



## Business Services Division Memo

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**To:** OUSD Audit Committee  
Elizabeth Ross, Chair

**From:** Lisa Grant-Dawson, Chief Business Officer  
Ryan Nguyen, Interim Chief Financial Officer

**Subject:** 2023-24 Final Audit Report

**Date:** January 6, 2025

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Dear Chair Ross and the members of the OUSD Audit Committee,

The District has completed the 2023-24 District Financial Audit and the audits for our three parcel tax audits for Measure G, Measure G1, and Measure N. We are providing the District's Financial Audit for your review, which has been submitted to the Alameda County Office of Education and State Controller's Office.

Mr. Nathan Edelman, Partner, Eide Bailly, will present the report and answer any questions.

In Community,

Lisa Grant-Dawson  
Chief Business Officer  
[lisa.grantdawson@ousd.org](mailto:lisa.grantdawson@ousd.org)

Ryan Nguyen  
Controller  
[Ryan.Nguyen@ousd.org](mailto:Ryan.Nguyen@ousd.org)



December 13, 2024

To the Board of Education  
Oakland Unified School District  
Oakland, California

We have audited the financial statements of the Oakland Unified School District (District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 13, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance**

As communicated in our letter dated May 7, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the District complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of District's major federal program compliance, is to express an opinion on the compliance for each of District's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the District's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated December 13, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor’s Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated December 13, 2024.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

### **Significant Risks Identified**

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks.” We have identified the following as significant risks.

*Management Override of Controls* – professional standards require auditors to address the possibility of management overriding controls. Accordingly, we considered the possibility that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization’s controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization’s financial performance or with the intent of concealing fraudulent transactions. We are pleased to report that no such matters were identified during our audit.

*Improper Revenue Recognition* – professional standards require auditors to presume that revenue recognition is a fraud risk. Therefore, improper revenue recognition was identified as a fraud risk due to possibility that revenue is not recorded in the proper period, in the incorrect amount, etc. either due to error or fraud. We are pleased to report that no actual instances were identified during our audit.

*Estimates* – Generally Accepted Auditing Standards require a presumed risk of management bias when assumptions are used to calculate significant account balances, which for the District applies to pension and claims.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the aggregate net pension liability, related deferred outflows of resources, deferred inflows of resources, and pension expense is based on the District's proportionate share of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) estimated net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, which were actuarially determined, utilizing projections of future contributions and future earnings, actuarial assumptions such as inflation, salary increases, mortality rates, and investment rate of return and discount rates in the determination of the final balances reported in the CalSTRS and CalPERS audited financial statements. The District's proportionate share was determined by calculating the District's share of contributions to the pension plan relative to the contributions of all participating entities in the plan.

Management's estimate of the claims liability is based on a historical data for workers' compensation claims. Estimates related to claims liabilities involve significant assumptions about events that will determine future claims costs, including the amount and severity of future claims, changes in discount and inflation rates, as well as the outcomes of future administrative proceedings and potential litigation

We evaluated the key factors and assumptions used to develop the significant accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- **Note 1** summarizes the District's significant accounting policies.
- **Note 6** describes the District's long-term debt activities including required principal and interest payments for debt service.
- **Note 9** describes the valuation of the District's net pension liability and related deferred outflows and inflows of resources. Such amounts are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate. As disclosed, a one percent increase or decrease in the discount rate has a material effect on the District's net pension liability.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

	Debit (Credit)			Expenditures/ Expenses
	Assets	Liabilities	Revenues	
<b>GENERAL FUND:</b>				
Lottery Revenue Projection versus actual	\$ 665,079	\$ -	\$ (665,079)	\$ -
SBITA omission for convince	868,604	-	-	-
Finding 2024-001	-	(801,632)	-	801,632
A/R write-off during 2025	(1,087,060)		1,087,060	-
Total general fund	<u>\$ 446,623</u>	<u>\$ (801,632)</u>	<u>\$ 421,981</u>	<u>\$ 801,632</u>
<b>Building Fund</b>				
Legal settlement expensed when paid	\$ -	\$ (700,000)	\$ -	\$ 700,000
<b>Bond Interest and Redemption Fund</b>				
Receivables recorded in following year	\$ 1,044,794	\$ -	\$ (1,044,794)	\$ -
<b>AGGREGATE REMAINING FUNDS</b>				
Diff. between actuarial valuation and the claims liability	\$ -	\$ (356,202)	\$ -	\$ 356,202
<b>Government-Wide: Governmental Activities</b>				
Lottery Revenue	\$ 665,079		\$ (665,079)	
SBITA	868,604			
A/R write-off during 2025	(1,087,060)		1,087,060	
Legal settlement expensed when paid		(700,000)		700,000
Diff. between actuarial valuation and the claims liability		(356,202)		356,202
Finding 2024-001	-	(801,632)	-	801,632
Receivables recorded in following year	1,044,794		(1,044,794)	
Total, Government-Wide: Governmental Activities	<u>\$ 1,491,417</u>	<u>\$ (1,857,834)</u>	<u>\$ (622,813)</u>	<u>\$ 1,857,834</u>

The effect of these uncorrected misstatements as of and for the year ended June 30, 2024, is an understatement of the fund balance of the governmental funds of \$335 thousand, and an understatement of the governmental funds net position of \$336 thousand. Other fund as noted above.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. Our Independent Auditor's Report on State Compliance and on Internal Control Over State Compliance is modified for the following matter:

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the 2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, and which are described in the accompanying schedule of findings and responses as items 2024-001 through 2024-006. Our opinion on State compliance is not modified with respect to these this matter.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated December 13, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

### **Other Information Included in Annual Reports**

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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



Menlo Park, California



Financial Statements  
June 30, 2024

# Oakland Unified School District



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## Independent Auditor's Report

To the Board of Education  
Oakland Unified School District  
Oakland, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oakland Unified School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oakland Unified School District, as of June 30, 2024, 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 United States of America.

#### *Basis for Opinions*

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 opinions.

#### *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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in the district's net pension liability, schedule of the district's contributions and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining nonmajor governmental fund financial statements, Schedule of Average Daily Attendance, Schedule of Instructional Time, Schedule of Charter Schools, Reconciliation of Annual Financial and Budget Report with Audited Financial Statements and Schedule of Financial Trends and Analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining nonmajor governmental fund financial statements, Schedule of Average Daily Attendance, Schedule of Instructional Time, Schedule of Charter Schools, Reconciliation of Annual Financial and Budget Report with Audited Financial Statements and Schedule of Financial Trends and Analysis are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to 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 District'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 District's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
December 13, 2024

This section of the Oakland Unified School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

### **The Financial Statements**

The financial statements presented herein include all of the activities of the District as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Government-Wide financial statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities such as pensions and general obligation bonds) and deferred inflows of resources. Additionally, certain eliminations have been made as prescribed by the statement in regards to inter-fund activity, payables, and receivables.

The fund financial statements include statements for governmental and proprietary funds.

The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting, which are focused on short-term financial resources. This measurement focus only includes assets that are available to pay current liabilities. Likewise, liabilities are only included to the extent that they require the use of current financial resources. Capital assets and general obligation bonds, including the long-term portion of the emergency apportionment loan, are not included in this measurement focus. The general fund is included within this category.

Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

The primary unit of the government is the Oakland Unified School District.

## **REPORTING THE DISTRICT AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

The statement of net position and the statement of activities report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.



These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the statement of net position and the statement of activities, we report the District activities as follows:

**Governmental Activities** - The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development centers, and the ongoing effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, federal, state, and local grants, as well as general obligation bonds, finance these activities.

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by state law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

**Governmental Funds** - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

**Proprietary Funds** - When the District charge fees for the services it provides, whether to outside customers or to other departments within the District, these fees are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses, and changes in fund net position. We use an internal service fund (a component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, the only such fund is the District's Self-Insurance Fund. The internal service fund is reported with governmental activities in the government-wide financial statements.

### **FINANCIAL HIGHLIGHTS**

- June 30, 2024, assets and deferred outflow of resources totaled \$2,367 million. Liabilities and deferred inflows of resources were \$2,016 million. This results in a surplus net position of \$350 million.
- June 30, 2024, the general fund unassigned fund balance was \$115.8 million, or 13.4% of total general fund expenditures and outer uses.
- For the year ending June 30, 2024, total general fund expenditures and other uses were \$863 million, which is an increase of \$109 million or 14% from the year ending June 30, 2023.
- For the year ending June 30, 2024, total general fund revenues were \$888 million, which is an increase of \$6.4 million or 0.73% from the year ending June 30, 2023.

**THE DISTRICT AS A WHOLE**

**Net Position**

The computation of the District's net position at June 30, 2024 and 2023 is presented in the table below:

**Table 1**

(Amounts in millions)	Governmental Activities	
	2024	2023
<b>Assets</b>		
Current and other assets	\$ 955.50	\$ 809.88
Capital assets	1,214.65	1,164.05
Total assets	2,170.15	1,973.93
Deferred outflows of resources	196.73	184.29
<b>Liabilities</b>		
Current liabilities	219.32	254.24
Long-term liabilities	1,742.71	1,619.18
Total liabilities	1,962.03	1,873.42
Deferred inflows of resources	54.41	46.21
<b>Net Position</b>		
Net investment in capital assets	257.64	207.31
Restricted	408.69	342.85
Unrestricted deficit	(315.88)	(311.57)
Total net position	\$ 350.45	\$ 238.59

The total assets and deferred outflow of resources increased by \$209 million during the fiscal year. The total liabilities and deferred inflow of resources increased by \$97 million during the same period.

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 17. Table 2 takes the information from the statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

**Table 2**

(Amounts in millions)	Governmental Activities	
	2024	2023
<b>Revenues</b>		
Program revenues		
Charges for services and sales	\$ 2.07	\$ 2.61
Operating grants and contributions	368.26	317.56
Capital grants and contributions	0.48	-
General revenues		
Federal and State aid not restricted	315.70	340.21
Property taxes	410.82	370.97
Other general revenues	28.03	2.38
Total revenues	1,125.36	1,033.73
<b>Expenses</b>		
Instruction-related	703.85	593.56
Pupil services	82.73	72.03
Administration	48.03	41.95
Plant services	90.48	69.25
All other services	88.40	70.88
Total expenses	1,013.49	847.67
Change in net position	\$ 111.87	\$ 186.06

For Fiscal Year 2024, the District's total revenue was \$1,125.36 million, an increase of 91.63 million or 8.86%. The District's total expenses were \$1,013.49 million, an increase of \$165.82 million or 19.56%.

The main source of the District's revenue is from Local Control Funding Formula (LCFF) which includes State aid and supplemental and concentration grants. LCFF is based on the Average Daily Attendance (ADA) per grade level. Supplemental and concentration grants are based on the percentage of unduplicated pupil count of the following: English learner, free and reduced price meal eligible students, and foster youth. Other sources of the District's revenue are from federal, state, and local grants.

**Governmental Activities**

As reported in the *Statement of Activities* on page 17, the cost of all our governmental activities this year was \$1,013.49 million. The amount that our taxpayers ultimately financed for these activities through local taxes was \$411 million because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions in the amount of \$368.26 million and users charged for \$2.07 million. We paid for the remaining "public benefit" portion of our governmental activities with \$754.55 million in federal and state funds and local property taxes.

In Table 3, we have presented the net cost of each of the District’s largest functions. As discussed earlier, net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

(Amounts in millions)	Net Cost of Services	
	2024	2023
Instruction-related	\$ (433.73)	\$ (351.05)
Pupil services	(36.16)	(33.05)
Administration	(28.90)	(29.56)
Plant services	(73.63)	(56.75)
All other services	(70.26)	(57.09)
Total	\$ (642.68)	\$ (527.50)

**THE DISTRICT’S FUNDS**

As the District completed this year, our governmental funds reported a combined fund balance of \$827.44 million, which is an increase of \$182.78 million from last year (Table 4).

