

Performance Audit Report
2006 Measure B, 2012 Measure J, and 2020 Measure Y
General Obligation Bond Funds
June 30, 2025

Oakland Unified School District



March 30, 2026

Board of Education, Citizens' Bond Oversight Committee, and Management of the
Oakland Unified School District
Oakland, California

Subject: Measures B, J, and Y Construction Bond Funds Performance Audit Report for the Fiscal Year Ended June 30, 2025.

This report presents the results of our performance audit of the Oakland Unified School District's (OUSD or the District) 2020 Measure Y, 2012 Measure J and 2006 Measure B General Obligation School Facilities Bond (Bond Program) as required by District objectives, California Proposition 39, the "Smaller Classes, Safer Schools and Financial Accountability Act" (Proposition 39), California Constitution (State Constitution) Article XIII A, California Education Code (Education Code) Section 15272, and Appendix A contained in the current *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. These California State (State) requirements specify that the proceeds from the sale of school facilities bonds are expended only on the specific projects listed in the proposition authorizing the sale of bonds (Listed Projects).

Both the State Constitution and Education Code require an annual independent performance audit to verify bond proceeds are used on Listed Projects. Finally, Senate Bill 1473, "School facilities bond proceeds: performance audits" (SB 1473), approved by the Governor on September 23, 2010, amended California Education Code to add Section 15286, which requires the annual performance audits to be conducted under the *Government Auditing Standards* issued by the Comptroller General of the United States.

Executive Summary

Overall Conclusion

For the fiscal year reviewed, **bond proceeds were expended exclusively on voter-approved projects**, and payroll charges to the bond program were limited to allowable administrative oversight activities. Our testing of \$22.5 million in expenditures (32% of the year's total spending) found **no instances in which bond funds were used for unlisted projects**.

While the District continues to make meaningful progress in strengthening internal controls, reporting practices, and transparency, we identified several **documentation exceptions, reporting inconsistencies, and improvement opportunities** that warrant management attention to ensure sustained compliance and strengthened public oversight.

Audit planning commenced in May 2025. The audit team conducted a combination of on-site and remote fieldwork from June 2025 and from November 2025 through December 2025. Audit procedures included reviewing documentation related to payment processing, contracting and procurement, design and construction activities; conducting interviews with selected project managers; reconciling and reviewing budgets; reviewing Board and legislative information; evaluating the OUSD Facilities Procedures Manual; and examining reports presented to the Citizens' Bond Oversight Committee (CBOC). We also examined supporting documentation covering change orders and contract amendments.

Context for Interpreting Audit Results

It is important to emphasize that the scope of this performance audit is significantly more rigorous and comprehensive than what is typically applied in Proposition 39 bond audits across California. At the request of the District and in alignment with the expectations of the Board of Education and the Citizens' Bond Oversight Committee, this audit includes expanded testing, deeper analysis, and a broader set of performance objectives than the minimum requirements.

As a result, several observations in this report represent enhanced transparency and continuous-improvement opportunities, not indications that OUSD is underperforming relative to peer districts. In many areas—financial controls, reporting systems, procurement practices, and oversight structures—OUSD demonstrates a level of maturity and audit readiness that is stronger than commonly seen in other school districts' bond programs. This higher level of scrutiny reflects the District's commitment to accountability and has positioned OUSD to implement stronger systems and more consistent oversight practices year over year.

Key Positive Practices

The audit identified several areas where District practices continue to strengthen governance, transparency, and program management:

- **Improved reporting to the CBOC**, including regular reconciliation of project expenditures to the District's accounting system.
- **Enhanced internal controls** over payment processing, invoice review, and contract management.
- **Regular updates to capital spending plans** and transparent sharing of upcoming budget adjustments with oversight committees.
- **Continued refinement of the Facilities Procedures Manual**, incorporating prior-year audit recommendations.
- **Posting of CBOC meeting recordings and documentation**, improving public accessibility.

These improvements demonstrate the District's focus on strengthening fiscal stewardship, internal controls, and stakeholder transparency.

Key Risks and Opportunities for Improvement

Although bond expenditures were allowable, we identified several governance-relevant areas that require additional attention:

- **Inconsistent Schedule and Completion Reporting**
Anticipated project completion dates were not consistently reported across key sources (project reports, CBOC materials, internal schedules), reducing stakeholder confidence in schedule reliability.

- **Variations Between Accounting and Project Management Reports**
While totals reconciled, individual project schedules showed differences in cumulative budgets and expenditures between accounting-prepared and project management-prepared reports. These inconsistencies complicate oversight and reduce clarity for CBOC members.
- **Lack of Centralized Change Order Tracking**
The District could not provide a complete, consolidated listing of approved change orders for the fiscal year. Decentralized tracking increases the risk of incomplete reporting and reduces visibility into cost drivers and scope changes.
- **Heavy Reliance on Allowance Expenditure Directives (AEDs)**
High volumes of AEDs across several projects indicate recurring issues in early-stage planning, design completeness, site investigation, and scope definition.
- **Occasional Missing Certified Payroll Documentation**
Two invoices lacked certified payrolls required under Labor Code § 1776, indicating the need for tighter payment-package completeness controls.
- **Procurement Documentation Gaps**
Testing of procurement and contracting files identified inconsistent routing signatures, outdated bid advertisements, and sequencing errors, despite adequate procedures being in place.
- **Facilities Standards Not Fully Updated or Version-Controlled**
The publicly posted standards include outdated references, increasing the risk of inconsistencies in design expectations, plan reviews, and lifecycle cost considerations.

High-Priority Recommendations

To strengthen transparency, oversight effectiveness, and audit readiness, we recommend the District:

- **Establish standardized, fully aligned reporting for project schedules across all reporting sources.**
- **Implement formalized cross-functional reconciliation between accounting and project management prior to issuing CBOC reports.**
- **Develop a centralized, district-wide change-order log with consistent categorization and quarterly reconciliation to Board actions.**
- **Improve early-stage project planning practices**, including risk-based budgeting, utility coordination planning, and design completeness reviews.
- **Strengthen payment documentation review**, ensuring required certified payrolls are consistently included.
- **Enforce procurement approval sequencing**, including complete documentation and current bid advertisements prior to Board routing.
- **Maintain a single, current source of truth for District materials and design standards**, with documented version control and lifecycle-cost review.

These actions will support consistent reporting, strengthen internal controls, and reinforce the District's commitment to responsible stewardship of public bond funds.

Conclusion

The District continues to make progress in strengthening financial reporting, internal controls, and transparency for its bond program. Addressing the noted inconsistencies and control gaps will further enhance public accountability, strengthen CBOC and Board oversight, and support more reliable cost and schedule outcomes for major capital projects.

Management is responsible for the proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors or irregularities may occur and not be detected. Additionally, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate due to changes in conditions or the degree of compliance with the procedures may deteriorate.

This report is intended solely for the use of the District's Board of Education, management, and the Citizens' Bond Oversight Committee. This report is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California
March 31, 2026

Oakland Unified School District
2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds

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Background Information
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A. Oakland Unified School District Approved Bond Funds

On June 6, 2006, Oakland voters approved the School Facilities Improvement Bond of 2006 (Measure B), authorizing the District to issue \$435 million of general obligation bonds to finance the school facilities projects specified and listed in the Bond Project List. The funds intend to “repair and modernize elementary, middle and high schools and pre-schools, including renovating classrooms, restrooms and other facilities to meet current safety standards, repairing electrical, plumbing and other building systems; and building libraries, classrooms, and science and computer labs.”

On November 6, 2012, Oakland voters approved the School Facilities Improvement Bond of 2012 (Measure J). Measure J authorized the District to issue \$475 million to “improve the quality of Oakland schools and school facilities to better prepare students for college and jobs, to upgrade science labs, classrooms, computers, and technology, improve student safety and security, repair bathrooms, electrical systems, plumbing, and sewer lines, improve energy efficiency and earthquake safety.”

On November 2, 2020, Oakland voters approved Measure Y. Measure Y authorized the District to issue \$735 million for classroom repair and school safety improvements, including upgrading classrooms, science labs, and technology; improving student safety and security; repairing bathrooms, electrical systems, and plumbing/sewers; and improving energy efficiency and earthquake safety.

According to Bond Program accounting records, total expenditures for the 2025 fiscal year amounted to \$71.1 million. Of this sum, \$65.7 million was spent on the Measure Y Bond Program, \$4.1 million on the Measure J Bond Program, and \$1.3 million on the Measure B Bond Program.

As of June 30, 2025, the collective bond program had \$365 million in unsold bonds and a fund balance of \$225.7 million. Within this total, Measure Y accounted for \$193.2 million, Measure J for \$27.2 million, and Measure B for \$5.3 million. For outstanding construction commitments as of that date, Measure B had \$2,750, Measure J had \$13.0 million, and Measure Y had \$94.9 million.

The District sold the final series of bonds under Measure B in August 2016. The August 2020 series of bonds is the final issuance under Measure J. In November 2020, the District received authorization to issue \$735 million of general obligation bonds for Measure Y. On October 1, 2021, the District sold first two Measure Y series A and B in amount of \$185,000,000. On November 22, 2023, the District issued the third series in amount of \$185,000,000 general obligation bonds under Measure Y.

B. California State Requirements

A Construction Bond Program Performance Audit is required for the District's Measure J, Measure B, and Measure Y Construction Bonds by Proposition 39, State Constitution Article XIII A, and Education Code Section 15272. These requirements specify that the proceeds from the sale of school facilities bonds can be expended only on Listed Projects. The State Constitution and Education Code require an annual independent performance audit to verify that Bond proceeds were used on Listed Projects. Finally, SB 1473, approved by the Governor on September 23, 2010, amended the California Education Code to add Section 15286, which requires an annual performance audit to be conducted per *Government Auditing Standards* issued by the Comptroller General of the United States.

California voters passed proposition 39 on November 7, 2000. Proposition 39 amended provisions to the California Constitution and the California Education Code. The purpose and intent of the initiative were "to implement class size reduction, to ensure that our children learn in a secure and safe environment, and to ensure that school districts are accountable for prudent and responsible spending for school facilities." It provided for the following amendments to the California Constitution and California Education Code:

1. To provide an exception to the limitation on ad valorem property taxes and the two-third vote requirements to allow school districts, community college districts, and county offices of education to equip our schools for the 21st Century, to provide our children with smaller classes, and to ensure our children's safety by repairing, building, furnishing and equipping school facilities;
2. To require school district boards, community college boards, and county offices of education to evaluate the safety, class size reduction, and information technology needs in developing a list of specific projects to present to the voters;
3. To ensure that before they vote, voters will be given a list of specific projects their bond money will be used for;
4. To require an annual, independent financial audit of the proceeds from the sale of the school facilities bonds until all of the proceeds have been expended for the specified school facilities projects; and

To ensure that the proceeds from the sale of school facilities bonds are used for specified school facilities projects only, and not for teacher and administrator salaries and other school operating expenses, by requiring an annual independent performance audit to ensure that the funds have been expended on specific projects only."

The primary objective of the performance audit included verification of management's compliance with Proposition 39, which required that bond proceeds only be used for school facilities projects that were listed with the Bond. The District created the Measures B, J, and Y Bond funds under Proposition 39, which requires the District to expend these funds proceeds only on Listed Projects and not for school operating expenses.

Oakland Unified School District
2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
Objectives, Scope, and Methodology
For the Year ended June 30, 2025

We conducted this Bond Program performance audit following *Government Auditing Standards* for Performance Audits issued by the Comptroller General of the United States (GAGAS), and Appendix A of the current *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. As required by these standards, we planned and performed the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), and in accordance with *Government Auditing Standards*, and Appendix A of the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel, as applicable, will always detect a material noncompliance when it exists. Noncompliance with criteria, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user. We have met our audit objective based on the performance audit procedures performed and the results obtained. Performance audit procedures covered July 1, 2024, through June 30, 2025.

Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

This performance audit did not constitute an audit of financial statements in accordance with *Government Auditing Standards*. Eide Bailly did not assess or provide an opinion on the District's internal controls. The complete list of performance audit objectives, as specified by the District and agreed upon for this audit, included the following methodology:

Performance Audit for Measures B, J, and Y

The financial records and expenditures of the Bond Program were reviewed to verify that funds were used for approved Bond Program purposes as outlined in the ballot language, bond documents, board-approved listed projects, and Proposition 39 requirements. The Bond Program's financial records and expenditures were reviewed by obtaining the annual financial reports and comparing the balances to the District's detailed accounting records. Control processes were analyzed, the bond program expenditure cycle was tested, and supporting documentation was sampled to validate internal controls. A total of 32 percent of aggregated vendor expenditures amounting to \$22.5 million was examined, including 106 transactions from Measure Y totaling \$18.6 million, 48 transactions from Measure J totaling \$2.8 million, and 15 transactions from Measure B totaling \$1.1 million. The sample was drawn to be representative of the population of total expenditures. We additionally selected transactions deemed individually significant based on the auditor's materiality, ensuring that at least one transaction from each vendor was reviewed.

These transactions included payments for contractors, employees, and journal entries. We performed our testing procedures to verify:

- Expenditures were for “listed projects.”
- The District obtained approval of payment applications and invoices.
- Expenditures complied with the approved contract, purchase order, or other procurement documentation.
- Expenses were recorded accurately in the District’s books and records in the proper period and segregated from District’s operations and administration.
- Expenditures met allocability and allowability requirements for allowance and contingency usage per sampled job contract language.
- The District paid expenditures within contractual agreements of 45 days.

