



# 2020 Audit Results

## Better Together: Moss Adams & Alameda Unified School District

February 23, 2021

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# Alameda Unified School District

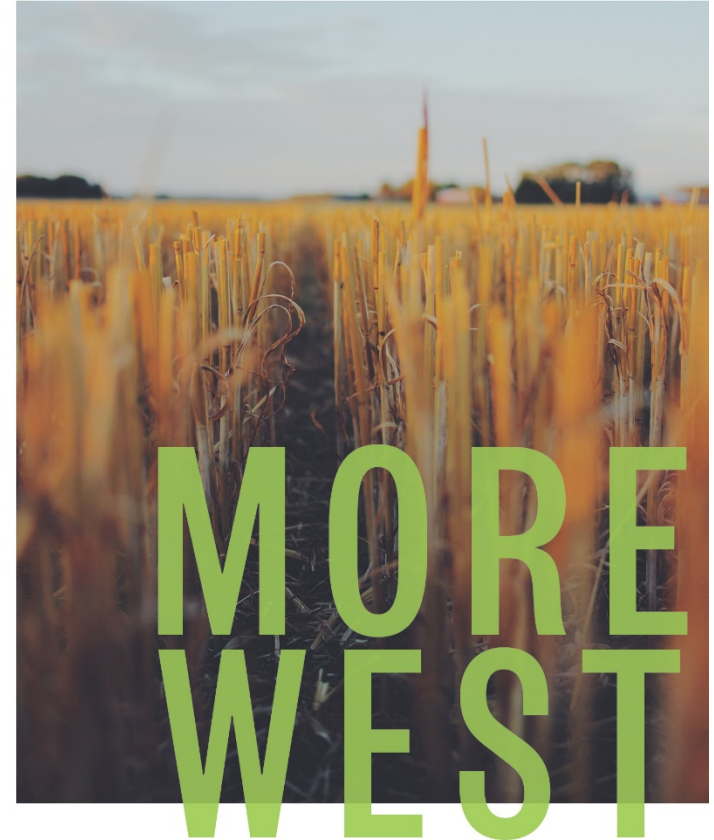
Dear Board of Education:

Thank you for your engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the financial statements and federal program compliance of Alameda Unified School District (the “District”) as of and for the year ended June 30, 2020.

The accompanying report, which is intended solely for the use of the Board of Education and management, and is not intended to be and should not be, used by anyone other than these specified parties, presents important information regarding the District’s financial statements and our audit that we believe will be of interest to you.

We conducted our audit with the objectivity and independence that you expect. We received the full support and assistance of the District’s personnel. We are pleased to serve and be associated with the District as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.





## Agenda

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1. Auditor Opinions and Reports
2. Communication with Those Charged with Governance
3. Recent Accounting Developments
4. Resources
5. About Moss Adams



# Auditor Opinions and Reports

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# Auditor Report on the Financial Statements

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Unmodified Opinion – Basic financial statements are presented fairly and in accordance with U.S. Generally Accepted Accounting Principles (GAAP)



# Other Auditor Reports

## GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

- No financial findings reported
- No compliance findings reported

## Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Programs and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200)

- No control findings
- No compliance findings
- Unmodified opinion on compliance



# Other Auditor Reports

## Report on State Compliance

- No control findings
- No compliance findings
- Unmodified opinion on compliance



# Communication with Those Charged with Governance

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# Our Responsibility Under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

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1

To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and *Government Auditing Standards* issued by the Comptroller General of the United States, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

3

To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process and administering federal awards. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



# Planned Scope & Timing of the Audit

It is the auditor’s responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence and to communicate with those charged with governance an overview of the planned scope and timing of the audit.

## OUR COMMENTS

The planned scope and timing of the audit was communicated to you in our engagement letter dated January 31, 2020.

Our audit timeline deviated from what was originally communicated to allow management additional time to complete audit support and reconciliations due to challenges resulting from a remote working environment.



# Significant Accounting Policies & Unusual Transactions

The auditor should determine that the Board of Education is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the Board of Education is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

## OUR COMMENTS

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the footnotes to the financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. There were no changes to significant accounting policies for the year ended June 30, 2020.

We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.



# Management Judgments & Accounting Estimates

The Board of Education should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor’s conclusions regarding the reasonableness of those estimates.

## OUR COMMENTS

Management’s judgments and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management’s estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements.

Significant management estimates impacting the financial statements include the following: useful lives of capital assets, net pension liability and other postemployment benefits liability. We deemed them to be reasonable.