**Table 4**

Governmental Fund	Balances and Activity			
	June 30, 2023	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General	\$ 283.13	\$ 887.90	\$ 862.98	\$ 308.05
Adult Education	1.02	3.44	3.85	0.61
Child Development	3.80	44.88	31.66	17.02
Cafeteria	34.47	35.16	26.65	42.98
Deferred Maintenance	5.36	3.27	3.61	5.02
Building	161.31	194.35	73.20	282.46
Capital Facilities	20.23	3.28	1.74	21.76
County School Facilities	10.32	3.52	1.78	12.06
Special Reserve Fund for Capital Outlay Projects	3.09	3.50	0.18	6.41
Bond Interest and Redemption	121.93	214.93	205.80	131.06
Total	<u>\$ 644.66</u>	<u>\$ 1,394.23</u>	<u>\$ 1,211.45</u>	<u>\$ 827.44</u>

**General Fund Budgetary Highlights**

Over the course of the year, the District revises its budget to reflect the most updated information and changes in revenues and expenditures for the fiscal year. A schedule showing the District’s original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 60.

### **Changes in Unrestricted General Fund Projections since Estimated Actuals**

The unrestricted general fund has undergone significant changes since the estimated actuals. Revenue has increased by \$9.7 million, primarily due to a marginal rise in LCFF revenue, an \$800,000 increase in other state revenue, and an \$8.4 million enhancement in other local revenue. The augmentation in local revenue includes a \$1.5 million increase in leases and rentals, \$200,000 from Facilitron Rentals, and \$911,000 from ground leases and rentals, notably from Shands & Tilden. Additionally, there was a \$3.4 million surge in interest income and a \$3.5 million increase in the fair market value of the General Fund investments.

Simultaneously, expenditures rose by \$8.5 million. This increase includes \$1.2 million attributed to certificated salaries adjustments and \$3.3 million to classified salaries, encompassing salary increases and vacation liability payments. Notably, there was a \$2.2 million decrease in books and supplies, along with a \$500,000 reduction in other services and operating expenditures, which included changes in recycling costs and electricity/gas expenses. These reductions partially offset the overall expenditure increase. Furthermore, a \$1.5 million increase in net contributions, primarily due to unrealized expenditures, further influenced the financial dynamics of the unrestricted general fund.

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

At June 30, 2024, the District had \$1214.65 million in a broad range of capital assets and right-to-use leased assets, (net of depreciation and amortization), including land, buildings, furniture, equipment, and right-to-use leased assets. This amount represents a net increase of \$50.60 million or 4.35%, from last year (Table 5).

**Table 5**

(Amounts in millions)	Governmental Activities	
	2024	2023
Land and construction in progress	\$ 211.58	\$ 141.85
Buildings and improvements	993.13	1,014.76
Equipment	9.94	6.99
Right-to-use leased assets	-	0.46
Total	\$ 1,214.65	\$ 1,164.06

This year’s additions of \$80.94 million included several vehicles, cafeteria equipment and classroom equipment such as computers. No debt was issued for these additions.



**Long-Term Liabilities**

At the end of this year, the District had \$1,835.75 million in long-term liabilities outstanding versus \$1,703.06 million last year, an increase of \$132.7 million or 7.8%. Much of the change is attributable to reduction of the CalSTRS and CalPERS pension liabilities caused by investment gains during the measurement period. Total long-term liabilities, including unamortized bond premiums, consisted of the following:

**Table 6**

(Amounts in millions)	Governmental Activities	
	2024	2023
	Long-Term obligations	
General obligation bonds	\$ 1,157.90	\$ 1,050.03
Unamortized premiums	100.51	97.95
Leases	0.41	0.41
Emergency apportionment loan	4.08	6.07
Claims liability	44.43	43.34
Other	8.72	5.67
Aggregate net pension liability	519.71	499.60
Total	\$ 1,835.75	\$ 1,703.06

We present more detailed information regarding our long-term obligations in Note 6 of the financial statements.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District adopted its Fiscal Year 2023-2024 budget during June 2023. Subsequent budget updates were reported in the first, second, and third interim to reflect changes in revenue, expenses and their impact to fund balance. Several budget revisions and adjustments are initiated throughout the fiscal year as follows: District updates its revenue projection upon receipt of new Grant awards and entitlement letters, which included a revised increase to the Unrestricted LCFF for Concentration dollars as well as additional allocations to restricted resources. At the close of the prior year, carryover balances are rolled to the current year. Expenditure budgets are increased by carryovers when unaudited actual balances are calculated and closed.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact:

Chief Business Officer  
Oakland Unified School District  
1011 Union Street  
Oakland, CA 94607

Or visit our website at: [www.ousd.org](http://www.ousd.org).

Oakland Unified School District  
Statement of Net Position  
June 30, 2024

	Governmental Activities
<b>Assets</b>	
Deposits and investments	\$ 866,853,129
Receivables	19,643,142
Due from other governments	54,804,812
Prepaid expenses	403,054
Lease receivables	13,795,980
Capital assets not depreciated or amortized	211,578,611
Capital assets, net of accumulated depreciation and amortization	1,003,074,933
Total assets	2,170,153,661
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding	27,147,188
Pension related	169,586,093
Total deferred outflows of resources	196,733,281
<b>Liabilities</b>	
Accounts payable and other accrued liabilities	78,132,298
Interest payable	21,481,118
Due to other governments	6,499,619
Unearned revenue	20,169,287
Long-term liabilities	
Portion due or payable within one year	
Claims	10,273,509
Compensated absences	5,543,171
Long term debt	77,217,349
Portion due or payable after one year	
Claims	34,156,624
Compensated absences	3,172,842
Long term debt	1,185,674,066
Aggregate net pension liability	519,708,935
Total liabilities	1,962,028,818
<b>Deferred Inflows of Resources</b>	
Lease related	13,645,126
Pension related	34,979,575
Deferred charge on refunding	5,784,068
Total deferred inflows of resources	54,408,769
<b>Net Position</b>	
Net investment in capital assets	257,640,216
Restricted for	
Debt service	109,582,840
Educational programs	208,395,734
Capital projects	47,723,854
Child nutrition programs	42,987,167
Unrestricted deficit	(315,880,456)
Total net position	\$ 350,449,355

Oakland Unified School District  
Statement of Activities  
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 537,422,526	\$ 338,250	\$ 201,749,680	\$ 482,890	\$ (334,851,706)
Instruction-related activities					
Supervision of instruction	106,647,811	98,839	54,157,593	-	(52,391,379)
Instructional library, media, and technology	4,547,146	20,217	1,027,067	-	(3,499,862)
School site administration	55,235,044	33,126	12,216,720	-	(42,985,498)
Pupil services					
Home-to-school transportation	17,137,296	-	60,131	-	(17,077,165)
Food services	29,812,847	52,726	35,315,514	-	5,555,393
All other pupil services	35,776,465	11,370	11,125,232	-	(24,639,863)
Administration					
Data processing	14,199,827	-	4,551,054	-	(9,648,773)
All other administration	33,829,645	9,803	14,565,684	-	(19,254,158)
Plant services	90,483,717	42,122	16,811,992	-	(73,629,603)
Ancillary services	20,117,011	20,599	16,562,348	-	(3,534,064)
Enterprise services	30,260,375	1,442,119	113,912	-	(28,704,344)
Interest on long-term liabilities	37,188,853	-	-	-	(37,188,853)
Other outgo	836,297	-	-	-	(836,297)
<b>Total governmental activities</b>	<b>\$ 1,013,494,860</b>	<b>\$ 2,069,171</b>	<b>\$ 368,256,927</b>	<b>482,890</b>	<b>(642,685,872)</b>
<b>General Revenues and Subventions</b>					
Property taxes, levied for general purposes					229,880,857
Property taxes, levied for debt service					105,254,446
Taxes levied for other specific purposes					75,683,181
Federal and State aid not restricted to specific purposes					315,695,326
Interest and investment earnings					15,146,760
Interagency revenues					1,481,646
Miscellaneous					11,402,413
<b>Total general revenues and transfers</b>					<b>754,544,629</b>
<b>Change in Net Position</b>					<b>111,858,757</b>
<b>Net Position - Beginning</b>					<b>238,590,598</b>
<b>Net Position - Ending</b>					<b>\$ 350,449,355</b>

Oakland Unified School District  
Balance Sheet – Governmental Funds  
June 30, 2024

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Deposits and investments	\$ 334,326,569	\$ 288,736,868	\$ 130,228,392	\$ 104,290,447	\$ 857,582,276
Accounts receivables	13,774,755	2,377,022	835,566	1,741,079	18,728,422
Due from other funds	39,208	91,260	-	3,833,846	3,964,314
Grant receivables	45,757,951	-	-	9,046,861	54,804,812
Prepaid expenditures	403,054	-	-	-	403,054
Other current assets	71,321	-	-	-	71,321
Lease receivables	13,795,980	-	-	-	13,795,980
<b>Total assets</b>	<b>\$ 408,168,838</b>	<b>\$ 291,205,150</b>	<b>\$ 131,063,958</b>	<b>\$ 118,912,233</b>	<b>\$ 949,350,179</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payables	\$ 65,977,492	\$ 8,712,929	\$ -	\$ 2,700,678	\$ 77,391,099
Due to other funds	4,105,999	27,081	-	38,698	4,171,778
Due to other governments	6,499,619	-	-	-	6,499,619
Unearned revenue	9,888,297	-	-	10,280,990	20,169,287
<b>Total liabilities</b>	<b>86,471,407</b>	<b>8,740,010</b>	<b>-</b>	<b>13,020,366</b>	<b>108,231,783</b>
<b>Deferred Inflows of Resources</b>					
Related to leases	13,645,126	-	-	-	13,645,126
<b>Fund Balances</b>					
Nonspendable	702,533	-	-	-	702,533
Restricted	190,773,687	282,465,140	131,063,958	105,891,867	710,194,652
Assigned	742,564	-	-	-	742,564
Unassigned	115,833,521	-	-	-	115,833,521
<b>Total fund balances</b>	<b>308,052,305</b>	<b>282,465,140</b>	<b>131,063,958</b>	<b>105,891,867</b>	<b>827,473,270</b>
<b>Total liabilities deferred inflows of resources, and fund balances</b>	<b>\$ 408,168,838</b>	<b>\$ 291,205,150</b>	<b>\$ 131,063,958</b>	<b>\$ 118,912,233</b>	<b>\$ 949,350,179</b>

Oakland Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 For the year ending June 30, 2024

Total Fund Balance - Governmental Funds		\$ 827,473,270
<p>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
The cost of capital assets is	1,782,990,753	
Accumulated depreciation and amortization is	<u>(568,337,209)</u>	
Net capital assets		1,214,653,544
<p>In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.</p>		
		(21,481,118)
<p>An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.</p>		
		(36,281,735)
<p>Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.</p>		
Deferred outflows related to pensions	168,868,678	
Deferred inflows related to pensions	<u>(34,941,094)</u>	
Total deferred outflows and inflows		133,927,584
<p>Expenditures relating to deferred charges on bond issuances were recognized on the modified accrual basis, but are amortized over the life of the debt on the accrual basis.</p>		
<p>Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
		(517,597,882)
<p>The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.</p>		
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.</p>		
<p>Long-term liabilities at year-end consist of</p>		
General obligation bonds	(1,157,895,000)	
Leases	(410,377)	
Compensated absences (vacations)	(8,716,013)	
Emergency apportionment loan	<u>(4,080,651)</u>	
Total long-term liabilities		(1,171,102,041)
<p>Governmental funds report the effect of premiums and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Deferred outflows on refunding	27,147,188	
Deferred inflows on refunding	(5,784,068)	
Premium on general obligation bonds	<u>(100,505,387)</u>	
Total premiums, discounts and deferred items		<u>(79,142,267)</u>
Total net position - governmental activities		<u>\$ 350,449,355</u>

