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**PLEASANTON UNIFIED SCHOOL DISTRICT
PLEASANTON, CALIFORNIA**

**AUDIT REPORT
YEAR ENDED JUNE 30, 2021**

PLEASANTON UNIFIED SCHOOL DISTRICT
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Members of the Board of Trustees
Pleasanton Unified School District
Pleasanton, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasanton Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, 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.

Emphasis of Matter Regarding Change in Accounting Principle

During the year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the District reported a restatement for a change in accounting principle (see Note 12). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

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 Net OPEB Liability and Related Ratios, Schedule of Contributions – OPEB, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Contributions - Pensions be presented to supplement the basic financial statements. Such information, 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 Pleasanton Unified School District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements (Uniform Guidance)* and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements..

The Supplementary Information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Additional Information section has not been subjected to auditing procedures applied to in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 31, 2021, 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 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 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.

CWDL, Certified Public Accountants

San Diego, California
December 31, 2021

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

INTRODUCTION

Our discussion and analysis of Pleasanton Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (collectively, the Statements) was implemented during the fiscal year ended June 30, 2015. The primary objective of the Statements is to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It requires employers to report a net pension liability for the difference between the present value of projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The net pension liability as of June 30, 2021 was \$200.7 million.

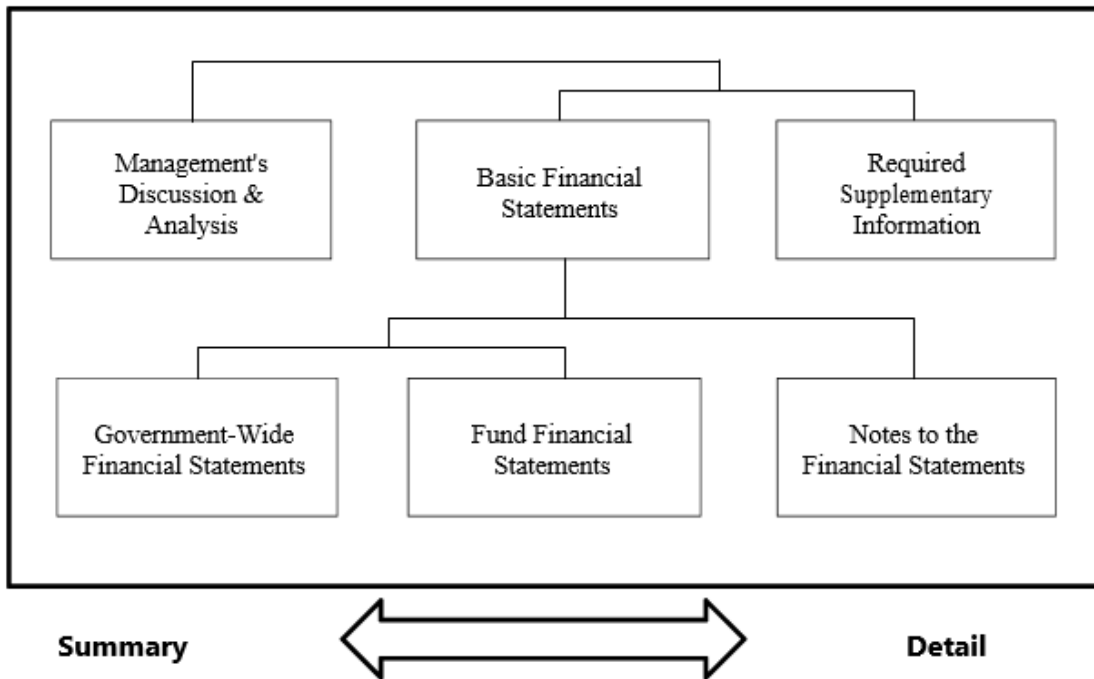
Overall governmental activities revenues were \$227.4 million which were less than expenses of \$236.4 million. Business-type activities revenues were \$2.6 million which were less than expenses of \$3.7 million.

General Fund revenues and other financing sources were more than expenditures and other financing uses by \$7.4 million.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Statements



This annual report consists of three parts – Management’s Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity’s overall financial position.
- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - **Governmental Funds** provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.
 - **Enterprise Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.
 - **Fiduciary Funds** report balances for which the District is a custodian or trustee of the funds, such as Associated Student Bodies.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS, continued

Components of the Financials Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources are included in the statement of net position. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid. The District's net position can be measured by adding the District's assets and deferred outflow of resources and subtracting the liabilities and deferred inflow of resources.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

In the government-wide financial statements, the District activities are categorized as governmental activities and business-type activities. The governmental activities are the basic services provided by the District, such as regular and special education, administration, and transportation, and are included here. Property taxes and state formula aid finance most of these activities.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's governmental activities net position was \$6.6 million at June 30, 2021, as reflected in the table below. Of this amount, there is a deficit of \$245.9 million in unrestricted due primarily to the recognition of the net pension liability of \$200.7 million and net OPEB liability of \$35.2 million. Net investment in capital assets (e.g., land, building and equipment, net of related debt) was \$139.3 million of the net position. The District uses these assets to provide educational services; therefore, they are not available for future spending. Although the District's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. And lastly, resources subject to external restrictions accounted for \$113.2 million of net position.

	Governmental Activities			Business-Type Activities		
	2021	2020	Net Change	2021	2020	Net Change
ASSETS AND DEFERRED OUTFLOWS						
Current and other assets	\$ 184,947,294	\$ 217,968,392	\$ (33,021,098)	\$ 409,092	\$ 1,418,674	\$ (1,009,582)
Capital assets	194,560,229	156,950,035	37,610,194	-	-	-
Deferred outflows	50,884,994	47,794,156	3,090,838	-	-	-
Total Assets and Deferred Outflows	430,392,517	422,712,583	7,679,934	409,092	1,418,674	(1,009,582)
LIABILITIES AND DEFERRED INFLOWS						
Current liabilities	49,014,538	39,255,611	9,758,927	243,082	205,904	(37,178)
Long-term liabilities	366,976,460	361,600,273	5,376,187	-	-	-
Deferred inflows	7,842,699	13,877,905	(6,035,206)	-	-	-
Total Liabilities and Deferred Inflows	423,833,697	414,733,789	9,099,908	243,082	205,904	(37,178)
NET POSITION						
Net investment in capital assets	139,316,952	129,827,646	9,489,306	-	-	-
Restricted	113,166,290	153,476,104	(40,309,814)	-	-	-
Unrestricted	(245,924,422)	(275,324,956)	29,400,534	166,010	1,212,770	(1,046,760)
Total Net Position	\$ 6,558,820	\$ 7,978,794	\$ (1,419,974)	\$ 166,010	\$ 1,212,770	\$ (1,046,760)

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Changes in Net Position

As shown in the table below, the District's governmental activities and business-type revenues were \$227.4 million and \$2.6 million, respectively. The majority of the revenue comes from property taxes and unrestricted federal and state aid (69.6%). Operating grants and contributions for specific programs accounted for another 28.4% of total revenues.

The total cost of all governmental activities and business-type programs and services was \$229.5 million and \$3.6 million respectively. The District's expenses are predominately related to educating and caring for students (67%). Pupil Services (including transportation and food) account for 6% of expenses. General administrative activities accounted for just 7% of total costs. Plant services, which represent the facilities maintenance and operations costs, account for 8% of all costs. Other outgo accounted for 7% of all costs. The remaining expenses were for interest and other charges, depreciation, and enterprise services and account for the remaining 5% of all costs. The governmental activities net position decreased by \$6.8 million.