# Management Judgments & Accounting Estimates

Our views about qualitative aspects of the entity’s significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

## OUR COMMENTS

The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users, however we do not believe any of the footnotes are particularly sensitive. We call your attention to: long term liabilities in Note 5, other postemployment benefits in Notes 7, pension plans in Note 8, and the impact of the COVID-19 pandemic in Note 10.



# Difficulties Encountered in Performing the Audit

The Board of Education should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit.

## OUR COMMENTS

Management worked diligently to respond to our audit requests and communicated additional time necessary to follow through on open items. These delays did result in additional time as we adjusted our work from what was previously communicated to you.

Other than the information discussed above, there were no other significant difficulties encountered during our audit.



# Significant Audit Adjustments & Unadjusted Differences Considered by Management To Be Immaterial

The Board of Education should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the District's internal control over financial reporting, or in its process for reporting annual financial information, that could cause future financial statements to be materially misstated.

The Board of Education should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

## OUR COMMENTS

There were no misstatements identified by us as a result of audit procedures, and uncorrected by management that are material, either individually or in the aggregate, to the financial statements taken as a whole.



# Potential Effect on the Financial Statements of Significant Risks, Exposures & Uncertainties

The Board of Education should be adequately informed of the potential effect on the financial statements of significant risks, exposures, and uncertainties that are disclosed in the financial statements.

**OUR COMMENTS**

The District is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements.





# Disagreements with Management

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the District's financial statements, or the auditor's report.

## OUR COMMENTS

We are pleased to report that there were no disagreements with management.



# Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Board of Education.

## OUR COMMENTS

- Material weakness:
  - None noted.
- Significant deficiencies and noncompliance:
  - Nothing to communicate.



# Management’s Consultation with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

**OUR COMMENTS**

We are not aware of any significant accounting or auditing matters for which management consulted with other accountants.



# Other Material Written Communications

Report to the Board of Education significant written communications between the auditor and client management.

**OUR COMMENTS**

Other than the engagement letter, management representation letter, and communication with those charged with governance, there have been no significant communications.



# Management’s Uncertainties Related to Events & Conditions

Any doubt regarding the entity’s ability to continue, **as a going concern**, should be communicated to the Board of Education.

**OUR COMMENTS**  
No such matters came to our attention.



# Fraud & Noncompliance with Laws and Regulations

Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements should be communicated. We are also required to communicate any noncompliance with laws and regulations involving senior management that come to our attention, unless clearly inconsequential.

**OUR COMMENTS**

We have not become aware of any instances of fraud or noncompliance with laws and regulations.



# Recent Accounting Developments

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# New Standards

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**GOVERNMENT ACCOUNTING  
STANDARDS BOARD STATEMENT  
NO. 95**

- Provides temporary relief to governments and other stakeholders.
- Postpone the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018 and later.