Payroll related expenditures were \$4.7 million, which includes salaries of District employees working in direct support of bond projects, and related benefits. We analytically analyzed the payroll accounting records to identify significant unusual transactions, including verification that related benefits are reasonable in relation to other District employees. We further selected a sample of four fully bond-funded employees and twenty-two nonrecurring payroll transactions. We verified that payroll transactions were reasonably allocated to the bond program, and that adequate supporting documentation evidencing internal controls was present.

We communicated our audit plan with bond program senior management and are available to meet with District personnel and the Citizens' Bond Oversight as requested.

We conducted interviews with key personnel responsible for implementing the bond program. This included individuals in senior management and staff positions responsible for overseeing the planning, design, and construction work associated with the projects, such as team members of OUSD’s program management team, OUSD’s facilities and administration, and contractor project management. We also interacted with the accounting staff responsible for monitoring and implementing the financial controls over the programs. A complete list of the individuals interviewed is included in Appendix A.

Specific Outcome No.1. Adherence to Design and Construction Cost Budgets

We reviewed management’s process for the development and adherence to design and construction budgets on bond-funded projects in the facilities' construction program to gather and test data to determine compliance and measure the effectiveness of controls.

We reviewed the reconciliation of projects for which bond funds were expended to projects approved by the Board, analyzed the reconciliation of projects approved by the Board to projects on the approved facilities master plan, and reviewed the reconciliation of the facilities master plan on the approved project lists for Proposition 39.

Additionally, we performed an analysis of contingency and allowance usage across selected projects to determine whether funds were applied in accordance with policy. This review included evaluating whether contingency funds were used to address scope creep or planning deficiencies and assessing the consistency of usage with established guidelines.

Specific Outcome No.2. Adherence to Design and Construction Schedules and Timelines

We reviewed the methods used by bond program management to track the schedule of available resources and expenditures for all projects and to plan each building project per the availability of funds. We walked through existing schedule performance tracking methods, Bond fund expenditure schedules, and sample supporting documentation for expenditures and cost controls performance. Audit procedures included assessment of performance against schedule and controls needed for reliable schedule reporting.

Specific Outcome No.3. Financial Reporting and Internal Controls

We evaluated the actions taken by bond program management to apply policies and procedures that accomplish the Bond Program schedule, scope management, and performance goals. We reviewed Bond Program reporting to provide current, accurate, and complete cost, schedule, and budgetary information to Program stakeholders. We analyzed financial reporting and controls based on interviews and information gathered during the project audit.

Specific Outcome No.4. Payment Processing

We confirmed the District followed its policies for Proposition 39 spending during the period. We documented the use of Bond Program funds and segregation of these funds for Bond Program purposes, traced Bond funds received by OUSD and reconciled amounts received with amounts expended, and verified that these funds were spent for Bond Program purposes.

We confirmed both the design and operation of payment approval and cost accounting controls. Our review ensured that payments adhered to contract terms. We collected and tested relevant data to check compliance and judge how effective payment controls were. Documentation was analyzed for proper authorizations and adherence to established procedures, preventing excessive fees and overpayments. We also examined payment applications to evaluate whether the supporting documents were sufficient.

Specific Outcome No.5. Change Order and Claim Procedures

We reviewed change order documentation for compliance with Public Contracting Code, California school construction state requirements, and other regulations. We evaluated controls and activities to manage change orders. We reviewed contracts to understand allowable charges and reimbursable costs related to change orders. We analyzed policies and procedures covering the review and approval of contractor change orders to identify potential exposures. Specific consideration was given to change order cause, responsibility, and pricing.

We reviewed policies and procedures to verify whether documentation exists before approval of change orders and confirm that the District obtained the required approvals. Additionally, we evaluated and reviewed the processes used to effectively communicate potential claims and mitigate claims risk.

Specific Outcome No.6. Bidding and Procurement Procedures

We validated support to ensure sole-source procurement was documented, cost justification was available, and the District obtained the required approvals. For competitive bids, we verified compliance with the California school construction state requirements, Public Contracting Code, and State and other Professional Services Contract relevant laws and regulations. Additionally, we evaluated procurement controls to apply competitive and compliant contracting practices.

Specific Outcome No.7. Best Practices for Procurement of Materials and Services

We evaluated whether the bond program management maintained and utilized a standardized list of items and educational specifications for materials procurement, in order to determine facility material requirements. Our assessment included verifying that these requirements were accessible to project architects and designers, and confirming the use of materials specifications during procurements and distribution to all bidders. Additionally, we examined the incorporation of cost-benefit considerations in establishing materials standards and reviewed the requirement for district management approval for significant changes to specifications.

In evaluating materials standards, we also considered the extent to which standardization decisions may influence total cost of ownership over the life of facilities, including future maintenance complexity and utility consumption that may ultimately be borne by the General Fund. For example, where feasible and consistent with site conditions and educational needs, the use of standardized systems (e.g., consistent window assemblies or control systems across campuses) may reduce long-term maintenance variability, improve parts availability, and support energy efficiency outcomes.

Specific Outcome Nos. 8 and 9. Conflict of Interest and Compliance with State Laws and Guidelines and Board Policy

We analyzed for compliance with selected relevant state laws and regulations regarding school district facilities programs. We performed a risk assessment to identify requirements and regulations to which the District may be subject. The California Schools Accounting Manual (CSAM), Education Code, Public Contract Code, Government Code, California Code of Regulations (Title 21 and Title 24), and other appropriate regulations are considered within our analysis. We selected specific laws and regulations that are considered the highest risk for further review to assess the District's compliance. This analysis does not form a legal opinion or a complete analysis for compliance with all applicable state laws and regulations.

Present Audit Findings

We developed the performance audit conclusions as the engagement progressed. A draft report was prepared near the end of the engagement for distribution and comment before final report issuance. Our report found areas of effective practice and areas needing improvement within the framework of each of the significant scope areas named above. Good practices for each scope area are also presented. It is the responsibility of management, and those charged with governance, to decide the most appropriate course of action associated with these conditions because of cost or other considerations.

As required by *Government Auditing Standards*, the elements of a finding are criteria, condition, context, and recommendation are included in the following pages. The audit recommendations sections include management's response. We considered management's response to our audit findings for reasonableness and consistency with our knowledge of the District, but management's response is not subject to audit procedures.

The deliverables provided to the Bond Program's management are produced collaboratively and objectively, and meaningfully convey the performance audit results to achieve maximum benefit to the District, its Administration, the Citizens' Bond Oversight Committee, and the Governing Board. We are committed to the Oakland Unified School District and are continually available to consult about this report.

Performance Audit

We reviewed expenditures for compliance with the Bond's requirements for listed projects to ensure that only allowable costs were allocated to the Bond Program, under *Government Auditing Standards* for performance audits and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting Appendix A, Local School Construction Bond Audits*. The conclusions of our work are summarized as follows:

In all significant respects, the District has properly accounted for the expenditures of Measures B, J, and Y 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. Our analysis of vendor expenditures encompassed transactions amounting to \$22.5 million out of \$71 million across Measures B, J, and Y. The transactions we examined are representative of the complete population of the fiscal year 2025 expenditures and include all transactions deemed individually significant and at least one transaction from every vendor. We reviewed invoices and other supporting documentation to determine that the accounting records are supported by source documents with evidence of internal controls, expenditures were preceded by bid documentation, and that expenditures were only for allowable capital projects.

The total salary, which includes payroll and related benefits, charged to the bond program was \$4.7 million. We evaluated and reviewed the fund's expenditures for administrator salaries only to the extent they performed direct administrative oversight work on Measure B, J, or Y-compliant construction projects, as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General. That opinion states that "a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter-approved bond measure."

During the audit, we engaged with twenty-three employees either fully or partially funded by bond resources or internal and external project managers. We reviewed documentation relevant to the roles and responsibilities of four employees and examined timesheets associated with non-recurring payroll expenditures.

Based on employee interviews and our review of timesheets and supporting documentation, we confirmed that employees funded through bond allocations have direct responsibilities tied to bond-related activities. Additionally, payroll records were found to be accurate from an accounting standpoint, and the tested salary expenses were properly traceable to the corresponding employees.

The body of this report provides a comprehensive account of the audit procedures conducted and the results obtained.

Improvement Recommendations: Through the following pages we have provided improvement recommendations for matters that are required to be reported either by an audit standard, this engagement's scope of work, or where our observations could offer benefits for the District.

Specific Outcome No.1 – Adherence to Design and Construction Cost Budgets

Observation 1.1, Budget Increases and Early-Stage Risk Assessment

Even though budget changes were properly supported with documentation and followed the standard approval process, their frequency indicates that some risks—particularly ones associated with lengthy or complicated projects—were underestimated when the original project budgets were set. Enhancing early-stage cost estimation, risk assessment, and collaboration among planning, design, and construction teams may improve the reliability of cost projections and minimize significant budget adjustments throughout the project lifecycle.

This is based on our observation that several capital projects experienced material budget increases driven by cost escalation, design refinement, and site-specific risks identified after project initiation, indicating opportunities to strengthen early-stage budgeting and risk assessment practices. We interviewed project managers and reviewed documents to understand how the District manages and reports on capital projects. Discussions covered project budgeting, expenditure tracking, change order activity, project status reporting, and coordination with accounting staff to ensure project costs are accurately reflected in the District's financial records.

We observed that projects experienced budget increases attributable to factors that were not fully quantified or incorporated into original cost estimates. These factors included inflationary escalation, utility coordination challenges, extended project durations, scope refinement, and unforeseen site conditions identified during later project phases. In several cases, initial project budgets were established years prior to construction and reflected assumptions that predated recent market volatility and inflationary pressures, increasing exposure to escalation as projects advanced.

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Audit Results
June 30, 2025

Project managers further noted that extended planning and pre-construction durations can compound cost pressures when projects are not advanced promptly after initial budget establishment. Competing program priorities and the breadth of projects under consideration can delay definitive decisions regarding scope, sequencing, or timing, resulting in projects remaining in early stages for prolonged periods while costs continue to escalate. In the absence of more prescriptive early-stage evaluation criteria, projects may proceed with preliminary funding allocations before key risks, coordination requirements, and readiness thresholds are fully resolved.

For example, the **McClymonds High School Modernization project** (21110) increased from an original planned budget of approximately \$65 million to \$92.75 million, primarily due to cost escalation and subsequent revisions to the District's spending plan. In another case, the **Laurel Child Development Center New Construction project** (17126) rose from approximately \$15 million to \$18.5 million, driven by extended delays related to utility coordination, redesign efforts, prolonged construction duration, and liability risks during periods of delay. Likewise, the **Roosevelt Middle School Modernization project** (19101) saw its budget increase from \$70 million to approximately \$91.55 million due to escalation, expanded scope, and schedule impacts related to utilities and site restoration activities. Similarly, the **West Oakland Window Replacement project** (22147) increased from approximately \$6.1 million to \$9.8 million due to bid results exceeding design-phase estimates, material cost escalation, and additional structural and framing work identified after design completion.

As a result of these cost increases, some projects required additional funding allocations or experienced delays in completion. The District's 2026 Facilities Master Plan has evolved to acknowledge these dynamics by incorporating anticipated escalation over time rather than relying solely on fixed, point-in-time estimates. While this approach improves long-range cost realism, it also highlights the importance of timely project initiation and clearer early-stage decision-making to limit prolonged exposure to escalation and reduce downstream budget growth.

Improvement Recommendation: To strengthen cost management transparency and align with the District's established procedures, the District should consistently document material budget revisions using the same budget-management framework reflected in the Facilities Department Procedures Manual, including clear identification of the reason for the change, the affected cost category, supporting documentation, and whether the adjustment is being funded from project contingency, program contingency, a transfer from another project, or other unallocated resources. For major projects, management should also maintain and periodically update a project cost worksheet that reflects both current committed costs and known potential future costs so that leadership and oversight stakeholders can identify budget pressure early enough to evaluate value engineering, scope alternatives, or other corrective actions.

The District can boost cost reliability and minimize significant budget changes later on by enhancing its early-stage budgeting and risk assessment processes. This means learning from recently finished projects—including experiences with utilities, regulatory review timelines, hazardous materials, and long-lead items—and reflecting those lessons in initial cost estimates. By using historical cost data from similar projects and adding risk-based contingencies that match each project's complexity and schedule, the District can improve budget accuracy.

Improving coordination among planning, design, and construction teams at the beginning of projects would also help define the project scope and budget more precisely.

Specific Outcome No.2 – Adherence to Design and Construction Schedules and Timelines

Observation 2.1, Reporting Strengths with Minor Consistency Opportunities

The District continued to provide meaningful, decision-useful reporting to key stakeholders that supports effective oversight and informed decision-making. Our review of the CBOC meeting minutes and related reports for fiscal year 2025 and beyond shows that the District consistently provides thorough information. This includes project fact sheets summarizing scope, costs, schedules, funding sources, change order percentages, and budget updates for significant projects. Additionally, the Budget & Expenditures Report offers a comprehensive look at each project by site and number, covering the original budget, changes, current budget, past and current spending, total expenditures to date, remaining funds, and expenditure-to-budget ratios. A report comparing total resources to expenditures as of June 30, 2025, adds transparency by showing available resources and fund balances. The District addresses CBOC requests by updating major project reconciliation reports, detailing contract balances, budgets, expenditures, remaining funds, variances, and contingency amounts. During site visits, the District also supplies more detailed, project-specific information like current phase, scope, and activities. Together, these reports offer valuable insights for management, strengthen governance, and help stakeholders track progress and stewardship of bond funds.