	Governmental Activities			Business-Type Activities		
	2021	2020	Net Change	2021	2020	Net Change
REVENUES						
Program revenues						
Charges for services	\$ 1,126,678	\$ 3,859,841	\$ (2,733,163)	\$ 2,591,941	\$ 3,624,315	\$ (1,032,374)
Operating grants and contributions	64,613,768	48,221,988	16,391,780	-	1,667	(1,667)
Capital grants and contributions	14,219	(2,715,761)	2,729,980	-	-	-
General revenues						
Property taxes	97,351,022	94,167,934	3,183,088	-	-	-
Unrestricted federal and state aid	61,053,197	66,082,973	(5,029,776)	-	-	-
Other	3,281,560	4,108,522	(826,962)	9,127	-	9,127
Total Revenues	227,440,444	213,725,497	13,714,947	2,601,068	3,625,982	(1,024,914)
EXPENSES						
Instruction	127,851,855	129,398,735	(1,546,880)	-	-	-
Instruction-related services	24,914,357	24,186,417	727,940	-	-	-
Pupil services	14,310,757	13,991,501	319,256	-	-	-
General administration	15,471,941	9,469,837	6,002,104	-	-	-
Plant services	18,867,526	14,445,017	4,422,509	-	-	-
Ancillary services	582,650	-	582,650	-	-	-
Interest and other charges	3,957,971	4,202,532	(244,561)	-	-	-
Other outgo	15,308,790	17,439,352	(2,130,562)	-	-	-
Depreciation	8,292,674	7,771,020	521,654	-	-	-
Enterprise services	-	-	-	3,729,526	4,290,355	(560,829)
Transfers to other agencies	(18,302)	-	(18,302)	(81,698)	-	(81,698)
Total Expenses	229,540,219	220,904,411	8,654,110	3,647,828	4,290,355	(642,527)
Change in net position	(2,099,775)	(7,178,914)	5,079,139	(1,046,760)	(664,373)	(382,387)
Net Position - Beginning	7,978,794	15,157,708	(7,178,914)	1,212,770	1,877,143	(664,373)
Prior Period Adjustment (See Note 11)	679,801	-	679,801	-	-	-
Net Position - Ending	\$ 6,558,820	\$ 7,978,794	\$ (1,419,974)	\$ 166,010	\$ 1,212,770	\$ (1,046,760)

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Changes in Net Position, continued

The net expense of all our governmental activities by function this year was \$163.8 million. These costs were offset by general revenues, including property taxes of \$97.4 million, unrestricted federal and state aid of \$61.1 million, and other general revenues of \$3.3 million. The table below displays the net expense of all governmental activities by function before the general revenue offsets.

	Governmental Activities		
	2021	2020	Net Change
NET EXPENSE OF SERVICES			
Instruction	\$ 88,264,987	\$ 104,489,577	\$ (16,224,590)
Instruction-related services	20,234,553	20,811,154	(576,601)
Pupil services	6,683,805	7,220,188	(536,383)
General administration	10,564,047	8,595,157	1,968,890
Plant services	18,712,021	14,131,387	4,580,634
Ancillary services	(239,478)	-	(239,478)
Interest and other charges	3,957,971	4,202,532	(244,561)
Other outgo	7,333,276	4,317,328	3,015,948
Depreciation	8,292,674	7,771,020	521,654
Totals	\$ 163,803,856	\$ 171,538,343	\$ (7,734,487)

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$152.1 million, which decreased from last year’s ending fund balance of \$196.1 million. The District’s General Fund had \$7.4 million more revenues than expenses for the year ended June 30, 2021, leading to an ending fund balance of \$31.3 million. The District’s Special Education Pass-Through Fund had a \$0 ending fund balance for the year ended June 30, 2021 due to the fact that all of revenues in this fund are transferred to other agencies. The District’s Special Reserve Fund for Capital Outlay Projects had \$30 thousand more expenditures than revenues for the year ended June 30, 2021, leading to an ending fund balance of \$12.5 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, warrants are presented to the Board for their approval on a monthly basis to reflect expenditures made during the month. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District’s financial actuals and current budget based on state and local financial information.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had invested \$194.6 million in capital assets, net of accumulated depreciation. The net change as a result of fiscal year 2021 activity is primarily due to current year depreciation and increases to and transfers out of CIP.

	Governmental Activities		
	2021	2020	Net Change
CAPITAL ASSETS			
Land	\$ 40,624,273	\$ 40,624,273	\$ -
Construction in Progress	46,429,795	14,043,630	32,386,165
Land improvements	31,875,430	31,271,613	603,817
Buildings & improvements	275,370,131	265,113,025	10,257,106
Furniture & equipment	11,265,926	9,327,445	1,938,481
Accumulated depreciation	(211,005,326)	(203,429,951)	(7,575,375)
Total Capital Assets	\$ 194,560,229	\$ 156,950,035	\$ 37,610,194

Long-Term Liabilities

At June 30, 2021, the District had \$367.0 million in long-term debt, an increase of \$5.4 million from last year – as shown below. General Obligation Bonds decreased \$15.2 million. Net Pension Liability increased by \$17.2 million primarily due to low investment returns during the measurement period of the net pension liability (June 30, 2020) as compared to the prior measurement period (June 30, 2019). Net OPEB Liability increased by \$2.2 million. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2021	2020	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 144,336,102	\$ 159,567,585	\$ (15,231,483)
Compensated absences	954,709	712,508	242,201
Net OPEB liability	35,153,765	32,991,983	2,161,782
Net pension liability	200,699,068	183,538,595	17,160,473
Less: current portion of long-term debt	(14,167,184)	(15,210,398)	1,043,214
Total Long-term Liabilities	\$ 366,976,460	\$ 361,600,273	\$ 5,376,187

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

The pandemic has change the learning model, but the District did return to in person instruction in March of 2021. By opening to in-person instruction in March of 2021, the District took advantage in receiving the State's In-Person Grant. The District continues to monitor the situation to keep staff and students safe. The worldwide pandemic will have lasting effects that could affect future revenue growth and expenditure planning.

The District ended the fiscal year with a net increase in the ending fund balance of \$7,858,199 primarily because of restricted one-time pandemic monies. Total revenues for 2020/21 were \$185,538,002, which includes \$11.4M in one-time COVID pandemic-related relief.

The District's LCFF remained flat as the state provided a 0% COLA in 2020/21; however, the funding Federal and other State funding grew because of the various one-time COVID Pandemic relief funds. Furthermore, the district's LCFF revenues were held at 2019/20 ADA levels and in turn shielding the district from funding reductions from loss of enrollment in 2020/21 of about 400 students.

Total expenditures for 2020/21 were \$177,916,163. This represents a decrease of 0.5% from the fiscal year 2019/20, which was primarily a result of the COVID impacts with modified operations.

Additionally, looking into long-term planning, the Board approved staff's recommendation to establish a trust fund for its OPEB obligation and began to transfer monies into that fund.

The District continues with its Measure I1 projects. The rebuild and modernization of Lydiksen Elementary School, technology and network infrastructure upgrades, security system upgrades, HVAC and roofing replacements, and site fencing projects all saw significant progress. Also, the construction of new science classroom buildings is underway at Foothill and Amador High Schools with completion expected in late 2021.

The financing of California school districts is a complex calculation called the Local Control Funding Formula (LCFF). The District monitors the impact of the LCFF on funding for our program offerings and services. The LCFF provides a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low-income brackets, those that are English language learners, homeless, and foster youth. The State's economic fortunes have much improved and the 2021/22 State Budget includes a 5.07% COLA increase to the LCFF and additional funding in other areas. Continued State economic growth will provide districts which much-needed funding.

The District participates in state employee pensions plans, PERS and STRS, and both are underfunded. To address the underfunding issues, the pension plans have raised rates and intend to raise employer rates in future years. The increased costs could be significant and the District has planned for these costs in its budget forecasts.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, continued

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. The current conditions with the pandemic and economic condition may further impact enrollment in these uncertain times. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in operating costs. The District has made adjustments to its staffing in 2021/22 to right size with enrollment and these efforts will continue into 2022/23.

All of these factors were considered in preparing the District's budget for the 2021-22 fiscal year.

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, contact the District's Business Office at 4665 Bernal Avenue; Pleasanton, California, 94566.

PLEASANTON UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 156,597,975	\$ 35,843	\$ 156,633,818
Accounts receivable	27,584,542	373,249	27,957,791
Prepaid expenses	2,868	-	2,868
Inventory	761,909	-	761,909
Capital assets, not depreciated	87,054,068	-	87,054,068
Capital assets, net of accumulated depreciation	107,506,161	-	107,506,161
Total Assets	379,507,523	409,092	379,916,615
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	6,742,240	-	6,742,240
Deferred outflows related to pensions	44,142,754	-	44,142,754
Total Deferred Outflows of Resources	50,884,994	-	50,884,994
LIABILITIES			
Accrued liabilities	25,007,917	88,694	25,096,611
Unearned revenue	2,306,437	154,388	2,460,825
Current loans	7,533,000	-	7,533,000
Net pension liability	200,699,068	-	200,699,068
Net OPEB liability	35,153,765	-	35,153,765
Long-term liabilities, current portion	14,167,184	-	14,167,184
Long-term liabilities, non-current portion	131,123,627	-	131,123,627
Total Liabilities	415,990,998	243,082	416,234,080
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	5,564,768	-	5,564,768
Deferred inflows related to OPEB	2,277,931	-	2,277,931
Total Deferred Inflows of Resources	7,842,699	-	7,842,699
NET POSITION			
Net investment in capital assets	139,316,952	-	139,316,952
Restricted:			
Capital projects	84,974,639	-	84,974,639
Debt service	16,412,006	-	16,412,006
Educational programs	8,053,083	-	8,053,083
All others	3,726,562	-	3,726,562
Unrestricted	(245,924,422)	166,010	(245,758,412)
Total Net Position	\$ 6,558,820	\$ 166,010	\$ 6,724,830

The accompanying notes are an integral part of these financial statements.