# GASB Update – Deferred Implementation

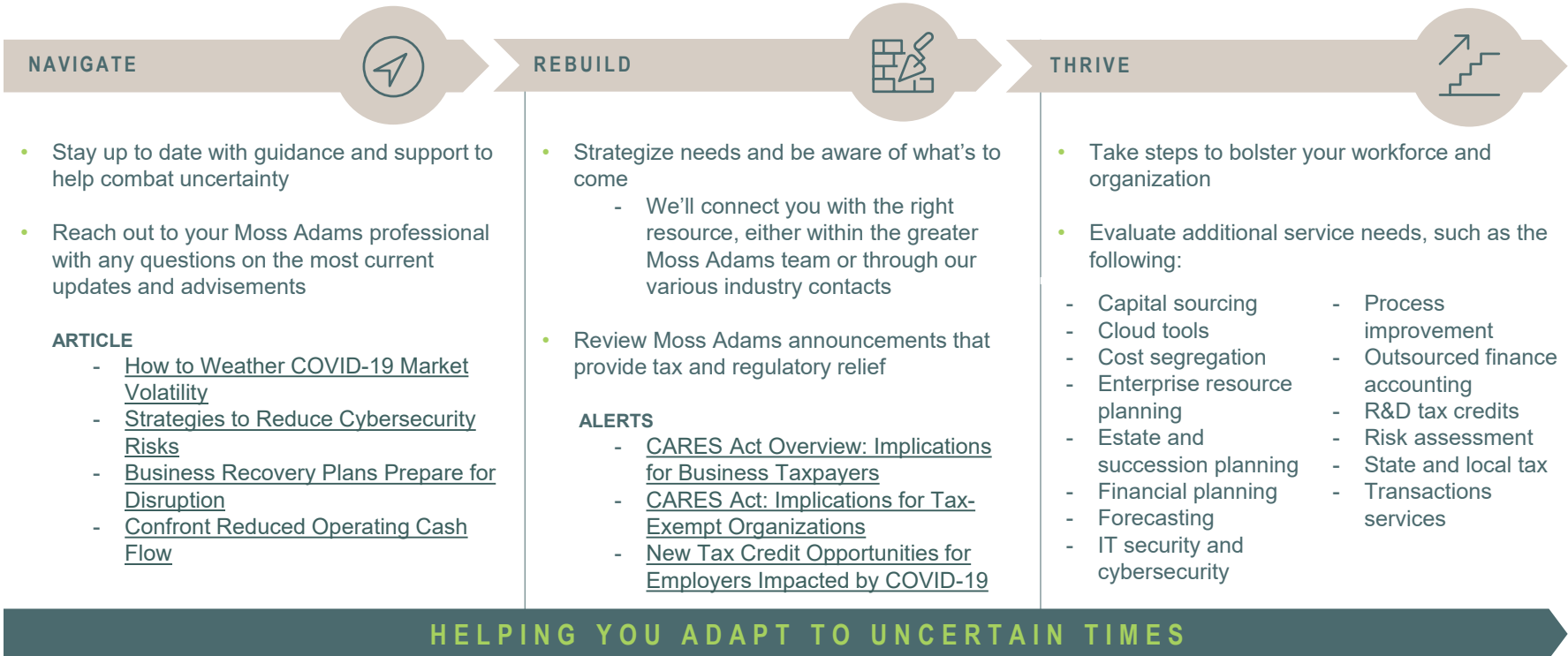
- GASB No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*

Statement	Prior Effective Dates	Updated Effective Dates
Statement No. 84, <i>Fiduciary Activities</i>	Reporting periods beginning after December 15, 2018	District fiscal year ending June 30, 2021.
Statement No. 87, <i>Leases</i>	Reporting periods beginning