To remain decision-useful for oversight, these reports should also be internally consistent across the full reporting package (including aligned definitions for “completion” versus “closeout” and consistent presentation of anticipated completion dates), as discussed further in Observations 2.2 and 3.1. Although overall reporting meets stakeholder needs well, we observed some inconsistencies in certain reports, as noted in Observations 2.2 and 3.1. Correcting these would further improve the clarity, reliability, and consistency of reporting materials. These enhancements would also better align stakeholder reporting with the District’s documented internal scheduling procedures, which contemplate monthly schedule updates, comparison of schedule progress to pay application progress, and written follow-up when schedule slippage occurs.

Improvement Recommendation: To enhance the District’s robust reporting practices and further improve oversight of design and construction schedule adherence, it is recommended that the District periodically review and update the project fact sheet template and related reporting formats to better communicate changes in schedule performance. While the current project fact sheets already list key milestone dates (such as approvals, construction start, and expected completion), transparency and decision-making could be further improved by including, for major projects, both the baseline schedule (the originally approved timeline) and the current forecast schedule (the most recent expected timeline), each with a clearly marked “as-of” date.

Additionally, the District should consider introducing a concise, standardized schedule oversight section featuring: (1) the status of key milestones in both the design and construction phases (whether on track, at risk, or delayed); (2) the extent of any significant deviations from the baseline timeline (for example, shifts in quarters or target dates) along with brief explanations of the main causes; and (3) the planned actions to mitigate or recover from delays and manage emerging schedule risks. Enhancing consistency and accuracy in how timelines are referenced—such as using uniform quarter/date conventions and resolving any conflicting statements across the reporting package—would also improve comparability and build greater stakeholder confidence in schedule reporting.

These proposed enhancements would expand on the District's current strengths in reporting by offering clearer insights into schedule adherence, improving early detection of potential timeline risks, and enabling more timely and informed CBOC oversight throughout the project lifecycle.

Observation 2.2, Inconsistent Anticipated Completion Dates

In several instances, anticipated completion dates were missing or not aligned across project reporting sources. While schedule shifts are common in construction due to agency review, unforeseen conditions, or site complexity, inconsistent presentation of completion data reduces the reliability of information used by the Board and CBOC. To support effective governance, schedule status should reflect a single, reconciled source of truth across all reporting materials, with clear explanations when material changes occur.

For a sample of twelve projects, we compared anticipated complete data across Project Status Reports, project manager interviews, and the 2025 Q1 Quarterly Report included in CBOC meeting materials. As of June 30, 2025, seven projects reflected notable changes from prior-year anticipated completion dates, and in several instances, current-year anticipated completion dates were either missing or inconsistent across reporting sources.

For four projects, the current year anticipated completion date was not available in the supporting documentation used for audit testing, resulting in an undetermined testing outcome. Where dates were available, several projects reflected material extensions from prior-year timelines. We also identified instances where projects appeared complete or near completion in one report while other sources reflected later anticipated completion or closeout timelines.

Project managers cited factors such as external agency review delays, unforeseen site conditions, and hazardous materials considerations as drivers of schedule changes. While such delays are not uncommon in construction projects, inconsistencies or omissions in schedule reporting reduce stakeholders' ability to consistently track progress, evaluate schedule performance, understand current project status and assess whether projects are progressing in line with Board-approved expectations.

See Appendix C for detailed testing results.

Improvement Recommendation: We recommend the District strengthen its schedule reporting process so that the anticipated completion information presented to stakeholders is consistent with the District's documented internal schedule-control procedures, including monthly schedule updates, review of schedule progress in connection with pay applications, and written support for material extensions or slippage. Specifically, the District should ensure that anticipated completion dates (or clearly defined quarter/year closeout targets) are captured and retained as part of period-end reporting packages used for stakeholder reporting and audit support. The District should also implement a process to reconcile schedule endpoints between key reports (e.g., internal project tracking, quarterly program reporting, and other stakeholder-facing summaries) so that "closeout" and "completion" timelines do not conflict across sources. Finally, when anticipated completion dates change materially from prior year or prior reporting cycles, the District should document a brief explanation of the driver(s) for the change and retain it with the supporting reporting to improve transparency and reduce the need for follow-up clarification.

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Specific Outcome No.3 – Financial Reporting and Internal Controls

Observation 3.1, Variances Between Accounting and Project Management Reports

While reported current-year expenditures were fully aligned with the District’s accounting records, certain cumulative project-level budgets and expenditures differed between accounting-prepared and project-manager prepared reconciliation reports. These differences were primarily due to timing and reporting methodologies, but not all variances had documented explanations. When presented together as a single oversight packet, such inconsistencies can create confusion for the CBOC and other stakeholders. A standardized, cross-functional reconciliation process—completed prior to report issuance—would enhance clarity, reduce unnecessary follow-up, and strengthen confidence in the reliability of stakeholder reporting.

To evaluate the accuracy and consistency of financial information presented to the CBOC, we performed the following procedures for a sample of thirteen projects:

1. Compared fiscal year 2025 current-year project expenditures reported in the CBOC expenditure report to the District’s general ledger records (Exhibit 1).
2. Compared total cumulative expenditures across all funding sources as reported in the CBOC expenditure report to the cumulative expenditures reported in the project reconciliation form prepared by project management (Exhibit 2).
3. Compared total cumulative budgets across all funding sources in the CBOC expenditure report to the cumulative budgets reflected in the project reconciliation form prepared by project management (Exhibit 3).

Exhibit 1 - Current year expenditures per CBOC report vs. the District’s general ledger:

Project Name	Project #	Current Year Expenditures per CBOC Report	Current Year Expenditures per general ledger	Difference
Madison Park Academy Expansion	13124	\$ 300,000	\$ 300,000	\$ -
McClymonds HS Modernization	21110	3,178,585	3,178,585	-
Urban Promise Academy Roof Replacement	22142	791,764	791,764	-
Martin Luther King Jr ES Fire & Intrusion Alarm Panel Replacement	15111	138,163	138,163	-
Oakland Int'l Intrusion Alarm System Replacement	21103	80,944	80,944	-
Laurel CDC New Construction	17126	1,792,861	1,792,861	-
Roosevelt MS Modernization	19101	9,482,546	9,482,546	-
Cole MS Central Administrative Center	19119	14,488,656	14,488,656	-
Hintil Ku CDC Fire & Intrusion Alarm System Replacement	21105	477,590	477,590	-
East Oakland Pride ES Site Improvements (Site Enhancement)	22144	2,953,027	2,953,027	-
Fremont Modernization	22156	1,189,846	1,189,846	-
Various Sites Security Camera	24132	291,185	291,185	-
West Oakland Window Replacement	22147	7,122,406	7,122,406	-

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Exhibit 2 - Cumulative expenditures per CBOC report vs. the project reconciliation form:

Project Name	Project #	Cumulative Expenditures per CBOC Report	Cumulative Expenditures per Project Reconciliation Form	Difference
Madison Park Academy Expansion	13124	\$ 23,779,802	\$ 38,894,508	\$ (15,114,706)
McClymonds HS Modernization	21110	6,008,016	6,008,016	-
Urban Promise Academy Roof Replacement	22142	1,422,760	1,422,760	-
Martin Luther King Jr ES Fire & Intrusion Alarm Panel Replacement	15111	1,265,375	1,266,898	(1,523)
Oakland Int'l Intrusion Alarm System Replacement	21103	987,389	987,389	-
Laurel CDC New Construction	17126	16,877,192	16,877,192	-
Roosevelt MS Modernization	19101	17,316,983	17,316,983	-
Cole MS Central Administrative Center	19119	61,015,828	61,015,828	-
Hintil Ku CDC Fire & Intrusion Alarm System Replacement	21105	1,034,618	1,034,618	-
East Oakland Pride ES Site Improvements (Site Enhancement)	22144	4,651,104	5,574,590	(923,486)
Fremont Modernization	22156	1,608,175	799,903	808,272
Various Sites Security Camera	24132	292,594	324,152	(31,558)
West Oakland Window Replacement	22147	8,223,303	8,180,674	42,629

Exhibit 3 - Cumulative budget per CBOC report vs. the project reconciliation form:

Project Name	Project #	Cumulative Budgets per CBOC Report	Cumulative Budgets per Project Reconciliation Form	Difference
Madison Park Academy Expansion	13124	\$ 39,000,000	\$ 39,000,000	\$ -
McClymonds HS Modernization	21110	92,750,000	92,750,000	-
Urban Promise Academy Roof Replacement	22142	1,436,000	1,436,000	-
Martin Luther King Jr ES Fire & Intrusion Alarm Panel Replacement	15111	1,287,274	1,548,012	(260,738)
Oakland Int'l Intrusion Alarm System Replacement	21103	1,197,300	1,197,300	-
Laurel CDC New Construction	17126	17,800,000	17,800,000	-
Roosevelt MS Modernization	19101	91,550,000	91,550,000	-
Cole MS Central Administrative Center	19119	62,000,000	62,000,000	-
Hintil Ku CDC Fire & Intrusion Alarm System Replacement	21105	1,138,030	1,138,030	-
East Oakland Pride ES Site Improvements (Site Enhancement)	22144	5,735,386	5,735,386	-
Fremont Modernization	22156	15,000,000	15,000,000	-
Various Sites Security Camera	24132	600,000	600,000	-
West Oakland Window Replacement	22147	9,825,000	9,825,000	-

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Our testing confirmed that all current year and cumulative expenditures reported in the CBOC expenditure reports reconciled accurately to the District's accounting records. However, the project reconciliation forms prepared by project management did not consistently align with the expenditure and budget information presented in the CBOC reports, which are prepared by the accounting department. Additionally, we identified discrepancies in budget balances by individual funding source between the CBOC expenditure reports and the project reconciliation forms, despite total project budgets agreeing when aggregated across all funding sources.

For certain variances, District personnel explained that year-end accruals were included in the CBOC expenditure reports but were not reflected in the project reconciliation forms. This difference is attributable to timing and the accounting-based preparation of the CBOC reports. However, explanations were not provided for all discrepancies identified.

Because the CBOC receives these schedules as a single, consolidated reporting package, inconsistencies among the reports may cause confusion and raise questions for users, even when individual data elements are accurate. The lack of alignment between accounting-prepared and project management-prepared reports reduces transparency and increases the risk of misinterpretation by oversight stakeholders.

Finally, as part of our review, we evaluated the District's financial reporting and control practices related to bond program schedule, scope, and performance objectives. This included a review of reporting processes used to communicate cost, schedule, and budgetary information to stakeholders, as well as interviews with bond program management and project personnel. Our analysis focused on identifying whether financial reporting controls and review processes adequately support accurate, consistent, and timely reporting across functions.

Improvement Recommendation: To enhance the clarity, consistency, and transparency of financial information presented to the key stakeholders, the District should strengthen coordination between accounting and bond program management in the preparation and review of reporting. Specifically, management should implement a formalized reconciliation and review process to ensure that project reconciliation forms prepared by project management are aligned with accounting records and the CBOC expenditure reports prior to issuance. Known timing differences, such as year-end accruals or pending adjustments, should be consistently documented and clearly disclosed within the reporting package to provide appropriate context for variances. In addition, the District should establish standardized reporting methodologies, including aligned cut-off dates and budget presentation by funding source, to reduce inconsistencies across reports prepared by different functions. By enhancing cross-functional review controls and clearly explaining unavoidable differences, the District can reduce confusion, improve the reliability of information presented, and strengthen stakeholder confidence in the bond program's financial reporting.

This reconciliation process should be integrated into the District's existing monthly finance review cadence between project management and accounting personnel so that variances are identified, explained, and resolved before a reporting package is issued.

Observation 3.2, Project Management System Transitions

The District has implemented consistent project management controls related to budget tracking, contract amendments, and expenditure review; however, the District's project management tool has changed frequently past three years, which can cause inconsistencies and potential errors due to migration of information. Based on interviews with project managers, the District has implemented consistent project management controls related to budget tracking, contract amendments, and expenditure review. Project managers consistently described processes for monitoring budgets, tracking amendments and change orders, and reviewing construction invoices prior to payment approval.

However, we noted through the interviews that project management oversight relies on various tools and systems (e.g., pay application tracking logs, COLBI, Kahua, accountability tools), and that the District has experienced multiple changes to its project management systems over the past several years. As a result, project information has been migrated across different platforms and tools over time.

Frequent system changes and data migrations increase the risk of:

- Inconsistencies in historical project data,
- Incomplete or inaccurate transfer of budget, amendment, or reconciliation information, and
- Reduced audit trail clarity for long-duration projects that span multiple systems.

While project managers continue to perform monitoring and approvals, the absence of a standardized, formally governed approach to system transitions and data migration may increase the risk of errors or reliance on manual workarounds to maintain continuity of project records.

