

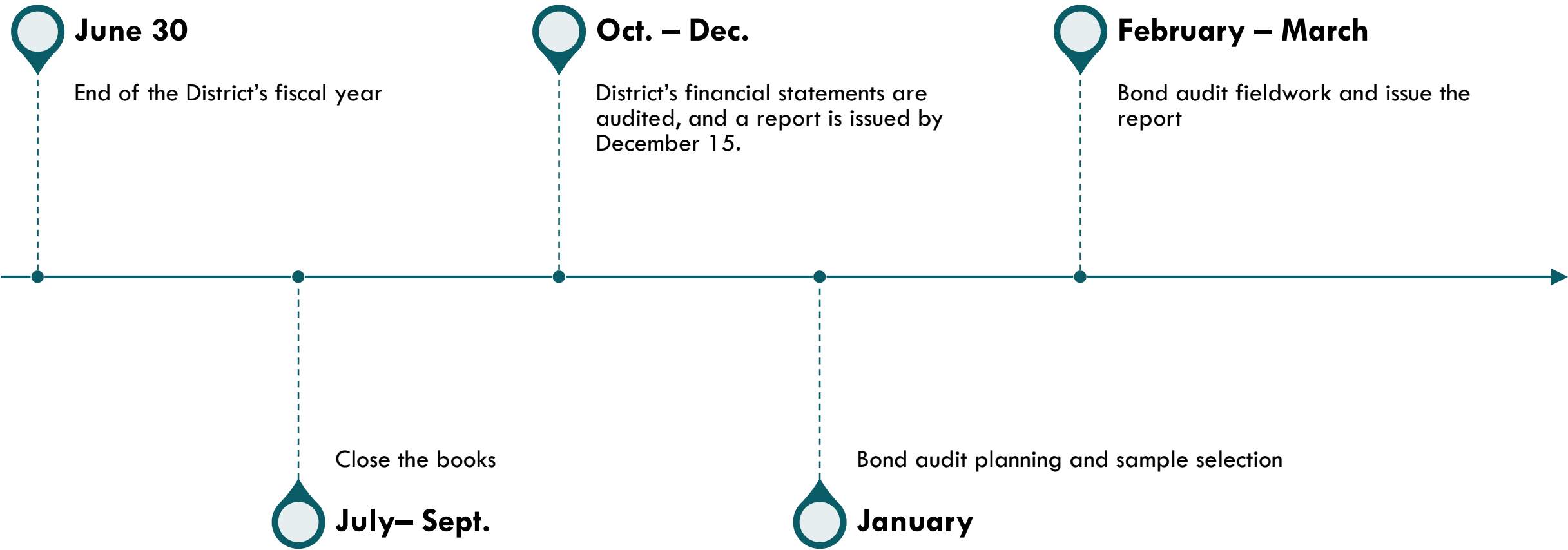


# OAKLAND UNIFIED SCHOOL DISTRICT

Fiscal Year 2024 Audited (B, J, Y) Bond Fund Financial Statements and Bond Performance Audit



