

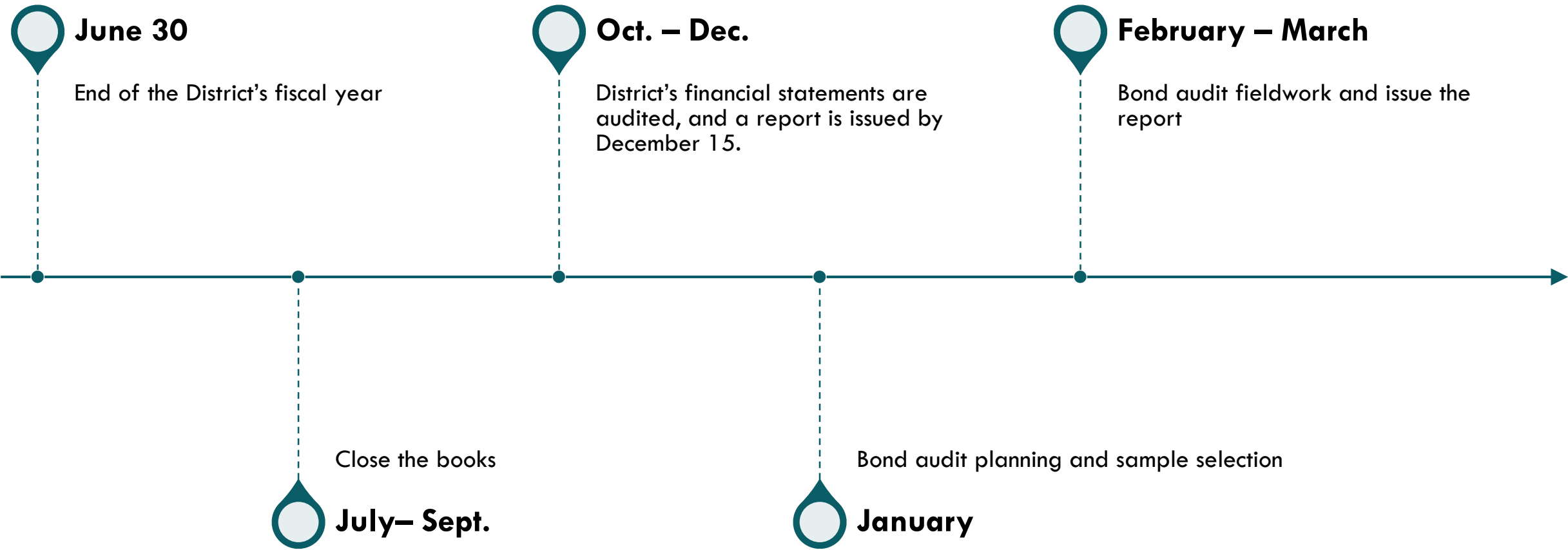


OAKLAND UNIFIED SCHOOL DISTRICT

Fiscal Year 2023 Audited (B, J, Y) Bond Fund Financial Statements and Bond Performance Audit



