

OAKLAND UNIFIED SCHOOL DISTRICT ANNUAL FINANCIAL AUDIT

Fiscal year 2014-15



Vavrinek, Trine, Day & Company, LLP
Certified Public Accountants

Scope of the Audit

- Express opinions on these items:
 - Basic financial statements
 - Compliance with federal single audit act requirements
 - Compliance with state programs
- Note findings that relate to the above three areas.

The District's financial statements

- Management's discussion and analysis (unaudited) starting on page 5.
- Entity-wide (full accrual) financial statements on pages 15 and 16.
- Fund level financial statements on pages 17 and 19.
- Notes to financial statements on pages 25 through 59.

Auditor's Opinions

- Financial statements (page 2)
- Report on internal control and compliance related to the financial statements audit (page 80)
- Report on federal compliance (Page 82)
- Report on state compliance (page 85)

Fund balance/net position

- \$396 Million negative, on a full accrual basis.
- General Fund is \$29 million positive, of which \$9 million is unassigned.

Unassigned fund balance per the governmental funds balance sheet	\$ 9,084,159
Add	
Nonspendable fund balance	162,550
Committed balance of the General Fund	7,120,581
Assigned balance of the Cafeteria Fund	141,879
Committed balance of the Adult Education Fund	121,323
Committed balance of the Child Development Fund	8,139
Committed balance of the Deferred Maintenance Fund	1,883,392
Committed balance of the Capital Facilities Fund	3,345,615
Committed balance of the County School Facilities Fund	65,556
Committed balance of the Special Reserve for Capital Outlay Fund	415,369
Deduct	
Compensated absences	(10,265,745)
Emergency apportionment loan	(49,538,510)
Deficit self-insurance reserve	(29,219,902)
Net pension liability included in the deficit self-insurance reserve	706,557
Aggregate net pension liability	(278,778,496)
Net deferred inflows and outflows of resources related to pensions	(51,065,493)
Unrestricted deficit per the statement of net position	<u>\$ (395,813,026)</u>

General Fund balances

- District met the 2% minimum available reserve (see page 72) based on the \$9 million of unassigned fund balance.
- Page 45 provides details of what makes up the components of ending fund balance.
 - \$5 million is committed for audit findings.

Aggregate Net Pension Liability

- Current year implementation required a restatement of beginning balance.
- Not unique to Oakland.
- What does this mean for the District?

Findings

- Financial statement finding (page 90).
 - ASB (Repeat)
 - Fund 76 Reconciliation (Repeat)
 - HR/Payroll Control Documentation (New)

Findings

- Federal award findings (page 96).
 - Equipment records management (repeat)
 - Procurement, suspension debarment (repeat)
 - SIG Transformation model (repeat)
 - Employee time and effort (repeat)
 - Highly Qualified Teachers (new)

Findings

- State award finding (page 107).
 - ASES attendance (repeat)
 - District attendance (repeat)
 - School accountability report card (repeat)
 - Unduplicated LCFF (repeat)
 - Short-term independent study (new)

SCO QCR Process

- State Controller reviews our audit work in detail.
- Learning process for VTD.
- The 2014 review is substantially completed.
- 2015 to begin shortly.

Looking Ahead

- Oakland is **current** with their financial statements.
- Staff have worked tirelessly to get this far, but the marathon is not over just yet.
- Fiscal year 2016 audit is currently in progress.
- Fiscal year 2017 timing and expectations.

Questions?
