



December 13, 2022

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, 2022, and have issued our report thereon dated December 13, 2022. 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 April 22, 2022, 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, 2022. 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, 2022.

### **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.

- The risk that management is in a position to override internal controls applies to most entities, including Oakland Unified School District.
- The risk that accounting transactions could be coded to an incorrect account string.
- State local control funding formula revenue is based on a complex funding formula. There is a risk in the District’s calculations of the State funding formula revenue accruals could be inaccurate.

## 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, other than the implementation of GASB Statement No. 87, Leases. 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 lease accounting discount rates is based the Treasury SLGS rates over the period of lease agreements with adjustment for the District's risk profile.
- Management's estimate of the pension benefits is based on actuarial valuations prepared in accordance with the methods prescribed by governmental accounting standards.
- Management's estimate of incurred but not reported claims liability is based on actuarial valuations prepared in accordance with the actuarial methods agreed between management of the District and the District's actuary.

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 12** describes the restatement related to the implementation of new accounting standards about leases.
- **Note 13** describes significant matters occurring subsequent to the balance sheet.
- **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 misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

Reductions of the amounts reported as the fair value of the District's investment portfolio, as required by GASB Statement No. 31 as follows: General fund \$4.7 million, Cafeteria Fund \$815 thousand, Building Fund \$7.1 million, Bond Interest and Redemption Fund \$3.2 million, and the aggregate remaining nonmajor funds \$1.8 million.

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.

General Fund accounts payable invoices that were received by the District after the accounts payable processing cutoff date for \$360 thousand were recorded in the fiscal year ending June 30, 2023 rather than June 30, 2022.

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2022, is an overstatement of the fund balance of the general fund of approximately \$360 thousand.

### **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 contains an emphasis of matter paragraph as a result of a change in accounting principles, GASB 87, *Leases*, was implemented impacting the July 1, 2021 beginning balance of the General Fund balance as presented in Note 12 of the financial statements.

Our independent auditor's report in accordance with the Uniform Guidance is modified because of internal control deficiencies and noncompliance described at 2022-006 in the in the schedule of findings and questioned costs.

Our independent auditor's report on State compliance is modified because of noncompliance described at 2022-007 through 2022-011 in the in the schedule of findings and questioned costs.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated December 13, 2022.

### **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.

## **Noncompliance with Laws and Regulations**

We have identified the matters involving noncompliance with laws and regulations that came to our attention during the course of the audit. Such instances of noncompliance are described in the schedule of findings and questioned costs to the 2022 financial statements.

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

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison schedule, schedule of changes in the district's net pension liability, and schedule of the district's pension contributions 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 auditing standards generally accepted in the United States of America, 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.

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, local education agency organization structure, schedule of average daily attendance, schedule of instructional time, schedule of charter schools, reconciliation of annual financial and budget report with audited financial statements, schedule of financial trends and analysis, and individual nonmajor fund financial statements 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

In accordance with audit standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

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.

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Menlo Park, California



Financial Statements  
June 30, 2022

# Oakland Unified School District



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Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	5
Government Wide Financial Statements	
Statement of Net Position .....	15
Statement of Activities.....	16
Government Fund Financial Statements	
Balance Sheet – Governmental Funds .....	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds – Self Insurance .....	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Self Insurance ...	22
Statement of Cash Flows – Proprietary Funds – Self Insurance .....	23
Notes to Financial Statements .....	24
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund .....	60
Schedule of Changes in the District’s Net Pension Liability.....	61
Schedule of the District’s Contributions .....	62
Note to Required Supplementary Information.....	63
Supplementary Information	
Schedule of Expenditures of Federal Awards .....	64
Local Education Agency Organization Structure.....	66
Schedule of Average Daily Attendance.....	67
Schedule of Instructional Time .....	68
Schedule of Charter Schools .....	69
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements .....	70
Schedule of Financial Trends and Analysis .....	71
Combining Balance Sheet – Nonmajor Governmental Funds .....	72
Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Nonmajor Governmental Funds.....	73
Notes to Supplementary Information.....	74
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results.....	87
Financial Statement Findings .....	88
Federal Compliance Finding.....	96
State Compliance Finding .....	98
Summary Status of Prior Year Financial Statement Findings.....	104

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## Independent Auditor's Report

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, 2022 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 District, as of June 30, 2022, 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.

#### *Adoption of New Accounting Standard*

As discussed in Note 12 to the financial statements, the District has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities and general fund as of July 1, 2021, to restate beginning net position and fund balance. Our opinions are not modified with respect to this matter.

### ***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, general fund budgetary comparison schedule, schedule of changes in the district's net pension liability, and schedule of the district's pension contributions 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 auditing standards generally accepted in the United States of America, 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*, local education agency organization structure, schedule of average daily attendance, schedule of instructional time, schedule of charter schools, reconciliation of annual financial and budget report with audited financial statements, schedule of financial trends and analysis, and individual nonmajor fund financial statements (accompanying supplementary information) 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 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, and 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
December 13, 2022

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, 2022. 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

- At June 30, 2022, assets and deferred outflow of resources totaled \$1,969 million. Liabilities and deferred inflows of resources were \$1,917 million. This results to a surplus net position of \$52.5 million.
- At June 30, 2022, the general fund available reserves were \$62.3 million, or 8.85% of total general fund expenditures. This is an improvement of \$11.1 million of 21.6% from June 30, 2021.
- For the year ending June 30, 2022, total general fund expenditures and other uses were \$703.9 million, which is an increase of \$69.4 million or 10.9% from the year ending June 30, 2021.
- For the year ending June 30, 2022, total general fund revenues were \$740.3 million, which is an increase of \$55.2 million or 8.1% from the year ending June 30, 2021. Much of the increase is due to COVID related State and Federal grants.
- The *restricted balance of the general fund* was \$67.5 million on June 30, 2022, an increase of \$15.2 million or 22.5% from June 30, 2021.
- Unrestricted general fund expenditures and transfers were \$408 million for the year ended June 30, 2022, an increase of \$24.4 million or 6% over expenditures of \$383 million the same period last year. The 2021-22 fiscal year, the District continued its in person operational practices, which included additional expenditures not only in staffing, but also all expenditure areas. In the prior year, the District's sites did not resume operations until April 2021.
- On a full accrual basis, the District's *net position* on June 30, 2022 is \$52.53 million, which is an improvement of \$116.3 million or over the June 30, 2021 deficit net position of \$(63.84) million. This amount includes long term assets such as capital assets, and long-term liabilities such as the state loan, general obligation bonds, self-insured claims, and pension. The unrestricted deficit net position improved from a deficit of \$(414.53) million to a deficit of \$(314.53) million, an improvement of \$100.0 million or 24.1%. The fluctuations are due to many factors, however the most significant is the change in the aggregate net pension liability. The aggregate net pension liability improved from \$(554.2) million on June 30, 2021, to \$(308.8) million on June 30, 2022. The improvement of \$245.4 million of 44.28% is primarily due to investment earning from CalSTRS and CalPERS during the prior fiscal year.

**The District as A Whole**

**Net Position**

The computation of the District's net position at June 30, 2022 and 2021 is presented in the table below:

**Table 1**

(Amounts in millions)	Governmental Activities	
	2022	2021
<b>Assets</b>		
Current and other assets	\$ 683.02	\$ 532.07
Capital assets	1,127.37	1,123.53
<b>Total assets</b>	<b>1,810.39</b>	<b>1,655.60</b>
Deferred outflows of resources	158.88	173.53
<b>Liabilities</b>		
Current liabilities	191.59	235.42
Long-term liabilities	1,503.00	1,625.69
<b>Total liabilities</b>	<b>1,694.58</b>	<b>1,861.12</b>
Deferred inflows of resources	222.15	31.85
<b>Net Position</b>		
Net investment in capital assets	270.49	243.80
Restricted	96.57	106.89
Unrestricted deficit	(314.53)	(414.53)
<b>Total net position</b>	<b>\$ 52.53</b>	<b>\$ (63.84)</b>

The total assets and deferred outflow of resources increased by \$140.14 million during the fiscal year. The total liabilities and deferred inflow of resources increased by \$23.77 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	
	2022	2021
Revenues		
Program revenues		
Charges for services and sales	\$ 6.34	\$ 4.47
Operating grants and contributions	268.70	261.17
General revenues		
Federal and State aid not restricted	237.64	228.83
Property taxes	355.01	349.49
Other general revenues	-	10.74
Total revenues	<u>867.69</u>	<u>854.70</u>
Expenses		
Instruction-related	514.90	561.36
Pupil services	66.37	61.67
Administration	42.49	34.76
Plant services	69.57	50.40
All other services	59.20	59.22
Other general expenses	(1.14)	-
Total expenses	<u>751.40</u>	<u>767.41</u>
Change in net position	<u>\$ 116.29</u>	<u>\$ 87.29</u>

For Fiscal Year 2021-21, the District's total revenue was \$867.69 million, an increase of \$12.99 million or 1.52%. The District's total expenses were \$751.40 million, a decrease of \$16.01 million or 2%.

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 16, the cost of all our governmental activities this year was \$752.5 million. The amount that our taxpayers ultimately financed for these activities through local taxes was \$477.5 million because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions in the amount of \$268.7 million and user charged for \$6.3 million. We paid for the remaining "public benefit" portion of our governmental activities with \$593.8 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	
	2022	2021
Instruction-related	\$ (287.80)	\$ (392.85)
Pupil services	(54.40)	(5.76)
Administration	(22.68)	(26.65)
Plant services	(66.02)	(49.05)
All other services	(46.60)	(27.47)
Total	\$ (477.49)	\$ (501.78)

**The District's Funds**

As the District completed this year, our governmental funds reported a combined fund balance of \$578.2 million, which is an increase of \$212.5 million from last year (Table 4).

**Table 4**

Governmental Fund	Balances and Activity			
	June 30, 2021 as Restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2022
General	\$ 119.50	\$ 740.31	\$ 703.86	\$ 155.95
Adult Education	1.61	2.89	3.20	1.30
Child Development	2.86	17.28	16.24	3.90
Cafeteria	27.65	22.89	22.07	28.46
Deferred Maintenance	2.34	4.84	0.91	6.27
Building	74.98	180.66	30.30	225.33
Capital Facilities	10.81	6.26	0.08	17.00
County School Facilities	10.09	3.78	2.27	11.60
Special Reserve Fund for Capital Outlay Projects	0.73	0.03	0.04	0.72
Bond Interest and Redemption	115.52	249.35	236.88	128.00
Total	<u>\$ 366.09</u>	<u>\$ 1,228.31</u>	<u>\$ 1,015.85</u>	<u>\$ 578.55</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 67.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2022, the District had \$1,124 in a broad range of capital assets including land, buildings, furniture, equipment, and right-to-use leased assets. This amount represents a net increase of \$3.84 or 0.34%, from last year (Table 5).