Improvement Recommendation: We recommends that the District establish formal governance and controls over project management system changes to ensure data integrity and consistency across projects. This could include:

- Developing standardized data migration protocols to ensure complete and accurate transfer of historical project information when system changes occur.
- Defining minimum data retention and reconciliation requirements (e.g., budgets, amendments, change orders, and expenditures) that must be validated post-migration.
- Documenting system transition procedures, including ownership, review responsibilities, and sign-off requirements.
- Enhancing transparency for long-term projects by ensuring that migrated data remains traceable to original source documentation.

Implementing these measures would reduce the risk of inconsistencies or errors resulting from frequent system changes and strengthen the reliability of project management information used for oversight, reporting, and audit purposes. These controls would also support more reliable stakeholder reporting by reducing the risk that information presented to oversight bodies is affected by inconsistent historical data or undocumented migration differences.

Specific Outcome No.4 – Payment Processing

Observation 4, Missing Certified Payroll Documentation

Expenditures were spent on approved projects and generally complied with the District’s internal controls and state laws and regulations, except that two construction invoices for one project lacked the mandatory certified payroll documentation. Our observation is based on our review of fifteen transactions covering \$1.1 million from Measure B, forty-eight transactions covering \$2.8 million from Measure J, and 106 transactions covering \$18.6 million from Measure Y. We reviewed expense transactions for compliance with Proposition 39 requirements for Listed Projects to ensure that management allocated only allowable costs to the Bond Program and with California Prompt Payment Act, California Labor Code Section 1776, and Public Contract Code Section 20104.50.

For the UPA Urban Promise Academy Roof Project, our review of two selected invoices noted that certified payroll documentation was not included in the payment package, even though the District’s documented invoice-processing procedures contemplate inclusion of certified payroll support, when applicable, as part of a complete pay application or invoice package. Obtaining certified payroll is required for public works projects under California Labor Code Section 1776. For bond-funded construction subject to applicable public works and prevailing wage requirements, maintaining complete labor compliance documentation in the payment package also supports the District’s ability to demonstrate compliance with related contracting and payment provisions (including applicable Public Contract Code requirements) and to provide clear support for stakeholder oversight.

Appendix D provides the details of reviewed transactions.

Improvement Recommendation: We recommend that the District strengthen payment-package review controls to ensure that construction invoice and pay application files contain all required supporting documentation identified in the Facilities Department Procedures Manual, including certified payroll support when applicable or contemporaneous written documentation clearly stating why certified payroll is not required for the billing period.

The following are examples of how to improve the documentation.

- Including a written justification memo or checklist noting “No labor performed during this pay period” or “Payment represents settlement/overhead only.”
- Ensuring supporting documents, such as the Schedule of Values and project manager’s certification, are included to clearly substantiate the absence of public-works labor.
- Training project managers and fiscal staff to consistently apply and document certified-payroll determinations to strengthen audit trails and reduce ambiguity in future reviews.

This will improve transparency, demonstrate compliance with California Labor Code §1776, and help prevent future misunderstandings when certified payroll is absent from project documentation.

Specific Outcome No.5 – Change Order and Claim Procedures

Observation 5.1, Need for Centralized Change-Order Tracking

Our review determined that the District generally processed change orders and amendments in accordance with the Facilities Department Procedures Manual and ensured compliance with applicable Public Contract Code requirements, such as PCC 20118.4. Nevertheless, the District currently lacks a standardized and consistently implemented approach for aggregating and reporting change orders—including potential change orders—which resulted in an inability to provide a comprehensive listing of approved change orders for the fiscal year in a format conducive to effective stakeholder reporting.

The most recent May 2025 Procedures Manual includes documented change management procedures (Section 5.16) that describe required forms, supporting documentation, review expectations, and approval routing for change actions such as AEDs, PCOs, and COs. We reviewed these procedures to understand the District’s process and to tailor our testing attributes over change orders and amendments.

To test implementation, the District provided a population of fiscal year 2024–25 approved contracts and related change actions, from which we selected eleven samples of change orders and amendments approved during the fiscal year out of fifty-four total items. Based on the applied testing, we concluded the District complied with the approval requirements applicable.

Despite these positive results, we noted a systemic issue related to completeness and consistency of change order reporting. Specifically, the District sometimes aggregates smaller change actions into a single change order; however, there is no written policy defining how aggregation decisions are made or applied. In addition, we noted there is not a single method to aggregate proposed or accepted change orders, as evidenced by the District’s inability to provide a complete listing of accepted change orders during the year. This gap also limits the District’s ability to provide timely, pre-commitment visibility to oversight stakeholders regarding significant potential change actions—particularly where scope alternatives exist—before decisions are finalized or aggregated for later reporting.

This condition appears consistent with a decentralized tracking environment. The District’s process notes that each project manager maintains separate spreadsheets that track denied change orders or potential claims, and the District is also in the process of implementing the Kahua system to better track change orders and claims. Until a centralized log and standard aggregation methodology are fully implemented and consistently used, there is an increased risk of discrepancies in change order reporting and reduced audit readiness when compiling complete populations for review. A centralized, complete, and consistently maintained log would also improve stakeholder reporting by enabling the District to summarize change order activity by project, cause category, and relationship to budget and schedule changes in a consistent format.

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Improvement Recommendations: We recommend the District formalize and implement a centralized tracking and reporting process for change orders and amendments that (1) establishes clear criteria for when change actions may be aggregated versus tracked separately, (2) maintains a single complete population (“source of truth”) for the fiscal year, and (3) includes periodic reconciliation of the log to Board actions and project files. This will improve consistency of reporting, strengthen completeness over the population used for oversight and audit purposes, and reduce discrepancies caused by varying practices across projects.

At a minimum, the centralized log should capture the change document type (AED, PCO, or CO), approval status, associated project, amount, schedule impact, required backup documentation, estimator review status where applicable, and the applicable change reason code so that both audit populations and stakeholder summaries can be generated from a single source.

Observation 5.2, – Stakeholder Visibility of Significant Change Orders

The District continues to enhance project reporting transparency; however, opportunities remain to strengthen oversight by more consistently communicating significant change order information to key stakeholders. Based on a review of Citizens’ Bond Oversight Committee (CBOC) meeting minutes, project-specific updates provided to the CBOC do not routinely include information related to project change orders. While there is no formal requirement to present change orders to the CBOC, including this information would further support the Committee’s ability to fulfill its oversight responsibilities.

In addition, for significant or discretionary change actions—particularly those that involve meaningful scope tradeoffs, the use of contingency, or schedule impacts—stakeholders benefit most when key information is communicated before decisions are committed (e.g., before the work is authorized, funds are encumbered, or items are advanced for Board action). When change actions are only visible after they are incorporated into a broader budget adjustment or aggregated Board item, oversight bodies may have limited opportunity to understand available options, weigh tradeoffs, or provide input on scope alternatives that could affect cost, schedule, or community priorities.

During the year, several projects experienced budget increases, and change orders are often a contributing factor to these adjustments. Without clear visibility into significant change orders—including their causes and potential financial impacts—key stakeholders may have limited insight into key cost drivers and project performance trends. Providing this context would allow the Committee to better understand how projects are progressing and how budget changes are being managed.

In addition, the absence of standardized change order reporting may limit the District’s ability to consistently organize and communicate this information across projects. More structured reporting would enhance transparency, support informed discussion, and reinforce effective project governance.

Improvement Recommendation: We recommend that the District further strengthen its project reporting by incorporating an “early warning” summary of significant and discretionary change actions into project-specific updates provided to key stakeholders (including the CBOC and Facilities Committee), such that the information is available prior to commitment and, where applicable, prior to Board consideration.

At a minimum, this early-warning summary should distinguish between potential/proposed change actions and approved/executed change actions, and it should draw from the same core information required by the District’s change-management process, including the stated schedule impact, the documented basis for entitlement, and the applicable change reason code (for example, unforeseen conditions, owner-initiated request, agency request, design error, or design omission).

These summaries should describe the nature and financial impact of significant change orders, identify the primary cause (e.g., owner-initiated changes, scope changes, design errors, contract errors, or unforeseen conditions), and explain their relationship to any related budget or schedule changes.

Additionally, we recommend that the District establish clear criteria for defining “significant” change orders and adopt a consistent reporting schedule. For example, “significant” criteria could be defined using a combination of quantitative thresholds (e.g., dollar amount and/or percentage of original contract value) and qualitative triggers (e.g., change orders that drive a budget revision, extend substantial completion/closeout, or address design omissions or unforeseen site conditions). As a practical approach, the criteria could include quantitative thresholds (e.g., dollar amount, percent of original contract value, or use of contingency) and qualitative triggers (e.g., change actions that materially affect student-facing scope, extend substantial completion/closeout, reflect design omissions, or present multiple viable scope alternatives). Establishing these triggers would help ensure that items most relevant to governance and public accountability are communicated consistently and early enough to support informed oversight.

Formalizing and organizing this information will enhance transparency, support effective oversight, and help ensure stakeholders have timely, meaningful insight into project performance and financial management.

Observation 5.3, Frequent Use of AEDs

Frequent and recurring use of Allowance Expenditure Directives (AEDs) across multiple projects suggests that certain risks—particularly those related to design completeness, scope definition, and change classification—are often being managed during construction rather than mitigated earlier in project development. AEDs were commonly used to address design omissions, unforeseen site conditions, extended professional services during delays, and late scope clarifications, rather than only isolated or discrete scope changes. Several projects exhibited a high volume of AED activity, including the Laurel CDC New Construction project (17126), which recorded 32 AEDs; the Roosevelt Middle School Modernization project (19101), which recorded 28 AEDs; and the West Oakland Window Replacement project (22147), which recorded 44 AEDs.

In multiple cases, AEDs were associated with factors not fully resolved during earlier planning and design phases, including utility coordination challenges, incomplete design documentation, and site-specific conditions identified after design completion. In addition, because AEDs and change orders follow different approval and governance pathways, the District would benefit from clearer and more consistently applied criteria for when a change should be executed through an AED versus processed through the change-order process. Without consistent classification criteria and better aggregation of change drivers, the District's ability to identify recurring root causes, support accountability, and provide decision-useful reporting to stakeholders is reduced.

The District's Procedures Manual already includes structured processes for design-phase management, design review, cost estimating and reconciliation, and change management. However, the recurrence and volume of AEDs across multiple projects suggest an opportunity to better connect those front-end controls with post-award change analytics so that lessons learned from recurring AED drivers are more consistently used to improve future design completeness, constructability, budgeting, and procurement planning.

Improvement Recommendation: We recommend the District strengthen governance and accountability over recurring AED activity by (1) applying clearer and more consistently documented criteria for when a change should be processed as an AED versus a change order, (2) using the Procedures Manual's change-reason framework consistently to classify and summarize AED drivers across projects, and (3) incorporating recurring AED trends into design-phase review, constructability, cost-estimating, and lessons-learned processes. These steps would improve transparency into the causes of change, support earlier mitigation of recurring risks, and help reduce reliance on reactive amendments during construction.

Observation 5.4, Late Contract Term Extensions

Several contract amendments extending agreement end dates were approved after the underlying contract term had already expired. While project-specific reasons were provided, late extensions create avoidable gaps in documentation and reduce the District's ability to demonstrate that services were consistently authorized throughout the performance period. Implementing a centralized system for monitoring contract end dates and required lead times would help ensure extensions are routed and approved before expiration, strengthening governance, compliance, and audit readiness.

The District's Facilities Department Procedures Manual describes that change actions (AEDs/PCOs/COs) are used to authorize changes to contract scope, amount, or duration, and that changes should be administered in accordance with prescribed contract provisions and required approvals. We reviewed the Procedures Manual to understand the District's documented expectations and then evaluated implementation through inspection of supporting documentation for selected change orders and amendments during the fiscal year. This timing issue is inconsistent with the District's documented extension workflow, which contemplates written extension support, funding review, routing, and approval before the revised contract completion date is relied upon for continued performance.

During our review of change order and amendment files, we identified multiple instances where the District executed an AED (or similar change action) extending the contract term after the original agreement end date had passed. Appendix F provides the details of exceptions.

While management provided project-specific explanations, the repeated occurrence indicates a broader control gap in monitoring contract end dates and ensuring contract term changes are executed timely. Approving extensions after expiration increases the risk that services may be performed during a period not clearly covered by a current executed agreement, and it may reduce audit readiness when demonstrating that contract terms were authorized before continued performance. Strengthening this control would improve audit readiness and reinforce public accountability by demonstrating that contract terms are authorized before continued performance.

Improvement Recommendations: We recommend the District implement a standardized monitoring and escalation process to ensure term extensions are approved prior to contract expiration. This may include a centralized contract tracker of end dates and pending extensions, defined lead times and responsibilities for initiating extension packages, and a documented exception process (e.g., when Board timing constraints exist) to ensure deviations are consistently supported and approved.

Specific Outcome No.6 – Bidding and Procurement Procedures

Observation 6.1, Procurement Sequencing and Documentation

While the District maintains comprehensive procurement and contracting procedures, the audit identified several instances where documentation was incomplete or obtained out of sequence. These exceptions—including missing signatures, outdated bid advertisements, and work beginning before final approval—were not indicative of noncompliance with state laws but reflect inconsistent execution of otherwise robust procedures. Ensuring that routing packages are complete and sequenced correctly before Board approval will reinforce procurement integrity, strengthen transparency, and reduce potential misinterpretation by oversight stakeholders.