after December 15, 2019	District fiscal year ending June 30, 2022.



# Our Response to COVID-19

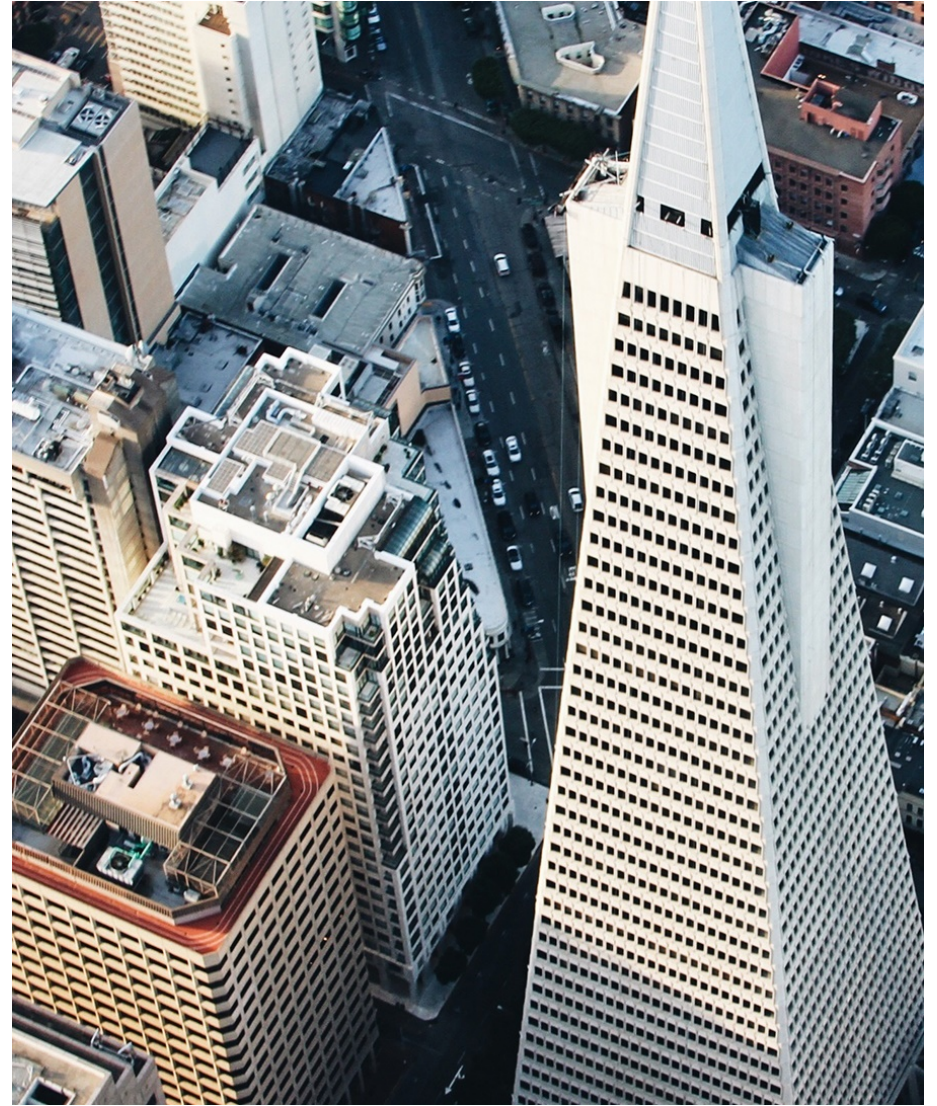
The COVID-19 pandemic has touched all aspects of our lives. We're here to guide you to the information and resources you need now and provide strategies for the changes to come. We'll support you as you rebuild and help you take advantage of rising opportunities.