**PLEASANTON UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Function/Programs	Expenses	Program Revenues			Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction	\$ 127,851,855	\$ 784,155	\$ 38,788,494	\$ 14,219	\$ (88,264,987)	\$ -	\$ (88,264,987)
Instruction-related services							
Instructional supervision and administration	7,460,007	11,806	2,515,126	-	(4,933,075)	-	(4,933,075)
Instructional library, media, and technology	3,102,799	3,974	86,568	-	(3,012,257)	-	(3,012,257)
School site administration	14,351,551	2,804	2,059,526	-	(12,289,221)	-	(12,289,221)
Pupil services							
Home-to-school transportation	915,345	2,889	424,407	-	(488,049)	-	(488,049)
Food services	3,117,181	-	2,994,541	-	(122,640)	-	(122,640)
All other pupil services	10,278,231	8,210	4,196,905	-	(6,073,116)	-	(6,073,116)
General administration							
Centralized data processing	3,933,470	412	2,608,479	-	(1,324,579)	-	(1,324,579)
All other general administration	11,538,471	4,422	2,294,581	-	(9,239,468)	-	(9,239,468)
Plant services	18,867,526	3,630	151,875	-	(18,712,021)	-	(18,712,021)
Ancillary services	582,650	-	822,128	-	239,478	-	239,478
Interest on long-term debt	3,957,971	-	-	-	(3,957,971)	-	(3,957,971)
Other outgo	15,308,790	304,376	7,671,138	-	(7,333,276)	-	(7,333,276)
Depreciation (unallocated)	8,292,674	-	-	-	(8,292,674)	-	(8,292,674)
Total Governmental Activities	\$ 229,558,521	\$ 1,126,678	\$ 64,613,768	\$ 14,219	(163,803,856)	-	(163,803,856)
BUSINESS-TYPE ACTIVITIES							
Child Development Center	3,729,526	2,591,941	-	-	-	(1,137,585)	(1,137,585)
Total Business-Type Activities	3,729,526	2,591,941	-	-	-	(1,137,585)	(1,137,585)
Total School District	\$ 233,288,047	\$ 3,718,619	\$ 64,613,768	\$ 14,219	(163,803,856)	(1,137,585)	(164,941,441)
General revenues							
Taxes and subventions							
Property taxes, levied for general purposes					81,376,167	-	81,376,167
Property taxes, levied for debt service					15,974,855	-	15,974,855
Federal and state aid not restricted for specific purposes					61,053,197	-	61,053,197
Interest and investment earnings					653,898	9,127	663,025
Miscellaneous					2,627,662	-	2,627,662
Internal Transfers					18,302	81,698	100,000
Subtotal, General Revenue					161,704,081	90,825	161,794,906
Change in Net Position					(2,099,775)	(1,046,760)	(3,146,535)
Net Position - Beginning					7,978,794	1,212,770	9,191,564
Prior Period Adjustment (See Note 11)					679,801	-	679,801
Net Position - Ending					\$ 6,558,820	\$ 166,010	\$ 6,724,830

**PLEASANTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 25,776,734	\$ 89,092,825	\$ 41,728,416	\$ 156,597,975
Accounts receivable	4,321,488	190,795	997,873	5,510,156
Due from grantor government	21,713,122	-	361,264	22,074,386
Due from other funds	420,572	-	14,455	435,027
Stores inventory	687,253	-	74,656	761,909
Prepaid expenditures	2,868	-	-	2,868
Total Assets	52,922,037	89,283,620	43,176,664	185,382,321
LIABILITIES				
Accrued liabilities	11,690,692	10,832,109	490,777	23,013,578
Due to other funds	58,057	-	376,970	435,027
Current loans	7,533,000	-	-	7,533,000
Deferred revenue	2,306,437	-	-	2,306,437
Total Liabilities	21,588,186	10,832,109	867,747	33,288,042
FUND BALANCES				
Nonspendable	730,271	-	77,156	807,427
Restricted				
Educational programs	7,909,609	-	143,474	8,053,083
Capital projects	-	78,451,511	6,523,128	84,974,639
Debt service	-	-	16,412,006	16,412,006
All others	1,887,291	-	1,839,271	3,726,562
Committed	1,486,000	-	-	1,486,000
Assigned	9,645,005	-	17,313,882	26,958,887
Unassigned	9,675,675	-	-	9,675,675
Total Fund Balances	31,333,851	78,451,511	42,308,917	152,094,279
Total Liabilities and Fund Balances	\$ 52,922,037	\$ 89,283,620	\$ 43,176,664	\$ 185,382,321

The accompanying notes are an integral part of these financial statements.

**PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF
NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Total Fund Balance - Governmental Funds \$ 152,094,279

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$	405,565,555	
Accumulated depreciation		(211,005,326)	194,560,229

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(1,994,339)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

Net pension liability	\$	200,699,068	
Net OPEB liability		35,153,765	
Long-term liabilities, due within one year		14,167,184	
Long-term liabilities, due in more than one year		131,123,627	(381,143,644)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions:	\$	44,142,754	
Deferred inflows of resources relating to pensions:		(5,564,768)	38,577,986

Deferred outflows and inflows of resources related to other postemployment benefits (OPEB):

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported:

Deferred outflows of resources relating to OPEB	\$	6,742,240	
Deferred inflows of resources relating to OPEB		(2,277,931)	4,464,309

Total Net Position - Governmental Activities \$ 6,558,820

**PLEASANTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 135,866,825	\$ -	\$ -	\$ 135,866,825
Federal sources	8,591,116	-	3,147,538	11,738,654
Other state sources	33,988,455	-	11,724,331	45,712,786
Other local sources	6,285,775	1,350,418	18,468,094	26,104,287
Total Revenues	184,732,171	1,350,418	33,339,963	219,422,552
EXPENDITURES				
Current				
Instruction	115,280,816	-	469,732	115,750,548
Instruction-related services				
Instructional supervision and administration	6,792,765	-	76	6,792,841
Instructional library, media, and technology	2,750,833	-	-	2,750,833
School site administration	12,458,446	-	372,340	12,830,786
Pupil services				
Home-to-school transportation	838,820	-	-	838,820
Food services	74,160	-	3,042,263	3,116,423
All other pupil services	9,229,621	-	-	9,229,621
General administration				
Centralized data processing	3,824,165	-	-	3,824,165
All other general administration	9,736,216	-	136,009	9,872,225
Plant services				
Facilities acquisition and maintenance	1,980,518	48,955,041	203,670	51,139,229
Ancillary services	-	-	582,650	582,650
Transfers to other agencies	1,946,158	-	11,062,632	13,008,790
Debt service				
Interest and other	-	-	5,058,183	5,058,183
Redemptions	-	-	14,355,000	14,355,000
Total Expenditures	177,333,512	48,955,041	35,579,070	261,867,623
Excess (Deficiency) of Revenues Over Expenditures	7,398,659	(47,604,623)	(2,239,107)	(42,445,071)
Other Financing Sources (Uses)				
Transfers in	336,360	-	489,877	826,237
Transfers out	(365,875)	-	(2,742,060)	(3,107,935)
Net Financing Sources (Uses)	(29,515)	-	(2,252,183)	(2,281,698)
NET CHANGE IN FUND BALANCE	7,369,144	(47,604,623)	(4,491,290)	(44,726,769)
Fund Balance - Beginning	23,964,707	126,056,134	46,120,406	196,141,247
Adjustment for restatement	-	-	679,801	679,801
Fund Balance - Beginning, as restated	23,964,707	126,056,134	46,800,207	196,821,048
Fund Balance - Ending	\$ 31,333,851	\$ 78,451,511	\$ 42,308,917	\$ 152,094,279

The accompanying notes are an integral part of these financial statements.

**PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Governmental Funds \$ (44,726,769)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 45,931,316	
Depreciation expense:	<u>(8,292,674)</u>	37,638,642

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

14,355,000

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(28,448)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

223,729

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(242,201)

Pensions:

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

(9,549,749)

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:

(646,462)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:

876,483

Change in Net Position of Governmental Activities \$ (2,099,775)

**PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS	
Cash and cash equivalents	\$ 35,843
Accounts receivable	373,249
Total Assets	<u>409,092</u>
LIABILITIES	
Accrued liabilities	88,694
Unearned revenues	154,388
Total Liabilities	<u>243,082</u>
NET POSITION	
Unrestricted	166,010
Total Net Position	<u>\$ 166,010</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021**

OPERATING REVENUES	
Charges for services	\$ 2,591,941
Total Operating Revenues	<u>2,591,941</u>
OPERATING EXPENSES	
Employee salaries	2,603,919
Employee benefits	989,203
Books and supplies	51,812
Services and other operating expenses	84,592
Total Operating Expenses	<u>3,729,526</u>
Operating Income	<u>(1,137,585)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,127
Interfund transfer out	(18,302)
Total Nonoperating Revenues (Expenses)	<u>(9,175)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	100,000
Total Other Financing Sources (Uses)	<u>100,000</u>
Change in Net Position	<u>(1,046,760)</u>
Net Position - Beginning	<u>1,212,770</u>
Net Position - Ending	<u>\$ 166,010</u>

The accompanying notes are an integral part of these financial statements.

**PLEASANTON UNIFIED SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from user charges	\$ 2,267,048
Cash paid for operating expenses	(3,670,192)
Net Cash Provided (Used) by Operating Activities	<u>(1,403,144)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer to other funds	(188,251)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	9,127
CASH FLOWS FROM OTHER FINANCING SOURCES:	
Transfers in	100,000
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,482,268)</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,518,111</u>
Cash and Cash Equivalents - End of Year	<u>\$ 35,843</u>
RECONCILIATION OF OPERATING INCOME TO CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ (1,137,585)
Changes in operating assets and liabilities:	
Accounts receivable	(303,157)
Prepaid expenses	420
Accrued liabilities	58,914
Unearned revenues	(21,736)
Net cash and cash equivalents provided (used) by operating activities	<u>\$ (1,403,144)</u>

The accompanying notes are an integral part of these financial statements.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

The Pleasanton Unified School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. REPORTING ENTITY

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District’s financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

C. BASIS OF ACCOUNTING – MEASUREMENT FOCUS

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except the fiduciary fund.

The government-wide statements are prepared using the economic resources measurement focus. 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. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District’s governmental activities. 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. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Financial Statements - Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column as other governmental funds. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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 position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means 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. For the District, “available” means collectible within the current period or within 45, 60, or 90 days after year-end, depending on the revenue source. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state aid apportionments, the California Department of Education has defined “available” as collectible within one year.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Non-exchange transactions are those in which the District receives value without directly giving equal value in return, and include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted, matching requirements, under which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Receivables associated with non-exchange transactions that will not be collected within the period of availability have would be offset with unavailable revenue.

Unearned Revenue – Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are recorded as unearned revenue.

Expenses/Expenditures – Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed, assigned, and then unassigned fund balances.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major and non-major governmental funds, enterprise fund, and fiduciary fund as follows:

Major Governmental Funds

Major governmental funds, meeting the criteria of a major fund under GASB, comprise the following:

The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Additionally, the Special Reserve for Other than Capital Outlay has been combined with the General Fund because it does not meet the definition of a special revenue fund under GASB.

The Building Fund is used to account for the acquisition and construction of major governmental capital facilities and buildings.

Non-Major Governmental Funds

Funds not meeting the criteria of a major fund are reported as other governmental funds and include the following:

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

The Adult Education Fund is used to account for state, federal and local revenues for adult educational programs.

The Cafeteria Fund is used to account for state, federal and local revenues to operate the food services program.

The Special Reserve Fund for Capital Outlay Projects, a capital projects fund, exists primarily to provide for accumulation of General Fund moneys for capital outlay purposes. The Sale of Property Reserve Fund (Sycamore Fund) is a sub fund of the Special Reserve Fund for Capital Outlay Projects that was established to account for proceeds from the District's sale of real property.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Non-Major Governmental Funds

The Special Education Pass-Through Fund, a special revenue fund, is used by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue passed through to other member LEAs.

The Deferred Maintenance Fund is used to account for state revenues, and matching funds from the District, that are to be used on maintenance projects for upkeep of district facilities.

The Student Activity Special Revenue Fund, which is used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported for student body funds represent the combined totals of all schools within the District.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains the following non-major capital projects funds:

The Capital Facilities Fund is used to account for resources received from development impact fees assessed under provisions of the California Government Code.

The County School Facilities Fund is used to account for state apportionment provided for construction and reconstruction of school facilities.

Debt Service Funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

The Bond Interest and Redemption Fund, a debt service fund, is used to account for the accumulation of resources for, and the repayment of general obligation bonds, interest, and other debt-related costs.

Enterprise Fund

An Enterprise Fund is used to account for those operations that are financed and operated in a manner similar to private business or where the governing board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The District operates one enterprise fund, the Child Development Fund.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

F. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, with the exception of Debt Service Funds. By state law, the District's Board of Trustees must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption.

These budgets are revised by the District's Board of Trustees during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund and the Special Education Pass-Through Fund are presented as required supplementary information in these financial statements. The Special Reserve for Other than Capital Outlay Fund has been excluded from the General Fund's budgetary comparison schedule and a reconciliation has been added to show differences between GAAP presentation in the fund financial statements and the budgetary basis.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. CASH AND EQUIVALENTS

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

H. INVENTORIES AND PREPAID ITEMS

Inventories are recorded at the latest invoice cost. Inventories in the applicable funds consist primarily of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting expenditures for prepaid items in governmental funds either when paid or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

**PLEASANTON UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

I. CAPITAL ASSETS

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
Buildings and Improvement of Sites	20-50 years
Furniture and Equipment	15-20 years
Technology Equipment	4-5 years
Vehicles	8 years

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the District’s OPEB and pension plan after the measurement date but before the fiscal year-end are recorded as a deferred outflow of resources and will reduce the net pension liability in the next fiscal year.

Additional factors involved in the calculation of the District’s pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District’s contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 7 and Note 8 for further details related to these OPEB and pensions deferred outflows and inflows.

K. PENSIONS

Qualified employees are covered under cost-sharing multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers’ Retirement Plan (the CalSTRS Plan), and classified employees are members of the Schools Pool (the CalPERS Plan), collectively referred to as the Plans. For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the District’s portions of the Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

L. COMPENSATED ABSENCES

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District on the government-wide financial statements. Compensated absences are generally liquidated by the General Fund.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken, since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

M. FUND BALANCE RESERVES

In the governmental fund financial statements fund balances are classified as follows:

Non-spendable – Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

Restricted – Funds that are mandated for specific purposes because the amounts are subject to externally imposed or legally enforceable constraints.

Committed – Funds set aside for specific purposes by the District's highest level of decision-making authority (Board of Trustees) pursuant to formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specific use through the same type of formal action taken to establish the commitment.

Assigned – Funds that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Administrative Regulation No. 2014-15.03 hereby delegates the authority to assign amounts to be used for specific purposes to the Assistant Superintendent of Business Services for the purpose of reporting these amounts in the financial statements.

Unassigned – The residual balance of the General Fund that has not been assigned to other funds and that is not restricted, committed or assigned to a specific purpose.

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Trustees, the District maintains a Reserve for Economic Uncertainties to safeguard the District's financial stability. The responsibility to operate the District to maintain financial stability resides with the elected Board of Trustees. The recommended reserve for a District of this size is a minimum of 3% of general fund expenditures and other financing uses. The District's standard policy is to maintain the minimum reserve. As of June 30, 2021, the District had a Reserve for Economic Uncertainty of \$5,340,485 in the General Fund's unassigned fund balance which represents 3% of the budgeted General Fund expenditures and other financing uses on a budgetary basis.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

N. PROPERTY TAXES

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 Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

O. LONG-TERM OBLIGATIONS

The District reports long-term obligations of governmental funds at face value in the government-wide financial statements.

P. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

Q. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement is effective for periods beginning after December 15, 2019. The District has implemented GASB Statement No. 84 as of June 30, 2021.

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. The Statement is effective for periods beginning after December 15, 2021. Management has not yet determined the impact of GASB Statement No. 87.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2021, consist of the following:

	Governmental Activities	Business-Type Activities	Fiduciary Funds
Cash in county treasury	\$ 146,115,799	\$ 31,843	\$ -
Cash on hand and in banks	919,279	-	-
Cash in revolving fund	42,650	4,000	-
Investments	-	-	2,261,871
Deposit in LAIF	4,865,888	-	-
Total	\$ 151,943,616	\$ 35,843	\$ 2,261,871

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Alameda County Treasury (the County Treasury). The County Treasury pools these funds with those of other districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund’s daily balance to the total of pooled cash and investments.