Oakland Unified School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2024

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local Control Funding Formula (LCFF)	\$ 488,642,441	\$ -	\$ -	\$ -	\$ 488,642,441
Federal sources	119,708,453	-	1,095,030	27,730,564	148,534,047
Other State sources	162,984,035	10,106	367,694	43,410,911	206,772,746
Other local sources	116,570,052	9,340,483	109,360,511	22,902,142	258,173,188
Total revenues	<u>887,904,981</u>	<u>9,350,589</u>	<u>110,823,235</u>	<u>94,043,617</u>	<u>1,102,122,422</u>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	493,475,281	-	-	22,160,437	515,635,718
Instruction-related activities					
Supervision of instruction	100,021,543	-	-	3,175,312	103,196,855
Instruct	4,428,344	-	-	-	4,428,344
School site administration	51,386,741	-	-	3,494,572	54,881,313
Pupil services					
Home-to-school transportation	16,538,844	-	-	-	16,538,844
Food services	2,666,101	-	-	26,215,844	28,881,945
All other pupil services	35,100,753	-	-	-	35,100,753
Administration					
Data processing	13,749,246	-	-	-	13,749,246
All other administration	31,636,341	-	-	1,252,768	32,889,109
Plant services	76,155,467	3,981,033	-	926,581	81,063,081
Ancillary services	19,441,764	-	-	-	19,441,764
Other outgo	6,836,297	-	-	-	6,836,297
Enterprise services	113,913	-	-	-	113,913
Capital outlay	6,291,257	68,071,768	-	12,242,074	86,605,099
Debt service					
Principal	2,028,917	-	69,900,000	-	71,928,917
Interest and other	111,410	1,150,343	46,782,719	-	48,044,472
Total expenditures	<u>859,982,219</u>	<u>73,203,144</u>	<u>116,682,719</u>	<u>69,467,588</u>	<u>1,119,335,670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,922,762</u>	<u>(63,852,555)</u>	<u>(5,859,484)</u>	<u>24,576,029</u>	<u>(17,213,248)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	3,000,000	3,000,000
Refunding bonds issued	-	-	81,885,000	-	81,885,000
Premium on refunding bonds issues	-	-	8,355,283	-	8,355,283
General obligations bonds issued	-	185,000,000	-	-	185,000,000
Premium on general obligations bonds issued	-	-	13,868,404	-	13,868,404
Transfers out	(3,000,000)	-	-	-	(3,000,000)
Payment to refunding escrow agent	-	-	(89,115,000)	-	(89,115,000)
Net Financing Sources (Uses)	<u>(3,000,000)</u>	<u>185,000,000</u>	<u>14,993,687</u>	<u>3,000,000</u>	<u>199,993,687</u>
Net Change in Fund Balances	24,922,762	121,147,445	9,134,203	27,576,029	182,780,439
Fund Balance - Beginning	283,129,543	161,317,695	121,929,755	78,315,838	644,692,831
Fund Balance - Ending	<u>\$ 308,052,305</u>	<u>\$ 282,465,140</u>	<u>\$ 131,063,958</u>	<u>\$ 105,891,867</u>	<u>\$ 827,473,270</u>

Oakland Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

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Total net change in fund balances - Governmental Funds \$ 182,780,439

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.

This is the amount by which capital outlay exceed depreciation and amortization expense in the period.

Depreciation and amortization expense  
Capital outlays

\$ (34,663,430)  
85,386,597

Net expense adjustment 50,723,167

Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (123,953)

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. (3,050,887)

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. 6,646,881

Deferred amounts on refunding (the difference between the reacquisition price of the net carrying amount of the refunded debt) are capitalized and amortized over the remaining life of the new or old debt, whichever is shorter. (5,784,068)



Oakland Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of general obligation bonds	\$ (185,000,000)	
Issuance of refunding bonds	(81,885,000)	
Payment to bond refunding escrow agent	89,115,000	
Premium on issuance recognized	(22,223,687)	
Deferred amount on refunding recognized	(3,171,816)	
Premium amortization	19,664,569	
Principal paid on bonds	69,900,000	
Principal paid on the emergency apportionment loan	<u>1,987,020</u>	
		\$ (111,613,914)

Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.

661,414

An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.

(8,380,322)

Change in net position of governmental activities

\$ 111,858,757

Oakland Unified School District  
Statement of Net Position – Proprietary Funds – Self Insurance  
June 30, 2024

	<u>Governmental Activities - Internal Service Fund</u>
Assets	
Current assets	
Cash and Cash equivalent county treasury pool	\$ 9,270,853
Excess carrier refunds	755,414
Due from other funds	207,464
Interest receivable	87,985
	<u>10,321,716</u>
Total assets	<u>10,321,716</u>
Deferred Outflows of Resources	
Pension related	<u>717,415</u>
Liabilities	
Current liabilities	
Salaries and benefits payable	424,852
Accounts payable	316,347
Claims liability	10,273,509
	<u>11,014,708</u>
Total current liabilities	<u>11,014,708</u>
Noncurrent liabilities	
Claims liabilities	34,156,624
Net pension liability	2,111,053
	<u>36,267,677</u>
Total noncurrent liabilities	<u>36,267,677</u>
Total liabilities	<u>47,282,385</u>
Deferred Inflows of Resources	
Pension related	<u>38,481</u>
Net Position	
Unrestricted	<u><u>\$ (36,281,735)</u></u>

Oakland Unified School District  
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds – Self Insurance  
Year Ended June 30, 2024

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	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues	
In-district premiums	\$ 21,139,545
Total operating revenues	<u>21,139,545</u>
Operating Expenses	
Claims	24,212,789
Excess insurance	3,989,589
Salaries and benefits	1,875,803
Supplies and materials	76,515
Other	9,747
Total operating expenses	<u>30,164,443</u>
Operating Income	<u>(9,024,898)</u>
Nonoperating income (expense)	
Fair market value adjustments	288,931
Interest income	355,646
Total nonoperating revenues (expenses)	<u>644,577</u>
Change in Net Position	(8,380,321)
Net Position (deficit) - Beginning	<u>(27,901,414)</u>
Net Position (deficit) - Ending	<u><u>\$ (36,281,735)</u></u>

Oakland Unified School District  
Statement of Cash Flows – Proprietary Funds – Self Insurance  
Year Ended June 30, 2024

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	<u>Governmental Activities - Internal Service Fund</u>
Operating Activities	
Cash receipts for insurance premiums	\$ 22,069,088
Cash payment for insurance claims and premiums	(26,840,787)
Cash payments to employees for services	(1,965,929)
Cash payments for supplies	(632,205)
Other operating cash payments	<u>(9,747)</u>
Net Cash Used for Operating Activities	<u>(7,379,580)</u>
Investing Activities	
Interest on investments	<u>644,577</u>
Net Change in Cash and Cash Equivalents	(6,735,003)
Cash and Cash Equivalents, Beginning	<u>16,005,856</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 9,270,853</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ (9,024,898)
Adjustments to reconcile operating loss to net cash used for operating activities	
Change in pension liability and related deferred inflows and outflows	(90,126)
Changes in assets and liabilities	
Receivables	1,200,348
Claim liabilities	1,090,786
Accrued liabilities	<u>(555,690)</u>
Net Cash Used for Operating Activities	<u><u>\$ (7,379,580)</u></u>

## **Note 1 - Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

The Oakland Unified School District (District) was organized in 1855 under the laws of the State of California and unified in 1952. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K-12 as mandated by State and Federal agencies. During the 2023-2024 school year, the District operated 45 K-5 elementary schools, 4 K-8 elementary schools, 11 6-8 middle schools, 3 grades 6-12 schools, 9 grades 9-12 high schools, 5 alternative schools, and 28 early childhood education centers.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Oakland Unified School District, this includes general operations, food service, and student related activities of the District.

### **Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and proprietary.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and nonmajor governmental funds:

### **Major Governmental Funds**

**General Fund** The general fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions, except those accounted for in another fund, are accounted for in this fund.

**Building Fund** The building fund is a capital projects fund that exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were authorized.

**Bond Interest and Redemption Fund** The bond interest and redemption fund is a debt service fund used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

## Nonmajor Governmental Funds

**Special Revenue Funds** The special revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to expenditures for specified purposes and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Adult Education Fund** The adult education fund is used to account separately for federal, state, and local revenues for adult education programs and is to be expended for adult education purposes only.
- **Cafeteria Fund** The cafeteria fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100). The District elected to present the cafeteria fund as a major fund.
- **Child Development Fund** The child development fund is used to account separately for federal, state, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.
- **Deferred Maintenance Fund** The deferred maintenance fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code* Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

**Capital Projects Funds** The capital projects funds are used to account for financial resources that are restricted, committed, or assigned to the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Capital Facilities Fund** The capital facilities fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* Sections 17620-17626). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition IA), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State Schools Facilities Fund (Proposition 1D) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).
- **Special Reserve Fund for Capital Outlay Projects** The special reserve fund for capital outlay projects exists primarily to provide for the accumulation of general fund monies for capital outlay purposes (*Education Code* Section 42840).

**Proprietary Funds** Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service.

- **Internal Service Fund** Internal service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a workers' compensation and general liability programs that are accounted for in an internal service fund.

### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation of capital assets and amortization of leased assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net asset use.

**Fund Financial Statements** Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor governmental funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using the 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 balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial

statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

**Revenues – Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Unearned Revenue** Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability is removed from the balance sheet and revenue is recognized.

**Expenses/Expenditures** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.



### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows. The county treasury has characteristics of demand deposit accounts in that the District may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

### **Investments**

Investments with original maturities greater than one year and the county treasury pool balances are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

### **Restricted Assets**

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

### **Prepaid Expenditures (Expenses)**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### **Capital Assets and Depreciation**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$50,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets recorded at estimated acquisition value at the date of donation.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; building improvements, 20 years; equipment, 5 to 20 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

### Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental column of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

### Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

The following are the changes in the balances of compensated absences during the year:

Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in one year
\$ 5,665,126	\$ 8,594,058	\$ (5,543,171)	\$ 8,716,013	\$ 5,543,171

Compensated absences will be paid by the fund from which the employee worked.

### **Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

### **Debt Issuance Costs, Premiums and Discounts**

In the government-wide financial statements and in the proprietary fund type financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category; deferred amounts related to pension and deferred charges related to refunding bonds. The deferred amounts related to pension relate differences between estimated and actual investment earnings, changes in proportions, and other pension and related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category; deferred amounts related to leases, pension.

## **Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

## **Leases**

### **As Lessee**

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses its estimated bond borrowing rate as the initial discount rate for leases with adjustment for the applicable lease terms.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

### **As Lessor**

The District is a lessor for noncancellable ground and building leases at various sites. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### **Fund Balances - Governmental Funds**

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

**Nonspendable** - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**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.

**Committed** - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Delegated authority to assign fund balances is with the District's chief business officer.

**Unassigned** - all other spendable amounts.

### **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.

### **Minimum Fund Balance Policy**

The governing board adopted a minimum fund balance policy for the General Fund to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts equal to no less than three percent of general fund expenditures and other financing uses.

### **Net Position**

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances of bonds, notes, lease liabilities and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **Self-Insurance Obligation**

The self-insurance fund is used to account for the District's self-insurance obligation related to workers' compensation, general liability, and dental claims. Funding of the self-insurance obligation is based on estimates of the amounts needed to pay prior and current year claims. The District is self-insured to specified limits for workers' compensation and general liability, as described in Note 8. The general fund is charged premiums by the self-insurance fund, which is accounted for as an internal service fund. The District participates in joint power agreements which provide excess liability and excess workers' compensation coverage to the District. The District also participates in a joint powers agreement for its property insurance coverage. In the government-wide financial statements, the internal service fund activity is eliminated to avoid doubling of revenues and expenditures.