**Table 5**

(Amounts in millions)	Governmental Activities	
	2022	2021
Land and construction in progress	\$ 78.28	\$ 361.20
Buildings and improvements	1,040.06	757.02
Equipment	5.82	5.32
Leased assets	3.21	-
Total	<u>\$ 1,127.37</u>	<u>\$ 1,123.53</u>

**Long-Term Liabilities**

At the end of this year, the District had \$1,593 in long-term liabilities outstanding versus \$1,701 last year, a decrease of \$108 million or 6.37%. 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 obligations, including unamortized bond premiums, consisted of the following:

**Table 6**

(Amounts in millions)	Governmental Activities	
	2022	2021 as restated
Long-Term obligations		
General obligation bonds	\$ 1,112.17	\$ 981.10
Unamortized premiums	108.88	98.91
Leases	2.95	5.89
Emergency apportionment loan	11.84	17.52
Claims liability	41.11	39.59
Other	6.94	3.79
Aggregate net pension liability	308.83	554.21
Total	\$ 1,592.72	\$ 1,701.00

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 2021-2022 budget during June 2021. 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  
1000 Broadway, Suite 450  
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, 2022

	Governmental Activities
<b>Assets</b>	
Deposits and investments	\$ 592,177,688
Receivables	40,397,187
Due from other governments	47,372,541
Prepaid expenses	368,061
Lease receivables	2,702,565
Capital assets not depreciated	78,280,689
Capital assets, net of accumulated depreciation/amortization	1,049,090,715
Total assets	1,810,389,446
<b>Deferred Outflows of Resources</b>	
Deferred charge on refunding Pension related	33,490,820
	125,390,296
Total deferred outflows of resources	158,881,116
<b>Liabilities</b>	
Accounts payable	64,034,849
Interest payable	18,994,838
Unearned revenue	18,835,490
Long-term liabilities	
Portion due or payable within one year	
Claims	6,951,736
Compensated absences	3,385,237
Long term debt	79,385,067
Portion due or payable after one year	
Claims	34,156,624
Compensated absences	3,553,389
Long term debt	1,156,459,005
Aggregate net pension liability	308,828,398
Total liabilities	1,694,584,633
<b>Deferred Inflows of Resources</b>	
Pension related	219,448,811
Lease related	2,702,565
Total deferred inflows of resources	222,151,376
<b>Net Position</b>	
Net investment in capital assets	270,488,560
Restricted for	
Educational programs	67,517,001
Capital projects	593,118
Child nutrition programs	28,464,497
Unrestricted deficit	(314,528,623)
Total net position	\$ 52,534,553

Oakland Unified School District  
Statement of Activities  
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 395,271,870	\$ 5,824,046	\$ 174,742,374	\$ (214,705,450)
Instruction-related activities				
Supervision of instruction	72,660,942	247,948	35,520,468	(36,892,526)
Instructional library, media, and technology	2,429,107	30,548	484,578	(1,913,981)
School site administration	44,542,578	47,883	10,210,441	(34,284,254)
Pupil services				
Home-to-school transportation	15,903,097	-	1,103,935	(14,799,162)
Food services	22,799,145	4,525	2,431,867	(20,362,753)
All other pupil services	27,666,851	61,438	8,368,999	(19,236,414)
Administration				
Data processing	16,677,997	-	6,593,775	(10,084,222)
All other administration	25,808,466	31,760	13,182,893	(12,593,813)
Plant services	69,570,409	73,344	3,478,370	(66,018,695)
Ancillary services	15,893,927	19,568	12,582,377	(3,291,982)
Community services	311,470	-	-	(311,470)
Interest on long-term liabilities	37,396,484	-	-	(37,396,484)
Other outgo	5,601,212	-	-	(5,601,212)
Total governmental activities	<u>\$ 752,533,555</u>	<u>\$ 6,341,060</u>	<u>\$ 268,700,077</u>	<u>(477,492,418)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				191,339,633
Property taxes, levied for debt service				103,712,299
Taxes levied for other specific purposes				59,957,020
Federal and State aid not restricted to specific purposes				237,636,360
Interest and investment earnings				<u>1,146,420</u>
Subtotal, general revenues				<u>593,791,732</u>
Change in Net Position				116,299,314
Net Position - Beginning, as restated				<u>(63,764,761)</u>
Net Position - Ending				<u>\$ 52,534,553</u>

Oakland Unified School District  
Balance Sheet – Governmental Funds  
June 30, 2022

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Deposits and investments	\$ 153,526,432	\$ 227,077,026	\$ 127,788,684	\$ 64,890,107	\$ 573,282,249
Accounts receivables	34,159,803	380,428	212,232	4,318,420	39,070,883
Due from other funds	687,825	-	-	369,840	1,057,665
Grant receivables	42,919,880	-	-	4,452,661	47,372,541
Prepaid expenditures	-	268,061	-	-	268,061
Lease receivables	2,702,565	-	-	-	2,702,565
<b>Total assets</b>	<b>\$ 233,996,505</b>	<b>\$ 227,725,515</b>	<b>\$ 128,000,916</b>	<b>\$ 74,031,028</b>	<b>\$ 663,753,964</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
Accounts payables	\$ 23,651,759	\$ 2,333,014	\$ -	\$ 3,179,774	\$ 29,164,547
Due to other governments	3,300,171	-	-	-	3,300,171
Salaries and benefits	29,450,455	-	-	-	29,450,455
Due to other funds	1,438,980	55,371	-	687,825	2,182,176
Unearned revenue	17,949,662	-	-	885,828	18,835,490
<b>Total liabilities</b>	<b>75,791,027</b>	<b>2,388,385</b>	<b>-</b>	<b>4,753,427</b>	<b>82,932,839</b>
Deferred Inflows of Resources Related to leases	2,702,565	-	-	-	2,702,565
<b>Fund Balances</b>					
Nonspendable	150,000	268,061	-	-	418,061
Restricted	67,517,001	225,069,069	128,000,916	69,277,601	489,864,587
Assigned	25,566,245	-	-	-	25,566,245
Unassigned	62,269,667	-	-	-	62,269,667
<b>Total fund balances</b>	<b>155,502,913</b>	<b>225,337,130</b>	<b>128,000,916</b>	<b>69,277,601</b>	<b>578,118,560</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 233,996,505</b>	<b>\$ 227,725,515</b>	<b>\$ 128,000,916</b>	<b>\$ 74,031,028</b>	<b>\$ 663,753,964</b>

See Notes to Financial Statements

Oakland Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 For the year ending June 30, 2022

Total Fund Balance - Governmental Funds		\$ 578,118,560
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	1,629,294,010	
Accumulated depreciation is	(505,131,813)	
Net capital assets		1,124,162,197
Right-to-use leased assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of right-to-use leased assets is	11,002,995	
Accumulated amortization is	(7,793,788)	
Net right-to-use leased assets		3,209,207
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.		
		(18,994,838)
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.		
		(23,275,729)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources are from pensions		
		125,066,370
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to pensions		
		(218,895,957)
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.		
		33,490,820
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		
		(307,563,379)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	(1,221,053,848)	
Leases	(2,947,676)	
Compensated absences (vacations)	(6,938,626)	
Emergency apportionment loan	(11,842,548)	
Total long-term liabilities		(1,242,782,698)
Total net position - governmental activities		\$ 52,534,553

Oakland Unified School District  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
Year Ended June 30, 2022

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Local Control Funding Formula	\$ 413,048,352	\$ -	\$ -	\$ -	\$ 413,048,352
Federal sources	121,848,389	-	1,095,823	23,888,742	146,832,954
Other State sources	112,878,184	11,454	452,700	18,541,627	131,883,965
Other local sources	92,537,565	(4,352,062)	99,888,426	10,070,265	198,144,194
Total revenues	<u>740,312,490</u>	<u>(4,340,608)</u>	<u>101,436,949</u>	<u>52,500,634</u>	<u>889,909,465</u>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	404,990,879	-	-	13,442,379	418,433,258
Instruction-related activities					
Supervision of instruction	74,129,078	-	-	1,796,568	75,925,646
Instructional library, media, and technology	2,436,106	-	-	-	2,436,106
School site administration	43,360,999	-	-	2,917,974	46,278,973
Pupil services					
Home-to-school transportation	15,321,857	-	-	-	15,321,857
Food services	941,541	-	-	21,569,359	22,510,900
All other pupil services	30,238,740	-	-	-	30,238,740
Administration					
Data processing	16,437,901	-	-	-	16,437,901
All other administration	24,666,850	-	-	1,229,861	25,896,711
Plant services	58,256,093	2,188,085	-	348,347	60,792,525
Ancillary services	15,486,867	-	-	-	15,486,867
Community services	303,595	-	-	-	303,595
Other outgo	5,601,212	-	-	-	5,601,212
Enterprise services	66,554	-	-	-	66,554
Capital outlay	51,623	26,966,027	-	3,507,438	30,525,088
Debt service					
Principal	5,696,880	-	71,595,000	-	77,291,880
Interest and other	392,319	1,150,343	45,222,373	-	46,765,035
Total expenditures	<u>698,379,094</u>	<u>30,304,455</u>	<u>116,817,373</u>	<u>44,811,926</u>	<u>890,312,848</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>41,933,396</u>	<u>(34,645,063)</u>	<u>(15,380,424)</u>	<u>7,688,708</u>	<u>(403,383)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	5,478,895	5,478,895
Refunding debt	-	-	120,060,000	-	120,060,000
Proceeds from sale of bonds	-	185,000,000	27,857,892	-	212,857,892
Transfers out	(5,478,895)	-	-	-	(5,478,895)
Payment to refunding escrow agent	-	-	(120,060,000)	-	(120,060,000)
Net Financing Sources (Uses)	<u>(5,478,895)</u>	<u>185,000,000</u>	<u>27,857,892</u>	<u>5,478,895</u>	<u>212,857,892</u>
Net Change in Fund Balances	36,454,501	150,354,937	12,477,468	13,167,603	212,454,509
Fund Balance - Beginning, as Restated	119,048,412	74,982,193	115,523,448	56,109,998	365,664,051
Fund Balance - Ending	<u>\$ 155,502,913</u>	<u>\$ 225,337,130</u>	<u>\$ 128,000,916</u>	<u>\$ 69,277,601</u>	<u>\$ 578,118,560</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, 2022

Total net change in fund balances - Governmental Funds		\$ 212,454,509
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays 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 expenses in the Statement of Activities.		
This is the amount by which capital outlays exceed depreciation and amortization expenses in the period.		
Depreciation and amortization expenses	(36,353,250)	
Capital outlays	40,266,996	
Net expense adjustment		3,913,746
Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		
		(76,265)
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.		
		(387,831)
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.		
		36,011,076
Proceeds from the sale of general obligation bonds are a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
		(305,060,000)
Governmental funds report the effect of premiums, discounts, and the deferred charge on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.		
Premium on issuance recognized		(27,857,892)
Deferred amount on refunding recognized		6,685,598
Premium amortization		17,879,259
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
General obligation bonds		173,990,000
Emergency apportionment loan		5,673,993
Leases		(3,014,913)
Payments of debt on governmental funds are reductions of a liability on the entity-wide statements.		
		622,310
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.		
		1,580,671
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.		
		(6,114,947)
Change in net position of governmental activities		\$ 116,299,314

Oakland Unified School District  
Statement of Net Position – Proprietary Funds – Self Insurance  
June 30, 2022

	Governmental Activities - Internal Service Fund
<b>Assets</b>	
Current assets	
Cash	\$ 476,336
Cash equivalent county treasury pool	18,419,104
Excess carrier refunds	1,295,581
Due from other funds	1,124,511
Interest receivable	30,723
Prepaid expenses	100,000
Total assets	21,446,255
Deferred Outflows of Resources	
Pension related	323,926
<b>Liabilities</b>	
Current liabilities	
Salaries and benefits payable	1,601,771
Accounts payable	517,905
Claims liability	6,951,736
Total current liabilities	9,071,412
Noncurrent liabilities	
Claims liabilities	34,156,624
Net pension liability	1,265,019
Total noncurrent liabilities	35,421,643
Total liabilities	44,493,055
Deferred Inflows of Resources	
Pension related	552,855
<b>Net Position</b>	
Unrestricted deficit	(23,275,729)
Total net position (deficit)	\$ (23,275,729)