Participants’ equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The County Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. Seq., and is restricted by Government Code Section 53635, pursuant to Section 53601. The funds maintained by the County Treasury are either secured by federal depository insurance or are collateralized.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

The County Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer’s investment pool; bankers’ acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

Local Agency Investment Funds

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Separate complete financial statements are available at P.O. Box 942809, Sacramento, CA 94209-0001

Investments Authorized by the District’s Investment Policy

The table below identifies the investment types authorized for the entity by the District’s investment policy. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk

Authorized Investment Type	Maximum 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	40%	10%
Negotiable Certificates of Deposit	5 years	40%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	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

**PLEASANTON UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Derivative Investments

The District did not directly enter into any derivative investments. Information regarding the amount invested in derivatives by the County Treasury and LAIF was not available.

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 values to changes in market interest rates. As of June 30, 2021, the weighted average maturity of the investments contained in the County Treasury investment pool is approximately 593 days.

Credit Risks

Generally, 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 County Treasury and LAIF investment pool do not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

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 for deposits: The California Government Code requires that a financial institution secure deposits that are 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 amounts deposited by the public agencies.

District deposits held with financial institutions and with fiscal agents in excess of federal depository limits were \$669,279 at June 30, 2021.

NOTE 3 – ACCOUNTS RECEIVABLE AND DUE FROM GRANTOR GOVERNMENT

Accounts receivable consisted of the following at June 30, 2021:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Business- Type Activities	Retiree Benefit Trust Fund
Federal Government	\$ 3,112,798	\$ -	\$ 1,147,561	\$ 4,260,359	\$ -	\$ -
State Government	4,391,093	-	15,830	4,406,923	-	-
Local Government	18,530,719	190,795	185,034	18,906,548	373,249	10,712
Total	\$ 26,034,610	\$ 190,795	\$ 1,348,425	\$ 27,573,830	\$ 373,249	\$ 10,712

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance		Balance	
	July 01, 2020	Additions	Deductions	June 30, 2021
Capital assets not being depreciated				
Land	\$ 40,624,273	\$ -	\$ -	\$ 40,624,273
Construction in progress	14,043,630	43,784,906	11,398,741	46,429,795
Total Capital Assets not Being Depreciated	54,667,903	43,784,906	11,398,741	87,054,068
Capital assets being depreciated				
Land improvements	31,271,613	603,817	-	31,875,430
Buildings and improvements	265,113,025	10,794,924	537,818	275,370,131
Furniture and equipment	9,327,445	2,146,410	207,929	11,265,926
Total Capital Assets Being Depreciated	305,712,083	13,545,151	745,747	318,511,487
Less Accumulated Depreciation				
Land improvements	29,550,594	102,423	-	29,653,017
Buildings and improvements	168,612,517	7,355,939	537,818	175,430,638
Furniture and equipment	5,266,840	834,312	179,481	5,921,671
Total Accumulated Depreciation	203,429,951	8,292,674	717,299	211,005,326
Capital Assets, net	\$ 156,950,035	\$ 49,037,383	\$ 11,427,189	\$ 194,560,229

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transactions include loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers.

Due from/Due to Other Funds

Individual interfund receivables and payables as of June 30, 2021 were as follows:

Payable Fund	Receivable Fund		
	General Fund	Other Governmental Funds	Total
General Fund	\$ -	\$ 14,455	\$ 14,455
General Fund - Special Reserve	84,562	-	84,562
Other Governmental Funds	336,010	-	336,010
Total	\$ 420,572	\$ 14,455	\$ 435,027

Interfund receivables and payables included in the financial statements are paid and cleared in the subsequent period.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 – INTERFUND TRANSACTIONS, continued

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. There are no significant and/or non-routine transfers for the fiscal year ended June 30, 2021.

Interfund transfers for the year ended June 30, 2021, were as follows:

Transfer Out	Transfer In				Total
	General Fund	Other Governmental Funds	Enterprise Fund	Retiree Benefit Fund	
General Fund	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
General Fund - Special Reserve	306,835	-	-	-	306,835
Other Governmental Funds	29,525	489,877	-	6,854,012	7,373,414
Total	\$ 336,360	\$ 489,877	\$ 100,000	\$ 6,854,012	\$ 7,780,249

NOTE 6 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2021 consisted of the following:

	Balance	Additions	Deductions	Balance	Due in
	July 1, 2020			June 30, 2021	One Year
Governmental Activities					
General obligation bonds	\$ 149,420,000	\$ -	\$ 14,355,000	\$ 135,065,000	\$ 13,545,000
Unamortized premium	10,147,585	-	876,483	9,271,102	622,184
Compensated absences	712,508	242,201	-	954,709	-
Total	\$ 160,280,093	\$ 242,201	\$ 15,231,483	\$ 145,290,811	\$ 14,167,184

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund. Payments on the certificates of participation are made from the Capital Facilities Fund and a small portion from the General Fund. Payments on the capitalized lease obligations are made from the General Fund. Payments on the postemployment benefits are made from the General Fund, regardless of the fund for which the related employee worked. Payments on the compensation absences are made from the fund for which the related employee worked.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

The outstanding general obligation bonded debt of the District at June 30, 2021 is:

Series	Issue Date	Maturity Date	Yield Rate	Original Issue	Bonds Outstanding June 30, 2020	Additions	Deductions	Bonds Outstanding June 30, 2021
2013 Refunding	7/10/2013	8/1/2021	0.29 - 2.70%	\$ 14,565,000	\$ 7,540,000	-	\$ 3,625,000	\$ 3,915,000
2014 Refunding	6/26/2014	8/1/2023	0.14 - 2.37%	\$ 11,100,000	3,635,000	-	850,000	2,785,000
Series 2017	10/25/2017	8/1/2042	0.90 - 3.28%	\$ 70,645,000	48,245,000	-	1,680,000	46,565,000
2019	9/5/2019	8/1/2042	0.80 - 2.58%	\$ 90,000,000	90,000,000	-	8,200,000	81,800,000
				Total	\$ 149,420,000	\$ -	\$ 14,355,000	\$ 135,065,000

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2021, are as follows:

Year Ended June 30,	Principal	Interest	Total
2022	\$ 13,545,000	\$ 4,542,375	\$ 18,087,375
2023	8,325,000	4,127,213	12,452,213
2024	2,025,000	3,910,313	5,935,313
2025	1,110,000	3,836,788	4,946,788
2026	1,165,000	3,779,913	4,944,913
2027-2031	16,705,000	17,271,519	33,976,519
2032-2036	27,870,000	13,185,075	41,055,075
2037-2041	42,470,000	7,431,400	49,901,400
2042-2043	21,850,000	746,550	22,596,550
Total	\$ 135,065,000	\$ 58,831,144	\$ 193,896,144

**PLEASANTON UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For the fiscal year ended June 30, 2021, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	\$ 35,153,765	\$ 6,742,240	\$ 2,277,931	\$ 4,428,941

Plan Description

The District provides postretirement healthcare benefits to employees. The Plan is a single-employer defined benefit plan. The District funds up to five retirement award packages each year for certificated non-management retirees wherein each eligible retiree shall receive a lump-sum amount towards an IRC 403(b) account. If an eligible retiree’s application is not funded, the retiree will receive District-paid benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Certificated retirees must be at least age 55 with 10 years of service. Classified retirees must be at least age 55 with 10 years of service. Management retirees must be at least age 55 with at least 10 years of service to the District. All groups receive the same dental coverage. The District provides an explicit subsidy for pre 65 medical and dental benefits for retirees except those Certificated and Classified retirees that chose the Golden Handshake program. The Golden Handshake program is not offered to Management retirees. The amount of benefits described is subject to increase based on yearly Cost of Living Adjustment (COLA) calculations.

Contributions

Contributions are required for both retiree and dependent coverage. Depending on the employee group and the terms of retirement, the District provides an explicit subsidy for all eligible retirees except those that are in the Management Early Retirement programs. The duration of the subsidy is either 5 or 7 years depending on the retiree’s choice of coverage and until the retiree reaches 65, whichever comes first. The District’s funding policy is based on the projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the governing board.