Based on our review of twenty-one bond-funded contracts awarded during fiscal year 2025, we identified instances where required procurement and approval controls were not consistently followed. These exceptions included contract work beginning prior to Board approval and issuance of a Notice to Proceed, routing form signatures obtained after contract award, missing required approver signatures, inconsistencies in Local Business Utilization (LBU) participation percentages, and reliance on bid advertisements that were outdated relative to District requirements.

These conditions indicate that, although adequate procedures exist, execution and documentation were not consistently applied. Incomplete or out-of-sequence approvals and inconsistent documentation reduce the District's ability to demonstrate transparent, compliant, and well-controlled procurement practices and increase the risk of noncompliance with internal policies and applicable requirements. These exceptions reflect gaps in execution rather than deficiencies in the District's documented procurement framework.

Appendix E provides the list of contracts reviewed, and Appendix G summarizes the specific exceptions identified.

Improvement Recommendations: We recommend that the District strengthen adherence to the sequencing already established in the Facilities Department Procedures Manual by confirming, before work is authorized or contracts are routed for award, that the procurement package is complete, signatures are obtained in the required order, the contract is properly supported by proposal and LBU documentation, and any required Board-approved agreement is in place before a Notice of Award or Notice to Proceed is issued.

We recommend that the District strengthen the implementation and monitoring of its procurement and contracting procedures to ensure consistent adherence across all projects and contracts.

1. **Reinforcing approval sequencing requirements** by ensuring that all required routing signatures, executive approvals, and accounting reviews are completed **before** contracts are advanced for Board consideration or work is authorized to begin.
2. **Implementing standardized completeness checks**, such as a required routing-packet checklist or document-control validation, prior to submission to the Executive Director, Chief Systems & Services Officer, or the Board.
3. **Strengthening LBU documentation controls** by requiring a final verification step, performed immediately prior to Board routing, to reconcile LBU participation percentages across scoring sheets, bid documents, and contract award materials.
4. **Enhancing bid advertisement controls** to ensure advertisement dates are reviewed and confirmed as current prior to bid issuance and that expired or outdated advertisements are not relied upon in the procurement process.
5. **Providing targeted training and periodic refresher sessions** for project managers, project engineers, and procurement staff to reinforce expectations related to approval sequencing, signature requirements, documentation standards, and bid-timeline compliance.

By strengthening adherence to established procedures and improving oversight of documentation completeness and sequencing, the District can reduce the risk of inconsistent procurement practices and more clearly demonstrate compliance with state requirements, Board policies, and internal control expectations.

Specific Outcome No.7 – Best Practices for Procurement of Materials and Services

Observation 7.1, Version Control and Lifecycle Review of Standards

The District has built a strong foundation by publishing its facilities standards online; however, strengthening version control, alignment to current requirements, and lifecycle review of design and materials decisions would further improve consistency, reduce avoidable project risk, and help ensure Bond Program investments support long-term operating efficiency rather than creating avoidable maintenance and utility burdens for the General Fund.

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The District has made its materials standards readily accessible to stakeholders by posting them online, which promotes transparency and supports more consistent project expectations. During our review, we noted that the publicly posted “Summary of OUSD Architectural and Material Standards” roll-up was last updated on August 11, 2021 and continues to reference several underlying specifications and guidance documents with older dates. We also observed that OUSD’s website includes a more current 2022 “Materials Standards” page that appears intended to serve as an updated hub for District standards, including newer postings for certain systems.

We compared the standards posted online, including the 8/11/2021 roll-up and selected underlying standards it references, to currently applicable California Building Standards Code requirements, with a focus on life-safety and communications frameworks. Based on that comparison, we noted opportunities to strengthen edition control and alignment to current California-adopted references.

Maintaining clear, current, and consistently applied design and materials standards is important not only for procurement clarity and design consistency, but also for project efficiency and risk management. The District’s own Procedures Manual contemplates that project managers provide architects with updated OUSD design standards and conduct structured design reviews, which indicates the standards are intended to function as an operational control point during project planning and delivery. When the governing standards set is fragmented, outdated, or not clearly version-controlled, the risk increases that project teams, consultants, and bidders may rely on inconsistent references, which can contribute to avoidable clarification efforts, redesign, plan-check comments, rework, or change-order risk.

In addition, design and materials standardization can influence the long-term cost of operating and maintaining District facilities. GFOA guidance recommends that governments consider lifecycle costs, including the costs to operate, maintain, renew, and replace capital assets, and project future operating and maintenance impacts when making capital-planning decisions. In the school-facilities context, external sources indicate that energy-efficient and high-performance school improvements can reduce energy bills and support lower ongoing utility consumption. Conversely, unnecessary variation in systems or standards can increase maintenance complexity, parts management challenges, and replacement inefficiencies that ultimately must be absorbed outside the Bond Program through the General Fund.

Consistent with the prior year’s theme that standards should be periodically refreshed and clearly version-controlled, we believe maintaining a single, clearly identified current “source of truth” for District standards, updating or retiring outdated roll-up references, and incorporating a documented lifecycle perspective into major standards decisions would further enhance clarity for project teams and bidders. These steps would help the District reduce avoidable project-delivery risk while also better positioning bond-funded modernization decisions to support long-term operational efficiency and stewardship of both bond and General Fund resources.

Consistent with the prior year's theme that standards should be periodically refreshed and clearly version-controlled to reduce confusion and promote efficiency, we believe maintaining a single, clearly identified "source of truth" (e.g., the 2022 standards hub) and updating the roll-up references accordingly would further enhance consistency for project teams and help reduce avoidable plan-check comments, rework, or change orders driven by reference mismatches rather than project needs. Clear, consistently applied standards also help manage the long-term operating impacts of design choices; to the extent projects adopt highly variable systems across campuses, the District may increase future maintenance complexity and operating cost burdens that must be absorbed outside of the Bond Program.

Improvement Recommendations: We recommend the District continue building on the transparency benefits of publishing facilities standards online by strengthening governance, version control, and lifecycle evaluation of design and materials standards. Specifically, the District should:

- **Maintain a single current "source of truth" for standards** so that project teams, bidders, consultants, and oversight bodies consistently reference the same governing standards set, and reduce reliance on outdated index or roll-up documents.
- **Update or retire the August 11, 2021 roll-up** so it consistently links to the District's most current postings, including the newer standards hub already referenced on the District's website.
- **Implement a simple documented update process** that captures the requestor, request date, nature of the change, required approvals, and revision history so users can readily confirm which version governs.
- **Establish a periodic review cadence**, such as at least in connection with each Title 24 triennial update or other major regulatory refresh, to help ensure standards remain aligned with current California requirements and District operational priorities.
- **Incorporate a lightweight total-cost-of-ownership review for significant standards decisions**, including consideration of maintenance standardization, parts availability, energy and water efficiency, and likely long-term operating and maintenance impacts. This would help the District evaluate whether Bond Program design choices are likely to support efficient long-term operations or create avoidable downstream cost pressures for the General Fund.
- **Avoid overly narrow specifications unless supported by documented rationale and approval**, so the District can promote consistency and performance without unnecessarily constraining competition or increasing pricing.
- **Provide targeted training for procurement and project staff** on where to locate the current standards hub and how to incorporate the standards into bid documents and design reviews so they are applied consistently across projects.

Implementing these measures would improve consistency, reduce avoidable design and procurement risk, strengthen transparency for stakeholders, and help ensure that Bond Program modernization work supports long-term facility efficiency and stewardship of District operating resources.

Specific Outcome No.8 – Conflict of Interest and Compliance with State Laws and Guidelines and Board Policy

Observations 8.1, Conflict of Interest Compliance

The District provided Conflict of Interest disclosures for the positions within the Facilities Department that are specifically designated in the District’s Board policy. The District’s Conflict of Interest Code Board Policy (BP 10000), effective March 1, 2023, identifies designated officials who are required to file a Statement of Economic Interests (California Form 700) in accordance with the amended Political Reform Act of 1974. Under Section 4 of the Standard Code, designated employees must file Form 700 with the District, and the District must make these filings available for public inspection and reproduction (Gov. Code, § 81008).

Based on our review of BP 10000, the following Facilities Department positions are required to file Form 700:

- Chief Systems and Services Officer
- Executive Director of Facilities Planning and Management

All submitted Form 700 filings are publicly accessible on the District’s website. We reviewed the filings for the Chief Systems and Services Officer and the Executive Director of Facilities Planning and Management and noted no reportable matters.

In addition, the District collects an internal conflict of interest form for individuals involved with the bond programs. We reviewed 72 internal conflict of interest forms covering District employees and outside consultants. For the fiscal year ended June 30, 2025, the District obtained all 72 forms.

Improvement Recommendation: We recommend the District continuously monitor and update the internal conflict-of-interest template to assess its relevance and ensure it adapts to evolving requirements and best practices.

In addition, given the District’s use of lease-leaseback and other multi-phase procurement methods, we recommend the District implement a documented conflict-screening control before solicitation issuance and prior to award that identifies and evaluates whether any contractor, consultant, or related party participated in developing the solicitation, plans, or specifications, and whether such participation presents a potential conflict-of-interest issue under Government Code §1090, as clarified by Government Code §1097.6. The control should document the nature and extent of any such participation, confirm whether all bidders/proposers received the same information, and route potential exceptions to legal counsel before proceeding. As a governance best practice, the District should also obtain periodic conflict disclosures from prime contractors, consultants, and key subcontractors during procurement and project delivery.

Observations 8.2, Facilities Procedures Manual Enhancements

The District has continued to strengthen its governance framework by finalizing and implementing an updated Facilities Department Procedures Manual in May 2025. The May 2025 Procedures Manual outlines key procedures and internal controls over project management, bidding, contracting, payment processing, and change management, and reflects the District's efforts to formalize and document its operating practices. The manual also appears to address prior-year recommendations by expanding procedural detail and incorporating workflows aligned with current systems and processes.

While the updated manual represents a meaningful improvement, certain compliance-related procedures are not explicitly documented. Specifically, the manual does not clearly identify a defined process for verifying that expenditures comply with Proposition 39 requirements, California Prompt Payment Laws, or for documenting adherence to the District's conflict of interest policy within Facilities-related transactions. The absence of explicit verification steps may limit consistency in application and oversight, particularly as responsibilities are carried out across multiple projects and personnel.

In addition, although the May 2025 manual is identified as the current governing document for audit and internal use, prior versions of the Facilities Procedures Manual may still be accessible through online or shared platforms. The continued availability of outdated guidance could create confusion regarding which procedures are authoritative and increase the risk of inconsistent application.

Improvement Recommendation: We recommend that the District continue building on its progress by enhancing the Facilities Department Procedures Manual to explicitly document compliance verification procedures related to Proposition 39 expenditures, California Prompt Payment requirements, and conflict of interest considerations. Incorporating these elements directly into existing workflows would further promote consistency, accountability, and regulatory compliance.

Additionally, we recommend that the District:

- Formally assign responsibility for periodic review and maintenance of the procedures manual;
- Establish a defined review cycle consistent with GFOA best practices; and
- Ensure that obsolete versions of the manual are removed or clearly marked as superseded in all locations to prevent confusion.

These steps will help ensure the procedures manual remains a clear, authoritative, and reliable resource for both operational staff and oversight stakeholders. In addition, because the Procedures Manual states that it is to be reviewed and updated annually and that process changes are to be incorporated through bulletins, the District should retain evidence that this review cycle is occurring and that superseded procedures are clearly replaced across all shared locations.

Observation 8.3, Facilities Master Plan

The District has not issued a finalized Facilities Master Plan for 2025; however, it has developed a draft 2026 Facilities Master Plan and is in the process of seeking community input for revision before finalization.

Under Board Policy (BP) 7110, the District is required to update the Facilities Master Plan (FMP) at least every five years. The FMP is a key strategic planning document that prioritizes facilities projects across the District and is intended to reflect current assumptions, District needs, and demographic trends. The most recent finalized Facilities Master Plan was prepared in April 2020. In addition, BP 7110 requires the FMP to be updated annually to reflect work completed in the prior year and current District demographics.

During audit fieldwork, the District's website indicated that a link to the draft Facilities Master Plan as well as an option for submitting public feedback should be available; however, our review found that the link was not operational and the draft plan was inaccessible to the public at that time.

As of the date of this report, we have verified that links to the January 2026 draft Facilities Master Plan and the Feedback form are active. The draft Facilities Master Plan has now been released to the public, including distribution to the Citizens' Bond Oversight and Facilities committees. Management presentations are actively integrating input from both the community and committees into the final document. Additionally, our review of Citizens' Bond Oversight Committee meeting minutes revealed that in approximately September 2025, the Board engaged in discussions regarding a presentation on facilities master planning initiatives.

Improvement Recommendation: We recommend the District continue progressing toward compliance with Board Policy 7110 by (1) maintaining uninterrupted public access to current draft and finalized Facilities Master Plan documents and related feedback mechanisms, and (2) retaining clear documentation of Board review, updates, and formal adoption actions in accordance with the policy's update requirements. Sustaining reliable access and complete adoption documentation will strengthen transparency and support stakeholder oversight of how bond program priorities align with long-term facilities planning.

Observation 8.4, Supplementing Resources with Additional Funding

The District may be eligible for additional state and federal funding programs that could augment current bond resources. Exploring these opportunities could improve program capacity and accelerate priority projects without requiring additional local funding. Identifying applicable programs and integrating state-grant planning earlier in project development would strengthen long-term financial stewardship.

