

# WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

FINANCIAL AUDIT PRESENTATION

FISCAL YEAR ENDING JUNE 30, 2017

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# Independent Auditors' Report

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## Unmodified Opinion ( best opinion you can get)

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In our opinion, the 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 West Contra Costa Unified School District, as of June 30, 2017, 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 Unified States of America.**

# Additional Opinion

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## **Financial Statements, Internal Control Over Financial Reporting with Government Auditing Standards** : Cash, Accounts Receivable, Capital Assets, Accounts Payable, Long Term Debt, Journal Entry Process

- Unmodified Opinion (Best Opinion Possible)
- Significant deficiency – Yes (Associated Student Body) ; Page 101
  - Missing supporting documents for cash receipts and expenditures
  - Cash receipts were not deposited in a timely manner.
- Material Weakness - No

# Additional Opinion

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## Compliance for Federal program and Internal Control Over Compliance :

Major programs tested were:

- Title I, Part A, Basic Grants Low-Income and Neglected
- Child and Adult Care Food Program
- Title III, Part A Immigrant Education

- Unmodified Opinion (Best Opinion Possible)
- Significant deficiency – No
- Material Weakness – No

# Additional Opinion

## Report on State Compliance:

•Attendance	•School Accountability Report Card
•Teacher Certification and Misassignments	•Middle or Early College High Schools
•Kindergarten Continuance	•K-3 Grade Span Adjustment
•Independent Study	•Transportation Maintenance of Effort
•Continuation Education	•Mental Health Expenditures
•Instructional Time	•Educator Effectiveness
•Instructional Materials	•California Clean Energy Jobs Act
•Ratios of Administrative Employees to Teachers	•After School Education and Safety Program
•Classroom Teacher Salaries	•Proper Expenditure of Education Protection Account Funds
•Gann Limit Calculation	•Unduplicated Local Control Funding Formula Pupil Counts
	•Local Control and Accountability Plan

- Unmodified Opinion (Best Opinion Possible)
- Significant deficiency – Yes (Attendance, Unduplicated Pupil Count) ; Page 102-106
  - Missing signatures on Independent Study Agreements, Incorrect number of days recorded
  - Students had absents notes, but marked as being present in PowerSchool
  - Student List Report who were classified as free or reduced price meal eligible (FRPM) did not have proper supporting documentation to support their designation.
- Material Weakness - No

# Capital Assets

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**Total capital assets were \$1.4B at 6/30/17 – increase of \$39.3M from 6/30/16:**

- Increase in assets as a result of construction in progress, copier leases, new equipment, new vehicles and new audio visual equipment
- Construction in progress is \$81.1M as of 6/30/17 mainly related to construction projects including Nystrom ES and PVHS.
- Construction commitments total \$107.9M as of 6/30/17



# Long Term Debt

**Total long-term debt as of 6/30/17 were \$1.6B – decrease of \$13.9M from 6/30/16:**

	Balance 6/30/2016	Changes	Balance 6/30/2017
General Obligation Bonds	\$ 1,264,805,483	\$ (29,948,466)	\$ 1,234,857,017
Certificates of Participation	6,250,000	4,645,000	10,895,000
Compensated Absences	3,963,118	(1,139,391)	2,823,727
Net OPEB Obligation	111,166,497	(18,014,791)	93,151,706
Net Pension Liability	234,652,422	30,520,620	265,173,042
Claims Liability	500,000	-	500,000
	\$ 1,621,337,520	\$ (13,937,028)	\$ 1,607,400,492

- New issuance of \$5.2 M in Certificates of Participation
- Reduction of \$1.1 M Compensated Absences
- Reduction in the net OPEB Obligation for \$18 M due to funding of OPEB trust
- Increase in Net Pension Liability of \$30.5 M (STRS & PERS/GASB 68)

# Measure G – Parcel Tax Audit

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## Independent Auditors' Report : Unmodified Opinion

### Testing

- Verified that the Measure G expenditures were accounted for separately in the accounting records of the District.
- Verified that the net revenues received from the parcel taxes were deposited in total into the District's Measure G Sub-Fund.
- Tested expenditures of each resource code ensuring that such expenditures were spent in accordance with the scope of the published material specifying the intended use of proceeds for the Measure G funds.
- Testing performed (including those items above) included a sample of expenditures and employee payroll related expenditures totaling \$1,545,742.
- Tested exemptions granted to Senior Citizens to ensure approvals and denials are properly processed.