fund (of which Measure G falls within) and all other funds, a performance audit evaluates if funds are spent properly for the intended purpose of the measure, where a financial audit evaluates if funds are spent legally and managed in accordance with generally accepted accounting principles.</p> <p>2019-20 Draft Measure G Performance Audit was presented to the Committee on March 15, 2021 and subsequently completed The final report is being provided for your review/use.</p> <p>The 2020-21 Audit is in progress and we expect a draft to be completed by the end of March 2022.</p> <p>In light of the discussion regarding programmatic and financial data illustrating the activities of the Measure G fund and spending, the District has also provided updates and presentations for the committees review:</p> <ul style="list-style-type: none"> • May 17, 2021 - Recruitment and Retention Presentation Item 21-0464 • May 17, 2021 - Review of Preliminary 2021-22 Measure G Budget 21-0642 • October 18, 2021 - Program Overview and Feedback from Measure G Committee 21-2569 • January 14, 2021 - Discussion of Music and Arts Program 21-0130

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	<ul style="list-style-type: none"> December 17, 2020 - Response to February 2018 Letter from the Measure G Committee and October 2020 email about the use of Measure G funds for Libraries. 20-2305 <p>I hope this assists the committee in determining its next steps and continued progress with its new members and officers properly seated.</p>
Attachments	<ul style="list-style-type: none"> 2019-20 Final OUSD Measure G Performance Audit



Independent Auditor's Report on Compliance and
Supplementary Schedules
Measure G Parcel Tax
June 30, 2020

Oakland Unified School District

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Independent Auditor's Report

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

Report on Compliance

We have audited Oakland Unified School District's compliance with the requirements described in the August 27, 2008 Measure G for the year ended June 30, 2020.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Oakland Unified School District's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Oakland Unified School District's compliance based on our audit.

We conducted our audit of compliance 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 Oakland Unified School District has complied with the compliance requirements as specified in the August 27, 2008 Measure G. An audit includes examining, on a test basis, evidence about Oakland Unified School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion. Our audit does not provide a legal determination of Oakland Unified School District's compliance with those requirements.

Basis for Qualified Opinion on Compliance with Measure G

As described in the Appendix I, Summary of Audit Procedures as Item 2, we were unable to obtain sufficient and appropriate audit evidence supporting the compliance of the Oakland Unified School District with the requirements of Measure G. Consequently, we were unable to determine whether Oakland Unified School District complied with those requirements applicable to Measure G.

Qualified Opinion Compliance with Measure G

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph Oakland Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the August 27, 2008 Measure G for the year ended June 30, 2020.

Internal Control Over Compliance

Management of Oakland Unified School District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Oakland Unified School District's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses and significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance described in the Appendix I, Summary of Audit Procedures as Item 2, that we consider to be material weakness.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

May 19, 2021
Menlo Park, California



Appendix I
Summary of Audit Procedures
Measure G Parcel Tax
June 30, 2020
Oakland Unified School District

The Measure G Parcel Tax, known and referred to as the “2008 Education Parcel Tax Measure” (Measure G) was authorized by an election of the registered voters of the District, held February 5, 2008. Measure G provides for a special tax of \$195 per taxable parcel in the City of Oakland. The tax rate is fixed at \$195 per parcel and provides for low-income exemptions.

Goals of Measure G

- Attract and retain highly qualified teachers.
- Maintain courses that help students qualify for college.
- Maintain up-to-date textbooks and instructional materials.
- Maintain small class sizes in Kindergarten through K-3.
- Maintain after-school academic programs.
- Maintain school library, music and arts programs.

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.

Scope

- Expenditures funded by Measure G during the fiscal year 2019-20.

Methodology and Findings

The following describes the audit procedures and our related findings:

1. Obtain the itemized reports of parcel tax expenditures prepared by the District and agree to amounts to the general ledger.

Finding – No exceptions were identified from applying this procedure. The Measure G accounting records are complete and include all activity during the fiscal year. The summary financial schedules provided in Appendix II reconcile with the District’s accounting records.

2. Review the nature of the expenditures, and review source documents as appropriate, to ensure they were within the permissible uses of the ballot language.