Oakland Unified School District

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Self Insurance  
Year Ended June 30, 2022

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	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues	
In-district premiums	<u>\$ 18,291,249</u>
Operating Expenses	
Claims	19,240,842
Excess insurance	3,327,189
Salaries and benefits	1,233,462
Supplies and materials	94,200
Other	<u>1,433</u>
Total operating expenses	<u>23,897,126</u>
Operating Income	<u>(5,605,877)</u>
Nonoperating income (expense)	
Fair market value adjustments	(649,842)
Interest income	<u>140,772</u>
Total nonoperating revenues (expenses)	<u>(509,070)</u>
Change in Net Position	(6,114,947)
Net Position (deficit) - Beginning	<u>(17,160,782)</u>
Net Position (deficit) - Ending	<u><u>\$ (23,275,729)</u></u>

Oakland Unified School District  
Statement of Cash Flows – Proprietary Funds – Self Insurance  
Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash receipts for insurance premiums	\$ 17,166,738
Cash payment for insurance claims and premiums	(21,222,882)
Cash payments to employees for services	(72,400)
Cash payments for supplies	(395,701)
Other operating cash payments	(101,433)
Net cash used for operating activities	<u>(4,625,678)</u>
Cash flows from investing activities	
Changes in fair value of cash equivalents	(649,842)
Interest on investments	153,389
Net cash used for investing activities	<u>(496,453)</u>
Net change in cash and cash equivalents	(5,122,131)
Cash and cash equivalents, beginning	<u>24,017,571</u>
Cash and cash equivalents, ending	<u><u>\$ 18,895,440</u></u>
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ (5,605,877)
Change in pension liability and related deferred inflows and outflows	(437,659)
Changes in assets and liabilities	
Receivables	(1,301,776)
Accrued liabilities	1,297,220
Net cash used for operating activities	<u><u>\$ (4,625,678)</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 2021-2022 school year, the District operated 48 K-5 elementary schools, 5 K-8 elementary schools, 1 grade 4-5 elementary school, 14 middle schools, 3 grades 6-12 schools, 8 grades 9-12 high schools, 11 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 on 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 1A), 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 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 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 changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. 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 entity-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.

### **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, 2022.

**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, 2021	Additions	Deductions	Balance June 30, 2022	Due in one year
\$ 6,550,795	\$ 3,773,068	\$ (3,385,237)	\$ 6,938,626	\$ 3,385,237

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:** The District is a lessee for its administrative offices at 1000 Broadway. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statement.

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 lease 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 lease 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 lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with noncurrent capital assets and lease liabilities are reported with long-term debt as current and noncurrent liabilities on the statement of net position.

**As Lessor:** The District is a lessor for three noncancellable buildings. Accordingly, the District recognizes a lease receivable and a deferred inflow of resources.

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 inflows of resources are 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 District uses the U.S. Treasury state and local government securities (SLGS) rates as the initial discount rate for leases with adjustment for applicable lease terms.

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.

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

As of June 30, 2022, 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.

**Change in Accounting Principles**

**GASB Statement Number 87** – As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

**Note 2 - Deposits and Investments**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 573,282,249
Proprietary funds	18,895,439
Total deposits and investments	\$ 592,177,688

Deposits and investments as of June 30, 2022, consist of the following:

Cash on hand and in banks	\$ 3,959,867
Cash with fiscal agent	476,336
Cash awaiting deposit	1,502,340
Cash in revolving	150,000
County treasury pool	586,089,145
Total deposits and investments	\$ 592,177,688

**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 548 days on June 30, 2022.

### **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, 2022.

### **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, 2022, the District's bank balance of \$19,676,434 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.



### Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. Deposits and withdrawals in the Alameda County investment pool are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments in the county pool at June 30, 2022 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

### Note 3 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021 as restated	Additions	Deductions	Balance June 30, 2022
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 17,701,767	\$ -	\$ -	\$ 17,701,767
Construction in progress	343,494,417	30,525,088	(313,440,583)	60,578,922
Total capital assets not being depreciated	361,196,184	30,525,088	(313,440,583)	78,280,689
Capital assets being depreciated				
Buildings and improvements	1,222,381,537	310,514,897	(61,500)	1,532,834,934
Furniture and equipment	17,298,542	1,664,599	(784,754)	18,178,387
Right-to-use lease, building	11,002,995	-	-	11,002,995
Total capital assets being depreciated	1,250,683,074	312,179,496	(846,254)	1,562,016,316
Total capital assets	1,611,879,258	342,704,584	(314,286,837)	1,640,297,005
Accumulated depreciation and amortization				
Buildings and improvements	(465,363,127)	(27,466,534)	52,685	(492,776,976)
Furniture and equipment	(11,979,213)	(1,092,928)	717,304	(12,354,837)
Right-to-use lease, building	(5,043,030)	(2,750,758)	-	(7,793,788)
Total accumulated depreciation	(482,385,370)	(31,310,220)	769,989	(512,925,601)
Governmental activities capital assets, net	<u>\$ 1,129,493,888</u>	<u>\$ 311,394,364</u>	<u>\$ (313,516,848)</u>	<u>\$ 1,127,371,404</u>

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

Governmental Activities	
Instruction	\$ 18,247,675
Supervision of instruction	3,170,860
Instructional library, media, and technology	101,738
School site administration	1,932,735
Home-to-school transportation	639,882
Food services	940,116
All other pupil services	1,262,852
Ancillary Services	646,773
Community Services	12,679
Data processing	1,081,517
All other administration	686,491
Plant services	<u>2,586,902</u>
Total depreciation and amortization expenses all activities	<u><u>\$ 31,310,220</u></u>

**Note 4 - Lease**

**Lessee Activities**

The District has accrued liabilities for its administrative offices at 1000 Broadway. The discount rate used in the calculation of the lease liability was 1.07 percent. The remaining liability for the lease is \$2,947,675 as of June 30, 2022. Right to use assets, net of accumulated amortization, for the lease is \$3,209,207 as of June 30, 2022. The District is required to make monthly principal and interest payments of \$250,696. Interest expense recognized on these leases was \$48,702 for the fiscal year ended June 30, 2022. Principal payments of \$2,945,043 were recognized in the year ended June 30, 2022. Final payment on these leases is currently expected in fiscal year 2024.

The changes in the District's leases during the year consisted of the following:

Balance July 1, 2021 as restated	Additions	Deductions	Balance June 30, 2022	Due in One Year
\$ 5,892,719	\$ -	\$ (2,945,043)	\$ 2,947,676	\$ 2,537,299

The District's schedule of future payments included in the measurement of the lease liability are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 2,537,299	\$ 18,717	\$ 2,556,016
2024	<u>410,376</u>	<u>549</u>	<u>410,925</u>
Total	<u><u>\$ 2,947,675</u></u>	<u><u>\$ 19,266</u></u>	<u><u>\$ 2,966,941</u></u>

### **Lessor Activities**

The District has accrued lease receivables for three building leases. The remaining receivable and deferred inflows of resources for these leases was \$2,702,565 as of June 30, 2022. Interest revenue recognized on these leases was \$115,678 for the year ended June 30, 2022. Principal receipts of \$52,322 were recognized as revenue during the fiscal year. Final receipt is expected in fiscal year 2042.

### **Regulated Leases**

The District has charter school facilities program use agreements with 14 charter organizations, as required by status. California Education Code (EC) Section 47614 was amended in November 2000, with the intent that public school facilities are shared among all public school pupils, including those in charter schools. EC 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. EC Section 47614(b)(1) states that school districts may charge a charter school a pro-rata share of the facilities 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.

### **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, 2022, between major and nonmajor governmental funds, and internal service funds are as follows:

- General fund receivable of \$31,556 from the adult education fund and \$656,269 from the cafeteria fund.
- Self-insurance fund receivable of \$1,124,511 from the general fund.
- Child development fund receivable of \$314,469 from the general fund.
- Special reserve for capital outlay fund receivable of \$55,371 from the building fund.

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, 2022, consisted of the following:

- The general fund transferred \$334,104 to the child development fund for funding its operating activities.
- The general fund transferred \$144,791 to the child development fund to move Oakland Fund Children & Youth and First 5 Alameda County balance from general fund to child development fund.
- The general fund transferred \$5,000,000 to deferred maintenance fund for annual contribution.

### Note 6 - Long-Term Debt

#### Summary

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

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due in One Year
Long-Term Debt					
General obligation bonds	\$ 981,100,000	\$ 305,060,000	\$ (173,990,000)	\$ 1,112,170,000	\$ 62,145,000
Unamortized debt premiums	98,905,215	27,857,892	(17,879,259)	108,883,848	8,927,891
Emergency apportionment- direct borrowing loan	17,516,541	-	(5,673,993)	11,842,548	5,774,877
<b>Total</b>	<b>\$ 1,097,521,756</b>	<b>\$ 332,917,892</b>	<b>\$ (197,543,252)</b>	<b>\$ 1,232,896,396</b>	<b>\$ 76,847,768</b>

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.

### **Series 2021 Bonds**

The District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$735,000,000 to finance specific school facility construction, repair and improvement projects pursuant to an election held on November 3, 2020 (2020 Measure Y). The Series 2021 Bonds were sold on October 20, 2021 and represent the first and second series of authorized bonds to be issued under the 2020 Measure Y and was issued to finance authorized projects. The Series 2021 bonds mature through fiscal year 2027 and have an interest rate range of 0.36% to 5.0% There is \$550,000,000 remaining unissued amount of the 2020 Measure Y following the issuance of the Series 2021 Bonds.

### **Refunding**

On October 20, 2021, the District issued \$120,060,000 in general obligation refunding bonds with an interest rate range of 0.455 percent to 3.115 percent to advance refund \$102,395,000 of Series 2015 A general obligation bonds with an interest rate of 5.00 percent. The net proceeds of \$119,194,091 (including costs of issuance \$866 thousand) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the 2015 Aeries A 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 of the new debt (\$119,194,091 placed with the escrow agent) and the net carrying amount of the old debt (\$109,336,680 of bond principal and unamortized bond premiums) in the amount of \$9,857,411. The advance refunding decreases the total debt service payments, inclusive of principal and interest, over the next 18 years by \$36,614,755.