Improvement Recommendations: We suggest that the District explore opportunities for federal and state matching funds to enhance financial resources for currently planned projects. By actively identifying and pursuing eligible federal and state programs, the District may be able to supplement bond resources and increase available funding for planned projects.

Observation 1.1 – Budget Increases and Early-Stage Risk Assessment

Management Response:

We appreciate the audit team’s analysis and agree that strengthening early-stage budgeting and risk assessment processes will further enhance cost forecasting accuracy. While the identified budget adjustments were supported and approved through established governance channels, the District acknowledges the value of incorporating additional historical data, risk-based contingencies, and improved cross-functional scoping during planning.

The District will integrate lessons learned from recent major projects into future budgeting practices, with a focus on escalation modeling, utility coordination risk, and design-phase constructability review. The new Facilities Master Plan framework will incorporate escalation assumptions into dashboards that track future project estimates, ensuring that project budgets account for inflation and other escalation factors. In addition, the District has reorganized the Facilities Department to include a dedicated planning team focused on estimating and best practices, and a construction team focused on minimizing change orders and incorporating lessons learned from project delivery. This structure is intended to provide checks and balances across the project lifecycle and reduce overall cost escalation. In recent history, smaller projects have generally remained within or below budget.

The District will continue to collaborate with the Board to approve budgets that are aligned with the full scope of work, reducing the need for subsequent budget increase requests.

Observation 2.1 – Reporting Strengths with Minor Consistency Opportunities

Management Response:

The District appreciates the recognition of improvements in reporting to oversight committees. We agree that aligning terminology and reinforcing consistency in schedule reporting across materials will further enhance clarity. In responding to requests from various committees, the District has adjusted report formats and content to support a wide range of stakeholders and timelines, which has resulted in multiple reporting versions. We will continue refining project fact sheets and quarterly reporting templates to ensure consistent schedule terminology, milestone definitions, and a regular cadence for financial reporting. The District will collaborate with oversight committees, including the Citizens’ Bond Oversight Committee (CBOC) and the Facilities Committee, to finalize a standardized reporting format and maintain it consistently for at least one year.

Observation 2.2 – Inconsistent Anticipated Completion Dates

Management Response:

We concur with the recommendation and recognize the importance of presenting a single, reliable set of anticipated completion dates to support effective oversight. While schedule changes often reflect external agency timelines or site conditions, we acknowledge the need for strengthened internal review and quality control, as well as consistent reporting across sources.

The District has implemented a monthly reconciliation process to align completion dates across reporting systems and ensure that explanations for material changes are clearly documented.

Observation 3.1 – Variances Between Accounting and Project Management Reports

Management Response:

We agree that alignment between accounting and project management reporting strengthens transparency and supports informed stakeholder review. Project Management and Accounting teams will enhance cross-functional coordination and conduct reconciliations prior to report issuance.

We will also include documented explanations of known timing differences to provide clear context for stakeholders reviewing project-level financial data.

Observation 3.2 – Project Management System Transitions

Management Response:

We acknowledge the challenges associated with system migrations and appreciate the audit team’s recognition of the District’s efforts to modernize its project management tools.

To strengthen data integrity, the District will develop and implement formal migration protocols, including validation steps and documentation requirements, to ensure continuity and accuracy of historical project information during system transitions.

Observation 4 – Missing Certified Payroll Documentation

Management Response:

We appreciate the identification of this isolated documentation exception. The District’s expectation is that certified payroll documentation is included in all applicable construction pay packages.

To reinforce consistency, the District has implemented a standardized payment package checklist, provided refresher training to project managers, and clarified circumstances in which certified payroll is not required. These actions will support compliance and enhance audit readiness.

Observation 5.1 – Need for Centralized Change-Order Tracking

Management Response:

Management agrees with the recommendation. While all tested change orders were properly routed and approved, we recognize the value of a centralized, program-wide log to strengthen reporting consistency. The District is implementing an online project management system that will incorporate standardized categorization, aggregation criteria, and reconciliation procedures to ensure complete and transparent change-order tracking across all projects.

Observation 5.2 – Stakeholder Visibility of Significant Change Orders

Management Response:

We concur with the need to increase visibility into significant owner-directed changes. The District will incorporate summaries of major potential change orders into committee updates and strengthen criteria for identifying items that warrant advance notification, in alignment with applicable requirements. These updates will be structured to support timely oversight while avoiding disruption to the project critical path.

Observation 5.3 – Frequent Use of AEDs

Management Response:

We agree that AED activity provides useful insight into design-phase and planning-phase risks. While AEDs were executed in accordance with established procedures, we recognize opportunities to refine classification criteria and more systematically leverage AED trend data to inform future planning and design.

We also acknowledge that capital projects operate in dynamic environments that require a measured degree of flexibility. Changes in programmatic needs, leadership transitions, and evolving educational priorities can influence project scope and timing. Strengthening front-end planning, supported by the District's updated organizational structure and clearer governance roles, will help improve alignment between educational objectives and facility delivery.

At the same time, construction projects may encounter unforeseen site conditions and regulatory or constructability factors that require timely adjustments to maintain progress. The District will continue to balance proactive risk mitigation with responsive decision-making to minimize schedule delays and cost escalation.

To support continuous improvement, the District will integrate AED root-cause analysis into formal lessons-learned processes, enhance early design reviews and cross-functional planning protocols, and use trend data to inform project scoping and contingency strategies. These actions are intended to reduce reliance on AEDs where feasible while maintaining necessary operational flexibility.

Observation 5.4 – Late Contract Term Extensions

Management Response:

We acknowledge this observation. Although services were provided and operational continuity was maintained, timely execution of contract extensions is essential to ensure clear authorization and strong internal controls. The District has implemented centralized tracking of contract end dates, established standard lead times for extension processing, and formalized escalation protocols to ensure required approvals and amendments are completed prior to contract expiration

Observation 6.1 – Procurement Sequencing and Documentation

Management Response:

We appreciate the audit team’s recognition of the strength of the District’s procurement framework and agree that consistent sequencing and complete documentation will further support transparency, governance clarity, and compliance with established procedures.

To enhance consistency, the District has implemented routing packet checklists, reinforced staff training, and refined internal monitoring protocols to ensure required documentation and approvals are complete prior to Board submission. The District is also implementing technology tools to support centralized tracking, workflow visibility, and documentation completeness throughout the procurement and approval process.

Management will continue to strengthen internal controls through ongoing process improvement and periodic monitoring and will provide updates to the Facilities Committee and the Citizens’ Bond Oversight Committee (CBOC), as appropriate

Observation 7.1 – Version Control and Lifecycle Review of Standards

Management Response:

Management agrees with the recommendation. The District has begun consolidating standards into a single online platform and will strengthen version control and update governance to ensure standards remain current and accessible.

Lifecycle cost considerations will also be incorporated into major standards updates to support long-term operational efficiency.

Observation 8.1 – Conflict of Interest Compliance

Management Response:

We appreciate the recognition of the District’s adherence to conflict-of-interest disclosure requirements. Management will continue to maintain strong compliance practices and periodically review disclosure templates and procedures to ensure alignment with evolving regulations.

Observation 8.2 – Facilities Procedures Manual Enhancements

Management Response:

We agree with the recommendation and will refine the Facilities Procedures Manual to explicitly incorporate compliance verification steps.

We will also ensure that prior versions are clearly archived or labeled as superseded to avoid confusion and maintain procedural clarity.

Observation 8.3 – Facilities Master Plan

Management Response:

The District appreciates the feedback and has restored public access to the draft Facilities Master Plan. We will maintain ongoing access to draft and final plans and ensure that updates are documented annually in accordance with Board policy.

Observation 8.4 – Supplementing Resources with Additional Funding

Management Response:

Management agrees and will continue to pursue federal, state, and local funding opportunities to supplement bond program resources and strengthen long-term fiscal capacity.

The District has leveraged multiple funding sources, including Oakland Children’s Initiative partnerships, CalSHAPE grants, CalFire grants, Expanded Learning Opportunities Program funding, and the Kitchen Infrastructure and Training grant, and has incorporated these resources into its capital planning framework. In addition, the District has strengthened capital planning analytics by integrating Office of Public School Construction (OPSC) eligibility indicators into Facilities Master Plan dashboards. This supports more strategic project prioritization and positions the District to maximize external funding while aligning investments with facility condition, educational adequacy, enrollment trends, and long-term operational sustainability.

Oakland Unified School District
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 Appendix A – Interviews Performed
 June 30, 2025

Name	Position	Date Interviewed
Preston Thomas	Chief Systems and Services Officer	8/4/2025; 11/20/2025
Sele Nadel-Hayes	Executive Director, Facilities Construction	11/12/2025; 11/20/2025
Megan Allegretti	Director of Program Improvement	8/4/2025
David Colbert	Director of Facilities, Construction	11/12/2025
Ali Bagheri	Consultant	11/12/2025
Ellen Clements	Consultant	11/12/2025
Elena Comrie	Consultant	11/20/2025
Daniel Ortiz	Consultant	11/12/2025
Brijan Patel	Consultant	11/12/2025
Sanchit Prabhakar	Consultant	11/12/2025
Kyle Brower	Consultant	11/12/2025
Ola Gbadamosi	Consultant	11/20/2025
Thuy Tu	Consultant	11/20/2025
Christina Stone	Consultant	11/12/2025; 11/20/2025
Chastity Henderson	Consultant	11/12/2025; 11/20/2025
Victor Mansala	Consultant	11/20/2025
Jorge de Anda	Consultant	11/20/2025
Shivani More	Project Manager	8/4/2025
JaQuan Cornish	Project Manager	11/12/2025
John Esposito	Project Manager	11/12/2025
Mary Ledezma	Project Manager	11/20/2025
Eric Scheuermann	Project Manager	11/20/2025
Nicole Wells	Project Manager	11/20/2025

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix B – Review of Prior Year Audit
 June 30, 2025

The following table shows the current year status of each prior year performance audit observation.

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
CAPA 1	In all significant respects, the District has properly accounted for the expenditures of Measures B, J, and Y 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.	Through the following pages we have provided improvement recommendations for matters that are required to be reported either by an audit standard, this engagement’s scope of work, or where we identified areas where our observations could offer benefits for the District.	See current year performance audit report.
Observation 1.1	The District is in process of developing the 2025 Facilities Master Plan as mandated per the District’s Board Policy (BP 7110).	The District should complete updating the FMP to comply with the frequency required by the Board Policy.	See CY Observation 8.3
Observation 1.2	Reconcilable timing differences were identified between the reports called Historical Expenditures Details by Site and Project Budget Reconciliation.	The inconsistency between updated and non-updated reports as of June 30, 2024, could potentially lead to misunderstandings among readers. We recommend that all reports be thoroughly reconciled and reviewed before publication.	See CY Observation 3.1
Observation 2.1	The District has continued improving the completeness and accuracy of the reports presented to the CBOC.	The District should periodically consider if updates to the project fact sheet template are necessary for them to remain as useful as possible. To enhance decision-making and transparency, it is recommended to improve the current reports by including anticipated changes in project timelines or potential change orders prior to their formal initiation. Furthermore, identifying whether a likely change order is essential for the project’s completion should also be incorporated. This would allow for a clearer understanding of the fiscal impact of any delays or adjustments, enabling more informed decisions. By including this additional information, the reports would provide a more comprehensive view of project performance, helping stakeholders better manage risks and resources throughout the project lifecycle.	See CY Observation 2.1

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix B – Review of Prior Year Audit
 June 30, 2025

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 2.2	The anticipated completion dates in the project status report showed significant changes compared to the prior year.	<p>As some significant projects approach completion, the District can evaluate what adjustments could have been made during the planning stage of those projects (i.e., Cole) to reduce change orders during construction on future projects (i.e., McClymonds). For example, we suggest the District retrospectively look at the planning on Cole to identify if matters were missed during planning as evidenced by necessary changes to the project scope that were discovered during construction, such as environmental remediation.</p> <p>We believe this could help improve coordination between project managers, contractors, and stakeholders to proactively address potential issues, such as material shortages or permitting delays, before they impact the schedule. Implementing more frequent project status reviews and early identification of risks can help mitigate delays. Additionally, setting realistic milestones with buffer time for unforeseen challenges will allow for more flexibility and a better alignment with the anticipated completion dates. This approach will help ensure projects stay on track and improve the accuracy of future timeline projections.</p>	See CY Observation 2.2
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.	No recommendations	See CY Observation 3.1
Observation 4	Expenditures were made for authorized projects and show evidence of compliance with the District’s internal controls and with state laws and regulations, with the following clarification.	We advise that the District identifies an alternative eligible funding source for the \$28 thousand allocated to the Fellowship Program. Additionally, we recommend that the District reviews the vendor listings for both the 2024 and 2025 fiscal years to ascertain if any similar expenditures are currently funded by the Bond program, and make any necessary adjustments accordingly.	See CY Observation 4
Observation 5.1	The District’s change orders and contract amendments were approved in accordance with its Procedures Manual and in compliance with PCC 20118.4. However, the District was unable to provide a complete list of change orders and amendments approved during the fiscal year. The	We recommend that the District implement a centralized tracking system for contracts, amendments, and change orders to ensure all records are consistently maintained, reconciled regularly, and readily available for audits, reducing discrepancies and improving reporting.	See CY Observation 5.1

