



Independent Auditor's Report on Compliance and
Supplementary Schedules
2008 Proposition A Parcel Tax Fund
June 30, 2020

San Francisco Unified School District



Independent Auditor's Report on Compliance

Board of Education and
Citizens' Oversight Committee
San Francisco Unified School District
San Francisco, California

We have audited the San Francisco Unified School District's compliance with the requirements described in the San Francisco Quality Teacher Education Act of 2008 year ended June 30, 2020.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of San Francisco Unified School District's management.

Auditor's Responsibility

Our responsibility is to express an opinion on San Francisco Unified School District's compliance based on our audit.

We conducted our audit of compliance 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether San Francisco Unified School District has complied with the compliance requirements as specified in the San Francisco Quality Teacher Education Act of 2008 Parcel Tax Fund. An audit includes examining, on a test basis, evidence about San Francisco Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of San Francisco Unified School District's compliance with those requirements.

Opinion

In our opinion, San Francisco Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the San Francisco Quality Teacher Education Act of 2008 Parcel Tax Fund for the year ended June 30, 2020.

Internal Control Over Compliance

Management of San Francisco Unified School District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered San Francisco Unified School District's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the San Francisco Unified School District's internal control over compliance.

A *deficiency in internal control over compliance* 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, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Ede Sally LCP". The signature is fluid and cursive, with "Ede" and "Sally" connected, and "LCP" written below them.

Menlo Park, California
May 28, 2021



**Appendix I
Summary of Audit Procedures**

San Francisco Unified School District

Objectives of Our Audit

- Ensure proceeds and expenditures of the parcel tax are fully accounted in the books and records of the district.
- Ensure District expenditures are in support of permissible uses as per the ballot language.
- Ensure charter school expenditures are in support of permissible uses as per the ballot language.
- Ensure that charter school amounts were allocated as per the ballot language.
- Ensure that the indirect cost does not exceed the 4.11% CDE approved rate.
- Ensure that senior citizen exceptions are supported by source documents.

Scope

- District and charter expenditures funded by Quality Teacher Education Act of 2008 Parcel Tax Fund during the fiscal year 2019-20.

Methodology and Findings

The following describes the audit procedures and our related findings.

1. Obtain parcel tax expenditure detail reports prepared by the District and agree amounts to the general ledger.

Finding: No exception as a result of applying this procedure. We obtained the details of all revenues and expenditures charged to the Quality Teacher Education Act general ledger accounting records.

2. Separately for District schools and charter schools, review the nature of the expenditures, and review source documents as appropriate, to ensure they were within the permissible uses of the ballot language.

Finding: No exception as a result of applying this procedure. We analytically reviewed the entire population of expenditure accounting records to search for transactions outside the scope allowable expenditures. Individual transactions were selected for additional audit analysis, which includes reviewing source documents such as payroll records, invoices and purchase order. Subjected to the additional audit analysis were 4 charter school expenditures aggregating \$510,759.74, District payroll expenditures aggregating \$12,539,620 and 5 District vendor expenditures aggregating \$1,203,364.

3. Ascertain if District schools and charter schools used funds to provide services, which they were required to make available by virtue of being a school. Also, perform procedures to determine whether the parcel tax funded services were previously provided with another funding source.

Finding: No exception as a result of applying this procedure. The same sample applicable to item #2 was used for this procedure.

San Francisco Unified School District
Summary of Audit Procedures

4. Recalculate the ratio of indirect cost to total proceeds to ensure that total indirect cost does not exceed the CDE approved amount which is 4.11% of total direct cost.

Finding: No exceptions were noted as a result of applying this procedure. We calculated the indirect cost for each of the resources through June 30, 2020. The District applied the CDE approved rate to each of the resources where indirect cost is allocated. The total indirect cost allocation is below the CDE approved rate of 4.11%.

5. Select a sample of charter schools. Test the allocation of grant proceeds to the sample of schools.

Finding: No exceptions as a result of applying this procedure. The allocation was consistently applied to District schools and charter schools.

6. Obtain an understanding of the District process regarding the senior citizen exceptions. Select a sample of exemptions and apply procedures to ensure source documents support them.

Finding: We obtained an understanding of how the District processes the senior citizen exemptions and conclude that the process is reasonable about its purpose. Our detailed audit sample consisted of 60 randomly selected senior citizen exemption forms—no exceptions as a result of applying this procedure.

7. Examine sufficient supporting documentation to validate the amount of Quality Teacher Education Act of 2008 Parcel Tax Fund revenues received and recorded by the District.

Finding: No exceptions as a result of applying this procedure. The District correctly recorded the fiscal year 2019-20 revenue in the accounting records of Quality Teacher Education Act.