**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 A	Mar-12	Aug-32	3.00-5.55%	31,040,000
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
2019 Series B	Aug-19	Aug-22	2.096-2.146%	15,000,000
2021 Series A	Oct-21	Aug-46	4.00-5.00%	150,240,000
2021 Series B	Oct-21	Aug-22	0.355-0.485%	34,760,000
2021 Refunding	Oct-21	Aug-40	0.455-2.974%	120,060,000

  

Bond Issuance	Bonds Outstanding July 1, 2021	Issued	Redeemed	Bonds Outstanding June 30, 2022
Election of 2006 - Series 2009 C	26,320,000	-	-	26,320,000
Election of 2006 - Series 2012 A	2,275,000	-	(1,010,000)	1,265,000
Election of 2006 - Series 2012 B	23,960,000	-	-	23,960,000
Election of 2012 - Series 2013	3,625,000	-	(75,000)	3,550,000
Election of 2012 - Series 2015A	164,495,000	-	(107,305,000)	57,190,000
2015 Refunding	126,750,000	-	(10,810,000)	115,940,000
Election of 2006 - Series 2016A	63,060,000	-	(1,980,000)	61,080,000
2016 Refunding	144,605,000	-	(7,105,000)	137,500,000
2017 Refunding - Series A	74,485,000	-	(14,430,000)	60,055,000
2017 Refunding - Series B	24,125,000	-	(10,000)	24,115,000
2017 Refunding - Series C	82,195,000	-	(265,000)	81,930,000
2017 Refunding - Series D	75,420,000	-	-	75,420,000
2019 Series A	160,000,000	-	-	160,000,000
2019 Series B	9,785,000	-	(6,285,000)	3,500,000
2021 Series A	-	150,240,000	-	150,240,000
2021 Series B	-	34,760,000	(24,715,000)	10,045,000
2021 Refunding	-	120,060,000	-	120,060,000
	<u>\$ 981,100,000</u>	<u>\$ 305,060,000</u>	<u>\$ (173,990,000)</u>	<u>\$ 1,112,170,000</u>

**Debt Service Requirements to Maturity**

The general obligation bonds mature through 2047 as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 62,145,000	\$ 52,009,133	\$ 114,154,133
2024	57,800,000	49,350,839	107,150,839
2025	80,325,000	46,002,374	126,327,374
2026	59,400,000	42,864,772	102,264,772
2027	57,635,000	40,005,260	97,640,260
2028-2032	273,580,000	155,960,340	429,540,340
2033-2037	253,900,000	73,634,334	327,534,334
2038-2042	196,890,000	28,803,311	225,693,311
2043-2047	70,495,000	7,336,700	77,831,700
Total	<u>\$ 1,112,170,000</u>	<u>\$ 495,967,063</u>	<u>\$ 1,608,137,063</u>

**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
2023	\$ 5,774,877	\$ 210,560	\$ 5,985,437
2024	1,987,020	107,883	2,094,903
2025	2,022,349	72,554	2,094,903
2026	2,058,302	36,598	2,094,900
	<u>\$ 11,842,548</u>	<u>\$ 427,595</u>	<u>\$ 12,270,143</u>

**Note 7 - Fund Balances**

Fund balances are composed of the following on June 30, 2022:

	General Fund	Building Funds	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Revolving cash	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Prepaid expenditures	-	268,061	-	-	268,061
Total nonspendable	<u>150,000</u>	<u>268,061</u>	<u>-</u>	<u>-</u>	<u>418,061</u>
<b>Restricted</b>					
Purpose of the grant	29,754,919	-	-	5,199,709	34,954,628
Purpose of the local grant	15,710,256	-	-	-	15,710,256
Associated student body	746,272	-	-	-	746,272
Measure G1 programs	8,894,808	-	-	-	8,894,808
Measure N programs	12,410,746	-	-	-	12,410,746
Deferred maintenance	-	-	-	6,271,877	6,271,877
Child nutrition programs	-	-	-	28,464,497	28,464,497
Capital projects	-	225,069,069	-	29,341,518	254,410,587
Debt services	-	-	128,000,916	-	128,000,916
Total restricted	<u>67,517,001</u>	<u>225,069,069</u>	<u>128,000,916</u>	<u>69,277,601</u>	<u>489,864,587</u>
<b>Assigned</b>					
Measure G Contribution	4,994,715	-	-	-	4,994,715
Supplemental and Concentration	17,057,451	-	-	-	17,057,451
State Dated Warrants	514,079	-	-	-	514,079
Enrollment Stabilization	3,000,000	-	-	-	3,000,000
Total assigned	<u>25,566,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,566,245</u>
<b>Unassigned</b>					
Reserve for economic uncertainties	30,797,412	-	-	-	30,797,412
Remaining unassigned	31,472,255	-	-	-	31,472,255
Total unassigned	<u>62,269,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,269,667</u>
Total	<u>\$ 155,502,913</u>	<u>\$ 225,337,130</u>	<u>\$ 128,000,916</u>	<u>\$ 69,277,601</u>	<u>\$ 578,118,560</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 of \$3,300,000 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, 2020, to June 30, 2022:

Liability Balance, June 30, 2020	\$ 42,601,756
Claims and changes in estimates	11,040,285
Claims payments	<u>(14,056,095)</u>
Liability Balance, June 30, 2021	39,585,946
Claims and changes in estimates	24,186,078
Claims payments	<u>(22,663,664)</u>
Liability Balance, June 30, 2022	<u><u>\$ 41,108,360</u></u>

**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, 2022, 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	\$ 172,464,248	\$ 89,357,170	\$ 161,705,351	\$ 17,844,922
CalPERS	136,364,150	36,033,126	57,743,460	15,239,525
Total	<u>\$ 308,828,398</u>	<u>\$ 125,390,296</u>	<u>\$ 219,448,811</u>	<u>\$ 33,084,447</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, 2020, 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 percent 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, 2022, 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	16.92%	16.92%
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, 2022, are presented above and the District's total contributions were \$38,231,291.

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

At June 30, 2022, 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:

Proportionate share of net pension liability	\$ 172,646,248
State's proportionate share of the net pension liability	<u>86,777,321</u>
Total	<u><u>\$ 259,423,569</u></u>

The net pension liability was measured as of June 30, 2021. 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, 2021 and June 30, 2020, respectively, was 0.3790 percent and 0.3650 percent, resulting in a net increase in the proportionate share of 0.0140 percent.

For the year ended June 30, 2022, the District recognized pension expense of \$17,844,922. In addition, the District recognized pension expense and revenue of \$2,968,979 for support provided by the State. At June 30, 2022, 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	\$ 38,231,291	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	26,257,496	6,927,898
Differences between projected and actual earnings on pension plan investments	-	136,423,662
Differences between expected and actual experience in the measurement of the total pension liability	432,032	18,353,791
Changes of assumptions	<u>24,436,351</u>	<u>-</u>
Total	<u><u>\$ 89,357,170</u></u>	<u><u>\$ 161,705,351</u></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
2023	\$ (34,643,429)
2024	(31,687,420)
2025	(32,473,793)
2026	(37,619,020)
Total	\$ (136,423,662)

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
2023	\$ 12,680,836
2024	12,191,740
2025	(1,293,468)
2026	1,068,887
2027	1,916,651
Thereafter	(720,456)
Total	\$ 25,844,190

### 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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
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 percent 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 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2021, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	13%	3.6%
Private equity	12%	6.3%
Fixed income	15%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

**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%)	\$ 351,075,482
Current discount rate (7.10%)	172,464,248
1% increase (8.10%)	24,220,335

**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, 2020 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, 2022, 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	22.91%	22.91%

**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, 2022, are presented above and the total District contributions were \$23,905,516.



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

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$136,364,150. The net pension liability was measured as of June 30, 2021. 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, 2021, and June 30, 2020, respectively was 0.6706 percent and 0.6536 percent, resulting in a net increase in the proportionate share of 0.0170 percent.

For the year ended June 30, 2022, the District recognized pension expense of \$15,239,525. At June 30, 2022 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	\$ 23,905,516	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	8,056,790	5,089,492
Differences between projected and actual earnings on pension plan investments	-	52,332,502
Differences between expected and actual experience in the measurement of the total pension liability	4,070,820	321,466
Changes of assumptions	-	-
	\$ 36,033,126	\$ 57,743,460
Total		

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
2023	\$ (13,124,946)
2024	(12,069,563)
2025	(12,583,307)
2026	(14,554,686)
Total	\$ (52,332,502)

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 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$5,448,556
2024	112,735
2025	1,035,023
2026	120,338
Total	\$ 6,716,652

**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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP-2016.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

#### Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. 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. 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 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 (6.15%)	\$ 229,929,104
Current discount rate (7.15%)	136,364,150
1% increase (8.15%)	58,685,161

### **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 percent 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, 2022 was \$24,372,886. 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 resources could have. Management of the District also believe that it has carefully managed its expenditures in ESSER and other one-time COVID 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, 2022.

### **Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management, 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, 2022.

### **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. If the District's financial obligations, as calculated per the HBGB formula, exceed the actual costs of benefits, such excess contributions are restricted for future health and welfare obligations. However, if actual benefits costs are greater than the District's financial obligations per the HBGB formula, those costs are first paid from restricted resources, and then are obligations of the signatory unions. In other words, the District's obligations to fund health and welfare costs are determined by the HBGB formula. The possible impact to the District's financial statements upon resolution of this matter is undeterminable as of June 30, 2022.

## **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, 2022, the District made no payments 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, 2022, the District allowed Youth Ventures to use buildings and classroom space for operation of after school programs in lieu of cash payments.

### **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. During the year ending June 30, 2022 the District made payments of \$3.3 million to NCR for insurance 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 - Restatement of Prior Year Net Position and Fund Balance**

As described in Note 1 under the sub-header "Change in Accounting Principles," as of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. As a result of the implementation of GASB 87, the District recognized a right to use lease assets, lease receivable, lease liability, and a deferred inflow of resources from leases. The effect of the implementation of GASB 87 is summarized in the following table:

	General Fund	Governmental Activities
Beginning fund balance/net position, previously reported on July 1, 2021	\$ 119,048,412	\$ (63,831,998)
Recognition of a right-to-use lease asset	-	5,959,956
Recognition of lease receivables	2,754,886	2,754,886
Recognition of a lease liability	-	(5,892,719)
Recognition of deferred inflows from leases	(2,754,886)	(2,754,886)
Beginning fund balance/net position, as restated on July 1, 2021	\$ 119,048,412	\$ (63,764,761)

**Note 13 - Subsequent events**

**Pension investments**

In July of 2022, CalPERS announced a net investment return of negative 6.1% for the fiscal year ending 2021-22. In August of 2022, CalSTRS announced a net investment return of negative 1.3% for the fiscal year ending 2021-22. This, along with the change in the CalPERS discount rate to 6.8%, will negatively impact the net pension liability in future reporting periods. As the investment pool experienced gains in the fiscal year 2021, resulting in a drastically reduced liability in the fiscal year 2022, the District expects the inverse to be true in the fiscal year 2023 as all gains were lost in the fiscal year 2022.

**Changes in interest rates**

As of July 31, 2022, the market value of the District's June 30, 2022 investment portfolio is 97.5 percent of the book value, or \$15.0 million unrealized market loss. Interest rates are expected to increase further, and it is expected as of the report date that the market value will likely decline further. The District's practice is to buy and hold investments until maturity; this minimizes the risk of loss for investment principal due to lower market values.