### **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are in-district insurance premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Interfund Activity**

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental and business-type activities columns of the statement of activities, except for the net residual amounts transferred between governmental and business-type activities.

### **Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

### **Estimates**

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **Property Tax**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Alameda bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**Note 2 - Deposits and Investments**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 857,582,276
Proprietary funds	<u>9,270,853</u>
Total deposits and investments	<u><u>\$ 866,853,129</u></u>

Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	\$ 6,219,443
Cash with fiscal agent	611,152
Cash in revolving	148,625
County treasury pool	<u>859,873,909</u>
Total deposits and investments	<u><u>\$ 866,853,129</u></u>

**Policies and Practices**

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations.

**Investment in County Treasury** - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their county treasurer (*Education Code* Section 41001). The fair value of the District’s investment in the pool is reported in the accounting financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the county treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the county treasurer, which is recorded on the amortized cost basis.



**General Authorizations**

Limitations as they relate to interest rate risk and concentration of credit risk are indicated in the schedule below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**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 to changes in market interest rates. The District does not have a policy regarding interest rate risk beyond the limitations imposed by California *Government Code*. The District manages its exposure to interest rate risk by investing in the Alameda County Treasury Investment Pool. The sensitivity of the fair values of the District's investment to market interest rate fluctuation is measured as the weighted average maturity of the investment portfolio, which was 742 days on June 30, 2024.

**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 District does not have a policy regarding credit risk beyond the limitations imposed by California *Government Code*. The District's investments in the Alameda County Treasury Investment Pool are not rated as of June 30, 2024.

### **Concentration Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a policy regarding concentration of credit risk beyond the limitations imposed by California *Government Code*. The District manages its exposure to this risk by investing in the Alameda County Treasury Investment Pool.

### **Custodial Credit Risk - Deposits**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California *Government Code* and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits other than the following provision: The California *Government Code* requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, the District's bank balance of \$5,990,202 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

**Note 3 - Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
<b>Governmental Activities</b>				
Capital assets not being depreciated or amortized				
Land	\$ 17,701,767	\$ -	\$ -	\$ 17,701,767
Construction in progress	124,148,335	80,203,671	(10,475,162)	193,876,844
Total capital assets not being depreciated or amortized	<u>141,850,102</u>	<u>80,203,671</u>	<u>(10,475,162)</u>	<u>211,578,611</u>
Capital assets being depreciated and amortized				
Buildings and improvements	1,540,639,010	11,251,124	(5,900)	1,551,884,234
Furniture and equipment	19,558,636	4,406,964	(4,437,691)	19,527,909
Right-to-use leased buildings and improvements	11,002,996	-	(11,002,996)	-
Total capital assets being depreciated and amortized	<u>1,571,200,642</u>	<u>15,658,088</u>	<u>(15,446,587)</u>	<u>1,571,412,143</u>
Total capital assets	<u>1,713,050,744</u>	<u>95,861,759</u>	<u>(25,921,749)</u>	<u>1,782,990,754</u>
Accumulated depreciation and amortization				
Buildings and improvements	(525,881,987)	(32,878,133)	5,900	(558,754,220)
Furniture and equipment	(12,569,887)	(1,326,839)	4,313,737	(9,582,989)
Right-to-use leased buildings and improvements	(10,544,539)	(458,458)	11,002,997	-
Total accumulated depreciation and amortization	<u>(548,996,413)</u>	<u>(34,663,430)</u>	<u>15,322,634</u>	<u>(568,337,209)</u>
Net depreciable and amortizable capital assets	<u>1,164,054,331</u>	<u>61,198,329</u>	<u>(10,599,115)</u>	<u>1,214,653,545</u>
Governmental activities capital assets, net	<u>\$ 1,164,054,331</u>	<u>\$ 61,198,329</u>	<u>\$ (10,599,115)</u>	<u>\$ 1,214,653,545</u>

Depreciation and amortization expenses were charged as a direct expense to governmental functions as follows:

<b>Governmental Activities</b>	
Instruction	\$ 21,768,912
Supervision of instruction	3,400,461
Instructional library, media, and technology	145,919
School site administration	1,808,405
Home-to-school transportation	544,975
Food services	951,695
All other pupil services	1,156,612
Ancillary Services	640,630
Data processing	453,054
All other administration	1,083,736
Plant services	<u>2,709,031</u>
Total depreciation and amortization expense governmental activities	<u>\$ 34,663,430</u>

**Note 4 - Lease**

**Lessee Receivable**

During the current fiscal year, the District began leasing two long-term ground leases, located at 4551 Steele Street, Oakland, CA, and 2455 Church Street, Oakland, CA, to a third-party developer. Both leases are for sixty-five (65) years, and the District will receive monthly payments of \$23,489 and \$36,354, respectively, escalating to \$103,116 and \$220,365, respectively, over the lease terms. The District recognized \$100,901 in lease revenue and \$806,311 in interest revenue during the current fiscal year related to the leases. As of June 30, 2024, the District’s receivable for lease payments was \$13,795,980. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$13,645,126.

**Regulated Lease Activity**

*General Description of Agreements* The District has signed several lease agreements with various charter schools to use District facilities. These agreements are regulated under the terms specified in *Education Code 47164* and the California State Board of Education (SBE). *Education Code* Section 47614 requires that school districts make available, to all charter schools operating in their school district with projections of at least 80 units of average daily attendance (ADA), facilities that will sufficiently accommodate all of the charter’s in-district students and that facilities be “reasonably equivalent” to other classrooms, buildings, or facilities in the district. The legislation further states that school districts may charge a charter school a pro-rata share of the facility costs, which the school district pays for with unrestricted general fund revenues. The pro-rata share is based on the ratio of space allocated by the school district to the charter school divided by the total space of the district. Charter schools shall not be otherwise charged for use of the facilities.

**Total Inflows of Resources:** The total inflows of resources recognized from these lease agreements during the reporting period amounted \$2,589,048.

**Schedule of Expected Future Minimum Payments:** The expected future minimum payments under these agreements are as follows:

Year 1	\$ 1,059,741
Year 2	347,275
Year 3	321,069
Year 4	<u>161,904</u>
Total	<u><u>\$ 1,889,989</u></u>

**Note 5 - Interfund Transactions**

**Interfund Receivables and Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and nonmajor governmental funds, and internal service funds are as follows:

Interfund payable	Interfund Receivable				Total
	General Fund	Building Fund	Non-major Governmental Funds	Self Insurance Fund	
General Fund	\$ 39,208	\$ 91,260	\$ 3,768,067	\$ 207,464	\$ 4,105,999
Building Fund	-	-	27,081	-	27,081
Nonmajor Governmental Funds	-	-	38,698	-	38,698
Total	<u>\$ 39,208</u>	<u>\$ 91,260</u>	<u>\$ 3,833,846</u>	<u>\$ 207,464</u>	<u>\$ 4,171,778</u>

The balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Interfund Transfers**

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2024, consisted of the following:

- The general fund transferred \$3,000,000 to deferred maintenance fund for the annual contribution.

**Note 6 - Long-Term Debt**

During the current fiscal year, the District issued general obligation bonds in the amount of \$185,000,000 under the election of 2020 authorization to finance specific school facilities projects. Interest on the bonds accrues from their date of delivery and is payable semiannually thereafter on February 1 and August 1 of each year at an interest rate range of 5.00 to 5.25 percent. The bonds pay principal certain years and the final payment is due on August 1, 2048.

Also during the current fiscal year, the District issued general obligation refunding bonds in the amount of \$81,885,000 to purchase certain outstanding general obligation bonds of the District. Interest on the bonds accrues from their date of delivery and is payable semiannually thereafter on February 1 and August 1 of each year at an interest rate range of 5.00 to 6.05 percent. The refunding bonds pay principal certain years and the final payment is due on August 1, 2040.

**Summary**

The changes in the District's long-term debt during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Long-Term Debt					
General obligation bonds	\$ 1,050,025,000	\$ 266,885,000	\$ (159,015,000)	\$ 1,157,895,000	\$ 75,195,000
Unamortized debt premiums	97,946,269	22,223,687	(19,664,569)	100,505,387	-
Emergency apportionment- direct borrowing loan	6,067,671	-	(1,987,020)	4,080,651	2,022,349
Total	<u>\$ 1,154,038,940</u>	<u>\$ 289,108,687</u>	<u>\$ (180,666,589)</u>	<u>\$ 1,262,481,038</u>	<u>\$ 77,217,349</u>

Payments on the general obligation bonds are made by the bond interest and redemption fund with property tax revenues which are used solely to repay the principal and interest due on these obligations. Payments on the emergency apportionment loan will be made primarily by the general fund.

**General Obligation Bonds**

The outstanding general obligation bonded debt is as follows:

Bond Issuance	Issuance Date	Final Maturity Date	Interest Rate	Original Issue
Election of 2006 - Series 2009 C	Jul-09	Aug-24	2.82%	\$ 26,320,000
Election of 2006 - Series 2012 B	Mar-12	Aug-33	6.88%	23,960,000
Election of 2012 - Series 2013	Sep-13	Aug-38	4.00-5.00%	120,000,000
Election of 2012 - Series 2015A	Aug-15	Aug-40	5.00%	173,500,000
2015 Refunding	Aug-15	Aug-30	5.00%	168,705,000
Election of 2006 - Series 2016A	Aug-16	Aug-41	4.00-5.00%	65,000,000
2016 Refunding	Aug-16	Aug-31	2.00-5.00%	155,780,000
2017 Refunding - Series A	May-17	Aug-25	4.00-5.00%	111,055,000
2017 Refunding - Series B	May-17	Aug-32	4.00-5.00%	24,155,000
2017 Refunding - Series C	May-17	Aug-38	4.00-5.00%	82,930,000
2017 Refunding - Series D	May-17	Aug-34	3.405-3.955%	75,420,000
2019 Series A	Aug-19	Aug-40	3.00-5.00%	160,000,000
2021 Series A	Oct-21	Aug-46	4.00-5.00%	150,240,000
2021 Refunding	Oct-21	Aug-40	0.455-2.974%	120,060,000
Election of 2020 Series 2023A	Nov-23	Aug-48	5.00-5.25%	172,900,000
Election of 2020 Series 2023B	Nov-23	Feb-24	5.70%	12,100,000
Series 2023A Refunding	Nov-23	Aug-40	5.00-5.25%	76,545,000
Series 2023B Refunding	Nov-23	Aug-35	5.70-6.05%	5,340,000

  

Bond Issuance	Bonds Outstanding July 1, 2023	Issued	Redeemed	Bonds Outstanding June 30, 2024
Election of 2006 - Series 2009 C	\$ 26,320,000	\$ -	\$ -	\$ 26,320,000
Election of 2006 - Series 2012 B	23,960,000	-	-	23,960,000
Election of 2012 - Series 2013	1,910,000	-	(1,910,000)	-
Election of 2012 - Series 2015A	52,030,000	-	(13,405,000)	38,625,000
2015 Refunding	104,230,000	-	(20,370,000)	83,860,000
Election of 2006 - Series 2016A	59,020,000	-	(5,045,000)	53,975,000
2016 Refunding	129,375,000	-	(27,270,000)	102,105,000
2017 Refunding - Series A	44,390,000	-	(15,595,000)	28,795,000
2017 Refunding - Series B	24,100,000	-	(6,430,000)	17,670,000
2017 Refunding - Series C	81,650,000	-	(17,565,000)	64,085,000
2017 Refunding - Series D	75,420,000	-	(20,465,000)	54,955,000
2019 Series A	160,000,000	-	(10,495,000)	149,505,000
2021 Series A	150,240,000	-	(7,175,000)	143,065,000
2021 Refunding	117,380,000	-	(1,190,000)	116,190,000
Election of 2020 Series 2023A	-	172,900,000	-	172,900,000
Election of 2020 Series 2023B	-	12,100,000	(12,100,000)	-
Series 2023A Refunding	-	76,545,000	-	76,545,000
Series 2023B Refunding	-	5,340,000	-	5,340,000
	<u>\$ 1,050,025,000</u>	<u>\$ 266,885,000</u>	<u>\$ (159,015,000)</u>	<u>\$ 1,157,895,000</u>

