
OAKLAND UNIFIED SCHOOL DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT

MEASURE G PARCEL TAX

FOR THE YEAR ENDED JUNE 30, 2010



INDEPENDENT ACCOUNTANT'S REPORT

Board of Trustees
Oakland Unified School District

We have examined management's assertion of the Oakland Unified School District (the District) that the use of the Measure G Parcel Tax (the Measure) proceeds for the year ended June 30, 2010 was within the scope of the ballot language authorized by the District's Board of Trustees in specifying the intended use of the proceeds. Oakland Unified School District's management is responsible for compliance with the scope of ballot language specifying the intended use of the proceeds. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertion that the District complied with the aforementioned compliance requirements for the year ended June 30, 2010, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek Trine Day + Co. LLP

Palo Alto, California
July 8, 2011

Financial Summary

- The Measure G Parcel Tax (Measure G) was authorized by an election of the registered voters of the Oakland Unified School District in February 2008. Measure G provides for a special tax of \$195 per taxable parcel in the city of Oakland. Measure G was approved to:
 - Attract and retain highly qualified teachers
 - Maintain courses that help students qualify for college
 - Maintain up-to-date textbooks and instructional materials
 - Maintain small class sizes
 - Continue after school academic programs
 - Maintain school libraries and provide additional programs such as art and music
- Total Measure G parcel tax proceeds were \$20,690,064 for the year ended June 30, 2010. Actual program expenditures for the year under audit totaled \$20,638,278. The expenditures are segregated into 11 separate sub programs and are listed on the revenue and expenditure summary shown as Exhibit I to this report.

Management's Assertions:

- 1) The Measure G Parcel Tax proceeds of the Measure were accounted separately in the accounting records of the District.
- 2) Expenditures charged against such proceeds were made in accordance with those approved by the voters.

Audit Procedures Performed:

1. Obtain the project expenditure detail reports prepared by the District and agree amounts to the general ledger.
2. Select specific programs for detailed expenditure testing.
3. Review the nature of the program expenditures to ensure they were within the scope of the ballot language.
4. From the specific programs selected for testing, select a sample of payroll and non-payroll related expenditures as appropriate and obtain and review the necessary supporting documentation to satisfy ourselves as to the validity of the expenditure.
5. Determine from the expenditure testing performed, if there were any a) control deficiencies, b) significant deficiencies or c) material weaknesses in internal control noted. To the extent there are deficiencies noted, prepare a separate report to the District listing the weakness noted and the recommended corrective action.
6. Examine sufficient supporting documentation to validate the amount of Measure G Parcel Tax revenues received.

Results of Testing

1. We obtained the program expenditure summary details and agreed the amounts to the general ledger without exception.
2. We selected 10 of the 11 separate programs for detail testing. The total expenditures for the program subject to testing aggregated \$20,138,278, or 98% of total expenditures. Of the \$20,138,278, \$13,055,466 was for certificated and classified salaries, \$4,183,696 were for employee benefits and \$2,476,773 were for non-payroll related expenditures.
3. Our review of the program expenditure detail did not reveal any programs that were not in concurrence with the stated objectives of the proposed expenditures as stated in the ballot language.
4. We tested payroll expenditures on an overall basis and not individually by program. The program expenditure summaries provided detail showing the individual employee whose salary and benefits were being charged to the respective program. We took a sample of 69 entries covering 45 employees from the entire expenditure detail and were provided with the necessary supporting documentation to validate the employee's function, pay rate, FTE equivalent and site if necessary. We noted no errors as a result of this testing. For employee benefits, it was noted that the client's system automatically charged the appropriate share of employee benefit amounts, by individual employee. The benefits included STRS and PERS as appropriate, FICA, Medicare, Health insurance, workers' compensation insurance, unemployment insurance and term life and disability benefits as appropriate. We tested the totals for benefits for reasonableness by comparing total benefits to total salaries charged. We noted no significant anomalies or errors. For non-payroll related expenditures, we took a sample of expenditures by program and reviewed the supporting documentation, including invoices, purchase orders, and warrants as appropriate and we noted no errors in this testing. Of the total non-payroll expenditures noted above, we validated \$1,196,189, or 48% of the total without exception.
5. We did not note any instances of control deficiencies, significant deficiencies or material weaknesses in internal control. Please note that our primary objective was certifying to management's assertion that the expenditures satisfied the stated objectives of the Measure G parcel tax ballot language. We were not retained to audit the District's system of internal control, and we express no opinion or any other form of assurance on it.
6. We received the general ledger detail of the postings of Parcel Tax revenues and we tested the significant revenue entries without exception.

**Oakland Unified School District
Measure G Parcel Tax Revenue
and Expenditure Summary
Year ended June 30, 2010**

EXHIBIT I

		<u>Revised</u> <u>Budget</u>	<u>Actuals</u>
	<u>Revenues</u>		
	Parcel Tax Revenues	\$ 20,636,363	\$ 20,690,064
<u>Prog #</u>	<u>Expenditures</u>		
1112	Class Size Reduction	\$ 3,500,000	\$ 3,499,859
1118	Art	500,000	500,000
1159	Covered Elem Intervention	2,928,614	2,653,268
1191	Basic/Core Classroom Support	9,700,084	9,706,068
1552	Libraries	1,751,700	1,753,000
1564	Oratorical Fest	70,000	58,836
1596	Oakland Fine Arts Summer School	-	65,112
1598	Middle School Electives	1,000,000	995,939
9000	Other Programs	350,000	349,021
9060	HR Recruitment	843,876	843,876
9157	School Security Officers	200,000	213,299
	Total Expenditures	<u>20,844,274</u>	<u>20,638,278</u>
	Revenues over (under) Expenditures	<u>\$ (207,911)</u>	<u>\$ 51,786</u>