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Required Supplementary Information  
June 30, 2022

# Oakland Unified School District



Oakland Unified School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances - Positive (Negative)
	Original	Final		Final to Actual
<b>Revenues</b>				
Local Control Funding Formula	\$401,609,688	\$415,799,513	\$413,048,352	\$ (2,751,161)
Federal sources	43,054,574	247,125,261	121,848,389	(125,276,872)
Other State sources	81,623,253	110,823,017	112,878,184	2,055,167
Other local sources	77,363,952	87,652,717	92,537,565	4,884,848
Total revenues	<u>603,651,467</u>	<u>861,400,508</u>	<u>740,312,490</u>	<u>(121,088,018)</u>
<b>Expenditures</b>				
Current				
Certificated salaries	217,567,400	242,750,888	236,679,102	6,071,786
Classified salaries	97,883,135	112,362,398	113,263,382	(900,984)
Employee benefits	188,555,469	188,881,379	176,203,050	12,678,329
Books and supplies	88,489,826	71,882,651	39,536,152	32,346,499
Services and operating expenditures	81,168,619	131,857,371	121,074,510	10,782,861
Other outgo	12,196,968	10,182,338	4,371,349	5,810,989
Capital outlay	985,076	2,032,940	1,162,350	870,590
Debt service				
Debt service - principal	5,696,880	5,696,880	5,696,880	-
Debt service - interest and other	392,319	392,319	392,319	-
Total expenditures	<u>692,935,692</u>	<u>766,039,164</u>	<u>698,379,094</u>	<u>67,660,070</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(89,284,225)</u>	<u>95,361,344</u>	<u>41,933,396</u>	<u>(53,427,948)</u>
<b>Other Financing Sources (Uses)</b>				
Other Sources	25,000	25,000	-	(25,000)
Transfers out	(5,000,000)	(5,144,790)	(5,478,895)	(334,105)
Net financing sources (uses)	<u>(4,975,000)</u>	<u>(5,119,790)</u>	<u>(5,478,895)</u>	<u>(359,105)</u>
Net Change in Fund Balances	(94,259,225)	90,241,554	36,454,501	(53,787,053)
Fund Balance - Beginning, as restated	<u>119,048,412</u>	<u>119,048,412</u>	<u>119,048,412</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 24,789,187</u>	<u>\$ 209,289,966</u>	<u>\$ 155,502,913</u>	<u>\$ (53,787,053)</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>								
Proportion of the net pension liability (asset)	0.3790%	0.3650%	0.3410%	0.3594%	0.3799%	0.3575%	0.3467%	0.3470%
Proportionate share of the net pension liability (asset)	\$ 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)	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	\$ 259,241,569	\$ 535,990,831	\$ 475,948,836	\$ 519,490,207	\$ 559,147,160	\$ 453,753,247	\$ 356,893,481	\$ 325,196,276
Covered payroll	\$ 212,401,870	\$ 196,576,152	\$ 283,102,783	\$ 192,490,076	\$ 201,334,054	\$ 186,271,892	\$ 143,578,581	154,542,764
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	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	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	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)	0.6706%	0.6536%	0.6706%	0.6299%	0.7382%	0.6968%	0.6522%	0.6696%
Proportionate share of the net pension liability (asset)	\$ 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	\$ 98,732,029	\$ 96,082,262	\$ 125,876,874	\$ 94,834,299	\$ 94,133,345	\$ 88,281,274	\$ 84,140,175	70,293,104
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	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	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

*Note* : In the future, as data becomes available, ten years of information will be presented.

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

	2022	2021	2020	2019	2018	2017	2016	2015
<b>CalSTRS</b>								
Contractually required contribution	\$ 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	<u>38,231,291</u>	<u>34,302,902</u>	<u>33,614,522</u>	<u>46,089,133</u>	<u>27,776,318</u>	<u>25,327,824</u>	<u>19,117,248</u>	<u>14,343,738</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<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>
Contributions as a percentage of covered payroll	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>
<b>CalPERS</b>								
Contractually required contribution	\$ 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	<u>23,905,516</u>	<u>20,437,530</u>	<u>18,947,422</u>	<u>22,735,881</u>	<u>14,728,715</u>	<u>13,073,239</u>	<u>10,461,331</u>	<u>9,904,140</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<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>
Contributions as a percentage of covered payroll	<u>22.910%</u>	<u>20.70%</u>	<u>19.72%</u>	<u>18.06%</u>	<u>15.53%</u>	<u>13.89%</u>	<u>11.85%</u>	<u>11.77%</u>

Note : In the future, as data becomes available, ten years of information will be presented.

## **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.

### **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, 2022

# Oakland Unified School District

Oakland Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education-Grants for infants and Families	84.181	24314	205,411
Special Education Cluster (IDEA)			
Special Education Grants to States (IDEA, Part B)	84.027	13379	\$ 8,418,739
Special Education Grants to States (IDEA, Part B)	84.027	15197	412,668
Special Education Preschool Grants (IDEA Preschool)	84.173	13430	205,824
Special Education Preschool Grants (IDEA Preschool)	84.173	13007	17,777
Special Education Preschool Grants (IDEA Preschool)	84.173	13431	2,545
Total Special Education Cluster (IDEA)			9,057,553
School Improvement Grants	84.377	15248	397,932
Title I Grants to Local Educational Agencies (LEAs)			
Title I Grants to LEAs	84.010	14329	19,460,266
Title I, ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	3,238,175
Total Title I Grants to Local Educational Agencies			22,698,441
Supporting Effective Instruction State Grant	84.367	14341	2,749,772
Title III, English Language Acquisition State Grants			
English Language Acquisition Grants	84.365	14346	1,400,349
English Language Acquisition Grants	84.365	15146	89,275
Total English Language Acquisition Grants			1,489,624
Education Stabilization Fund			
COVID-19, Elementary and Secondary School Emergency Relief (ESSER I) Fund	84.425D	15536	3,196,846
COVID-19, Elementary and Secondary School Emergency Relief (ESSER) Fund			
California Community Schools Partnership Program	84.425D	15537	1,527,863
COVID-19, Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	15547	29,173,180
COVID-19 Education Stabilization Fund - ESSER II	84.425D	15618	171,225
COVID-19, Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15559	29,256,239
COVID-19, ESSER III State Reserve Afterschool programs	84.425D	15649	8,060,700
COVID-19, American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	36,477
COVID-19, Governor's Emergency Education Relief (GEER I and II) Fund	84.425C	15517	14,539
Total Education Stabilization Fund			71,437,069
Adult Education - Basic Grants to States	84.002	13978	40,408
Adult Education - Basic Grants to States	84.002	14508	117,641
Adult Education - Basic Grants to States	84.002	14109	28,560
Total Adult Education - Basic Grants to States			186,609

Oakland Unified School District  
Schedule of Expenditures of Federal Awards (continued)  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	14891	428,931
Career and Technical Education -- Basic Grants to States	84.048	14894	389,508
Title IX, Part A, McKinney-Vento Homeless Assistance Grants	84.196	14332	2,042
Student Support and Academic Enrichment Grants	84.424	15396	857,270
Twenty-First Century Community Learning Centers	84.287	14349	4,735,127
Indian Education Grants to LEAs	84.060	10011	<u>38,688</u>
Total U.S. Department of Education			<u>114,673,977</u>
Federal Communication Commission COVID-19, Emergency Connectivity Fund	32.009		<u>6,315,311</u>
U.S. Department of Health and Human Services Passed through California Department of Education			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	735,613
COVID 19 - Child Care and Development Block Grant	93.575	15555	<u>19,772</u>
Child Care Development Fund Cluster			<u>755,385</u>
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079		512,067
Demonstration Grants for Domestic Victims of Human Trafficking	93.327		377,218
Refugee and Entrant Assistance Discretionary Grants	93.576	24791	111,324
DOJ COPS SVPP Schools Violence Prevention			<u>41,292</u>
Total U.S. Department of Health and Human Services Human Services			<u>1,797,286</u>
U.S. Department of Agriculture Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391/13396	18,962,574
SNP COVID-19 Emergency Operational Costs Reimbursement	10.555	15637	<u>8,971</u>
Total Child Nutrition Cluster			18,971,545
Passed Through California Department of Social Services Child and Adult Care Food Program (CACFP)	10.558	13393	<u>2,837,291</u>
Total U.S. Department of Agriculture			<u>21,808,836</u>
Total Federal financial assistance			<u>\$ 144,595,410</u>



The Oakland Unified School District was established in 1855 and consists of an area comprising approximately 55 square miles. During the 2021-21 school year, the District operated 51 elementary schools, 11 middle schools, 16 high schools, 3 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	Vice President	January 2025
District 2 – Aimee Eng	Director	January 2023
District 3 – VanCedric Williams	Director	January 2025
District 4 – Gary Yee	President	January 2023
District 5 – Mike Hutchinson	Director	January 2025
District 6 – Kyra Mungia	Director	January 2023
District 7 – Clifford Thompson	Director	January 2025

**County Trustee**

Luz Cazares

**Administration**

Name	Title
Kyla Johnson-Trammell	Superintendent
Joshua Daniels	General Counsel
Lisa Grant-Dawson	Chief Business Officer

Oakland Unified School District  
Schedule of Average Daily Attendance  
Year Ended June 30, 2022

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	10,495.09	10,478.84
Fourth through sixth	7,021.34	6,999.27
Seventh and eighth	3,929.07	3,916.52
Ninth through twelfth	7,823.72	7,787.57
Total Regular ADA	<u>29,269.22</u>	<u>29,182.20</u>
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	3.29	2.91
Fourth through sixth	11.53	10.49
Seventh and eighth	17.03	16.20
Ninth through twelfth	70.39	65.85
Total Special Education, Nonpublic, Nonsectarian Schools	<u>102.24</u>	<u>95.45</u>
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.10	0.10
Seventh and eighth	0.36	0.36
Ninth through twelfth	0.27	0.27
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	<u>0.73</u>	<u>0.73</u>
Community Day School		
Seventh and eighth	0.92	1.18
Ninth through twelfth	5.54	5.75
Total Community Day School	<u>6.46</u>	<u>6.93</u>
Total ADA	<u><u>29,378.65</u></u>	<u><u>29,285.31</u></u>

Oakland Unified School District

Schedule of Instructional Time

Year Ended June 30, 2022

Grade Level	1986-1987 Minutes Requirement	2021-2022 Actual Minutes	Number of Actual Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	49,860	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		50,484	180	N/A	Complied
Grade 2		50,880	180	N/A	Complied
Grade 3		50,880	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		54,020	180	N/A	Complied
Grade 5		54,020	180	N/A	Complied
Grade 6		56,552	180	N/A	Complied
Grade 7		56,552	180	N/A	Complied
Grade 8		55,030	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		64,800	180	N/A	Complied
Grade 10		64,800	180	N/A	Complied
Grade 11		64,800	180	N/A	Complied
Grade 12		64,800	180	N/A	Complied

Oakland Unified School District

Schedule of Charter Schools

Year Ended June 30, 2022

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, 2022

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

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Funds	Self-Insurance Fund
Fund balance/net position, unaudited actuals	\$ 160,141,874	\$ 232,455,031	\$ 131,168,429	\$ 71,309,152	\$ 19,903,939
Increase (decrease) from					
Investments are reported at fair value	(4,638,961)	(7,117,901)	(3,167,513)	(2,031,551)	(577,360)
Claims liability is full accrual	-	-	-	-	(41,108,360)
Allocation of net pension liability and deferrals	-	-	-	-	(1,493,948)
Fund balance/net position, per GAAP financial statements	<u>\$ 155,502,913</u>	<u>\$ 225,337,130</u>	<u>\$ 128,000,916</u>	<u>\$ 69,277,601</u>	<u>\$ (23,275,729)</u>

Oakland Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2022

	(Budget) 2023 <sup>1</sup>	2022	2021	2020
General Fund				
Revenues	\$ 706,248,044	\$ 740,312,490	\$684,037,011	\$583,829,663
Other sources	15,000	-	1,114,817	264,067
Total Revenues and Other Sources	706,263,044	740,312,490	685,151,828	584,093,730
Expenditures	743,222,481	698,379,094	634,460,252	590,368,577
Other uses and transfers out	3,000,000	5,478,895	-	886,044
Total Expenditures and Other Uses	746,222,481	703,857,989	634,460,252	591,254,621
Increase/(Decrease) in Fund Balance	(39,959,437)	36,454,501	50,691,576	(7,160,891)
Ending Fund Balance	115,543,476	155,502,913	\$119,048,412	\$68,356,836
Available Reserves <sup>2</sup>	\$ 53,041,722	\$ 62,269,667	\$51,211,421	\$25,688,419
Available Reserves as a Percentage of Total Outgo	7.11%	8.85%	8.07%	4.34%
Long-term commitments				
Bonded debt	1,149,980,957	1,224,001,524	1,080,005,215	1,131,058,106
Direct district obligations				
State loan	6,067,671	11,842,548	17,516,541	23,091,412
Claims liability	41,108,360	41,108,360	39,585,946	42,601,756
Net pension liability	308,828,398	308,828,398	554,211,298	503,385,375
Other	3,963,766	9,886,302	9,680,587	6,008,646
Total direct district obligations	359,968,195	371,665,608	620,994,372	575,087,189
Total Long-term Commitments	\$ 1,509,949,152	\$ 1,595,667,132	\$ 1,700,999,587	\$ 1,706,145,295
K-12 Average Daily Attendance at P-2	33,878	29,379	33,699	33,699

The general fund balance has increased by \$87.1 million over the past two years. The fiscal year 2021-2022 budget at the first interim reporting period projects a decrease of \$40.0 million (26 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 2021-2022 fiscal year. Total long-term liabilities have decreased by \$119 million over the past two years.

