

Audit Purpose

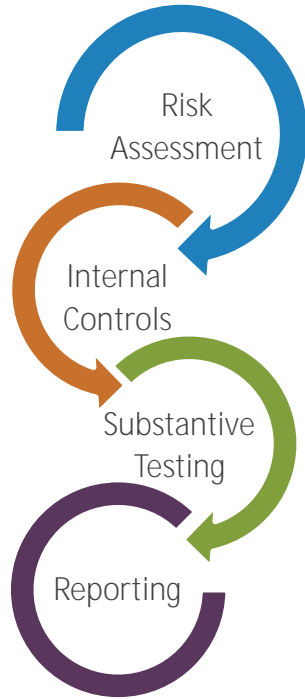
Issue an opinion on the fairness of the financial statements

*Education Code Section 41020

*California Department of Education/State Controller's Office/Education Audit Appeals Panel



Audit Process Risk Based Approach



Risk Assessment

.



Governance Communication

Overall

- Unmodified opinion
- No changes in the scope of the audit
- No changes in significant accounting policies
- GASB 84, Fiduciary Activities was adopted

Estimates – Government-wide Financial Statements

- Local Control Funding Formula
- Useful life of District's capital assets
- Note 12: OPEB (GASB 68 and 71) - \$75 million
- Note 13: STRS & PERS Pension Liability (GASB 74 and 75):
 - Proportionate share of net pension liability of \$197.6 million

Other Communications

- No difficulties or disagreements
- Two audit adjustments (page 85) – LCFF and Child Development
- Proposed adjustments - Site and ASB bank accounts, Child Development Grant, E-Rate project assets

Other Findings

- No internal control material weaknesses
- Significant deficiency noted due to audit adjustment



Financial Statement Highlights Statement of Net Position

Summary of Statement of Net Position	Governmental Activities		Total Change
	2020	2021	
Assets			
Noncapital Assets	\$ 66.5	\$ 121.7	\$ 55.2
Capital Assets	<u>277.5</u>	<u>266.7</u>	<u>(10.8)</u>
Total Assets	<u>344.0</u>	<u>388.4</u>	<u>44.4</u>
Deferred Outflows of Resources			
Deferred Loss on Refunding	-	6.7	6.7
Deferred Outflows of Resources - OPEB	24.9	21.7	(3.2)
Deferred Outflows of Resources - Pensions	<u>47.7</u>	<u>42.4</u>	<u>(5.3)</u>
Total Deferred Outflows of Resources	<u>72.6</u>	<u>70.8</u>	<u>(1.8)</u>
Liabilities			
Current Liabilities	23.7	63.8	40.1
Long-Term Liabilities	<u>446.0</u>	<u>464.6</u>	<u>18.6</u>
Total Liabilities	<u>469.7</u>	<u>528.4</u>	<u>58.7</u>
Deferred Inflows of Resources			
Deferred Inflows of Resources - OPEB	4.6	3.9	(0.7)
Deferred Inflows of Resources - Pensions	<u>11.7</u>	<u>7.5</u>	<u>(4.2)</u>
Total Deferred Inflows of Resources	<u>16.3</u>	<u>11.4</u>	<u>(4.9)</u>
Net Position			
Net Investment in Capital Assets*	136.9	122.8	(14.1)
Net Position Legally Restricted	31.8	39.1	7.3
Net Position Unrestricted	<u>(238.1)</u>	<u>(242.5)</u>	<u>(4.4)</u>
Total Net Position	<u>\$ (69.4)</u>	<u>\$ (80.6)</u>	<u>\$ (11.2)</u>

* 2020 accreted interest was reclassified from net investment in capital assets to unrestricted





General Fund Trend

	2022 (Budgeted)	2021	2020	2019
Total Revenues	\$ 169,847,112	\$ 189,896,240	\$ 179,181,244	\$ 173,848,038

Reserve levels meet the minimum 3% required State reserve. The Government Finance Officers Association (GFOA) recommends 60 days of operating expenses in reserves.





Measure S Financial and Performance Audit

Financial Results

- Unmodified opinion (page 1)
- No changes in the scope of the audit
- No changes in significant accounting policies
- No material weaknesses or significant deficiencies

Performance Results



Accounting Standards Update

Statement No. 87 – Leases: The objective of the statement is to improve the accounting and financial reporting for leases by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Inflows of resources or outflows of resources will be recognized based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The statement was originally effective for the fiscal year 2020-21, it has been postponed to fiscal year 2021-22.





Gema Ptasinski, CPA

Principal

626-687-8217

Gema.Ptasinski@CLAconnect.com