Employees Covered by Benefit Term

The following is a table of plan participants at June 30, 2021:

Inactive Employees Receiving Benefits	Number of Participants
	209
Active Employees	1,349
	<u>1,558</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

As of June 30, 2021, the District had established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there is no separately issued report of the plan. The June 30, 2021 contributions consist of \$1,582,479 postemployment benefits for current retirees on a pay-as-you-go basis and an additional \$2,200,000 contribution to the District’s irrevocable trust. As of June 30, 2021, the District has committed approximately \$4,665,071 million for postemployment benefits in the special reserve fund and has a balance in the irrevocable trust of \$2,261,871.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	N/A
Discount rate	2.66%
Health care cost trend rate	6.25% decreasing to 4.50%
Payroll increase	2.75%
Mortality	For Classified and Safety Employees: SOA Pub-2010 General Mortality Table fully generational using Scale MP-2018. For Faculty and Management Employees: SOA Pub-2010 Teacher Mortality Table fully generational using Scale MP-2018.

This discount rate of 2.66% is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$4,428,941. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,926,476	\$ 1,213,650
Change in assumptions	1,033,285	1,064,281
District contributions subsequent to the measurement date	3,782,479	-
	<u>\$ 6,742,240</u>	<u>\$ 2,277,931</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, continued

The deferred outflow of resources 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 inflows of resources resulting from a change in assumption will be amortized to OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 21,690
2023	21,690
2024	21,687
2025	193,148
2026	224,689
Thereafter	198,926
	<u>\$ 681,830</u>

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance July 1, 2020	\$ 32,991,983	\$ -	\$ 32,991,983
Changes for the year:			
Service cost	2,503,814	-	2,503,814
Interest	1,098,822	-	1,098,822
Employer contributions	-	1,234,722	(1,234,722)
Difference between expected and actual experience	(1,387,029)	-	(1,387,029)
Changes of assumptions	1,180,897	-	1,180,897
Expected benefit payments	(1,234,722)	(1,234,722)	-
Net change	<u>2,161,782</u>	-	<u>2,161,782</u>
Balance June 30, 2021	<u>\$ 35,153,765</u>	\$ -	<u>\$ 35,153,765</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Sensitivity of the Net Pension Liability to Assumptions

The following presents the net OPEB liability calculated using the discount rate of 2.66 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower and 1 percent higher:

	Discount Rate 1% Lower (1.66%)	Current Discount Rate (2.66%)	Discount Rate 1% Higher (3.66%)
Net OPEB liability \$	\$ 37,666,627	\$ 35,153,765	\$ 32,779,336

The following table presents the net OPEB liability calculated using the health care cost trend rate of 6.25 percent HMO/PPO decreasing to 4.50 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower and 1 percent higher:

	Trend Rate 1% Lower (5.25% decreasing to 3.50%)	Current Trend Rate (6.25% decreasing to 4.50%)	Trend Rate 1% Higher (7.25% decreasing to 6.50%)
Net OPEB liability \$	\$ 31,104,984	\$ 35,153,765	\$ 39,907,652

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are member 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 ending June 30, 2021, the District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	\$ 152,514,210	\$ 35,541,635	\$ 5,133,940	\$ 19,215,502
CalPERS	48,184,858	8,601,119	430,828	8,216,519
Total	<u>\$ 200,699,068</u>	<u>\$ 44,142,754</u>	<u>\$ 5,564,768</u>	<u>\$ 27,432,021</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS) Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by 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, 2019, 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, 2021, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
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%	9.205%*
Required employer contribution rate	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

*The rate imposed on CalSTRS 2% at 62 members assuming no change in the normal cost of benefits.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contribution

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution 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 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above, and the District's total contributions were \$13,930,501.

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

At June 30, 2021, 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:

Total net pension liability, including State share:

District's proportionate share of the net pension liability	\$ 152,514,210
State's proportionate share of the net pension liability associated with the District	<u>78,620,457</u>
Total	<u>\$ 231,134,667</u>

The net pension liability was measured as of June 30, 2020. 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 college districts and the State actuarially determined. The District's proportionate share for the measurement periods of June 30, 2020 and June 30, 2019, was 0.157 percent and 0.154 percent, respectively, resulting in a net increase in the proportionate share of 0.003 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$19,215,502. At June 30, 2021, 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
Difference between projected and actual earnings on plan investments	\$ 3,621,917	\$ -
Differences between expected and actual experience	269,118	4,298,464
Changes in assumptions	14,869,599	-
Net changes in proportionate share of net pension liability	2,850,500	835,476
District contributions subsequent to the measurement date	13,930,501	-
Total	<u>\$ 35,541,635</u>	<u>\$ 5,133,940</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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 of resources related to the difference between projected and actual earning on pension plan investments will be 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
2022	\$ 1,338,802
2023	5,807,501
2024	7,360,887
2025	2,355,581
2026	(400,416)
Thereafter	14,839
	<u>\$ 16,477,194</u>

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, 2019 and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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 custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

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. Based on the model for CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on the Teachers' Retirement Board of the California State Teachers' Retirement System (board) policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return 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	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	<u>100%</u>	

*20-year average

Discount Rate

The discount rate used to measure the total pension liability was 7.10 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. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming 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:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	\$ 230,427,727	\$ 152,514,210	\$ 88,185,630

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS) Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under 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, 2019, annual actuarial valuation report, 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 age 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, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
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	7.000%	6.500%
Required employer contribution rate	20.700%	20.700%

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contribution

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 are calculated 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 contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above, and the total District contributions were \$3,951,771.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$48,184,858. The net pension liability was measured as of June 30, 2020. 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 college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2020 and June 30, 2019, was 0.153 percent and 0.152 percent, respectively, resulting in a net increase in the proportionate share of 0.001 percent.

For the year ended June 30, 2021, the District recognized pension expense of \$8,216,519. At June 30, 2021, 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
Difference between projected and actual earnings on plan investments	\$ 1,003,057	\$ -
Differences between expected and actual experience	2,389,821	-
Changes in assumptions	176,696	-
Net changes in proportionate share of net pension liability	1,079,774	430,828
District contributions subsequent to the measurement date	3,951,771	-
Total	\$ 8,601,119	\$ 430,828

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.

**PLEASANTON UNIFIED SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments will be 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
2022	\$ 1,152,005
2023	1,283,542
2024	1,101,151
2025	681,822
	\$ 4,218,520

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

In determining the long-term expected rate of return, CalPERS took into account 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 (11-60 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 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**	Real Return Years 11+***
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	100%		

*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

**An expected inflation of 2.0% used for this period

***An expected inflation of 2.92% used for this period

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:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Plan's net pension liability	\$ 69,274,520	\$ 48,184,858	\$ 30,681,497

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2021, which amounted to \$9,080,162. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. No contributions were made for CalPERS for the year ended June 30, 2021. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

Litigation

Various claims and litigation involving the District are currently outstanding. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

NOTE 10 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in three joint powers authorities (JPAs), the East Bay Schools Insurance Group (EBSIG), the Alameda County Schools Insurance Group (ACSIG), and the Tri-Valley Regional Occupational Program (Tri-Valley ROP). The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

EBSIG arranges for and provides property and liability insurance for its members. ACSIG arranges for and provides workers' compensation insurance for its members. TVROP cultivates a world-class talent pool through the guidance of professional educators of the highest quality, by engaging every student in rigorous and relevant career pathways developed in partnership with business and industry, and by promoting global awareness, innovation, and ethics to empower students to turn their passion into a high-wage career. The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the boards. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

Complete separate financial statements for either JPA may be obtained from the District or JPA.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Beginning net position was increased by \$679,801 due to the implementation of GASB Statement No. 84, *Fiduciary Activities* for implementation of a change in accounting principal.

NOTE 12 – TAX AND REVENUE ANTICIPATION NOTES

The District issued \$7,533,000 of tax and revenue anticipation notes (TRANS) dated March 26, 2021. The notes bear interest at 0.25% interest and are payable on December 30, 2021.