Average daily attendance has decreased by 4,320 over the past two years. ADA is expected to increase for the fiscal year 2021-2022 as compared to the fiscal year 2020-2021 by 4,499.

<sup>1</sup> Financial information for 2023, 2021, and 2020 are included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances in the General Fund.

Oakland Unified School District  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2022

	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 Nonmajor Governmental Funds
<b>Assets</b>								
Deposits and investments	\$ 759,306	\$ 4,188,683	\$ 26,011,411	\$ 6,265,471	\$ 15,279,337	\$ 11,673,215	\$ 712,684	\$ 64,890,107
Receivables	1,211	368,317	1,712,434	6,406	2,209,430	19,433	1,189	4,318,420
Due from other funds	-	314,469	-	-	-	-	55,371	369,840
Due from other governments	677,252	1,501,274	2,274,135	-	-	-	-	4,452,661
<b>Total assets</b>	<b>\$ 1,437,769</b>	<b>\$ 6,372,743</b>	<b>\$ 29,997,980</b>	<b>\$ 6,271,877</b>	<b>\$ 17,488,767</b>	<b>\$ 11,692,648</b>	<b>\$ 769,244</b>	<b>\$ 74,031,028</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	103,861	1,589,558	877,214	-	481,381	83,859	43,901	3,179,774
Due to other funds	31,556	-	656,269	-	-	-	-	687,825
Unearned revenue	-	885,828	-	-	-	-	-	885,828
<b>Total liabilities</b>	<b>135,417</b>	<b>2,475,386</b>	<b>1,533,483</b>	<b>-</b>	<b>481,381</b>	<b>83,859</b>	<b>43,901</b>	<b>4,753,427</b>
<b>Fund Balances</b>								
<b>Restricted</b>								
Education programs	1,302,352	3,897,357	-	-	-	-	-	5,199,709
Child nutrition programs	-	-	28,464,497	-	-	-	-	28,464,497
Deferred maintenance	-	-	-	6,271,877	-	-	-	6,271,877
Capital outlay	-	-	-	-	17,007,386	11,608,789	725,343	29,341,518
<b>Total fund balances</b>	<b>1,302,352</b>	<b>3,897,357</b>	<b>28,464,497</b>	<b>6,271,877</b>	<b>17,007,386</b>	<b>11,608,789</b>	<b>725,343</b>	<b>69,277,601</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 1,437,769</b>	<b>\$ 6,372,743</b>	<b>\$ 29,997,980</b>	<b>\$ 6,271,877</b>	<b>\$ 17,488,767</b>	<b>\$ 11,692,648</b>	<b>\$ 769,244</b>	<b>\$ 74,031,028</b>

Oakland Unified School District  
Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Nonmajor Governmental Funds  
June 30, 2022

	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 Nonmajor Governmental Funds
<b>Revenues</b>								
Federal sources	\$ 186,609	\$ 1,653,131	\$ 22,049,002	\$ -	\$ -	\$ -	\$ -	\$ 23,888,742
State sources	2,682,015	14,476,853	1,382,759	-	-	1,500,000	-	20,041,627
Developer fees	-	-	-	-	6,629,836	-	-	6,629,836
Recoveries	-	-	-	-	-	2,867,232	-	2,867,232
Other local sources	22,138	673,254	(545,860)	(157,391)	(365,516)	(586,935)	33,507	(926,803)
<b>Total revenues</b>	<b>2,890,762</b>	<b>16,803,238</b>	<b>22,885,901</b>	<b>(157,391)</b>	<b>6,264,320</b>	<b>3,780,297</b>	<b>33,507</b>	<b>52,500,634</b>
<b>Expenditures</b>								
<b>Current</b>								
Instruction	2,328,097	11,114,282	-	-	-	-	-	13,442,379
Instruction-related activities								
Supervision of instruction	887	1,795,681	-	-	-	-	-	1,796,568
School site administration	757,831	2,160,143	-	-	-	-	-	2,917,974
Administration								
All other administration	111,670	614,013	504,178	-	-	-	-	1,229,861
Plant services	-	301,831	-	-	-	16,075	30,441	348,347
Capital outlay	-	255,667	-	912,733	76,526	2,249,309	13,203	3,507,438
<b>Total expenditures</b>	<b>3,198,485</b>	<b>16,241,617</b>	<b>22,073,537</b>	<b>912,733</b>	<b>76,526</b>	<b>2,265,384</b>	<b>43,644</b>	<b>44,811,926</b>
Excess (Deficiency) of Revenues Over Expendit	(307,723)	561,621	812,364	(1,070,124)	6,187,794	1,514,913	(10,137)	7,688,708
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	478,895	-	5,000,000	-	-	-	5,478,895
<b>Net Change in Fund Balances</b>	<b>(307,723)</b>	<b>1,040,516</b>	<b>812,364</b>	<b>3,929,876</b>	<b>6,187,794</b>	<b>1,514,913</b>	<b>(10,137)</b>	<b>13,167,603</b>
Fund Balance - Beginning	1,610,075	2,856,841	27,652,133	2,342,001	10,819,592	10,093,876	735,480	56,109,998
<b>Fund Balance - Ending</b>	<b>\$ 1,302,352</b>	<b>\$ 3,897,357</b>	<b>\$ 28,464,497</b>	<b>\$ 6,271,877</b>	<b>\$ 17,007,386</b>	<b>\$ 11,608,789</b>	<b>\$ 725,343</b>	<b>\$ 69,277,601</b>



**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, 2022. 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 Oakland Unified School 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.

### **Local Educational Agency Organization Structure**

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

### **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 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.

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Independent Auditor's Reports  
June 30, 2022

# 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oakland Unified School District’s (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise District’s basic financial statements and have issued our report thereon dated December 13, 2022.

**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 entity’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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 through 2022-005 that we consider to be material weaknesses.

## **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*.

## **The District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California  
December 13, 2022



## **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**

#### ***Qualified and Unmodified Opinions***

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, 2022. 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.

#### ***Qualified Opinion on 84.287 Twenty-First Century Community Learning Centers***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on 84.287 Twenty-First Century Community Learning Centers for the year ended June 30, 2022.

#### ***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

#### ***Basis for Qualified and Unmodified Opinions***

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 qualified and unmodified opinions 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.



*Matter Giving Rise to Qualified Opinion on 84.287 Twenty-First Century Community Learning Centers*

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Assistance Listing No. 84.287 Twenty-First Century Community Learning Centers as described in finding number 2022-006 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

***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.

## **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-006 to be a material weakness.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The District's responses was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

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.



Menlo Park, California  
December 13, 2022

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## Independent Auditor's Report on State Compliance

To the Governing Board  
Oakland Unified School District  
Oakland, California

### Report on State Compliance

#### ***Qualified and Unmodified Opinions on State Compliance***

We have audited the Oakland Unified School District's (District) compliance with the requirements specified in the *2021-2022 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, 2022.

#### ***Qualified Opinion on School Accountability Report Card, Independent Study, After School Education and Safety Program, and Immunizations***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, 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, 2022.

#### ***Unmodified Opinion on Each of the Other Programs***

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, 2022, except as described in the accompanying schedule of findings and questioned costs.

#### ***Basis for Qualified and Unmodified Opinions***

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 *2021-2022 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.

***Matters Giving Rise to Qualified Opinion on School Accountability Report Card, Independent Study, After School Education and Safety Program, and Immunizations***

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding school accountability report card (2022-007), independent study (2022-008), after school education and safety program (2022-009 and 2022-010), and immunizations (2022-011).

Compliance with such requirements is necessary, in our opinion, for the District to comply with the 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 *2021-2022 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 *2021-2022 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 *2021-2022 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:

2021-2022 K-12 Audit Guide Procedures	Procedures Performed
<b>Local Education Agencies Other Than Charter Schools</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
<b>School Districts, County Offices of Education, and Charter Schools</b>	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No, see below
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	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No, see below
In Person Instruction Grant	Yes

2021-2022 K-12 Audit Guide Procedures	Procedures Performed
Charter Schools	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes – Classroom Based	N/A
Charter School Facility Grant Program	N/A
Early Retirement Incentive	
The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.	
Juvenile Court Schools	
We did not perform Juvenile Court Schools procedures because the program is not offered by the District.	
Middle or Early College High Schools	
We did not perform Middle or Early College High Schools procedures because the program is not offered by the District.	
Apprenticeship: Related and Supplemental Instruction	
We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.	
District of Choice	
We did not perform District of Choice procedures because the program is not offered by the District.	
Before School Education and Safety Program	
The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.	
Career Technical Education Incentive Grant	
We did not perform Career Technical Education Incentive Grant procedures because the District did not receive funding for this grant.	
In Person Instruction Grant	
We did not perform In Person Instruction Grant procedures because the District did not receive funding for this grant.	
Charter Schools	
The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.	

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***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over State Compliance**

Our consideration of internal control over State 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 State compliance that might be material weaknesses or significant deficiencies in internal control over State compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over State compliance that we consider to be material weaknesses.

*A deficiency in internal control over State 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 on a timely basis. *A material weakness in internal control over State compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over State compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance 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 2022-007 through 2022-011 to be material weaknesses.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over State compliance findings identified in our 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.