**Debt Service Requirements to Maturity**

The general obligation bonds mature through 2047 as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 75,195,000	\$ 49,996,836	\$ 125,191,836
2026	59,400,000	46,987,484	106,387,484
2027	61,365,000	44,034,723	105,399,723
2028	50,820,000	41,300,574	92,120,574
2029	51,945,000	38,794,255	90,739,255
2030-2034	302,830,000	153,476,248	456,306,248
2035-2039	263,430,000	89,695,531	353,125,531
2040-2044	178,845,000	42,830,391	221,675,391
2045-2048	114,065,000	12,553,000	126,618,000
Total	<u>\$ 1,157,895,000</u>	<u>\$ 519,669,042</u>	<u>\$ 1,677,564,042</u>

**Debt Refunding**

During November 2023, the District issued \$81,885,000 in general obligation bonds with an interest rate range of 5.0 percent to 6.05 percent to advance refund \$89,115,000 of General Obligation Bonds (Election of 2012), Series 2015A (the “2015A Bonds”), (b) 2015 General Obligation Refunding Bonds (the “2015 Refunding Bonds”), (c) General Obligation Bonds (Election of 2006), Series 2016A (the “2016A Bonds”), (d) 2016 General Obligation Refunding Bonds (the “2016 Refunding Bonds”), (e) General Obligation Refunding Bonds, (Measure B) 2017 Series B (the “2017B Refunding Bonds”), (f) General Obligation Refunding Bonds, (Measure J) 2017 Series C (the “2017C Refunding Bonds”), (g) General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable) (the “2017D Refunding Bonds”), and (h) General Obligation Bonds (Election of 2012), Series 2019A (the “2019A Bonds” and, together with the 2015A Bonds, the 2015 Refunding Bonds, the 2016A Bonds, the 2016 Refunding Bonds, the 2017B Refunding Bonds, the 2017C Refunding Bonds and the 2017D Refunding Bonds, the District’s outstanding 2016 Refunding Bonds (such bonds to be refunded herein referred to as the “Refunded Bonds”) and to set aside funds for the payment of interest for certain portions of the District’s outstanding 2016A Bonds; and (ii) pay costs of issuance of the Refunding Bonds.

The net proceeds of \$89,350,204 (including premiums of \$8,355,283 and costs of issuance of \$890,078) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the liability for the defeased bonds is not reported on the statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$6,227,909. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being credited to interest expense through the year 2042 on a straight-line basis. The District completed the advance refunding to reduce its total debt service payments over the next seventeen years by \$5,167,514 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3,545,161.



**State of California Emergency Apportionment Direct Borrowing Loan**

On January 3, 2003, Senate Bill 39, Chapter 14, Statutes of 2003, was enacted. This legislation provided an emergency apportionment loan to the District of \$100,000,000.

The California Department of Education authorized the State Administrator to use these funds to offset the cost of audit findings, technology enhancements and the associated loan payment of the drawdown. The legislation requires the District to repay the loan, including interest at a rate of 1.778%, which is the rate earned by the State’s Pooled Money Investment Account on the effective date of Senate Bill 39. The bill provides that the loan be repaid over a 20-year period.

Repayment of the loan commenced in 2003-04 and matures through 2026 as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 2,022,349	\$ 72,554	\$ 2,094,903
2026	2,058,302	36,598	2,094,900
	\$ 4,080,651	\$ 109,152	\$ 4,189,803

**Note 7 - Fund Balances**

Fund balances are composed of the following on June 30, 2024:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-major Governmental Funds	Total
<b>Nonspendable</b>					
Revolving cash	\$ 148,625	\$ -	\$ -	\$ -	\$ 148,625
Prepaid expenditures	403,054	-	-	-	403,054
Lease receivables	150,854	-	-	-	150,854
Total nonspendable	<u>702,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>702,533</u>
<b>Restricted</b>					
Purpose of the grant	132,764,738	-	-	-	132,764,738
Purpose of the local grant	30,010,577	-	-	-	30,010,577
Associated student body	1,148,498	-	-	-	1,148,498
Measure G programs	6,761,662	-	-	-	6,761,662
Measure G1 programs	7,933,598	-	-	-	7,933,598
Measure N programs	4,917,850	-	-	-	4,917,850
Measure H programs	7,236,764	-	-	-	7,236,764
Deferred maintenance	-	-	-	5,029,730	5,029,730
Adult education programs	-	-	-	609,084	609,084
Child nutrition programs	-	-	-	42,987,167	42,987,167
Child development programs	-	-	-	17,012,963	17,012,963
Capital projects	-	282,465,140	-	40,252,923	322,718,063
Debt service	-	-	131,063,958	-	131,063,958
Total restricted	<u>190,773,687</u>	<u>282,465,140</u>	<u>131,063,958</u>	<u>105,891,867</u>	<u>710,194,652</u>
<b>Assigned</b>					
Stale warrants	742,564	-	-	-	742,564
<b>Unassigned</b>					
Reserve for economic uncertainties	25,886,518	-	-	-	25,886,518
Remaining unassigned	89,947,003	-	-	-	89,947,003
Total unassigned	<u>115,833,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,833,521</u>
Total	<u>\$ 308,052,305</u>	<u>\$ 282,465,140</u>	<u>\$ 131,063,958</u>	<u>\$ 105,891,867</u>	<u>\$ 827,473,270</u>

**Note 8 - Risk Management**

**Property and Liability**

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, the District contracted with Northern California ReLiEF for property and liability insurance coverage. Northern California ReLiEF liability and property insurance coverage maintains a self-insurance retention of \$250,000 for property claims per occurrence and excess coverage of \$500,250,000 and \$100,000 for liability per occurrence and a \$1,000,000 excess coverage limit. The District pays an annual contribution to Northern California ReLiEF for its excess property and liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage to date.

**Workers' Compensation**

The District is permissibly self-insured for workers' compensation and maintains a \$500,000 per occurrence self-insurance retention. Above that level, the District purchases excess insurance to the statutory maximums. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Claims Liabilities**

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

**Unpaid Claims Liabilities**

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the District from July 1, 2022, to June 30, 2024:

	Self-Insurance
Liability Balance, June 30, 2022	\$ 41,108,360
Claims and changes in estimates	24,905,764
Claims payments	(22,674,777)
Liability Balance, June 30, 2023	43,339,347
Claims and changes in estimates	27,931,573
Claims payments	(26,840,787)
Liability Balance, June 30, 2024	\$ 44,430,133

**Note 9 - Employee Retirement Systems**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 277,060,204	\$ 87,124,973	\$ 30,556,525	\$ 39,572,246
CalPERS	242,648,731	82,461,120	4,423,050	37,850,084
Total	<u>\$ 519,708,935</u>	<u>\$ 169,586,093</u>	<u>\$ 34,979,575</u>	<u>\$ 77,422,330</u>

The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

**Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program; thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

### Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$49,691,231.

### Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 277,060,204
State's proportionate share of the net pension liability	<u>132,747,335</u>
Total	<u>\$ 409,807,539</u>

The net pension liability was measured as of June 30, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.3638% and 0.3851%, resulting in a net increase in the proportionate share of 0.3851%.

For the year ended June 30, 2024, the District recognized pension expense of \$39,572,246. In addition, the District recognized pension expense and revenue of \$18,057,305 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 49,691,231	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	12,871,164	15,732,399
Differences between projected and actual earnings on pension plan investments	1,185,930	-
Differences between expected and actual experience in the measurement of the total pension liability	21,772,368	14,824,126
Changes of assumptions	<u>1,604,280</u>	<u>-</u>
 Total	 <u>\$ 87,124,973</u>	 <u>\$ 30,556,525</u>

The deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments are amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (8,716,526)
2026	(13,660,327)
2027	22,448,699
2028	<u>1,114,084</u>
 Total	 <u>\$ 1,185,930</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (592,869)
2026	1,774,636
2027	2,581,412
2028	(55,684)
2029	592,249
Thereafter	1,391,543
Total	\$ 5,691,287

#### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.05%

### Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 464,746,384
Current discount rate (7.10%)	277,060,204
1% increase (8.10%)	121,164,956



**California Public Employees' Retirement System (CalPERS)**

**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013) and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	26.680%	26.680%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$34,468,106.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$242,648,731. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023, and June 30, 2022, respectively was 0.6703% and 0.6742%, resulting in a net decrease in the proportionate share of 0.0039%.

For the year ended June 30, 2024, the District recognized pension expense of \$37,850,084. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 34,468,106	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,040,992	696,322
Differences between projected and actual earnings on pension plan investments	25,918,354	-
Differences between expected and actual experience in the measurement of the total pension liability	8,854,938	3,726,728
Changes of assumptions	11,178,730	-
Total	\$ 82,461,120	\$ 4,423,050

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments are amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 4,834,783
2026	2,864,247
2027	17,412,720
2028	806,604
Total	\$ 25,918,354

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 8,311,206
2026	6,961,261
2027	2,379,143
2028	-
Total	\$ 17,651,610

**Actuarial Methods and Assumptions**

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (5.90%)	\$ 350,807,343
Current discount rate (6.90%)	242,648,731
1% increase (7.90%)	153,258,099

### **Social Security**

As established by Federal law, all public sector employees who are not members of either CalSTRS or CalPERS must be covered by social security or an alternative plan. The District has elected to use PARS as its alternative plan. Contributions made by the District and employee vest immediately. For employees who are members of CalPERS, the District and the employee each contribute 6.2% of the employee's gross earnings towards social security.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. The state contribution for fiscal year ending June 30, 2024 was \$21,233,157. The CalSTRS on behalf contribution is reported in the general fund as state revenue and pension expenditure.

## **Note 10 - Commitments and Contingencies**

### **Grants**

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, the District has been mindful of the potential adverse impact the improper use/spending of COVID-19 resources could have. Management of the District also believe that it has carefully managed its expenditures in ESSER and other one-time COVID-19 related funds as the risks of any disallowed claims could be impactful to the Unrestricted General Fund. In the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

### **Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

### **Health Benefits Obligation**

In October 2015, the District entered into an agreement with its employee unions setting up a coordinated bargaining process for health and welfare benefits to be conducted through a Health Benefits Governance Board (HBGB). The intention of the agreement is to provide stability and help manage benefits costs. The HBGB consists of representatives of each signatory union and the District. Section IV of the agreement defines a formula to annually calculate the District's responsibility to fund health and welfare benefits. In the opinion of management, any subsequent settlement of the HBGB formula will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

## **Note 11 - Participation in Joint Powers Authorities and Other Related Party Transactions**

### **Chabot Space and Science Center Joint Powers Authority**

The District participates in the Chabot Space and Science Center Joint Powers Authority (Chabot JPA), a joint powers authority established to provide quality science education to members of the Oakland community. The Chabot JPA board consists of representatives of the City of Oakland, the Oakland Unified School District, and the East Bay Regional Park District. The District appoints 3 members to the 23 member governing board. During the year ended June 30, 2024, the District made payments of \$6 thousand to the Chabot JPA.

### **Youth Ventures Joint Powers Authority**

The District participates in the Youth Ventures Joint Powers Authority (Youth Ventures), a joint powers authority established to promote the education, health, well-being, and economic viability of children, youth, and families within the County of Alameda. The Youth Ventures board consists of representatives of the City of Oakland, the Oakland Unified School District, and the County of Alameda. The District appoints 5 members to the 15 member governing board. During the year ended June 30, 2024, the District allowed Youth Ventures to use buildings and classroom space for operation of after school programs and made payments of \$150 thousand.