Finding – We analytically reviewed the population of expenditure accounting records to search for transactions outside the scope allowable expenditures. Specific and random transactions were selected for additional audit analysis, which includes reviewing source documents such as invoices, contracts, purchase orders, or payroll records. Our audit sample is representative of the total amount of expenditures funded by Measure G during the year fiscal year. Subjected to additional audit analysis were 77 transactions totaling \$3.4 million and other examined transactions, as illustrated in the following table:

Examined transaction	Amount	Count	Percentage of Total Expenditures
Payroll and related	\$ 2,792,992	44	21%
Vendor and related	648,165	33	65%
Sub-total, sampled transactions	3,441,157	77	
Benefits	6,135,353	-	100%
County collection fee	347,136	-	100%
Total, examined transactions	<u>\$ 9,923,646</u>		48%

The District did not supply documentation to support 14 transactions totaling \$905 thousand as illustrated in the following table:

Deviations, Incomplete Documentation	Amount	Count	Percentage of Sampled Expenditures
Payroll and related	\$ 904,991	14	32%
Vendor and related	-	-	
Total	<u>\$ 904,991</u>	<u>14</u>	

3. Examine supporting documentation to confirm the amount of Measure G Parcel Tax revenues received.

Finding – No exceptions were identified from applying this procedure. Current year revenues of \$20,727,416 are correctly recorded into the accounting records of Measure G.



Appendix II
Summary Financial Schedules
Measure G Parcel Tax
June 30, 2020
Oakland Unified School District

Table 1, Schedule of Balance Sheet Accounts for the Year Ended June 30, 2020

Assets	
Cash in County Treasury	<u>\$ 127,359</u>
Total assets	<u><u>\$ 127,359</u></u>
Liabilities and Fund Balance	
Accrued expenditures	127,359
Fund balance - restricted for Measure G	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 127,359</u></u>

Table 2, Schedule of Income Statement Accounts for the Year Ended June 30, 2020

Revenues			
	Measure G parcel tax collections	\$ 20,727,416	
Expenditures			
1100	Certificated Teacher's Salaries	12,311,784	59.4%
1200	Certificated Pupil Support Salaries	47,637	0.2%
1300	Certificated Supervisor's and Administrator's Salaries	2,203	0.0%
2100	Classified Instructional Salaries	2,451	0.0%
2200	Classified Support Salaries	333,093	1.6%
2300	Classified Supervisor's and Administrator's Salaries	434,846	2.1%
2400	Clerical, Technical and Office Staff Salaries	110,620	0.5%
3000	Employee Benefits	6,135,353	29.6%
4000	Books and Supplies	501,404	2.4%
5100	Subagreements for Services	28,000	0.1%
5200	Travel and Conference	1,495	0.0%
5300	Assemblies and workshops	4,180	0.0%
5600	Music instruments	17,621	0.1%
5700	Noncapital improvements	6,045	0.0%
5800	County Collection Fee	347,136	1.7%
5800	Professional/Consulting Services	436,048	2.1%
	Total expenditures by object	\$ 20,719,916	
	Change in fund balance	7,500	
	Fund balance - beginning of year	(7,500)	
	Fund balance - end of year	\$ -	