The purpose of this report on internal control over State compliance is solely to describe the scope of our testing of internal control over State compliance and the results of that testing based on the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California  
December 13, 2022

Oakland Unified School District  
 Summary of Auditor's Results  
 Year Ended June 30, 2022

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	Yes
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	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs: Unmodified for all major federal programs except for Twenty-First Century Community Learning Centers (84.287), which is qualified.	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 9(a):	Yes

**Identification of Major Programs**

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
Twenty-First Century Community Learning Centers	84.287
Education Stabilization Fund	84.425, 84.425C, 84.425D, 84.425U
Emergency Connectivity Fund	32.009
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	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs:	
Unmodified for all programs except for the following programs which were qualified:	

Name of Program
School Accountability Report Card
Independent Study
After School Education and Safety Program
Immunizations

The following findings are significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

The findings have been coded as follows:

10000 Attendance, 20000 Inventory of Equipment, 30000 Internal Control, 40000 State Compliance, 42000 Charter School Facilities Programs, 43000 Apprenticeship: Related and Supplemental Instruction, 50000 Federal Compliance, 60000 Miscellaneous, 61000 Classroom Teacher Salaries, 62000 Local Control Accountability Plan, 70000 Instructional Materials, 71000 Teacher Misassignments, 72000 School Accountability Report Card.

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## Section II – Financial Statement Findings

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**2022-001      Human Resources/Payroll Internal Control Process, Pension  
Code 30000**

### Criteria

Pension and medical benefit providers invoice the District based on demographic information such as enrolled employees' age and hire date. The District is responsible for ensuring the completeness and accuracy of the information reported to the benefit providers and ensuring that such information is available to support an audit.

### Condition

A material weakness in internal control over financial reporting – The District could not supply documentation to satisfy us that census information and payroll amounts reported to pension providers are complete and accurate. We analytically recalculated these expenses, noting that the payment made to pension providers during the year appears correctly recorded in the accounting records of the District. However, since we could not verify if the underlying data on which those charges are based is complete and accurate, we cannot confirm if the eventual payments are for the correct amounts.

### Context

Expenditures for wages and benefits of \$471 million are approximately 67% of general fund expenditures. The condition applies to 11 items from our total sample of 80.

### Effect

Internal controls are essential so that users of the financial statements have confidence that financial information published by the District's management is complete and accurate. There is a higher-than-average risk that payments to pension providers could be for incorrect amounts.

### Cause

There appears to be a lack of ongoing monitoring and oversight to ensure that employees involved in the critical process consistently follow the established policies and procedures, including the retention of pertinent physical records to support the performance of documented controls. Often no single person is accountable for locating documents or answering questions.

**Recommendation**

The District should ensure that the management in charge of these areas is held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management needs to monitor compliance and ensure that processes are performed promptly and consistently. Furthermore, there needs to be one established method to ensure that controls are followed and that employees do not deviate from established District policies. Finally, there needs to be a formal record retention policy supporting that controls are being followed per District policies.

**Views of Responsible Officials and Planned Corrective Actions**

The District has identified this area as a key concern and the alignment between payroll, human resources, business services, and risk management has been critical to address this issue. The District is identifying that not only are the internal procedures fragmented, but the District has also identified critical system needs as post-correction from its 2018-19 transition to the Escape System. Though there were challenges in its use of the former IFAS system and recordkeeping, the Alameda County Office of Education has supported and hosted meetings in support of correcting the system needs to provide more accurate reporting. This activity has been focused and ongoing since September 2020.

The District leadership team is actively working to identify, train, and focus on the critical areas to make sure that the position management, attachment, employee compensation alignment, and reporting are accurate and reliable. This is an intense area of focus with a desire to make significant strides for improvement in 2022-23.

**Identification as a Repeat Finding**

See finding 2021-002.

**2022-002      Payroll Internal Control Process, Vacation Tracking**  
Code 30000

**Criteria**

Internal controls are essential so that users of the financial statements have confidence that financial information published by the District's management is complete and accurate. The District is responsible for providing documentation to support the amounts recorded in the general ledger accounting records.

**Condition**

A material weakness in internal control over financial reporting – The District could not supply documentation to verify that vacation usage is accurately recorded in the payroll system. That balances do not exceed the maximum allowed per District policy. In substantive testing of general ledger account balances, the reported payroll expenditures are fairly stated based on the amounts paid upon separation. However, we cannot conclude if the District has a complete and accurate accounting of vacation balances on which to base payments upon separation.

**Context**

The accrued vacation liability was \$7 million on June 30, 2022 and deductions during the year were about \$3.4 million.

**Effect**

Although the accounting records reflect actual expenses paid, there is a higher risk that employee vacation is not reported, and the liability and eventual payout may be more than what was earned.

**Cause**

There appears to be a lack of ongoing monitoring to ensure that employees involved in the critical processes provide complete and timely responses during scheduled audit fieldwork.

**Recommendation**

Management in charge of these areas should be held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management further needs to monitor compliance and ensure that processes are performed promptly and consistently. Furthermore, there needs to be one established method to ensure that controls are followed and that employees do not deviate from established District policies. Finally, there needs to be a formal record retention policy supporting that controls are being followed following District policies.

**Views of Responsible Officials and Planned Corrective Actions**

The District requested and received the leave documents from school sites and departments as of 2017-18, when a defined practice that formerly was done ceased. The school sites upload to a Payroll Documents and we physically collected the documents in 2021-22. We have requested this as an annual submission to ensure that this documentation is available and accessible for internal review and external audit.

Similar to what was stated above in finding 2021-002, the District's inability to validate compensation records and transactions to include leave taken, reported, and recorded is another key area of focus and the appropriate assignments to lead this project has been done upon the selection and hiring of the Directors of Payroll and Budget and Finance. The leadership team and assigned staff will also develop a revised standard operating procedure to share with all departments and sites to ensure that leave procedures are understood and followed, which includes monthly reconciliation by department and site and the use of the Frontline System designed to capture the information.

**Identification as a Repeat Finding**

See finding 2021-003.

**2022-003      Payroll Internal Control Process, Vacation Payments**  
Code 30000

**Criteria**

Internal controls are essential so that users of the financial statements have confidence that financial information published by the District's management is complete and accurate. The District is responsible for providing documentation to support the amounts recorded in the general ledger accounting records.

**Condition**

A material weakness in internal control over financial reporting – The District could pay \$7 million to employees for vacation accumulated; however, it cannot assert that the amounts paid were actually due to the employees.

**Context**

The accrued vacation liability was \$7 million on June 30, 2022 and deductions during the year were about \$3.4 million.

**Effect**

We could not conclude if payouts of an accrued vacation made to employees during the year were for amounts owed to the employees who received the payments.

**Cause**

There appears to be a lack of ongoing monitoring to ensure that employees involved in the critical processes provide complete and timely responses during scheduled audit fieldwork.

**Recommendation**

Management in charge of these areas should be held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management needs to monitor compliance and ensure that processes are performed promptly and consistently.

Management should prepare an auditable accounting of the documentation of which the District determined payouts of accumulated vacation during the year to be valid. The District should consult with legal counsel about recovery if any payouts are determined to have been incorrect.

**Views of Responsible Officials and Planned Corrective Actions**

Similar to what was stated above in finding 2021-002, the District's inability to validate compensation records and transactions to include leave taken, reported, and recorded is another critical area of focus, and the appropriate assignments to lead this project has been done upon the selection and hiring of the Directors of Payroll and Budget and Finance. The leadership team and assigned staff will also develop a revised standard operating procedure to share with all departments and sites to ensure that leave procedures are understood and followed, including monthly reconciliation by department and location and the use of the Frontline System designed to capture the information.

The District requested and received the leave documents from school sites and departments as of 2017-18, when a defined practice that formerly was done ceased. The school sites upload to a Payroll Documents and we physically collected the documents in 2021-22. We have requested this as an annual submission to ensure that this documentation is available and accessible for internal review and external audit.

**Identification as a Repeat Finding**

See finding 2021-004.



**2022-004      Health Benefits Governing Board**  
Code 30000

**Criteria**

In October 2015, the District agreed with its employee unions to set up a coordinated bargaining process for health and welfare benefits through a Health Benefits Governance Board (HBGB). The agreement intends 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. If the District's financial obligations, as calculated per the HBGB formula, exceed the actual costs of benefits, such excess contributions are restricted for future health and welfare obligations. However, suppose actual benefits costs are higher than the District's financial obligations per the HBGB formula. In that case, those costs are first paid from restricted resources and then are obligations of the signatory unions. In other words, the District's obligations to fund health and welfare costs are determined by the HBGB formula.

**Condition**

A material weakness in internal control over financial reporting – The formula to calculate the District's health and welfare obligations per the HBGB agreement is unclear. Specifically, the part of the formula that reads "...take the FTE from the total of all authorized full-time equivalent positions covered by this Agreement...as outlined in the Position Control Report as of October 31..." is unclear. Standard usage of the PCR is for budgeting purposes, subject to estimation risk and uncertainty.

**Context**

The District has been paying 100% of its obligation under the HBGB, and accordingly, the management of the District believes that no unrecorded liability could be applicable. Furthermore, the financial statements correctly reflect the health and welfare benefits expenditures paid during the current fiscal year. Expenditures for health and welfare benefits of \$70 million are approximately 10% of general fund expenditures.

**Effect**

The possible impact on the District's financial statements, if any, upon resolution of this matter is undeterminable as of June 30, 2022.

**Cause**

The HBGB formula was not subject to third-party testing. The formula for calculating the District's obligations to fund the HBGB is unclear and interpreted differently.

**Recommendation**

We recommend that the District, and other applicable parties, revise and clarify the formula used to calculate the District's annual obligation for health and welfare. The procedure should be subject to independent recalculation to ensure that its results are consistent with its intent.

**Views of Responsible Officials and Planned Corrective Actions**

The District has resumed mediation of the agreement with HBGB as of October 2022.

**Identification as a Repeat Finding**

See finding 2021-005.

**2022-005      Audit Adjustments**  
 Code 30000

**Criteria**

Management of the District must account for all transactions per generally accepted accounting principles.

**Condition**

A material weakness in internal control over financial reporting – Audit adjustments were necessary for the financial statements to be presented to conform with generally accepted accounting principles.

**Context**

In response to previous audit findings, the District revised its year-end closing process to include recording of the fair market value adjustment to investments, as required by GASB Statement No. 31. However, errors in the calculation were not identified by the District before posting the entry to the general ledger. The independent external auditor cannot be considered part of the District's internal control process.

The following is a summary of the adjustments that were necessary for the accounting records to be presented per governmental accounting standards:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Funds	Self-Insurance Fund
Fund balance/net position, unaudited actuals	\$ 160,141,874	\$ 232,455,031	\$ 131,168,429	\$ 71,309,152	\$ 19,903,939
Increase (decrease) from					
Investments are reported at fair value	(4,638,961)	(7,117,901)	(3,167,513)	(2,031,551)	(577,360)
Claims liability is full accrual	-	-	-	-	(41,108,360)
Allocation of net pension liability and deferrals	-	-	-	-	(1,493,948)
Fund balance/net position, per GAAP financial statements	<u>\$ 155,502,913</u>	<u>\$ 225,337,130</u>	<u>\$ 128,000,916</u>	<u>\$ 69,277,601</u>	<u>\$ (23,275,729)</u>

**Effect**

Audit adjustments were necessary for the financial statements to be presented per GAAP.

**Cause**

The GASB Statement No. 31 fair value adjustment was not reviewed by someone independent of the preparer.

**Recommendation**

We recommend that personnel responsible for the year-end closing process utilize a template to calculate the year-end fair value adjustment. We further recommend that the calculation is reviewed by someone independent of the preparer before posting it to the general ledger.

**Views of Responsible Officials and Planned Corrective Actions**

The District has procedures in place at year-end to review for audit adjustments and will ensure that the procedures are completed.

**Identification as a Repeat Finding**

See finding 2021-006.