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix B – Review of Prior Year Audit
 June 30, 2025

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 5.2	The District has improved the reporting of significant change orders and their potential impact; however, there is no defined and clearly documented procedures about the nature, timing, or frequency of reporting change orders to key stakeholders.	We recommend that the District establish a defined procedure for reporting significant change orders, detailing their impact and clearly identifying responsible parties (e.g., owner-initiated changes, scope changes, design errors, contract errors, unforeseen conditions). Furthermore, the District should define a consistent reporting schedule to ensure timely and informed decision-making. Regular, transparent reporting will foster accountability, improve stakeholder engagement, and ensure that decision-makers have up-to-date, comprehensive information on project status and key changes.	See CY Observation 5.2
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.	We recommend that the District establish a more consistent and comprehensive process for maintaining and providing complete records of contracts awarded. This should include a system to ensure that all contracts are consistently tracked and reported across different project managers and fiscal years. The District should also implement a procedure to regularly review and reconcile the contract lists to ensure that all relevant contracts are included, particularly when audits or requests for information are made.	See CY Observation 6.1

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix B – Review of Prior Year Audit
 June 30, 2025

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 7.1	The District’s standardized items list for Bond Program materials procurement has not been updated since August 2021 and is potentially incomplete.	<p>The District should regularly update its standardized items and educational specifications list to accurately reflect the most current standards and guidance local and state governments provide. The manual should include material types, standard equipment and systems, manufacturer specification numbers, and minimum standards for new construction and modernization mandated by the District for projects undertaken. This manual should be provided to project architects and designers, and required products and system specifications should be provided to all bidders during the procurement process. As a best practice, these minimum standards mandated by the District should consider facility safety, energy conservation (e.g., Title 21 and 24), longevity, educational requirements, and other appropriate regulations and standards. Procurement staff should be trained to utilize the standard specifications when procuring materials or services for the District.</p> <p>Additionally, the District should define how to update the Standards Specifications document. This procedure should ensure that documentation exists, including the requestor and date of request, description of the change, cost-benefit relationship for the change, approver, and date of approval, and a time-stamped updated specifications document (see Recommendations 8 and 9.1 for further information). The cost-benefit analysis for significant specification changes should be approved by appropriate OUSD management. The Standard Specifications document should avoid including narrow scope requirements to prevent excessive pricing to OUSD.</p>	See CY Observation 7
Observation 7.2	There may be opportunities to obtain federal and state matching funds to increase financial resources for already budgeted projects.	We suggest that the District explore opportunities for federal and state matching funds to enhance financial resources for currently planned projects. By actively seeking out these potential funding sources, the District may identify additional financial support that may help cover project costs.	See CY Observation 8.4

Oakland Unified School District
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 Appendix B – Review of Prior Year Audit
 June 30, 2025

Source	Prior Year Observation	Prior Year Recommendation	Current Year Status
Observation 8 and 9.1	The District provided Conflict of Interest disclosures for all specific positions defined in the District’s board policy within the facilities department.	We recommend to continuously monitor and update the template to assess its relevance and ensure it adapts to evolving requirements and best practices.	See CY Observation 8.1
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.	The district should continuously monitor and update the procedures manual to ensure the District policy and procedures reflect current requirements under State laws and regulations. The GFOA recommends, within their article “Documenting Accounting Policies and Procedures,” that the documentation of accounting policies and procedures should be evaluated annually and updated periodically no less than once every three years. Any changes in policies and procedures should be updated in the documentation promptly as they occur, and a specific employee should be assigned the duty of overseeing this process. Additionally, the continued use of the outdated 2020 manual could lead to a lack of clarity in procedures, increasing the risk of errors or delays. We recommend that the District update the procedure manual available online to reflect the current procedures the District follows.	See CY Observation 8.2

Oakland Unified School District
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 Appendix C– Observation 2.2
 June 30, 2025

Project Name	Project #	PY Anticipated Completion Date	CY Anticipated Completion Date	2025 Q1 Report Completion Date	PM Interview Completion Date	Days added to anticipated completion date in FY
McClymonds HS Modernization					Finish Q3 2027	
	21110	5/30/2025	Not provided	Closeout shown as Q3 2027	(DSA review delays noted)	Undetermined
Urban Promise Academy Roof Replacement	22142	12/30/2024	Not provided	Not reported	Closed out Q1 2025	Undetermined
Martin Luther King Jr ES Fire & Intrusion Alarm Panel Replacement	15111	11/1/2024	Not provided	Not reported	Scheduled completion Q1 2026	Undetermined
Oakland Int'l Intrusion Alarm System Replacement	21103				Scheduled completion Q3 2025	
		8/1/2024	11/30/2025	Not reported		486
Laurel CDC New Construction	17126			Current phase Complete, overall completion	Completed Q3 2024	
		7/1/2024	9/30/2025	100%		456
Roosevelt MS Modernization	19101				Main project expected Aug 2029	
		12/1/2028	Not provided	Closeout shown as Q3 2029		Undetermined
Cole MS Central Administrative Center	19119			Schedule shows closeout Q4 2025; overall completion 98%; phase Closeout	Finished Q4 2024; closeout activities since Q1 2025; center active Q3 2025	345
ntil Ku CDC Fire & Intrusion Alarm System Replacemen	21105	1/20/2025	12/31/2025		Scheduled completion Q4 2025	
		6/30/2025	1/31/2026	Not reported	Completed	215
Oakland Pride ES Site Improvements (Site Enhanceme	22144	11/30/2024	2/1/2026	Not reported	July/Aug 2024	428
					Scheduled completion Q3 2026	
Fremont Modernization	22156	7/1/2025	7/31/2026	Closeout shown as Q4 2025		395
Various Sites Security Camera	24132	8/1/2026	8/1/2026	Not reported	Not reported	-
West Oakland Window Replacement	22147				Scheduled completion Q4 2025	
		8/28/2025	12/31/2025	Closeout shown as Q2 2025		125

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix D – List of Expenditures Reviewed
 June 30, 2025

The following table lists expenditures selected and tested for compliance and assessed for internal control.

PO #	Vendor Name	Warrant #	Date	Amount
Measure B				
PO25-01645	LIBERTY MUTUAL SURETY	51836080	08/26/2024	\$ 300,000
PO25-03668	BAY CONSTRUCTION COMPANY	51853750	10/18/2024	131,728
PO25-05627	DECOTECH SYSTEMS	51890782	02/18/2025	59,316
PO25-05627	DECOTECH SYSTEMS	51890782	02/18/2025	52,532
PO25-04729	MARCON CO.	51863347	11/15/2024	41,404
PO25-05627	DECOTECH SYSTEMS	51875186	12/18/2024	39,928
PO25-05627	DECOTECH SYSTEMS	51875186	12/18/2024	35,625
PO25-05627	DECOTECH SYSTEMS	51926432	05/23/2025	30,833
PO25-05627	DECOTECH SYSTEMS	51876557	01/06/2025	29,641
PO25-02340	JENSEN HUGHES, INC.	51844149	09/20/2024	17,640
PO25-02344	JOHNSON CONTROLS FIRE PROTECT.	51844156	09/20/2024	5,986
IF25-00034	Marcon--Pay App 1 (PO25-02882)	N/A	06/30/2025	271,820
IF25-00034	Marcon--Pay App 2 (PO25-02882)	N/A	06/30/2025	68,365
PO25-07475	FASTSIGNS	51937577	06/25/2025	23,490
PO25-02344	JOHNSON CONTROLS FIRE PROTECT.	51844156	09/20/2024	5,986

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix D – List of Expenditures Reviewed, Continued
 June 30, 2025

PO #	Vendor Name	Warrant #	Date	Amount
Measure J				
PO25-00952	D LINE CONSTRUCTORS	51881180	01/17/2025	\$ 318,258
PO25-03330	ARNTZ BUILDERS,	51876469	01/06/2025	265,117
PO25-00872	GLOBAL MODULAR INC.	51832537	08/09/2024	237,000
PO25-03330	ARNTZ BUILDERS,	51890691	02/18/2025	209,883
PO25-00633	STRONGER BUILDING SERVICES	51900540	03/14/2025	198,449
PO25-00952	D LINE CONSTRUCTORS	51900307	03/14/2025	184,496
PO25-00952	D LINE CONSTRUCTORS	51920306	05/09/2025	183,209
PO25-00952	D LINE CONSTRUCTORS	51863239	11/15/2024	140,979
PO25-00617	DECOTECH SYSTEMS	51905145	03/26/2025	106,712
IFC25-00110	N/A	N/A	02/21/2025	100,000
EX25-07201	VIATRON SYSTEMS, INC.	51839729	09/06/2024	41,037
PO25-00624	HIBSER YAMAUCHI ARCHITECT,	51905239	03/26/2025	38,500
PO25-09400	TULUM INNOVATIVE ENGINEERING,	51926708	05/23/2025	36,508
PO25-05381	BRIGHTLY SOFTWARE, INC.	51875149	12/18/2024	28,896
PO25-03411	DEPT OF TOXICS & SUBSTANCES CONTROL -	51851205	10/10/2024	18,185
PO25-02220	NINYO & MOORE	51869464	12/06/2024	13,773
PO25-03331	WEST AMERICA BANK LAUREL WAB 1927	51876470	01/06/2025	13,546
PO25-03332	NOLL & TAM ARCHITECTS	51869466	12/06/2024	11,970
PO25-04733	LCA ARCHITECTS,	51915507	04/25/2025	10,747
PO25-01010	ANTHONIO, INC.	51926349	05/23/2025	9,240
PO25-03333	MULTISTUDIO	51915581	04/25/2025	9,199
PO25-00949	KDI CONSULTANTS	51832563	08/09/2024	8,120
PO25-02160	NORTH AMERICAN FENCE AND RAILING,	51863372	11/15/2024	7,450
PO25-06991	BAY AREA COMMUNITY RESOURCES, INC	51894988	03/03/2025	7,000
PO25-04734	HARDISON KOMASTSU IVELICH & TUCKER	51863293	11/15/2024	6,882
PO25-00948	BUILDING BLOCK INTERIORS, INC	51853767	10/18/2024	5,586
PO25-03848	TOTAL ENERGIES RENEWABLES USA	51858612	11/01/2024	5,473
PO25-05638	ARBITRAGE COMPLIANCE SPECIALISTS, INC.	51905058	03/26/2025	4,200
PO25-01585	SHAH KAWASAKI ARCHITECTS,	51869550	12/06/2024	3,706
PO25-01653	HERTZ ENVIRONMENTAL, INC.	51906015	04/01/2025	3,527
PO25-00955	JENSEN HUGHES, INC.	51895128	03/03/2025	3,010
PO25-04101	MB CONTRACT FURNITURE,	51858512	11/01/2024	2,922
PO25-02075	RESTORATION MANAGEMENT COMPANY	51839643	09/06/2024	2,789
PO25-00149	VALLEY RELOCATION AND STORAGE	51849453	10/04/2024	2,008
PO25-00632	NOR-CAL MOVING SERVICES	51832601	08/09/2024	1,800
PO25-01651	KW ENGINEERING	51849287	10/04/2024	1,286
PO25-03842	ATLAS TECHNICAL CONSULTANTS	51926357	05/23/2025	1,265
PO25-03329	AIR360 PHOTOGRAPHY	51863157	11/15/2024	1,250
PO25-03666	JOHNSON CONTROLS FIRE PROTECT.	51863310	11/15/2024	1,005
PO25-01063	DIVISION OF STATE ARCHITECTS	51836013	08/26/2024	500
PO25-01933	XEBEC DATA CORP.	51910188	04/11/2025	391
PO25-03549	CONSOLIDATED ENGINEERING LABORATORIES,	51881174	01/17/2025	55
PO25-11614	Cahill Contractors LLC	51955438	6/30/2025	378,481
PO25-11614	Cahill Contractors LLC	51941793	6/30/2025	199,657
PO25-12038	ACC ENVIRONMENTAL CONSULTANTS	51937365	6/25/2025	6,020
PO25-00634	PROJECT SUPPORT SERVICES	51942048	6/30/2025	3,676
GJ25-01002	ED Sign	51961500	6/30/2025	2,424
GJ25-01002	Anchor Relocation Inc.	51955431	6/30/2025	2,125

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix D – List of Expenditures Reviewed, Continued
 June 30, 2025

