

Financial Statements
2012 Measure J General Obligation Bond Fund
June 30, 2025
Oakland Unified School District

Oakland Unified School District
2012 Measure J General Obligation Bond Fund
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June 30, 2025

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Independent Auditor's Report

Governing Board and Citizens Oversight Committee of the
Oakland Unified School District
Oakland, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the portion of the Oakland Unified School District's (District) Building Fund specific to the 2012 Measure J General Obligation Bond Fund (Bond Fund), as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the 2012 Measure J General Obligation Bond Fund of the Oakland Unified School District, as of June 30, 2025, and the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the portion of District's Building Fund specific to the 2012 Measure J Bond Fund, and do not purport to, and do not, present fairly the financial position of the Oakland Unified School District as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report March 31, 2026 on our consideration of the Bond Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bond Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Fund's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
March 31, 2026

Oakland Unified School District
2012 Measure J General Obligation Bond Fund
Balance Sheet
June 30, 2025

Assets	
Investment in county treasury	\$ 27,939,123
Interest receivable	<u>222,500</u>
Total assets	<u><u>\$ 28,161,623</u></u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	<u>\$ 916,312</u>
Fund Balance	
Restricted for Measure J capital projects	<u>27,245,311</u>
Total liabilities and fund balance	<u><u>\$ 28,161,623</u></u>

Oakland Unified School District
 2012 Measure J General Obligation Bond Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Year Ended June 30, 2025

Revenues	
Interest	\$ 1,120,781
Changes in fair value of the investments	502,076
Vendor refunds	6,550
	1,629,407
Total revenues	
	1,629,407
Expenditures	
Capital outlay	
Salaries	22,256
Employee Benefits	2,673
Supplies and equipment	2,922
Services	100,553
Construction	3,954,336
	4,082,740
Total expenditures	
	4,082,740
Net change in fund balance	(2,453,333)
Fund balance, beginning of the year	29,698,644
	29,698,644
Fund balance, end of the year	\$ 27,245,311
	27,245,311

Note 1 - Summary of Significant Accounting Policies

The 2012 Measure J General Obligation Bond Fund is reported as a capital projects fund of the District’s Building Fund. Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The accounting policies of the 2012 Measure J General Obligation Bond Fund conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity

The financial statements include only the portion of the Building Fund of the Oakland Unified School District used to account for 2012 Measure J projects. The Measure J General Obligation Bond Fund was established to account for the expenditures of general obligation bonds issued under the November 6, 2012 School Facilities Improvement Bond of 2012 (Measure J) of the Oakland Unified School District. Approval of Measure J authorized the District to issue \$475,000,000 of general obligation bonds for construction or modernization of school facilities. The following table shows bonds issued under Measure J as of June 30, 2025.

Series Name	Issue Date	Initial Principal Amount
Series 2013	September 4, 2013	\$ 120,000,000
Series 2015A	August 20, 2015	173,500,000
Series 2015B-Taxable	August 20, 2015	6,500,000
Series 2019A	August 13, 2019	160,000,000
Series 2019B-Taxable	August 13, 2019	15,000,000
		\$ 475,000,000

These financial statements are not intended to present fairly the financial position and results of operations of the Oakland Unified School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fund Balance

As of June 30, 2025, the fund balance is classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The fund balance is restricted to expenditures allowable under the District's 2012 Measure J and California's Proposition 39.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Investments

Policies and Practices

The District is authorized under California Government Code to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, registered state warrants and treasury notes, local agency bonds, notes and warrants, bankers' acceptances, commercial paper, certificates of deposit, repurchase agreements, medium-term corporate notes, mutual funds, investment pools, and other investments permitted by law.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool because it is required to deposit substantially all receipts and collections of monies with the Alameda County Treasurer, in accordance with Education Code Section 41001.

The fair value of the District's investment in the Alameda County Treasury Investment Pool is based on the District's proportionate share of the fair value provided by the Alameda County Treasurer for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the Alameda County Treasurer and is recorded at amortized cost.

The investment in the external investment pool is not subject to the fair value hierarchy.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Alameda County Treasury Investment Pool. The sensitivity of the fair value of the District's investments to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 833 days on June 30, 2025.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Alameda County Pool is not rated as of June 30, 2025.

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Investment in the county treasury investment pool is not measured using the input levels because the participant's transactions are uncategorized. All contributions and redemptions are transacted at fair value measurements.

Note 3 - Commitments and Contingencies

Litigation

The District is involved in various litigation arising from the normal course of business. Settlements applicable to the current fiscal year are reflected in the financial statements. In the opinion of management, the disposition of all remaining litigation pending is not expected to have a material adverse effect on the overall financial position of the 2012 Measure J Fund as of June 30, 2025.

Construction Commitments

The 2012 Measure J Fund had outstanding construction commitments of \$13.0 million as of June 30, 2025.

Independent Auditor's Report
June 30, 2025

Oakland Unified School District



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the portion of the Oakland Unified School District's (District) Building Fund specific to the 2012 Measure J General Obligation Bond Fund (Bond Fund), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Bond Fund's basic financial statements and have issued our report thereon dated March 31, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bond Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bond Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Bond Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bond Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Menlo Park, California
March 31, 2026

Part I - Summary of Auditor's Results

Summary of Auditors Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

No

Significant deficiency identified?

None Reported

Noncompliance material to financial statements noted?

No

Part II – Financial Statement Findings

None.

Part III – Prior Year Financial Statement Findings

There were no audit findings or recommendations reported in the prior year.