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**Section III – Federal Compliance Findings**

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**2022-006      Twenty-First Century Attendance Reporting**

A material weakness in internal control and material noncompliance with attendance reporting Code 50000.

**Federal Program Affected**

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

**Criteria**

The California Department of Education (CDE) administers California's 21st Century Community Learning Centers (CCLC) program. Education Code sections 8484.7 - 8484.9 further define California's 21st CCLC Program. This state-administered, federally funded program provides five-year grant funding to establish or expand before and after-school programs that provide disadvantaged kindergarten through twelfth-grade students with academic enrichment opportunities and supportive services to help the students meet state and local standards in core content areas.

The District evidences student participation by reporting attendance to the CDE. The daily attendance is recorded for all the students attending the after-school program on each school day the program operates.

**Condition**

There was a material weakness in internal control over compliance and noncompliance because we identified errors in the attendance reported to the CDE.

**Questioned Costs**

Not applicable.

**Context**

The District operates a 21 Century Program at ten schools. We selected a sample of five schools, and the condition applies to three of the sampled schools. The observed error rates were 6.9%, 1.2%, and 10.9%.

**Cause**

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 the attendance reporting, there were challenges as the system was new this year.

**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.

**Views of Responsible Officials/Corrective Action Plan**

OUSD has implemented a new Expanded Learning Attendance improved tracking system and provided training to service providers.

This new database allows for accurate and prompt attendance taking.

1. OUSD transitioned to a new attendance tracking system. Due to the multiple errors and consistent changes in attendance, OUSD began using Aeries Supplemental Attendance tracking instead of CitySpan in fall 2021. This transition has allowed the Expanded Learning Office to support struggling sites with real-time accurate attendance data.
2. On July 29, OUSD held a mandatory Aeries training for all after-school staff and reviewed all CDE (ASES, 21st CCLC, and ASSETS) attendance requirements. Over 100 after-school staff attended.
3. All Attendance documents were revised to include Aeries attendance protocols.
4. OUSD Designed dashboards with real-time student and attendance data for all after-school providers

The CDE has accepted the District's CAP as of 8/29/2022, and it we expect improved outcome during the fiscal year 2023.

**Identification as a Repeat Finding**

See finding 2021-007.

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**Section IV – State Compliance Findings**

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**2022-007      School Accountability Report Card**  
Code 40000, 72000

**Criteria**

EDC §35186(d) requires that a school district report summarized data on the nature and resolution of all complaints quarterly 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.

**Questioned Costs**

There is no questioned cost associated with this condition.

**Context**

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 or inaccurate. Furthermore, the District did not comply with the requirements noted in the Criteria paragraph.

**Cause and Recommendation**

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

**Views of Responsible Officials/Corrective Action Plan**

The District is continuing its work to build out the complex data reporting mechanism to allow for continued compliance with Teacher Certification Misassignments. There is additional work to be done, and we anticipate more significant operational improvements in 2023-24.

**Identification as a Repeat Finding**

See finding 2021-010.

**2022-008**      **Independent Study**  
Code 40000, 72000

**Criteria**

The District must maintain certain written agreements required by the State for pupils enrolled in an independent study program and make the contracts available during the annual State compliance audit.

**Condition**

The District did not provide all of the written agreements requested during the audit fieldwork.

**Questioned Costs**

Questioned costs are \$13,011, the derived value of one ADA for grades 9-12.

**Context**

We selected a sample of 40, and the condition applies to one.

**Effect**

One unit of inappropriately reported ADA in grades 9-12 was identified through the audit procedures.

**Cause and Recommendation**

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

**Views of Responsible Officials/Corrective Action Plan**

We will communicate with site personnel and provide training as necessary.

**Identification as a Repeat Finding**

This finding was not reported in the previous year's audit.

**2022-009**      **ASES Early Release**  
Code 40000, 72000

**Criteria**

Per the State compliance audit guide: "If a pupil in any sample attended less than the full day, verify the reason for early release was consistent with the established early release policy."

**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.

**Questioned Costs**

There is no questioned cost associated with this condition.

**Context**

We sampled ten ASES sites, and this condition applies to four of them.

**Effect**

The attendance records may not capture all information expected by the District's policy to demonstrate compliance.

**Cause and 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.

**Views of Responsible Officials/Corrective Action Plan**

We will communicate with site personnel and provide training as necessary.

**Identification as a Repeat Finding**

This finding was not reported in the previous year's audit.

**2022-010**      **ASES Attendance Reporting**  
Code 40000, 72000

**Criteria**

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

**Condition**

We identified errors in the attendance reported to the CDE

**Questioned Costs**

There is no questioned cost associated with this condition.

**Context**

The District operates an ASES after-school program at over 60 schools. We sampled 10 ASES sites, and this condition applies to one of them. At that site, the number of student days provided in the test month was 7,201, and the number reported to the CDE was 7,367. The difference is 166 or two percent.

**Effect**

Errors may exist in the after-school attendance reported to the CDE.

**Cause and 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.

**Views of Responsible Officials/Corrective Action Plan**

OUSD has implemented a new Expanded Learning Attendance improved tracking system and provided training to service providers.

This new database allows for accurate and prompt attendance taking.

1. OUSD transitioned to a new attendance tracking system. Due to the multiple errors and consistent changes in attendance, OUSD began using Aeries Supplemental Attendance tracking instead of CitySpan in fall 2021. This transition has allowed the Expanded Learning Office to support struggling sites with real-time accurate attendance data.



2. On July 29, OUSD held a mandatory Aeries training for all after-school staff and reviewed all CDE (ASES, 21st CCLC, and ASSETS) attendance requirements. Over 100 after-school staff attended.
3. All Attendance documents were revised to include Aeries attendance protocols.
4. OUSD Designed dashboards with real-time student and attendance data for all after-school providers

The CDE has accepted the District's CAP as of 8/29/2022, and it we expect improved outcome during the fiscal year 2023.

**Identification as a Repeat Finding**

This finding was not reported in the previous year's audit.

**2022-011**      **Immunizations**  
Code 40000, 72000

**Criteria**

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

**Condition**

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

**Questioned Costs**

Questioned costs are \$46,236, the derived value of four ADA for grades TK-3.

**Context**

We sampled 96 pupils at nine sites. The non-compliance finding applies to four of the sampled pupils.

**Effect**

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

**Cause and 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.

**Views of Responsible Officials/Corrective Action Plan**

We will communicate with site personnel and provide training as necessary.

**Identification as a Repeat Finding**

This finding was not reported in the previous year's audit.

Summarized below is the status of all audit findings reported in the prior year schedule of financial statement findings.

**Financial Statement Findings**

**2021-001      Financial Statement Presentation of Student Activity Funds**  
Code 30000

**Finding**

The District cannot provide documented evidence that all student body activity is captured within its accounting records. Furthermore, the District is developing the controls to ensure that student activity funds are expended for allowable activities and accordingly were not auditable for the year ended June 30, 2021.

**Recommendation**

The District should continue implementing a corrective action that started during the fiscal year 2021. We recommend the District formally document how it concluded that all student body funds were recorded into the District's accounting records. Additionally, the District should adopt the procedures contained in the FCMAT ASB manual regarding custody and oversight of the student body funds.

**Current Status**

Resolved.

**2021-002      Human Resources/Payroll Internal Control Process, Pension**  
Code 30000

**Finding**

The District could not supply documentation to satisfy us that census information and payroll amounts reported to pension providers are complete and accurate. We analytically recalculated these expenses, noting that the payment made to pension providers during the year appears correctly recorded in the accounting records of the District. However, since we could not verify if the underlying data on which those charges are based is complete and accurate, we cannot confirm if the eventual payments are for the correct amounts. However, we had to perform much more work than is typically necessary to reach that conclusion, which is evidence of the internal control deficiency.

**Recommendation**

The District should ensure that management in charge of these areas is held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management further needs to monitor compliance and ensure that processes are being performed timely and consistently. Furthermore, there needs to be one established method to ensure that controls are being followed and that employees do not deviate from established District policies. Finally, there needs to be a formal record retention policy that supports the fact that controls are being followed per District policies.

**Current Status**

See 2022-001

**2021-003      Payroll Internal Control Process, Vacation Tracking**  
Code 30000

**Finding**

The District was unable to supply documentation to prove that vacation usage is accurately recorded in the payroll system and that balances do not exceed the maximum allowed per District policy. Furthermore, we noted that the controls over the calculation of accrued vacation on separation do not include documentary evidence of an independent reviewer. The District verbally informed us that someone independent of the preparer reviews each calculation. However, because evidence of the control is not documented, we consider this to be evidence of a material weakness.

**Recommendation**

Management in charge of these areas should be held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management further needs to monitor compliance and ensure that processes are being performed timely and consistently. Furthermore, there needs to be one established method to ensure that controls are being followed and that employees do not deviate from established District policies. Finally, there needs to be a formal record retention policy that supports the fact that controls are being followed following District policies.

**Current Status**

See 2022-002.

**2021-004      Payroll Internal Control Process, Vacation Payments**  
Code 30000

**Finding**

The District was able to pay \$7 million to employees for vacation accumulated; however, it is unable to assert that the amounts paid were actually due to the employees.

**Recommendation**

Management in charge of these areas should be held accountable to ensure that all critical internal control policies and procedures are communicated to the employees charged with carrying out those procedures. Management further needs to monitor compliance and ensure that processes are being performed timely and consistently.

Management should prepare an auditable accounting of the documentation of which the District determined payouts of accumulated vacation during the year to be valid. The District should consult with legal counsel about recovery if any payouts are determined to have been incorrect.

**Current Status**

See 2022-003.

**2021-005      Health Benefits Governing Board**  
Code 30000

**Finding**

The formula to calculate the District's health and welfare obligations per the HBGB agreement is unclear and has been interpreted differently with substantially varying outcomes.

**Recommendation**

We recommend the District renegotiate the formula used to calculate the District's annual obligation for health and welfare.

**Current Status**

See 2022-004.

**2021-006      Audit Adjustments**  
Code 30000

**Finding**

Audit adjustments were necessary for the financial statements to be presented to conform with generally accepted accounting principles.

**Recommendation**

Management personnel responsible for financial accounting and reporting should seek continuing professional education regarding accounting standards applicable to governmental entities.

**Current Status**

See 2022-005.

**2021-007      Twenty-First Century Attendance Reporting**

A material weakness in internal control and material noncompliance about attendance reporting Code 50000.

**Finding**

There was a material weakness in internal control over compliance and noncompliance because attendance reported to the CDE was incorrect.

**Recommendation**

Any changes to attendance records after the cut-off period should require manual override by responsible District officials.

**Current Status**

See 2022-006.



**2021-008      Attendance Recording**  
Code 10000, 40000

**Finding**

If not for audit adjustments, reported attendance, and by extension, state funding that is based on ADA would have been overstated.

**Recommendation**

Appointment someone with the responsibility and authority to oversee the attendance taking process.

**Current Status**

Resolved

**2021-009      Teacher Certification and Misassignments**  
Code 10000, 4000

**Finding**

We could not conclude if the District complied with the Teacher Certification and Misassignments compliance requirements per the LEA Audit Guide.

**Cause and Recommendation**

We recommend the District evaluate processes in this area about compliance.

**Current Status**

Resolved.

**2021-010      School Accountability Report Card**  
Code 40000, 72000

**Finding**

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

**Recommendation**

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

**Current Status**

See 2022-007.