Find more information and resources here: <https://mossadams.com/covid-19-implications>



# ► About Moss Adams



# Our Services to Tax-Exempt and Governmental Entities

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## ASSURANCE

- Agreed-upon procedures
- Audits and reviews
- Federal awards audits
- Compliance examinations pursuant to federal reporting requirements
- Employee benefit plan services
- Written acknowledgments and agreed-upon procedure engagements in connection with tax-exempt bond offerings

## CONSULTING

- Endowment management and investment consulting
- Fraud investigation and forensic accounting
- IT consulting
- Strategic business planning
- Sustainability services
- Systems Control & Operations Risk Evaluation (SCORE!)
- Wealth services

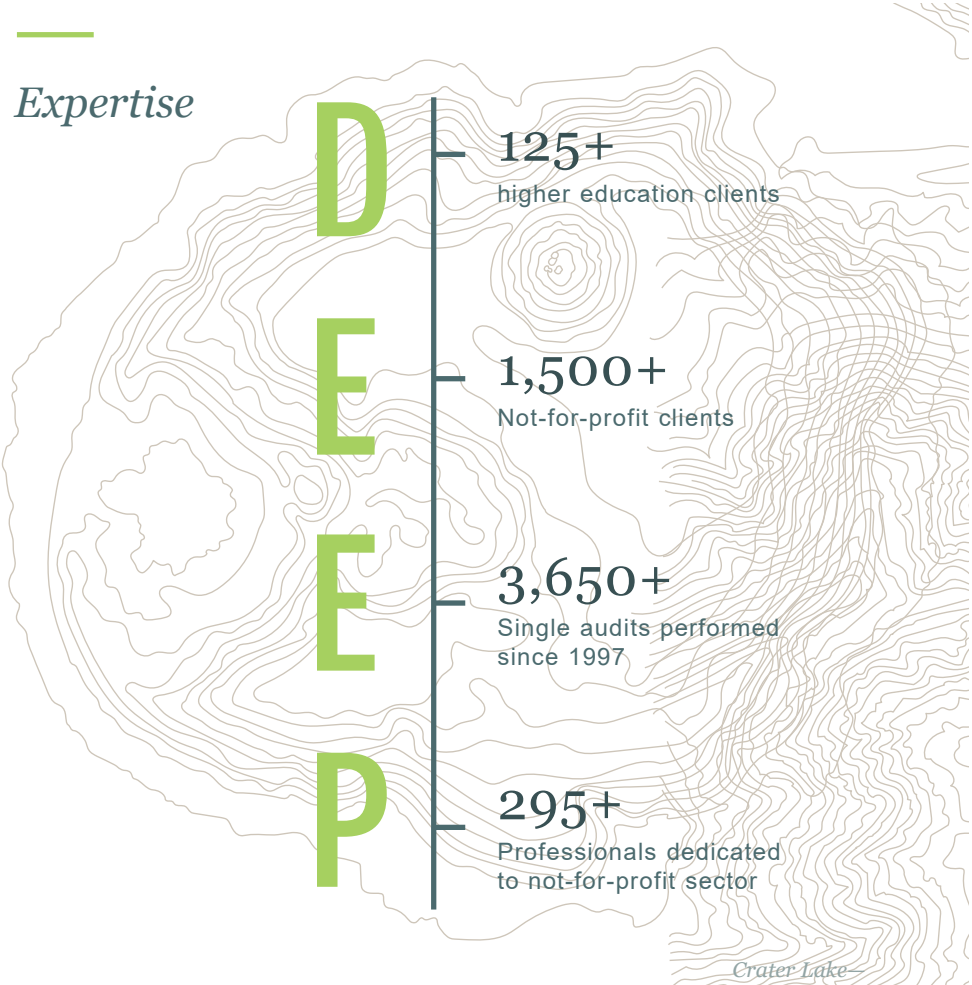
## TAX

- Alternative investment issues
- Compensation, payroll, and employment tax issues, including fringe benefits, deferred compensation, and policy setting to meet the rebuttable presumption process
- Complex group structures, including non-501(c)(3) exempt organizations
- Donor-advised fund planning and reporting
- Estate planning for donors and development department marketing
- For-profit organization formation and operations
- Formation of new entities, including preparation of Forms 1023 and 1024 and associated state filings
- Independent contractor versus employee determinations
- IRS and state audit representation
- Joint venture formation and operation
- Lobbying and political expenditure classification and reporting
- Maintaining tax-exempt status and public charity status
- Member versus nonmember activity issues
- Preparation of Form 990, 990-T, 990-PF, and relevant state forms
- Private foundation planning analysis
- Public support test planning
- Sales and use tax exemptions
- State and local tax services, including credits and incentives
- State solicitation registration and annual filings
- Tax-exempt bond consultation, including private business use and post-issuance bond compliance procedures
- Third-party management agreements and sponsorship planning
- Transfer pricing and expense allocation methodology
- Unrelated business taxable income



# About Moss Adams

## Expertise



*Crater Lake*  
A monument to perseverance,  
North America's deepest lake filled  
to 1,949 feet over 720 years.