# TIMING



# SCOPE OF THE AUDIT



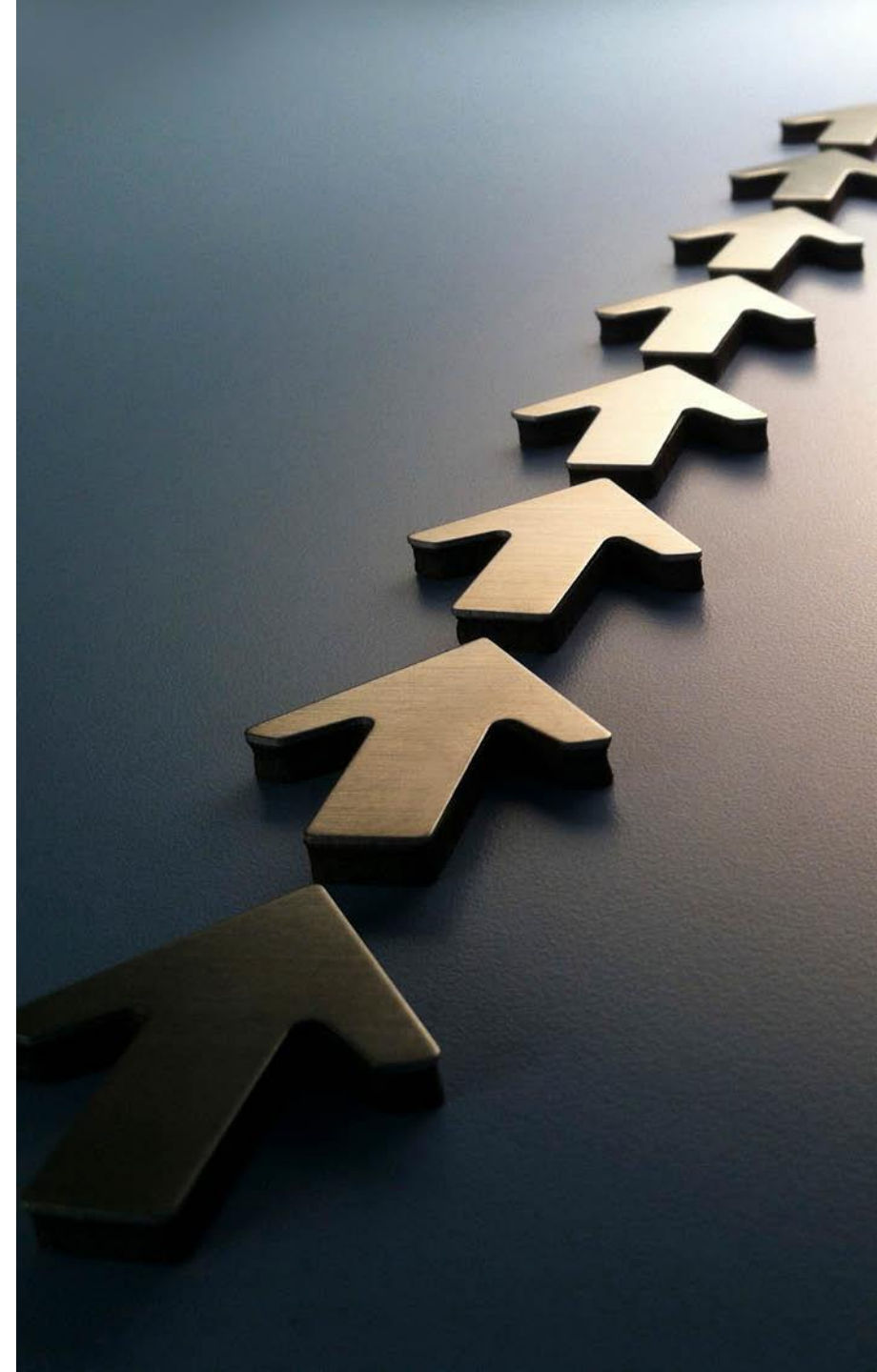
## Auditor's responsibilities

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		
Total examined	\$	804,568	13	\$	2,444,478	47	\$	14,232,812	89
Total incurred	\$	1,391,557		\$	3,450,173		\$	67,551,980	
Percentage examined		58%			71%			21%	

- Individually significant transactions
- All vendors
- Sampled four fully bond-funded employees and twenty-two nonrecurring payroll transactions.





# 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
  - Noncompliance, Bay Area Community Resources Fellowship Program, \$28 thousand

# PERFORMANCE AUDIT CONCLUSIONS

- **Observation 1.1** - The District is in process of developing the 2025 Facilities Master Plan.
- **Observation 1.2** - Reconcilable timing differences were identified between the reports called Historical Expenditures Details by Site and Project Budget Reconciliation.
- **Observation 2.1** - The District has continued improving the completeness and accuracy of the reports presented to the CBOC.
- **Observation 2.2** - The anticipated completion dates in the project status report showed significant changes compared to the prior year.

# PERFORMANCE AUDIT CONCLUSIONS

- **Observation 3** - The District has continued to reconcile the total expenditures reported on the CBOC report, the project reconciliation reports from project managers, and the expenditures recorded in the general ledger.
- **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** - There is no defined and clearly documented procedures about the nature, timing, or frequency of reporting change orders to key stakeholders.

# PERFORMANCE AUDIT CONCLUSIONS

- **Observation 6.1** - The District has adhered to its established process for complying with procurement and contract state laws, regulations, and its internal procedures. However, the District had difficulty providing a complete list of contracts awarded during the fiscal year.
- **Observation 7.1** - The District's standardized items list for Bond Program materials procurement is not current and potentially incomplete.
- **Observation 7.2** - There may be opportunities to obtain federal and state matching funds to increase financial resources for already budgeted projects.
- **Observation 8 and 9.1** - District provided Conflict of Interest disclosures for all specific positions defined in the District's board policy within the facilities department.

# PERFORMANCE AUDIT CONCLUSIONS

- **Observation 8 and 9.2** – The District finalized the 2024 consolidated OUSD Facilities Department Procedures Manual in May 2024, which outlines the District's procedures for the Facilities Department, including key controls and procedures over project management, payment processing, and bidding.



# 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, 2024, 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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