Agenda Item B-18

Smart decisions. Lasting value. ™

Alum Rock Union School District

Audit Results for the year ended June 30, 2021

January 20, 2022



Auditor’s Responsibilities, Planned Scope, and Audit Timeline

- Express an opinion on the financial statements, federal and state compliance
- Risk of material misstatement
- Internal control evaluation
- Risk based audit approach



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New Accounting Standards

- **Governmental Accounting Standards Board (GASB) Standard No. 84 –** *Fiduciary Activities.*
  - *GASB Standard No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. Under GASB 84, Student Activity Funds, commonly referred to as "Associated Student Body", are now included as a Special Revenue Fund of the District rather than an Agency Fund, as previously reported. The effect was a net increase to the beginning Government-Wide Net Position and Aggregate Remaining Fund Information totaling $255,521.*

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Corrected and Uncorrected Misstatements

- Corrected Misstatements:
  - No corrected misstatements

- Uncorrected Misstatements:
  - Government-Wide: The District participates in the CalSTRS' Medicare Premium Payment (MPP) Program, which is considered an Other Postemployment Benefit (OPEB) program. The MPP liability is subject to the financial reporting and disclosures of GASB Standard No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The District's proportionate share of the MPP Net OPEB Liability was $667,055 as of June 30, 2021. These amounts and disclosures were excluded from the financial statements of the District, as they are not material to the government-wide Statement of Net Position and Statement of Activities taken as a whole.

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Other Required Communications

- There were no difficulties encountered with management
- There were no disagreements with management
- No consultation with other accountants
- No significant or adverse events require your attention in connection with the completion of the audit

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Audit Results

Type of Opinion	Results / Questioned Cost
Financial Statements	Unmodified

Federal Compliance
• Programs audited in FY2021:
  • COVID-19: Coronavirus Relief Fund
  • COVID-19: Education Stabilization Fund
	Unmodified

State Compliance	Unmodified

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Conclusion

- The District's financial statements are presented fairly in all material respects
- No audit adjustments
- No audit findings related to internal controls and federal compliance
- Management and staff at the District office and school sites were prepared and responded timely to our requests
- The District's audit report will be filed with the State Controller's Office before the January 31, 2022 reporting deadline.

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