NOTE 13 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2021 through December 31, 2021, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**PLEASANTON UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2021**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 124,695,669	\$ 135,397,690	\$ 135,866,825	\$ 469,135
Federal sources	3,146,994	8,561,862	8,591,116	29,254
Other state sources	25,484,875	26,583,194	33,988,455	7,405,261
Other local sources	2,356,855	4,237,057	6,269,479	2,032,422
Total Revenues	155,684,393	174,779,803	184,715,875	9,936,072
EXPENDITURES				
Certificated salaries	82,206,329	87,884,953	87,308,848	(576,105)
Classified salaries	20,260,847	21,527,892	19,938,045	(1,589,847)
Employee benefits	36,268,775	37,772,506	37,797,425	24,919
Books and supplies	4,525,155	13,000,527	7,783,586	(5,216,941)
Services and other operating expenditures	16,939,895	19,089,263	20,545,731	1,456,468
Capital outlay	338,000	1,670,854	2,149,728	478,874
Other outgo				
Excluding transfers of indirect costs	1,406,102	1,646,102	1,946,158	300,056
Transfers of indirect costs	(162,386)	(162,386)	(136,009)	26,377
Total Expenditures	161,782,717	182,429,711	177,333,512	(5,096,199)
Excess (Deficiency) of Revenues Over Expenditures	(6,098,324)	(7,649,908)	7,382,363	4,839,873
Other Financing Sources (Uses):				
Transfers in	167,930	254,930	336,360	81,430
Transfers out	(30,000)	(1,500,000)	(100,000)	1,400,000
Net Financing Sources (Uses)	137,930	(1,245,070)	236,360	1,481,430
NET CHANGE IN FUND BALANCE	(5,960,394)	(8,894,978)	7,618,723	16,513,701
Fund Balance - Beginning	22,587,247	22,587,247	22,587,247	-
Fund Balance - Ending	\$ 16,626,853	\$ 13,692,269	\$ 30,205,970	\$ 16,513,701

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 2,503,814	\$ 1,962,781	\$ 1,934,204	\$ 2,040,337
Interest	1,098,822	1,070,842	989,217	815,557
Difference between expected and actual experience	(1,387,029)	2,568,634	-	-
Changes of assumptions	1,180,897	(564,986)	(220,793)	(1,200,202)
Benefit payments	(1,234,722)	(1,355,983)	(1,104,698)	(1,037,275)
Net change in total OPEB liability	2,161,782	3,681,288	1,597,930	618,417
Total OPEB liability, beginning of year	32,991,983	29,310,695	27,712,765	27,094,348
Total OPEB liability, end of year (a)	\$ 35,153,765	\$ 32,991,983	\$ 29,310,695	\$ 27,712,765
Plan fiduciary net position				
Employer contributions	\$ 1,234,722	\$ 1,355,983	\$ 1,104,698	\$ 1,037,275
Expected benefit payments	(1,234,722)	(1,355,983)	(1,104,698)	(1,037,275)
Change in plan fiduciary net position	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability (asset), ending (a) - (b)	\$ 35,153,765	\$ 32,991,983	\$ 29,310,695	\$ 27,712,765
Covered payroll	\$ 108,161,367	\$ 105,523,285	\$ 94,010,000	\$ 94,010,000
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	0%	0%	0%	0%
Net OPEB asset as a percentage of covered payroll	33%	31%	31%	29%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - OPEB
JUNE 30, 2021

	2021	2020	2019	2018
Actuarially determined contribution	\$ 847,704	\$ 1,014,254	\$ 1,000,666	\$ 1,037,275
Contributions in relations to the actuarially determined contribution	3,782,479	1,355,983	1,104,698	1,037,275
Contribution deficiency (excess)	\$ (2,934,775)	\$ (341,729)	\$ 943,851	\$ -
Covered-employee payroll	\$ 108,161,367	\$ 105,523,285	\$ 94,010,000	\$ 94,010,000
Contribution as a percentage of covered-employee payroll	3.50%	1.29%	1.18%	1.10%

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021**

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CaSTRS				
District's proportion of the net pension liability	0.157%	0.154%	0.153%	0.150%
District's proportionate share of the net pension liability	\$ 152,514,210	\$ 138,876,250	\$ 140,659,698	\$ 138,907,437
State's proportionate share of the net pension liability associated with the District	78,620,457	75,766,878	80,538,128	82,177,136
Total	\$ 231,134,667	\$ 214,643,128	\$ 221,197,826	\$ 221,084,573
District's covered - employee payroll	\$ 82,588,935	\$ 81,934,515	\$ 78,569,591	\$ 78,569,591
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	185%	169%	179%	177%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%

	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CaIPERS				
District's proportion of the net pension liability	0.157%	0.153%	0.152%	0.150%
District's proportionate share of the net pension liability	\$ 48,184,858	\$ 44,662,345	\$ 40,433,172	\$ 35,786,720
District's covered - employee payroll	\$ 22,778,196	\$ 21,749,230	\$ 20,585,882	\$ 20,585,882
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	212%	205%	196%	174%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
CalSTRS			
District's proportion of the net pension liability	0.155%	0.159%	0.157%
District's proportionate share of the net pension liability	\$ 125,365,550	\$ 107,045,160	\$ 91,746,090
State's proportionate share of the net pension liability associated with the District	71,546,605	56,774,903	55,260,292
Total	<u>\$ 196,912,155</u>	<u>\$ 163,820,063</u>	<u>\$ 147,006,382</u>
District's covered - employee payroll	\$ 78,191,439	\$ 72,833,668	\$ 70,404,045
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	160%	147%	130%
Plan fiduciary net position as a percentage of the total pension liability	70%	74%	77%
	Reporting Fiscal Year (Measurement Date)		
	2017 (2016)	2016 (2015)	2015 (2014)
CalPERS			
District's proportion of the net pension liability	0.159%	0.160%	0.162%
District's proportionate share of the net pension liability	\$ 31,402,598	\$ 23,643,118	\$ 18,368,240
District's covered - employee payroll	\$ 19,136,167	\$ 17,751,101	\$ 16,939,425
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	74%	79%	83%

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
JUNE 30, 2021**

CalSTRS	Reporting Fiscal Year			
	2021	2020	2019	2018
Statutorily required contribution	\$ 13,930,501	\$ 14,973,374	\$ 13,338,939	\$ 11,337,592
District's contributions in relation to the statutorily required contribution	13,930,501	14,973,374	13,338,939	(11,337,592)
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 86,256,972	\$ 82,588,935	\$ 81,934,515	\$ 78,569,591
District's contributions as a percentage of covered-employee payroll	16.15%	18.13%	16.28%	14.43%

CalPERS	Reporting Fiscal Year			
	2021	2020	2019	2018
Statutorily required contribution	\$ 3,951,771	\$ 4,492,088	\$ 3,928,346	\$ 2,859,379
District's contributions in relation to the statutorily required contribution	3,951,771	4,492,088	3,928,346	(2,859,379)
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 19,090,681	\$ 22,778,196	\$ 21,749,230	\$ 20,585,882
District's contributions as a percentage of covered-employee payroll	20.70%	19.72%	18.06%	13.89%

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
JUNE 30, 2021**

	Reporting Fiscal Year		
	2017	2016	2015
CalSTRS			
Statutorily required contribution	\$ 10,009,054	\$ 8,384,573	\$ 6,479,899
District's contributions in relation to the statutorily required contribution	(10,009,054)	(8,384,573)	(6,479,899)
District's contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 79,498,369	\$ 78,191,439	\$ 72,833,668
District's contributions as a percentage of covered-employee payroll	12.59%	10.72%	8.90%
	Reporting Fiscal Year		
	2017	2016	2015
CalPERS			
Statutorily required contribution	\$ 2,543,175	\$ 2,266,942	\$ 2,089,289
District's contributions in relation to the statutorily required contribution	(2,543,175)	(2,266,942)	(2,089,289)
District's contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 19,076,180	\$ 19,136,167	\$ 17,752,101
District's contributions as a percentage of covered-employee payroll	13.33%	11.85%	11.77%

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULES

General Fund - Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in the Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented. There were no changes in benefit terms or assumptions in the current year.

Changes in Benefit Terms – There were no changes in benefit terms since the previous valuations.

Changes in Assumptions – There were no changes in discount rate since the previous valuations.

Schedule of Contributions – OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of the Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes in Assumptions – There were no changes in discount rate since the previous valuations for both CalSTRS and CalPERS.

**PLEASANTON UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of Contributions - Pensions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District’s statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District’s covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District’s covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2021, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Employee benefits	\$ 37,772,506	\$ 37,797,425	\$ 24,919
Services and other operating expenditures	\$ 19,089,263	\$ 20,545,731	\$ 1,456,468
Capital outlay	\$ 1,670,854	\$ 2,149,728	\$ 478,874
Other outgo			
Excluding transfers of indirect costs	\$ 1,646,102	\$ 1,946,158	\$ 300,056

SUPPLEMENTARY INFORMATION

**PLEASANTON UNIFIED SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 FOR THE YEAR ENDED JUNE 30, 2021**

Pleasanton Unified School District was established in 1988. The District is a political subdivision of the State of California. The District is located in the city of Pleasanton in Alameda County within 22 square miles. There were no changes in the District boundaries in the current year. The District currently operates nine elementary schools, three middle schools, two comprehensive high schools and one continuation high school.