### **Northern California Regional Liability Excess Fund**

The District is a member of the Northern California Regional Liability Excess Fund (NCR). NCR is a non-profit member-owned and operated Joint Powers Authority (JPA) providing risk management services to California public schools. The District appointed one member to the 42 member governing board. The District made payments of \$3.8 million for risk management premiums.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements.

## **Note 12 - Subsequent Event**

The District is projected to face a budget deficit of \$95 million for the next fiscal year. The District's administration is currently evaluating various strategies to address this projected deficit; however, as of the date of this report, no definitive plans or actions have been implemented. The lack of corrective measures poses substantial risks to the financial stability of the District.

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Required Supplementary Information  
June 30, 2024

# Oakland Unified School District



Oakland Unified School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula (LCFF)	\$ 489,627,658	\$ 489,892,480	\$ 488,642,441	\$ (1,250,039)
Federal sources	109,836,611	139,358,432	119,708,453	(19,649,979)
Other State sources	122,422,819	174,218,910	162,984,035	(11,234,875)
Other local sources	87,096,328	105,469,111	116,570,052	11,100,941
Total revenues	<u>808,983,416</u>	<u>908,938,933</u>	<u>887,904,981</u>	<u>(21,033,952)</u>
<b>Expenditures</b>				
<b>Current</b>				
Certificated salaries	234,235,062	277,641,790	273,675,191	3,966,599
Classified salaries	120,883,304	137,948,845	142,198,143	(4,249,298)
Employee benefits	212,886,449	214,842,676	207,925,943	6,916,733
Books and supplies	77,128,733	63,606,039	36,929,332	26,676,707
Services and operating expenditures	146,081,769	204,565,763	182,122,682	22,443,081
Other outgo	7,622,086	12,486,309	5,583,530	6,902,779
Capital outlay	3,980,589	10,968,956	9,407,071	1,561,885
Debt service				
Debt service - principal	-	2,028,917	2,028,917	-
Debt service - interest and other	-	111,410	111,410	-
Total expenditures	<u>802,817,992</u>	<u>924,200,705</u>	<u>859,982,219</u>	<u>64,218,486</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,165,424</u>	<u>(15,261,772)</u>	<u>27,922,762</u>	<u>43,184,534</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>
Net Financing Sources (Uses)	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>
Net Change in Fund Balances	3,165,424	(18,261,772)	24,922,762	43,184,534
Fund Balance - Beginning	<u>283,129,543</u>	<u>283,129,543</u>	<u>283,129,543</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 286,294,967</u>	<u>\$ 264,867,771</u>	<u>\$ 308,052,305</u>	<u>\$ 43,184,534</u>

Oakland Unified School District  
Schedule of Changes in the District's Net Pension Liability  
Last ten fiscal years

Reporting date as of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>										
Proportion of the net pension liability (asset)	0.3638%	0.3851%	0.3790%	0.3650%	0.3410%	0.3594%	0.3799%	0.3575%	0.3467%	0.3470%
Proportionate share of the net pension liability (asset)	\$ 277,060,204	\$ 267,622,285	\$ 172,464,248	\$ 353,672,576	\$ 307,944,534	\$ 330,349,607	\$ 351,313,224	\$ 289,147,011	\$ 233,433,103	\$ 202,760,645
State's proportionate share of the net pension liability (asset)	132,747,335	134,024,194	86,777,321	182,318,255	168,004,302	189,140,600	207,833,936	164,606,236	123,460,378	122,435,631
Total	<u>\$ 409,807,539</u>	<u>\$ 401,646,479</u>	<u>\$ 259,241,569</u>	<u>\$ 535,990,831</u>	<u>\$ 475,948,836</u>	<u>\$ 519,490,207</u>	<u>\$ 559,147,160</u>	<u>\$ 453,753,247</u>	<u>\$ 356,893,481</u>	<u>\$ 325,196,276</u>
Covered payroll	<u>\$ 220,160,094</u>	<u>\$ 225,953,257</u>	<u>\$ 212,401,870</u>	<u>\$ 196,576,152</u>	<u>\$ 283,102,783</u>	<u>\$ 192,490,076</u>	<u>\$ 201,334,054</u>	<u>\$ 186,271,892</u>	<u>\$ 143,578,581</u>	<u>154,542,764</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	125.84%	118.44%	81.20%	179.92%	108.77%	171.62%	174.49%	155.23%	162.58%	131%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>CalPERS</b>										
Proportion of the net pension liability (asset)	0.6703%	0.6742%	0.6706%	0.6536%	0.6706%	0.6299%	0.7382%	0.6968%	0.6522%	0.6696%
Proportionate share of the net pension liability (asset)	\$ 242,648,731	\$ 231,978,516	\$ 136,364,150	\$ 200,538,722	\$ 195,440,841	\$ 167,950,475	\$ 176,224,617	\$ 137,626,784	\$ 96,126,834	\$ 76,017,581
Covered payroll	<u>\$ 117,946,082</u>	<u>\$ 104,345,334</u>	<u>\$ 98,732,029</u>	<u>\$ 96,082,262</u>	<u>\$ 125,876,874</u>	<u>\$ 94,834,299</u>	<u>\$ 94,133,345</u>	<u>\$ 88,281,274</u>	<u>\$ 84,140,175</u>	<u>70,293,104</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	205.73%	222.32%	138.12%	208.72%	155.26%	177.10%	187.21%	155.90%	114.25%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Oakland Unified School District  
Schedule of the District's Contributions  
Last ten fiscal years

Reporting date as of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>										
Contractually required contribution	\$ 49,691,231	\$ 42,050,578	\$ 38,231,291	\$ 34,302,902	\$ 33,614,522	\$ 46,089,133	\$ 27,776,318	\$ 25,327,824	\$ 19,117,248	\$ 14,343,738
Less contributions in relation to the contractually required contribution	49,691,231	42,050,578	38,231,291	34,302,902	33,614,522	46,089,133	27,776,318	25,327,824	19,117,248	14,343,738
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 260,163,513	\$ 220,160,094	\$ 225,953,257	\$ 212,401,870	\$ 196,576,152	\$ 283,102,783	\$ 192,490,076	\$ 201,334,054	\$ 186,271,892	\$ 143,578,581
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
<b>CalPERS</b>										
Contractually required contribution	\$ 34,468,106	\$ 29,922,921	\$ 23,905,516	\$ 20,437,530	\$ 18,947,422	\$ 22,735,881	\$ 14,728,715	\$ 13,073,239	\$ 10,461,331	\$ 9,904,140
Less contributions in relation to the contractually required contribution	34,468,106	29,922,921	23,905,516	20,437,530	18,947,422	22,735,881	14,728,715	13,073,239	10,461,331	9,904,140
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 129,190,802	\$ 117,946,082	\$ 104,345,334	\$ 98,732,029	\$ 96,082,262	\$ 125,876,874	\$ 94,834,299	\$ 94,133,345	\$ 88,281,274	\$ 84,140,175
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.70%	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

## **Note 1 - Purpose of Schedules**

### **Budgetary Comparison Schedules**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

### **Schedule of the District's Proportionate Share of the Net Pension Liability**

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the state's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

### **Schedule of the District's Contributions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

#### **Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuation for either CalSTRS or CalPERS.

#### **Changes in Assumptions**

There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

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Supplementary Information  
June 30, 2024

# Oakland Unified School District

Oakland Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
<b>U.S. Department of Education</b>			
Directly Funded from U.S. Department of Education			
Student Support and Academic Enrichment Program	84.424G	Not Available	\$ 359,945
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States	84.027	13379	8,712,271
Special Education Grants to States	84.027	15197	383,512
Special Education Preschool Grants	84.173	13430	203,840
Special Education Preschool Grants	84.173	13007	14,807
Special Education Preschool Grants	84.173	13431	<u>2,016</u>
Total Special Education Cluster			<u>9,316,446</u>
Title I Grants to Local Educational Agencies	84.010	14329	15,573,890
Title I Grants to Local Educational Agencies	84.010	15438	<u>4,474,210</u>
Subtotal			<u>20,048,100</u>
Education Stabilization Fund			
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15559	45,113,624
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	10155	21,618,649
COVID 19 - Governor's Emergency Education Relief (GEER II) Fund	84.425C	15619	189,446
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	15618	263,625
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15620	1,088,600
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15621	133,577
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15651	664,311
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425D	15652	3,676,818
COVID 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15566	<u>199,957</u>
Subtotal			<u>72,948,607</u>
Adult Education - Basic Grants to States	84.002	13978	23,965
Adult Education - Basic Grants to States	84.002	14508	138,446
Adult Education - Basic Grants to States	84.002	14109	<u>56,104</u>
Subtotal			<u>218,515</u>
Special Education-Grants for infants and Families	84.181	24314	207,411
Supporting Effective Instruction State Grants	84.367	14341	1,872,149
English Language Acquisition Grants	84.365	14346	1,445,548
Career and Technical Education -- Basic Grants to States	84.048	14891	511,031
Career and Technical Education -- Basic Grants to States	84.048	14894	623,409
Student Support and Academic Enrichment Program	84.424	15396	1,660,949
Twenty-First Century Community Learning Centers	84.287	14349	4,778,681
Indian Education Grants to Local Educational Agencies	84.060	10011	42,323
Passed Through San Francisco State University			
School Safety National Activities	84.184X	S184X230064	<u>264,660</u>
Total U.S. Department of Education			<u>114,297,774</u>

Oakland Unified School District  
Schedule of Expenditures of Federal Awards (continued)  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed through California Department of Education			
Child Care Development Fund Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	\$ 900,507
Subtotal			<u>900,507</u>
COVID 19 - Child Care and Development Block Grant	93.575	14551	53,197
COVID 19 - Child Care and Development Block Grant	93.575	10163	138,856
COVID 19 - Child Care and Development Block Grant	93.575	15640	42,031
Subtotal			<u>234,084</u>
Total Child Care Development Fund Cluster			<u>1,134,591</u>
Refugee and Entrant Assistance Discretionary Grants	93.576	24791	300,012
Directly Funded from U.S. Department of Health and Human Services			
Cooperative Agreements to Promote Adolescent Health through	93.079	Not Available	690,130
Demonstration Grants for Domestic Victims of Human Trafficking	93.327	Not Available	492,013
Total U.S. Department of Health and Human Services Human Services			<u>2,616,746</u>
<b>U.S. Department of Agriculture</b>			
Directly Funded by U.S. Department of Agriculture			
Farm to School Grant Program	10.575	Not Available	9,251
Passed Through California Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	13526	6,422,045
National School Lunch Program	10.555	13391	11,618,001
National School Lunch Program	10.555	13524	40,316
National School Lunch Program	10.555	15655	807,534
National School Lunch Program	10.555	15708	228,726
Total Child Nutrition Cluster			<u>19,116,622</u>
Passed Through California Department of Social Services			
Child and Adult Care Food Program (CACFP)	10.558	13393	7,843,818
Total U.S. Department of Agriculture			<u>26,960,440</u>
<b>Federal Communications Commission</b>			
Passed Through Universal Service Administrative Co.			
Emergency Connectivity Fund Program	32.009	144227	4,134,194
Total Federal Communications Commission			<u>4,134,194</u>
Total Federal financial assistance			<u>\$ 148,018,405</u>



Oakland Unified School District  
Schedule of Average Daily Attendance  
Year Ended June 30, 2024