Appendix III
Documents Examined
Measure G Parcel Tax
June 30, 2020

Oakland Unified School District

Oakland Unified School District

Documents Examined

June 30, 2020

Vendor Name or Employee ID No.	Transaction Description or Job Classification	Amount	Procedure 2
2017	TCHRSTRENGIM	\$ 85,687.35	Not provided
15869	SYSTEM ASSOC	99,119.16	Not provided
22206		130,665.48	Not provided
25051	COORD BENMAN	59,257.44	Not provided
25463	TCHR EDENRIC	32,467.00	Not provided
28539	LIBRARY TECH	14,847.51	Not provided
29781	CASE MGR24	74,698.32	Not provided
31586		118,514.88	Not provided
32010	LIBRARY TECH	43,861.60	Not provided
32123	LIBRARY TECH	9,715.65	Not provided
32381	TCHRSTRENGIM	50,991.00	Not provided
32412	TCHRSTRENGIM	64,748.70	Not provided
32515	TCHRSTRENGIM	12,949.75	Not provided
Journal Entry	11/27/19 Regular Payroll (Earnings) SITE 909	107,466.80	Not provided
	Sub-total	<u>904,990.64</u>	
1141	TCHRSTRENGIM	89,499.30	
1211	TCHRSTRENGIM	87,579.90	
1239	TCHRSTRENGIM	87,579.90	
1402	TCHRSTRENGIM	18,794.85	
1732	TCHRSTRENGIM	79,969.50	
1932	TCHR EDENRIC	72,462.71	
2052	TCHRSTRENGIM	89,499.30	
3148	TCHR BILING	89,499.30	
4514	TCHRSTRENGIM	87,579.90	
5017	TCHR EDENRIC	57,887.30	
5110	TCHR BILING	74,251.65	
5424	TCHRSTRENGIM	81,980.80	
5851	TCHR 1112	85,884.66	
16693	TCHR EDENRIC	15,615.40	
17277	TCHRSTRENGIM	81,875.45	
19086	TCHR EDENRIC	39,797.50	
22183	TCHRSTRENGIM	76,157.60	
24189	TCHRSTRENGIM	59,030.85	
25282	TCHRSTRENGIM	59,030.85	
25407	TCHRSTRENGIM	59,983.85	
25699	TCHR EDENRIC	35,611.80	
27644	TCHR DEP HD	56,171.90	

Oakland Unified School District

Documents Examined

June 30, 2020

<u>Vendor Name or Employee ID No.</u>	<u>Transact Description or Job Classification</u>	<u>Amount</u>
28967	LIBRARY TECH	18,688.87
30534	TCHR EDENRIC	51,412.45
30589	TCHR EDENRIC	38,545.25
30736	TSA CLASS10	21,131.95
31189	TCHR EDENRIC	45,702.65
31794	TCHR EDENRIC	56,079.30
32460	TCHRSTRENGIM	60,936.85
AREY JONES	Chromebooks	1,167.88
AREY JONES	Chromebooks	1,167.88
AREY JONES	Chromebooks for Library	4,886.26
AREY JONES	Chromebooks	9,648.31
AREY JONES	Chromebooks for Library	11,260.97
AREY JONES	To purchae chromebooks	19,296.62
ATTITUDINAL HEALING CONNECTION	AIG	27,000.00
BADGER STATE REPAIR	Instrument supplies	2,739.25
BEST INSTRUMENT REPAIR	Repairs - B17780	128.00
BOOK TRUST	BookTrust - 2019/20 - \$10K	10,000.00
BRONSTEIN MUSIC	Music Equipment	12,269.39
County of Alameda	Parcel tax collection cost	173,568.12
County of Alameda	Parcel tax collection cost	173,568.12
DESTINY ARTS CENTER	Destiny Arts martial arts clases for K - 3	25,000.00
ESPIRITU, AIMEE	contr0923-093019	3,000.00
ESPIRITU, AIMEE	Contract (VAPA)	3,375.00
ESPIRITU, AIMEE	Contract (VAPA)	3,375.00
EXPLORE LEARNING	VENDOR PAYMENT	6,540.75
EXPLORE LEARNING	VENDOR PAYMENT	6,540.75
FERREE'S TOOLS, INC.	Instrument supplies	547.79
FOLLETT SCHOOL SOLUTIONS	Books for Library	6,395.59
Journal Entry	OEA July Bonus to Site: name	109,760.00
LUNA KIDS DANCE	Contract (VAPA)	6,500.00
MCCASEY, INDI	Contract (VAPA)	4,209.00
MCCASEY, INDI	Contract (VAPA)	4,500.00
MCCASEY, INDI	contr0917-093019	4,500.00
MCCASEY, INDI	Contract (VAPA)	4,791.00
ROSS MCDONALD COMPANY,	New Library Furniture	27,845.56
ROSS MCDONALD COMPANY,	New Library Furniture	27,845.56
SOUTHWEST STRINGS	Instrument Equipment	20,520.00
THE CRUCIBLE	serv 0812-122019 pmt 1 of 2	11,000.00
WEST MUSIC	Music Equipment	6,563.46
WEST MUSIC	Instrument Equipment	16,035.94
WEST VALLEY MUSIC	Instrument supplies	12,379.06
	Total	<u>\$ 3,441,157</u>