PO #	Vendor Name	Warrant #	Date	Amount
Measure Y				
PO25-11583	ARNTZ BUILDERS,	51920194	05/09/2025	\$ 5,000,000
PO25-11583	ARNTZ BUILDERS,	51920194	05/09/2025	3,162,405
PO25-04607	FFP Fund VII Partnership 1 LLC	51863281	11/15/2024	1,375,000
PO25-02642	MARCON CO.	51876706	01/06/2025	915,942
PO25-02157	OVERAA & CO	51839621	09/06/2024	883,176
PO25-02332	QUATTROCCHI KWOK ARCHITECTS, INC.	51915669	04/25/2025	703,239
PO25-02639	BRAILSFORD & DUNLAVEY,	51863200	11/15/2024	559,142
PO25-03473	DIVISION OF STATE ARCHITECTS	51851207	10/10/2024	462,500
PO25-00952	D LINE CONSTRUCTORS	51832511	08/09/2024	362,795
PO25-08922	MOBILE MODULAR MANAGEMENT CORP	51906018	04/01/2025	329,815
PO25-02881	CUMMING CONSTRUCTION MANAGEMENT	51906003	04/01/2025	301,731
PO25-00633	STRONGER BUILDING SERVICES	51832655	08/09/2024	290,500
PO25-02073	MARCON	51915540	04/25/2025	286,375
PO25-02076	ALTEN CONSTRUCTION	51875107	12/18/2024	284,510
PO25-01649	RK Roofing Construction	51836141	08/26/2024	277,290
PO25-00951	PERKINS EASTMAN ARCHITECTS DPC	51915651	04/25/2025	233,010
PO25-00954	CORDOBA CORP	51863232	11/15/2024	178,047
PO25-03843	HARDISON KOMASTSU IVELICH & TUCKER	51869380	12/06/2024	153,795
PO25-01738	REDGWICK CONSTRUCTION	51839642	09/06/2024	151,945
PO25-00618	DECOTECH SYSTEMS	51895046	03/03/2025	150,100
PO25-04736	EAST BAY MUNICIPAL UTILITY DISTRICT	51863263	11/15/2024	121,794
PO25-11579	Kahua, Inc	51920457	05/09/2025	119,503
PO25-03203	BUILDING BLOCK INTERIORS, INC	51881141	01/17/2025	113,695
PO25-06075	ENVIROPLEX, INC.	51881218	01/17/2025	78,660
PO25-02347	SANDIS CIVIL ENGINEERS	51895277	03/03/2025	59,610
PO25-02218	WestAmerica Bank- Cole WAB1919	51881109	01/17/2025	52,624
PO25-02975	DATA MEDIA SERVICES	51920312	05/09/2025	47,643
PO25-00153	ELATION SYSTEMS, INC.	51827434	07/22/2024	43,857
PO25-02159	LCA ARCHITECTS,	51839578	09/06/2024	42,746
PO25-02628	360 TOTAL CONCEPT,	51876436	01/06/2025	35,584
PO25-00947	AGS INC.	51843969	09/20/2024	34,815
PO25-04732	BUILDING MAPS	51881143	01/17/2025	32,618
PO25-03498	California Dept of Tax and Fee Admin	51851199	10/10/2024	32,198
PO25-01583	KW ENGINEERING	51869412	12/06/2024	30,282
PO25-11429	COLBI TECHNOLOGIES, INC.	51920288	05/09/2025	30,000
N/A	FAGEN FRIEDMAN & FULFROST LLP	51916095	05/01/2025	27,286
PO25-05432	DIGITAL DESIGN COMMUNICATIONS	51895050	03/03/2025	26,329
PO25-04272	DSK, LLP	51906010	04/01/2025	23,970
PO25-07093	Data Sync Communications, Inc	51920313	05/09/2025	23,750
PO25-01584	ANTHONIO, INC.	51881104	01/17/2025	21,484
N/A	ATLAS TECHNICAL CONSULTANTS	51839427	09/06/2024	21,345
PO25-02636	JOHNSON CONTROLS FIRE PROTECT.	51853916	10/18/2024	19,273
PO25-04752	KITCHELL/CEM	51863324	11/15/2024	18,850
PO25-00635	COMTEL SYSTEM TECHNOLOGY	51875177	12/18/2024	16,177
PO25-03661	CAL STAR SYSTEMS SUPPLY, LLC	51863210	11/15/2024	15,381
PO25-01516	KING CONSTRUCTION INSPECTIONS	51844175	09/20/2024	15,105
PO25-02978	JENSEN HUGHES, INC.	51926519	05/23/2025	14,788
PO25-00634	PROJECT SUPPORT SERVICES	51886098	02/03/2025	14,619

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix D – List of Expenditures Reviewed, Continued
 June 30, 2025

PO #	Vendor Name	Warrant #	Date	Amount
Measure Y (continues)				
PO25-01064	LOWE CONSULTING GROUP INC.	51853956	10/18/2024	\$ 13,925
PO25-05429	VALLEY RELOCATION AND STORAGE	51891139	02/18/2025	13,112
PO25-01647	KDI CONSULTANTS	51881266	01/17/2025	11,765
PO25-03665	TERRAPHASE ENGINEERING,	51906026	04/01/2025	11,763
PO25-08924	NINYO & MOORE	51926580	05/23/2025	11,746
PO25-11712	ACC ENVIRONMENTAL CONSULTANTS	51926322	05/23/2025	11,694
PO25-03334	NORTH AMERICA TECHNICAL SVCS.	51851218	10/10/2024	10,900
PO25-07485	Canon USA, Inc	51895016	03/03/2025	10,717
PO25-06816	DIALOG DESIGN LP	51915356	04/25/2025	10,176
PO25-05024	NORTH AMERICAN FENCE AND RAILING,	51900445	03/14/2025	9,851
PO25-04530	CONSOLIDATED ENGINEERING LABORATORIES,	51909861	04/11/2025	9,000
PO25-07296	CDW-G	51905110	03/26/2025	7,875
PO25-01585	SHAH KAWASAKI ARCHITECTS,	51876816	01/06/2025	7,824
PO25-00950	FARALLON CONSULTING LLC	51876608	01/06/2025	7,758
PO25-01646	INSPECTION SERVICES	51895124	03/03/2025	6,144
PO25-02638	SCHOOL FACILITY CONSULTANTS	51910097	04/11/2025	5,899
PO25-01653	HERTZ ENVIRONMENTAL, INC.	51906015	04/01/2025	5,723
PO25-00152	COR O VAN	51839476	09/06/2024	5,608
PO25-00148	UNION PACIFIC RAILROAD,	51844355	09/20/2024	5,501
PO25-02643	S MEEK ARCHITECTURE	51854054	10/18/2024	5,446
PO25-03243	PUBLIC ECONOMICS, INC.	51858556	11/01/2024	4,844
PO25-06251	CALIFORNIA GEOLOGICAL SURVEY	51885759	02/03/2025	4,800
PO25-05433	MICHAEL BAKER INTERNATIONAL	51915565	04/25/2025	4,484
PO25-02627	NV5 Consultants INC	51863374	11/15/2024	4,327
PO25-08491	PACIFIC GAS AND ELECTRIC	51905386	03/26/2025	4,312
PO25-03686	SCHOOL SPECIALTY	51920707	05/09/2025	3,951
PO25-02343	PROFESSIONAL SERVICE INDUSTRIES, INC.	51910051	04/11/2025	3,570
PO25-00631	EAST BAY BLUE PRINT AND SUPPLY	51890798	02/18/2025	3,494
PO25-00524	APPLIED MATERIALS ENGINEERING, INC.	51843991	09/20/2024	2,660
PO25-04529	ORBACH HUFF & HENDERSON LLP	51863384	11/15/2024	2,320
PO25-06249	DEPT OF TOXICS & SUBSTANCES CONTROL -	51885817	02/03/2025	1,500
PO25-02162	WESTAMERICA BANK Acct #1926 Claremont MPR	51881110	01/17/2025	1,381
PO25-01520	AIR360 PHOTOGRAPHY	51835946	08/26/2024	1,200
PO25-11610	POST NEWSPAPER GROUP	51926616	05/23/2025	1,040
PO25-07562	DAILY JOURNAL CORPORATION	51915340	04/25/2025	988
PO25-02756	TOSHIBA BUSINESS SOLUTIONS	51869582	12/06/2024	781
PO25-03331	WEST AMERICA BANK LAUREL WAB 1927	51876470	01/06/2025	777
PO25-10038	QUILL	51910058	04/11/2025	708
PO25-02683	INTER-COMMUNICATIONS	51909949	04/11/2025	684
PO25-05611	BAY AREA NEWS GROUP-EAST BAY	51885731	02/03/2025	652
PO25-00920	PITNEY BOWES	51869501	12/06/2024	496
PO25-02633	SMALL BUSINESS EXCHANGE	51844321	09/20/2024	468
PO25-06247	EAST BAY MUNICIPAL UTILITY DIS	51885839	02/03/2025	369
PO25-01739	CONSTRUCTION TESTING SERVICES	51851200	10/10/2024	254
PO25-01912	FEDEX	51881224	01/17/2025	48
N/A	CUMMING CONSTRUCTION MANAGEMENT	N/A	06/30/2025	(1,961,961)
N/A	OVERAA & CO	51955461	06/30/2025	1,642,907
N/A	ARTNZ BUILDERS	51955433	06/30/2025	758,879

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix D – List of Expenditures Reviewed, Continued
 June 30, 2025

PO #	Vendor Name	Warrant #	Date	Amount
Measure Y (continues)				
N/A	MARCON CO.	51955458	06/30/2025	\$ 524,652
PO25-11912	NOR-CAL MOVING SERVICES	51937711	06/25/2025	47,757.50
PO25-12003	Gridscape Solutions, Inc	51941904	06/30/2025	40,851.80
PO25-02330	AREY JONES	51937404	06/25/2025	29,783.14
PO25-03206	Cahill Contractors LLC	51941793	06/30/2025	27,197.28
PO25-11807	MIDSTATE BUILDERS	51945586	06/30/2025	8,180.48
PO25-11870	CBRE DESIGN COLLECTIVE, INC	51941807	06/30/2025	2,345.50
PO25-11617	Geo-Engineering Solutions, Inc	51945541	06/30/2025	704.20
PO25-11882	STATE WATER RESOURCES CONTROL BOARD	51931166	06/06/2025	565.00
N/A	ARC DOCUMENTS SOLUTIONS	51849135	10/04/2024	316.47

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix E – List of Contract and Procurement Documents Reviewed
 June 30, 2025

The following table consists of the list of contracts and procurement documents reviewed.

Project Number	Project Site	Contractor Name	Contract Price
Measure B			
24132	Districtwide - Various sites	Deco Tech Systems, Inc.	\$ 437,500
Measure J			
17126	Laurel Child Development Center	North American Fence & Railing, Inc.	7,450
22156	Fremont High School	Johnson Controls	3,950
24106	Cole Data Center	Tulum Innovative Engineering	36,508
Measure Y			
22126	Melrose Leadership Academy at Maxwell Park	Farallon Consulting, LLC	4,976
24127	Roosevelt Middle School	Data Media Services, Inc.	182,000
24141	Emerson Child Development Center	MCOR Telecom, Inc.	17,162
21105	Hintil Kuu Child Development Center	Antonio Inc.	53,130
22102	Garfield Elementary School	ACC Environmental Consultants	15,530
21110	McClymonds High School	Ninyo & Moore	44,572
24142	Manzanita Child Development Center	MCOR Telecom, Inc.	19,222
22130	Castlemont High School	Ninyo & Moore	4,554
21113	Coliseum College Preparatory	C. Overra & Co.	2,882,578
22120	Melrose Leadership Academy at Maxwell Park	King Construction Inspection Inc.	8,740
21113	Coliseum College Preparatory	Sandis Civil Engineering Surveyors	60,500
21110	McClymonds High School	Anthonio Inc.	705,408
25066	Multiple	Willdan Energy Solutions	840,000
25024	Oakland High School	Shaw Sports Turf	1,039,029
25025	Cesar Chavez International Community School and Think College Now Elementary School (ICS- TCN)	Shaw Sports Turf	1,091,550
25009	McClymonds High School	Benyon Sports Surfaces, Inc.,	531,241
25024	Oakland High School	Benyon Sports Surfaces, Inc.,	413,525

Oakland Unified School District
 2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds
 Appendix F– Observation 5.4
 June 30, 2025

Project Name	Project #	Original Contract Term Date	Extended Change Oder Date
Claremont New MPR Building	15127	9/30/2023	9/30/2024
Laurel CDC New Construction	17126	12/21/2023	7/1/2024
Roosevelt MS Modernization	19101	7/31/2028	12/1/2028
Cole MS Central Administrative Center	19119	4/2/2024	1/20/2025
Coliseum College Prep Academy (CCPA @ Havenscourt)	21113	1/1/2025	9/1/2028

Oakland Unified School District
2006 Measure B, 2012 Measure J, and 2020 Measure Y Funds

Appendix G– Observation
June 30, 2025

Site	Project #	Vendor Name	Resolution #	A	B	C	D	E
Melrose Leadership Academy at Maxwell Park	22126	Farallon Consulting, LLC	25-0121	Yes	Yes	Yes	No	No
Laurel Child Development Center	17126	North American Fence & Railing, Inc.	24-2313	X	X	Yes	Yes	Yes
Emerson Child Development Center	24141	MCOR Telecom, Inc.	24-2517	X	X	X	Yes	Yes
Manzanita Child Development Center	24142	MCOR Telecom, Inc.	24-2519	X	X	X	Yes	Yes
Oakland High School	25024	Shaw Sports Turf	25-1514	O	Yes	Yes	Yes	Yes
Cesar Chavez International Community School and Think College Now Elementary School (ICS-TCN)	25025	Shaw Sports Turf	25-1515	O	Yes	Yes	Yes	Yes
McClymonds High School	25009	Benyon Sports Surfaces, Inc.,	25-1508	O	Yes	Yes	Yes	Yes
Oakland High School	25024	Benyon Sports Surfaces, Inc.,	25-1503	O	O	Yes	Yes	Yes

- A** Executive Director signature?
- B** Chief Systems & Services Officer signature?
- C** General Counsel signature?
- D** LBP Consistency
- E** Advertisement date was less than one year prior to the award date?

X - Signature out of sequence, post award date.

O - Signature omitted.