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	10,999.72	11,029.52
Fourth through sixth	7,053.18	7,063.56
Seventh and eighth	4,017.59	4,012.70
Ninth through twelfth	8,109.61	8,022.34
Total Regular ADA	<u>30,180.10</u>	<u>30,128.12</u>
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.52	1.15
Fourth through sixth	12.06	11.40
Seventh and eighth	11.98	10.44
Ninth through twelfth	44.32	42.69
Total Special Education, Nonpublic, Nonsectarian Schools	<u>68.88</u>	<u>65.68</u>
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.41	0.41
Seventh and eighth	0.66	0.62
Ninth through twelfth	2.78	2.80
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	<u>3.85</u>	<u>3.83</u>
Total ADA	<u><u>30,252.83</u></u>	<u><u>30,197.63</u></u>

Oakland Unified School District

Schedule of Instructional Time

Year Ended June 30, 2024

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Actual Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	49,700	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		50,400	180	N/A	Complied
Grade 2		50,550	180	N/A	Complied
Grade 3		50,550	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		54,000	180	N/A	Complied
Grade 5		54,000	180	N/A	Complied
Grade 6		55,400	180	N/A	Complied
Grade 7		55,350	180	N/A	Complied
Grade 8		55,790	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		64,825	180	N/A	Complied
Grade 10		64,825	180	N/A	Complied
Grade 11		64,825	180	N/A	Complied
Grade 12		64,825	180	N/A	Complied

Oakland Unified School District

Schedule of Charter Schools

Year Ended June 30, 2024

Name of Charter School	Charter Number	Included in Audit Report
Achieve Academy	0780	Separate Report
American Indian Public Charter School II	0882	Separate Report
AIMS College Prep High	0765	Separate Report
AIMS College Prep Middle	0106	Separate Report
ARISE High School	0837	Separate Report
ASCEND Academy	1443	Separate Report
Aspire Berkley Maynard Academy	0726	Separate Report
Aspire College Academy	1577	Separate Report
Aspire Golden State College Preparatory Academy	1023	Separate Report
Aspire Lionel Wilson College Preparatory Charter Academy	0465	Separate Report
Aspire Monarch Academy	0252	Separate Report
Aspire Triumph Technology Academy	1663	Separate Report
Bay Area Technology School	0661	Separate Report
Downtown Charter Academy	1661	Separate Report
East Bay Innovation Academy	1620	Separate Report
Francophone Charter School of Oakland	1708	Separate Report
KIPP Bridge Academy	0938	Separate Report
Learning Without Limits	1442	Separate Report
Lighthouse Community Charter High School	0700	Separate Report
Lighthouse Community Charter School	0413	Separate Report
Lodestar: A Lighthouse Community Charter Public School	1783	Separate Report
LPS Oakland R&D Campus	1449	Separate Report
North Oakland Community Charter School	0302	Separate Report
Oakland Charter Academy	0014	Separate Report
Oakland Charter High School	0883	Separate Report
Oakland Military Institute College Preparatory Academy	0349	Separate Report
Oakland School for the Arts	0340	Separate Report
Oakland Unity High School	0510	Separate Report

Oakland Unified School District  
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
 Year Ended June 30, 2024

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Summarized below are the fund balance reconciliation between the unaudited actuals financial report and the audited GAAP basis financial statements:

	Self-Insurance Fund
Fund balance/net position, unaudited actuals	\$ 9,580,517
Increase (decrease) from	
Claims liability is full accrual	(44,430,133)
Allocation of net pension liability and deferrals	(1,432,119)
Fund balance/net position, per GAAP financial statements	\$ (36,281,735)

Oakland Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2024

	(Budget) 2025 <sup>1</sup>	2024	2023	2022
General Fund				
Revenues	\$ 767,173,234	\$ 887,904,981	\$ 881,470,975	\$ 740,312,490
Expenditures	867,368,978	859,982,219	747,944,345	698,379,094
Other uses and transfers out	3,000,000	3,000,000	5,900,000	5,478,895
Total expenditures and other uses	870,368,978	862,982,219	753,844,345	703,857,989
Increase/(Decrease) in Fund Balance	(103,195,744)	24,922,762	127,626,630	36,454,501
Ending Fund Balance	\$ 204,856,561	\$ 308,052,305	\$ 283,129,543	\$ 155,502,913
Available Reserves <sup>2</sup>	\$ 39,343,088	\$ 115,833,521	\$ 115,288,572	\$ 62,269,667
Available Reserves as a Percentage of Total Outgo	4.52%	13.42%	15.29%	8.85%
Long-term commitments				
Bonded debt	1,183,205,387	1,258,810,764	1,147,971,269	1,224,001,524
General Fund obligations				
State loan	2,058,302	4,080,651	6,067,671	11,842,548
Claims liability	44,430,133	44,430,133	43,339,347	41,108,360
Net pension liability	519,708,935	519,708,935	499,600,801	308,828,398
Other	3,583,219	9,126,390	6,075,503	9,886,302
Total direct district obligations	569,780,589	577,346,109	555,083,322	371,665,608
Total long-term commitments	\$ 1,752,985,976	\$ 1,836,156,873	\$ 1,703,054,591	\$ 1,595,667,132
K-12 Average Daily Attendance at P-2	30,057	30,253	29,893	29,379

The general fund balance has increased by \$152.5 million over the past two years. The fiscal year 2024-2025 budget at the first interim reporting period projects a decrease of \$103.2 million (33 percent). For a district this size, the State recommends available reserves of at least two percent of total General Fund expenditures, transfers out, and other uses (total outgo). The District has incurred an overall operating surplus over the past two years and anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$205.7 million over the past two years. Average daily attendance has increased by 874 over the past two years. ADA is expected to decrease for the fiscal year 2024-2025 as compared to the fiscal year 2023-2024 by 196.

<sup>1</sup> Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

Oakland Unified School District  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2024

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-major Governmental Funds
<b>Assets</b>								
Deposits and investments	\$ 447,532	\$ 25,838,785	\$ 36,236,949	\$ 2,446,825	\$ 20,829,594	\$ 12,123,734	\$ 6,367,028	\$ 104,290,447
Receivables	5,006	190,571	354,968	22,536	1,000,960	115,564	51,474	1,741,079
Due from other funds	1,249	734,770	84,666	3,000,000	7,259	5,902	-	3,833,846
Due from other governments	226,886	1,833,253	6,986,722	-	-	-	-	9,046,861
<b>Total assets</b>	<b>\$ 680,673</b>	<b>\$ 28,597,379</b>	<b>\$ 43,663,305</b>	<b>\$ 5,469,361</b>	<b>\$ 21,837,813</b>	<b>\$ 12,245,200</b>	<b>\$ 6,418,502</b>	<b>\$ 118,912,233</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 71,589	\$ 1,264,728	\$ 676,138	\$ 439,631	\$ 69,572	\$ 177,721	\$ 1,299	\$ 2,700,678
<b>Total liabilities</b>	<b>71,589</b>	<b>11,584,416</b>	<b>676,138</b>	<b>439,631</b>	<b>69,572</b>	<b>177,721</b>	<b>1,299</b>	<b>13,020,366</b>
<b>Fund Balances</b>								
<b>Restricted</b>								
Education programs	609,084	17,012,963	-	-	-	-	-	17,622,047
Child nutrition programs	-	-	42,987,167	-	-	-	-	42,987,167
Deferred maintenance	-	-	-	5,029,730	-	-	-	5,029,730
Capital projects	-	-	-	-	21,768,241	12,067,479	6,417,203	40,252,923
<b>Total fund balances</b>	<b>609,084</b>	<b>17,012,963</b>	<b>42,987,167</b>	<b>5,029,730</b>	<b>21,768,241</b>	<b>12,067,479</b>	<b>6,417,203</b>	<b>105,891,867</b>
<b>Total liabilities and fund balances</b>	<b>\$ 680,673</b>	<b>\$ 28,597,379</b>	<b>\$ 43,663,305</b>	<b>\$ 5,469,361</b>	<b>\$ 21,837,813</b>	<b>\$ 12,245,200</b>	<b>\$ 6,418,502</b>	<b>\$ 118,912,233</b>

Oakland Unified School District  
Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Nonmajor Governmental Funds  
June 30, 2024

	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-major Governmental Funds
<b>Revenues</b>								
Federal sources	\$ 218,515	\$ 1,225,668	\$ 26,286,381	\$ -	\$ -	\$ -	\$ -	\$ 27,730,564
State sources	3,184,163	33,055,365	7,171,383	-	-	1,500,000	-	44,910,911
Developer fees	-	-	-	-	2,361,746	-	-	2,361,746
Recoveries	-	-	-	-	-	2,867,232	-	2,867,232
Other local sources	36,471	10,595,215	1,703,859	269,408	915,665	(847,340)	3,499,886	16,173,164
<b>Total revenues</b>	<b>3,439,149</b>	<b>44,876,248</b>	<b>35,161,623</b>	<b>269,408</b>	<b>3,277,411</b>	<b>3,519,892</b>	<b>3,499,886</b>	<b>94,043,617</b>
<b>Expenditures</b>								
<b>Current</b>								
Instruction	2,667,709	19,492,728	-	-	-	-	-	22,160,437
Instruction-related activities								
Supervision of instruction	53,970	3,121,342	-	-	-	-	-	3,175,312
School site administration	1,031,815	2,462,757	-	-	-	-	-	3,494,572
Pupil services								
Food services	-	-	26,215,844	-	-	-	-	26,215,844
Administration								
All other administration	99,050	718,061	435,657	-	-	-	-	1,252,768
Plant services	-	923,361	-	-	-	-	3,220	926,581
Capital outlay	-	4,941,411	-	3,605,002	1,742,609	1,780,221	172,831	12,242,074
<b>Total expenditures</b>	<b>3,852,544</b>	<b>31,659,660</b>	<b>26,651,501</b>	<b>3,605,002</b>	<b>1,742,609</b>	<b>1,780,221</b>	<b>176,051</b>	<b>69,467,588</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(413,395)</b>	<b>13,216,588</b>	<b>8,510,122</b>	<b>(3,335,594)</b>	<b>1,534,802</b>	<b>1,739,671</b>	<b>3,323,835</b>	<b>24,576,029</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	3,000,000	-	-	-	3,000,000
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>
<b>Net Change in Fund Balances</b>	<b>(413,395)</b>	<b>13,216,588</b>	<b>8,510,122</b>	<b>(335,594)</b>	<b>1,534,802</b>	<b>1,739,671</b>	<b>3,323,835</b>	<b>27,576,029</b>
<b>Fund Balance - Beginning</b>	<b>1,022,479</b>	<b>3,796,375</b>	<b>34,477,045</b>	<b>5,365,324</b>	<b>20,233,439</b>	<b>10,327,808</b>	<b>3,093,368</b>	<b>78,315,838</b>
<b>Fund Balance - Ending</b>	<b>\$ 609,084</b>	<b>\$ 17,012,963</b>	<b>\$ 42,987,167</b>	<b>\$ 5,029,730</b>	<b>\$ 21,768,241</b>	<b>\$ 12,067,479</b>	<b>\$ 6,417,203</b>	<b>\$ 105,891,867</b>

See Notes to Supplementary Information

## **Note 1 - Purpose of Schedules**

### **Schedule of Expenditures of Federal Awards (SEFA)**

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (schedule) includes the federal award activity of the Oakland Unified School District (District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

The District has not elected to use the ten percent de minimus cost rate.

### **Schedule of Average Daily Attendance (ADA)**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

### **Schedule of Instructional Time**

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

### **Schedule of Charter Schools**

This schedule lists all charter schools chartered by the District, and displays information for each charter school on whether or not the charter school is included in the school district audit.



**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

**Schedule of Financial Trends and Analysis**

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern through the end of the next operating cycle.

**Nonmajor Governmental Funds Combining Schedules - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances**

These schedules are included to provide information regarding the individual funds included in the nonmajor Governmental Funds column on the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances.



