



ALAMEDA UNIFIED SCHOOL DISTRICT

FINANCIAL AUDIT PRESENTATION

FISCAL YEAR ENDING JUNE 30, 2017

PRESENTED BY: HEATHER RUBIO (PARTNER)

Audit Report

The School District's responsibility:

- Effective internal controls
- Financial statements
- Prepare and manage the budget

The Auditor's (CWA's) responsibility:

- Opinion-reasonable assurance that financial statements are materially correct
- Opinion does not address the financial condition of the District
- Issued **unmodified opinion** (best opinion you can get)

Independent Auditors' Report

Unmodified Opinion (best opinion you can get)

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In our opinion, the financial statements referred to above **present fairly, in all material respects**, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Alameda Unified School District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended **in accordance with accounting principles generally accepted in the Unified States of America.**

Additional Opinion

Financial Statements, Internal Control Over Financial Reporting with Government Auditing Standards : Cash, Accounts Receivable, Capital Assets, Accounts Payable, Associated Student Body, Long Term Debt, Journal Entry Process

- Unmodified Opinion (Best Opinion Possible)
- Significant deficiency – Yes, (Associated Student Body, P. 79)
 - Cash receipts, required signatures, timely deposits
- Material Weakness - No

Additional Opinion

Compliance for Federal program and Internal Control Over Compliance :

Major programs tested were:

- Title I, Part A, Basic Grants Low-Income and Neglected
- Child Nutrition Cluster
 - Unmodified Opinion (Best Opinion Possible)
 - Significant deficiency – No
 - Material Weakness – No

Additional Opinion

Report on State Compliance:

•Attendance	•School Accountability Report Card
•Teacher Certification and Misassignments	•Middle or Early College High Schools
•Kindergarten Continuance	•K-3 Grade Span Adjustment
•Independent Study	•Transportation Maintenance of Effort
•Continuation Education	•Mental Health Expenditures
•Instructional Time	•Educator Effectiveness
•Instructional Materials	•California Clean Energy Jobs Act
•Ratios of Admin Employees to Teachers	•After School Education and Safety Program
•Classroom Teacher Salaries	•Proper Expenditure of Education Protection Account Funds
•Gann Limit Calculation	•Unduplicated Local Control Funding Formula Pupil Counts
	•Local Control and Accountability Plan

- Unmodified Opinion (Best Opinion Possible)
- Significant deficiency – No
- Material Weakness - No

Long Term Debt

Total long-term debt obligations as of 6/30/17 were \$295.4M – increase of \$9.9M from 6/30/16:

	Balance July 01, 2016	Additions	Deductions	Balance June 30, 2017
Governmental Activities				
General obligation bonds	\$ 144,723,575	\$ -	\$ 9,156,745	\$ 135,566,830
Unamortized premium	9,511,524	-	429,495	9,082,029
Unamortized discount	(144,900)	-	(6,300)	(138,600)
Accreted interest	40,263,223	4,566,730	2,203,256	42,626,697
Total general obligation bonds	194,353,422	4,566,730	11,783,196	187,136,956
Compensated absences	599,535	-	280,492	319,043
Net OPEB obligation	4,224,280	651,243	-	4,875,523
Net pension liability	86,358,856	16,718,139	-	103,076,995
Total	\$ 285,536,093	\$ 21,936,112	\$ 12,063,688	\$ 295,408,517

- Decrease of \$9.2M in General Obligation Bonds due to payments
- Decrease in compensated absences of \$280K
- Increase in the Net OPEB Obligation of \$651K
- Increase in Net Pension Liability of \$16.7M (STRS & PERS/GASB 68)

Parcel Tax

Audit included

- Verified that the Measure A expenditures were accounted for separately in the accounting records of the District.
- Verified that the net revenues received from the parcel taxes were deposited in total into the District's Sub-Fund.
- Tested expenditures of each resource code ensuring that such expenditures were spent in accordance with the scope of the published material specifying the intended use of proceeds for the Measure A funds in the eleven specific categories.
- Testing performed (including those items above) included a sample of expenditures and employee payroll related expenditures.

Pending Changes in Accounting Principles

GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)

- Improve accounting and financial reporting for state and local government, making it consistent with pension reporting, useful and transparent
- Required recordation of **Net OPEB Liability** upon implementation on the GW financial statements and proprietary funds instead of just the annual required contribution (ARC) as currently recorded on the balance sheet
- The GASB 75 **Net OPEB Liability** that will be recorded may be greater than current GASB 45 Unfunded Actuarial Accrued Liability due to a required lower discount rate than currently used
- Changes to assumptions used by the actuaries to calculate the OPEB liability
- Effective for the School District's June 30, 2018 financial statements