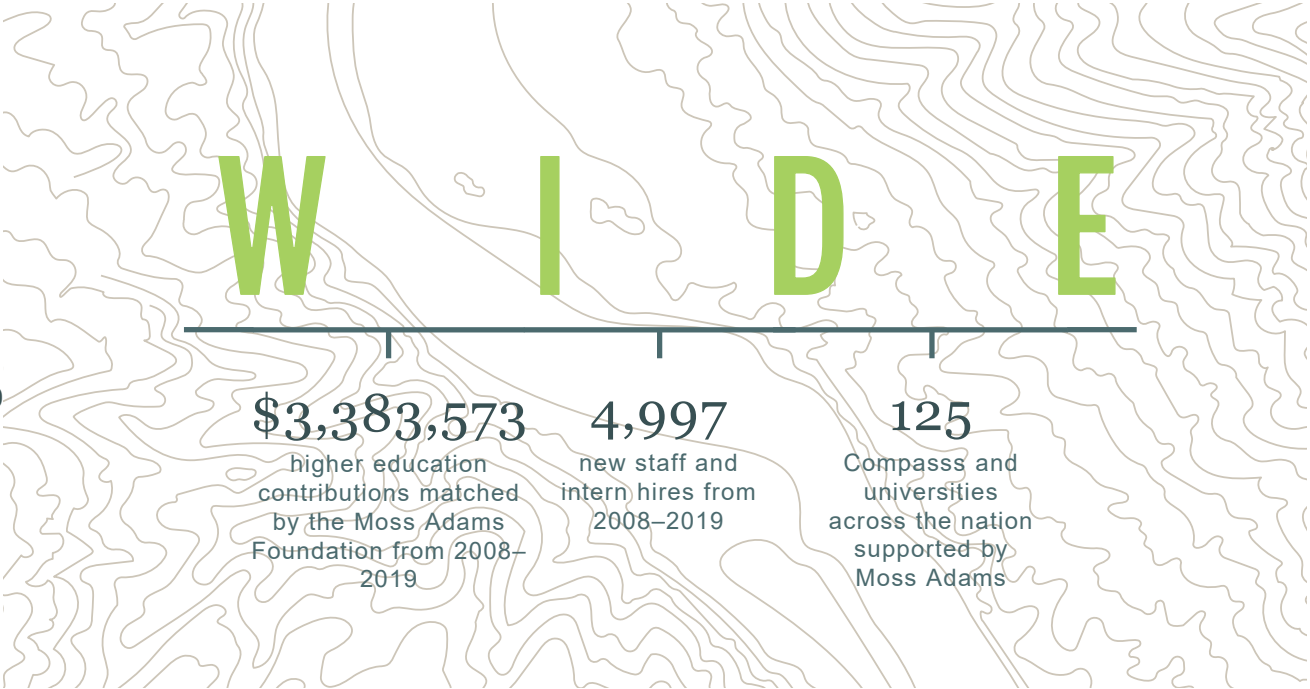




# The Moss Adams Foundation

The Moss Adams Foundation, created in 2000, provides funding and endowments to colleges and universities across the nation. Between 2000 and 2019, \$11.4 million was donated by our Foundation for the purpose of supporting higher education and humanitarian causes. The leadership at Moss Adams recognizes that without higher education, there would be no Moss Adams.

Reach



Grand Canyon—  
At 277 miles long and up to 18 miles wide, this icon serves as a testament to determination and time.



# Inclusion & Diversity - Business Resource Groups

Champion / Charter / Grassroots Effort / Safe and Inclusive



**FORUM** **W** BUSINESS RESOURCE GROUP  
INCLUSION & DIVERSITY



**ASIAN** BUSINESS RESOURCE GROUP  
INCLUSION & DIVERSITY



**BLACK** BUSINESS RESOURCE GROUP  
INCLUSION & DIVERSITY



**LATINX** BUSINESS RESOURCE GROUP  
INCLUSION & DIVERSITY



**PRIDE** BUSINESS RESOURCE GROUP  
INCLUSION & DIVERSITY

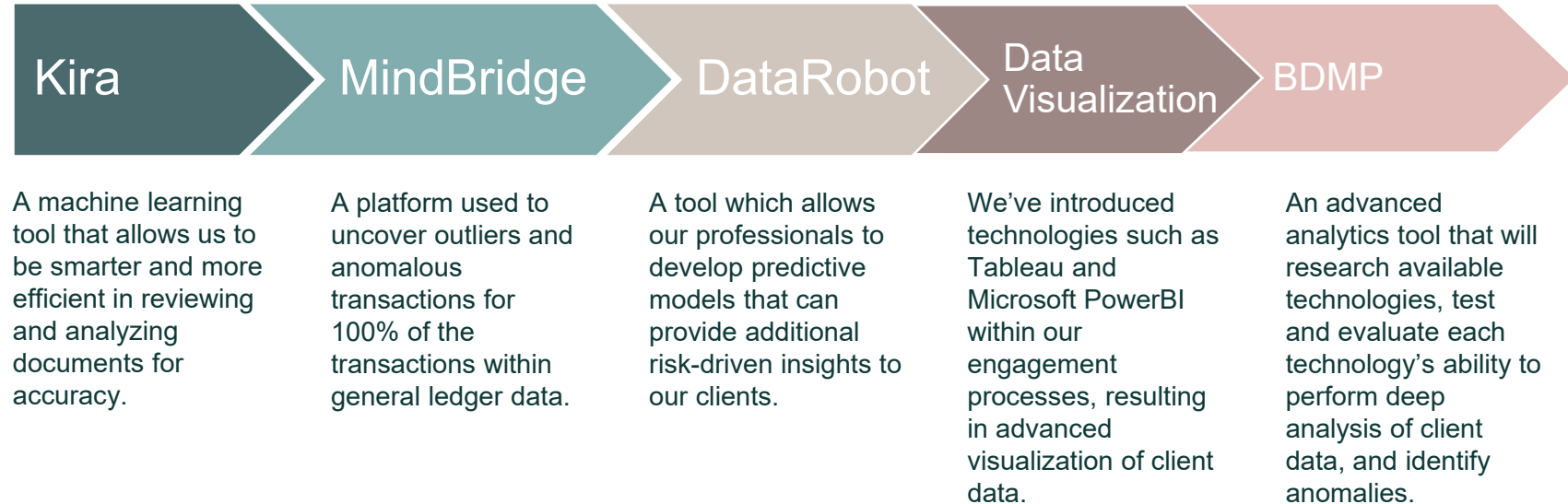


**VETERANS** BUSINESS RESOURCE GROUP  
INCLUSION & DIVERSITY



# Advanced Technologies and Audit Innovation

We leverage advanced technologies to deliver increased effectiveness and efficiencies across our various practices.





# Contact Us

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THANK  
YOU