TIMING



SCOPE OF THE AUDIT



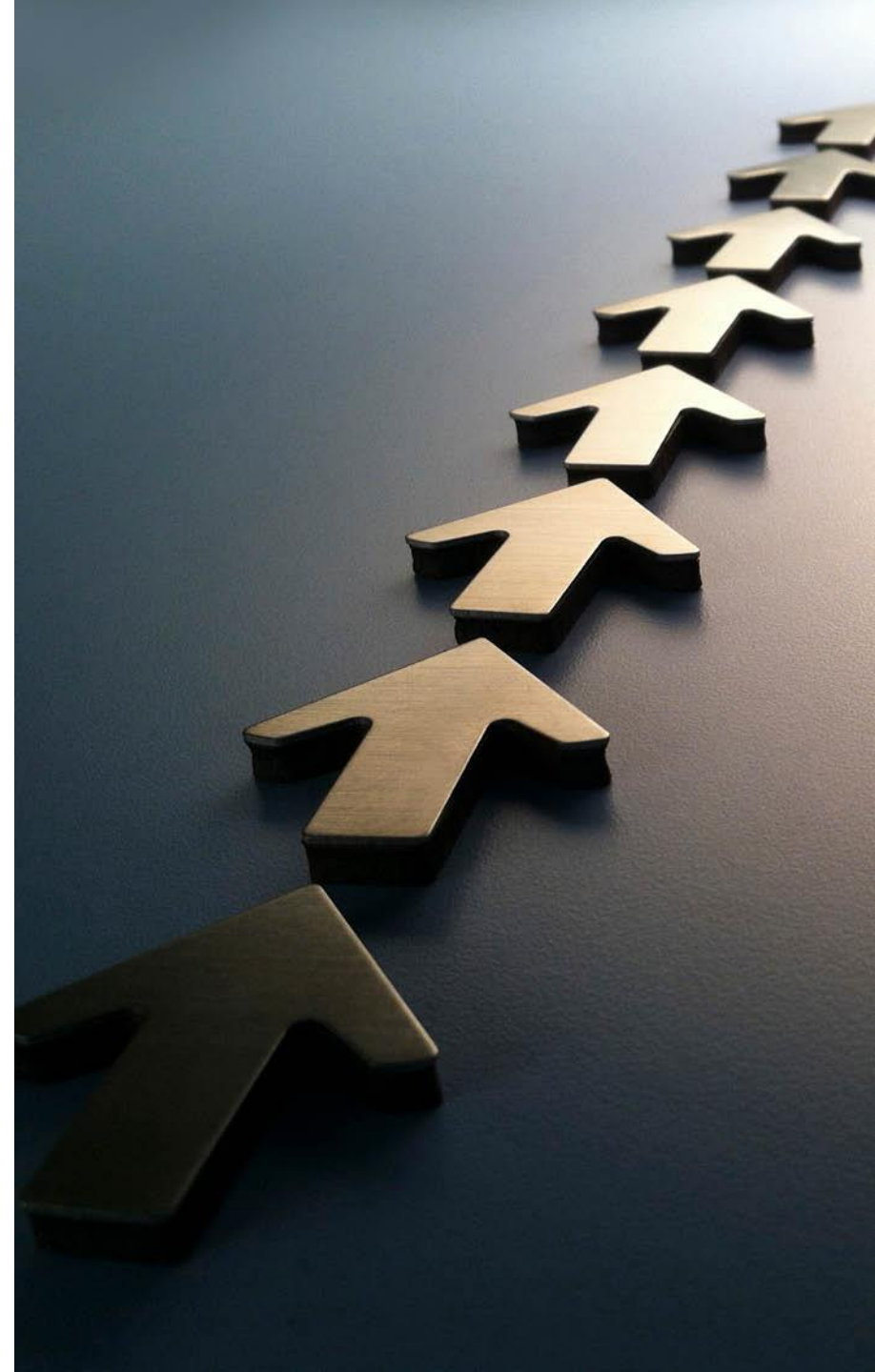
Auditor's responsibilities

Forming and expressing opinions based on the results of our audit of the **financial statements**, and audit of **compliance**.



Management's Responsibilities

Completeness and accuracy of the financial statements, maintenance of internal control over financial reporting, and compliance with laws and regulations.



SCOPE OF THE AUDIT

- Audit of the Bond Program's financial statements, separate for each Authorization
 - Are the financial statements prepared per US-GAAP for governmental entities?
- Reporting on identified internal control deficiencies, if any
- Proposition 39 Bond Performance Audit
 - Were expenditures only for allowable activities and costs?





PERFORMANCE AUDIT

PERFORMANCE AUDIT SCOPE (STANDARD)

- Ensure that such funds were expended on specific projects listed in the text of the applicable ballot measure.
- Verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
- Verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

PERFORMANCE AUDIT SCOPE (EXPANDED)

- Adherence to design and construction budgets, schedules and timelines
- Financial Reporting and Internal Controls
- Payment Processing
- Change Order and Claim Procedures
- Public bidding and procurement
- Materials standardization
- Conflict of Interest

Focus is on “Compliance” *and* “Internal Control”

PERFORMANCE AUDIT CONCLUSIONS

	Measure B		Measure J		Measure Y	
Vendor	\$ 3,518,421		\$5,120,044		\$ 28,666,410	
Payroll	182		-		309,512	
Total examined	\$ 3,518,603	23	\$5,120,044	67	\$ 28,975,922	85
Total incurred	\$ 4,295,602		\$9,670,706		\$ 56,624,973	
Percentage examined	82%		53%		51%	



PERFORMANCE AUDIT CONCLUSIONS

- In all significant respects, the District has properly accounted for the expenditures of the bond funds and that such expenditures were made for listed projects. Furthermore, the District expended bond funds for salaries only to the extent employees perform administrative oversight work on construction projects
- Interim housing of the administrative offices has concluded
- For *split-funded employees*, the District does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine everyday school facilities administrator expenses.

PERFORMANCE AUDIT CONCLUSIONS

- **Observation 1.1** - The Facilities Master Plan was completed in 2020 and should be updated to remain relevant and valuable.
- **Observation 1.2** - Immaterial Inconsistencies between the spending plan referred to in the CBOC report and the latest budget were noted.
- **Observation 2.1** - The District has continued improving the completeness and accuracy of the reports presented to the CBOC.
- **Observation 2.2** - We identified reconcilable differences between various reported intended for key stakeholders.

PERFORMANCE AUDIT CONCLUSIONS

- **Observation 3** - Based on the review of the OUSD Facilities Department Standard Operating Procedures Manual the Staff Accountant works with project managers to review and reconcile financial information that is presented to the CBOC.
- **Observation 4** - Expenditures were made for authorized projects and show evidence of compliance with the District's internal controls, with clarification.
- **Observation 5.1** - Reviewed change orders/contract amendments were approved in accordance with the District's Procedures Manual, with clarification.
- **Observation 5.2** - The District has improved its reporting of significant change orders and knowledge of possible future change orders.

PERFORMANCE AUDIT CONCLUSIONS

- **Observation 6.1** - With specific exceptions and clarification, the District is following its established process over procurement/bidding.
- **Observation 6.2** – With a specific exception, the District is following its established process for compliance with the Local Business Participation policy.
- **Observation 7**– The District’s standardized items list for Bond Program materials procurement is not current and potentially incomplete.
- **Observation 8 and 9.1** – The District did not provide a Conflict of Interest disclosure for all specific positions defined in the District’s board policy within facilities department.

PERFORMANCE AUDIT CONCLUSIONS

- **Observation 8 and 9.2** – The District continues making progress on implementing the prior year's bond performance audit recommendations and following the published OUSD Facilities Department Standard Operating Procedures manuals.



FINANCIAL STATEMENTS

1 OPINION ON THE FINANCIAL STATEMENTS – CLEAN/UNMODIFIED

“...the financial statements present fairly, in all material respects, the financial position of the Bond Fund as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

2 INTERNAL CONTROL OVER FINANCIAL REPORTING - NONE

“...during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.”

3 COMPLIANCE – NO FINDINGS

“...no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards...”





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