Other Information  
June 30, 2024

# Oakland Unified School District

The Oakland Unified School District was established in 1855 and consists of an area comprising approximately 55 square miles. During the 2022-23 school year, the District operated 49 elementary schools, 11 middle schools, 12 high schools, 5 alternative schools, and 28 early childhood education centers. There were no boundary changes during the year.

**Governing Board**

Member	Office	Term Expires
District 1 – Benjamin “Sam” Davis	President	January 2025
District 2 – Jennifer Brouhard	Director	January 2027
District 3 – VanCedric Williams	Director	January 2025
District 4 – Mike Hutchinson	Vice President	January 2027
District 5 – Jorge Lerma	Director	January 2025
District 6 – Valarie Bachelor	Director	January 2027
District 7 – Clifford Thompson	Director	January 2025

**County Trustee**

Luz Cazares

**Administration**

Name	Title
Kyla Johnson-Trammell	Superintendent
Jenine Lindsey	General Counsel
Lisa Grant-Dawson	Chief Business Officer



Independent Auditor's Reports  
June 30, 2024

# Oakland Unified School District

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**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***

Board of Education  
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 governmental activities, each major fund, and the aggregate remaining fund information of Oakland Unified School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated December 13, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 District’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 District'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 District'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 District'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  
December 13, 2024



**Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Governing Board  
Oakland Unified School District  
Oakland, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Oakland Unified School District’s (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed name and date.

Menlo Park, California  
December 13, 2024

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## **Independent Auditor’s Report on State Compliance and on Internal Control Over State Compliance**

To the Governing Board  
Oakland Unified School District  
Oakland, California

### **Report on State Compliance**

#### ***Opinion on State Compliance***

We have audited Oakland Unified School District’s (District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District’s state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

#### ***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of Compliance 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 opinion. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District’s state programs.

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. 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, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
 School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
 Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 through 2024-006. Our opinion on State compliance is not modified with respect to these this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 through 2024-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Menlo Park, California  
December 13, 2024



Schedules of Findings and Questions Costs  
June 30, 2024

# Oakland Unified School District



**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 deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 9(a)	No

**Identification of Major Programs**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Twenty-First Century Community Learning Centers Program	84.287
Special Education Cluster (IDEA)	84.027, 84.027A, 84.173, 84.173A
Title I Grants to LEAs	84.010
COVID-19, Elementary and Secondary School Emergency Relief Fund	84.425C, 84.425D, 84.425U, 84.425W
Child Nutrition Cluster	10.555, 10.553
Child and Adult Care Food Program (CACFP)	10.558
Dollar threshold used to distinguish between type A and type B programs	\$3,000,000
Auditee qualified as low-risk auditee?	No

**State Compliance**

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

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**Section III – Federal Compliance Findings**

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None reported.

**Section IV – State Compliance Findings**

The following findings represent instances of noncompliance and questioned costs that are required to be reported by the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
40000	State Compliance
42000	Charter School Facility Grant Program
43000	Apprenticeship: Related and Supplemental Instruction
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Certification and Misassignments
72000	School Accountability Report Card

**2024-001      40000, 71000 – Teacher Certification**

**Criteria or Specific Requirements**

The State Audit Guide requires the auditor to “test to determine whether the teacher possessed a valid certification document.”

**Condition**

We identified Four teachers whom we were provided with insufficient information to determine if they possessed a valid certification document, as follows:

- Bret Harte Middle School (1)
- Oakland High School (2)
- Urban Promise Academy (1)

**Effect**

The District may not have fully complied with the specific requirements regarding teacher credentialing.

**Cause**

The District informed us that the challenge lies in hiring fully credentialed teachers in the region while.

**Questioned Costs**

The penalty calculation pursuant to *Education Code* section 45037 is \$801,63220, which is based the derived value of ADA and the 53 ADA generated by the teachers in question, as follows:

<u>School Name</u>	<u>Grade</u>	<u>Noncompliant ADA generated by the teacher</u>	<u>Derived Value of ADA</u>	<u>Questioned Costs</u>
Bret Harte Middle School	8	20	\$ 13,719	\$ 274,383
Oakland High School	12	15	\$ 16,313	247,957
Oakland High School	9	13	\$ 16,313	212,068
Urban Promise Academy	8	5	\$ 13,719	67,224
				<u>\$ 801,632</u>

**Repeat Finding**

No

**Recommendation**

We recommend that the District to evaluate its operational process and controls in this area.

**2024-002**

**40000 – Expanded Learning Opportunities Program, Pupil-to-Staff Ratio**

**Criteria or Specific Requirements**

According to the State Audit Guide, the District is required to maintain a pupil-to-staff member ratio of no more than 10 to 1 for transitional kindergarten and kindergarten pupils and no more than 20 to 1 for all other grades, pursuant to EC Section 46120(b)(2)(D).

**Condition**

We obtained and inspected documentation establishing compliance for 13 school sites with the following exceptions. Per the documentation that we were provided, the District maintained a pupil-to-staff ratio of 23.4 for grades 1-5 at East Oakland Pride Elementary, and a pupil-to-staff ratio of 23.67 for grades 9-12 at Oakland Tech High School.

**Effect**

The District may not have fully complied with the specific requirements regarding the pupil-to-staff ratio.

**Cause**

The District informed us that various logistical and operational challenges contributed to certain sites failing to meet the pupil-to-staff ratio requirements. Factors such as staffing and enrollment fluctuations, and resource allocation issues were cited as potential reasons.

**Questioned Costs**

No questioned costs associated with the finding.

**Repeat Finding**

No

**Recommendation**

We recommend the District to remind agencies operating the program of the requirements to follow District policy. We also recommend the District periodically monitor sites for compliance during the year.

**2024-003**

**40000, 72000 – School Accountability Report Card**

**Criteria or Specific Requirements**

EDC §35186(d) requires that a school district report quarterly summarized data on the nature and resolution of all complaints to the county superintendent of schools and the school district's governing board. The summaries shall be publicly reported quarterly at a regularly scheduled meeting of the school district's governing board.

**Condition**

The District did not provide the quarterly summaries described in the criteria paragraph. The condition is not specific to any single site.

**Effect**

Information contained in the SARC regarding complaints related to teacher misassignments or vacancies may be incomplete.

**Cause**

The District did not provide the quarterly summaries.

**Questioned Costs**

No questioned costs associated with the finding.

**Repeat Finding**

Yes, see finding 2023-002.

**Recommendation**

We recommend that the District appoint someone accountable for compliance in this area.

**2024-004      40000, 72000 – ASES Attendance Reporting****Criteria or Specific Requirements**

The District evidences student participation in the afterschool program by reporting attendance to the California Department of Education. The daily attendance is recorded for all the students attending the afterschool program on each school day the program operates.

**Condition**

We identified errors in the attendance reported to the CDE. The District operates an ASES afterschool program at over 60 schools. We sampled 11 ASES sites, and this condition applies to four of them. The District's monthly summary of total students served reported fewer days than those that were reported to the state, and therefore, the District overreported the total number of students served by 495, which is an error rate of 0.4% based on the audit sample.

**Effect**

Afterschool program attendance reported to the CDE may be less than 100% accurate.

**Cause**

In response to prior audit findings, the District transitioned to a new attendance accounting system for the afterschool program during the year. Although district management expects the new system will ultimately increase the accuracy of attendance reporting, there were challenges as the system was new this year.

**Questioned Costs**

No questioned costs associated with the finding.

**Repeat Finding**

Yes, see finding 2023-005.

**Recommendation**

We recommend the District continue implementing its new attendance accounting system for the afterschool program.

**2024-005      40000, 72000 – ASES Site Closures**

**Criteria or Specific Requirements**

According to the State Audit Guide, ASES afterschool programs must commence every day immediately upon the conclusion of the regular school day.

**Condition**

The District operates an ASES afterschool program at over 60 schools. We sampled 11 ASES sites and noted that the program was not offered on October 31, 2023, at Reach Academy Elementary, Coliseum College Prep Academy, and Sankofa United Elementary.

**Effect**

The ASES afterschool program may have been closed on specific school days at limited sites.

**Cause**

The District informed us that the afterschool program was closed for "afterschool teacher development."

**Questioned Costs**

No questioned costs are associated with the finding.

**Repeat Finding**

No.

**Recommendation**

We recommend that the District periodically remind lead agencies operating ASES afterschool programs about district policy.

**2024-006      40000, 72000 – Immunizations**

**Criteria or Specific Requirements**

The LEA audit guide requires us to verify if the District has specific information on file regarding the immunization records of pupils attending District schools.

**Condition**

We sampled 120 pupils at 29 sites. The noncompliance finding applies to two of the sampled pupils, for whom the District could not provide all the information necessary to establish full compliance.

**Effect**

The District may not be in full compliance with all immunization compliance requirements.



**Cause**

The District should have removed ADA for students who did not meet the immunization documentation requirements.

**Questioned Costs**

Questioned costs are \$28,211, the derived value of one ADA for grade K and one ADA for grade 7.

**Repeat Finding**

Yes, see finding 2023-006.

**Recommendation**

We suggest that management periodically monitor immunization compliance on a sample basis for timely identification of deviation from District policy.

Summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

***Federal Awards Findings***

**2023-001      50000 - Twenty-First Century Attendance Reporting**

**Federal Program Affected**

U.S. Department of Education, California Department of Education: Twenty-First Century Community Learning Centers, 84.287.

**Condition**

We sampled six schools and compared the attendance record for the entire school year from the Aeries attendance system to the CDE report. We identified errors in two schools for the attendance reported to the CDE.

**Recommendation**

We recommend that the District continue implementing its new attendance accounting system for the after-school program. Lessons learned from the year of implementation should be used to improve the process going forward.

**Current Status**

Resolved

***State Compliance Findings***

**2023-002      Code 40000, 72000 - School Accountability Report Card**

**Condition**

The District did not provide the quarterly summaries described in the criteria paragraph.

**Current Status**

See 2024-003

**2023-003      Code 40000, 72000 - Independent Study**

**Condition**

The independent study agreement did not sign in the required timeline.

**Recommendation**

We recommend that the District periodically revisit its procedures for compliance and remind site personnel of them.

**Current Status**

Resolved

**2023-004      Code 40000, 72000 - ASES Early Release**

**Condition**

District policy is to document the reason for "early release" with a "code" corresponding to a permissible basis per the District's established early release policy. However, our audit procedures identified that all sites did not use early-release codes.

**Recommendation**

We recommend that management responsible for compliance periodically remind site personnel of the District's policies and provide training as necessary. We suggest direction periodically monitor the attendance recording on a sample basis for timely identification of deviation from District policy.

**Current Status**

Resolved

**2023-005      Code 40000, 72000 - ASES Attendance Reporting**

**Condition**

We identified errors in the attendance reported to the CDE.

**Recommendation**

In response to prior audit findings, the District transitioned to a new attendance accounting system for the after-school program during the year. Although management of the District expects the new system will ultimately increase the accuracy of attendance reporting, there were challenges as the system was new this year. We recommend that the District continue implementing its new attendance accounting system for the after-school program. Lessons learned from the year of implementation should be used to improve the process going forward.

**Current Status**

See 2024-004

**2023-006 Code 40000, 72000 - Immunizations**

**Condition**

The District could not provide all the information necessary to establish full compliance.

**Recommendation**

We recommend that management responsible for compliance periodically remind site personnel of the District's policies and provide training as necessary. We also suggest that management periodically monitor immunization compliance on a sample basis for timely identification of deviation from District policy.

**Current Status**

See 2024-006

**2023-007 Code 40000, 72000 - Home to School Transportation Reimbursement**

**Condition**

The District did not have a plan adopted as per the requirement of on or before April 1, 2023.

**Recommendation**

There is no opt-option for District that do not adopt a plan. The District must, however, pay the amount back to the State and therefore the District reports an accounts payable for that amount.

**Current Status**

Resolved