The Board of Trustees of Pleasanton Unified School District is comprised of five elected officials who develop and set policies for the District which are then implemented by the Superintendent and the administrative team.

GOVERNING BOARD

Name	Office	Term Expires
Joan Laursen	President	December 2022
Mark Miller	Vice - President	December 2022
Steve Maher	Board Member	December 2024
Mary Jo Carreon	Board Member	December 2024
Kelly Mokashi	Board Member	December 2024

District Administrators

David Haglund, Ed. D.
Superintendent

Ahmad Sheikholeslami
Assistant Superintendent, Business Services

Janelle Woodward, Ed. D.
Assistant Superintendent, Educational Services

Julio Hernandez
Assistant Superintendent, Human Resources

Ed Diolazo
Assistant Superintendent, Student Support Services

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13391	\$ 2,590,204
Child and Adult Care Food Program (Cash Advance)	10.558	13666	18,462
CCFP Cash in Lieu of Commodities	10.558	13389	1,289
Subtotal Child Nutrition Cluster			<u>2,609,955</u>
Total U. S. Department of Agriculture			<u>2,609,955</u>
U.S. Department of Treasury:			
<i>Passed through California Department of Education:</i>			
COVID-19 Coronavirus Relief Fund	21.019	25516	<u>3,970,447</u>
Total U. S. Department of Treasury			<u>3,970,447</u>
U.S. Department of Education:			
<i>Passed through California Department of Education:</i>			
Special Education Cluster (IDEA):			
IDEA Basic Grant Entitlement	84.027	13379	1,705,575
IDEA Special Education Preschool Grant	84.173	13430	33,867
IDEA Preschool Capacity Building	84.173A	13839	66,247
IDEA Preschool Staff Development	84.173A	13431	486,619
Subtotal Special Education Cluster (IDEA)			<u>2,292,308</u>
Adult Education Cluster			
Adult Secondary Education	84.002A	13978	4,424
Adult Basic Education & ESL	84.002A	14508	69,825
Subtotal Adult Education Cluster			<u>74,249</u>
Title III:			
Title III, LEP Program	84.365	14346	176,074
Title III, Immigrant Education Program	84.365	15146	34,652
Subtotal Title III			<u>210,726</u>
Education Stabilization Funds:			
COVID-19 ESSER I	84.425D	15536	237,321
COVID-19 ESSER II	84.425D	15547	789,530
COVID-19 GEER	84.425C	15517	536,274
COVID-19 Supplemental Meal Reimbursement	84.425F	15535	109,070
Subtotal Education Stabilization Funds			<u>1,672,195</u>
IDEA Early Intervention Grants, Part C	84.181	23761	143,765
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	252,162
Title II: Teacher Quality	84.367A	14341	148,098
ESSA: School Improvement Funding for LEAs	84.010	15438	92,681
ESSA: Title IV, Part A Student Support and Academic Enrichment	84.330	*	22,580
VOC Programs: Perkins Act	84.048	50437	45,063
Total U. S. Department of Education			<u>4,953,827</u>
U.S. Department of Health and Human Services:			
<i>Passed through California Department of Education:</i>			
Medi-Cal Billing Option	93.778	10013	<u>38,869</u>
Total U. S. Department of Health and Human Services			<u>38,869</u>
Total Federal Expenditures			<u>\$ 11,573,098</u>

* - PCS Number not available or not applicable

**PLEASANTON UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2021**

Grade Level	Number of Days		Number of Days Credited Form J-13A	Status
	Traditional Calendar	Multitrack Calendar		
Kindergarten	180	N/A	0	Complied
Grade 1	180	N/A	0	Complied
Grade 2	180	N/A	0	Complied
Grade 3	180	N/A	0	Complied
Grade 4	180	N/A	0	Complied
Grade 5	180	N/A	0	Complied
Grade 6	180	N/A	0	Complied
Grade 7	180	N/A	0	Complied
Grade 8	180	N/A	0	Complied
Grade 9	180	N/A	0	Complied
Grade 10	180	N/A	0	Complied
Grade 11	180	N/A	0	Complied
Grade 12	180	N/A	0	Complied

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

	2022 (Budget)	2021	2020	2019
General Fund - Budgetary Basis**				
Revenues and Other Financing Sources	\$ 180,809,313	\$ 185,052,235	\$ 175,124,929	\$ 175,072,623
Expenditures and Other Financing Uses	186,019,744	177,433,512	178,955,190	172,874,897
Net Change in Fund Balance	(5,210,431)	7,618,723	(3,830,261)	2,197,726
Ending Fund Balance	\$ 24,995,539	\$ 30,205,970	\$ 22,587,247	\$ 26,417,508
Available Reserves*	\$ 8,871,589	\$ 9,675,673	\$ 13,521,603	\$ 11,016,569
Available Reserves as a Percentage of Outgo	4.8%	5.5%	7.6%	6.4%
Long-term Debt	\$ 381,143,644	\$ 381,143,644	\$ 376,810,671	\$ 291,559,425
Average Daily Attendance at P-2	14,368	14,368	14,368	14,491

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund and the Special Reserve for Post-Employment.

**This schedule reflects General Fund budgetary fund basis, which excludes the Special Reserve for Post-Employment Benefits.

The budgetary basis General Fund balance has increased by a net of \$3,788,462 over the past two years. The fiscal year 2021-22 budget projects a decrease of \$5,210,431. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in two of the past three years, and anticipates incurring an operating deficit during the 2021-22 fiscal year. Total long-term debt has increased by \$89,584,219 over the past two years.

Average daily attendance has decreased by 123 over the past two years. ADA is anticipated to remain the same during fiscal year 2021-22.

**PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Student Activity Special Revenue Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits
June 30, 2021, annual financial and budget report fund balance	\$ 30,205,970	\$ -	\$ 1,127,881	\$ -
Adjustments and reclassifications:				
Increase (decrease) in total fund balance				
Fund balance transfer (GASB 54)	1,127,881	-	(1,127,881)	-
Adjustments for GASB 84, <i>Fiduciary Funds</i>	-	919,279	-	4,665,071
June 30, 2021, audited financial statement fund balance	<u>\$ 31,333,851</u>	<u>\$ 919,279</u>	<u>\$ -</u>	<u>\$ 4,665,071</u>

There were no adjustments made to any of the other funds of the District.

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
JUNE 30, 2021**

Charter School	Included in Audit Report
The District did not operate or sponsor any charter schools.	N/A

**PLEASANTON UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2021**

	Student Activity	Special Education	Adult Education	Cafeteria	Deferred	Special Reserve	Capital Facilities	County School	Special Reserve	Bond Interest &	Total Non-Major
	Special Revenue	Pass-Through	Fund	Fund	Maintenance	Fund for	Fund	Facilities Fund	for Capital Outlay	Redemption	Governmental
	Fund	Fund	Fund	Fund	Fund	Postemployment	Fund	Fund	Fund	Fund	Funds
						Benefits					
ASSETS											
Cash and cash equivalents	\$ 919,279	\$ 51,160	\$ 84,609	\$ 522,587	\$ 113,306	\$ 4,654,359	\$ 5,499,124	\$ 1,014,183	\$ 12,510,312	\$ 16,359,497	\$ 41,728,416
Accounts receivable	-	59,798	123,505	739,616	226	10,712	10,935	2,027	15,223	35,831	997,873
Due from grantor government	-	303,951	57,313	-	-	-	-	-	-	-	361,264
Due from other funds	-	-	-	14,455	-	-	-	-	-	-	14,455
Stores inventory	-	-	-	74,656	-	-	-	-	-	-	74,656
Total Assets	919,279	414,909	265,427	1,351,314	113,532	4,665,071	5,510,059	1,016,210	12,525,535	16,395,328	43,176,664
LIABILITIES											
Accrued liabilities	-	414,909	7,302	60,467	-	-	3,141	-	4,958	-	490,777
Due to other funds	-	-	28,331	307,678	-	-	-	-	40,961	-	376,970
Total Liabilities	-	414,909	35,633	368,145	-	-	3,141	-	45,919	-	867,747
FUND BALANCES											
Nonspendable	-	-	-	77,156	-	-	-	-	-	-	77,156
Restricted											
Educational programs	-	-	143,474	-	-	-	-	-	-	-	143,474
Capital projects	-	-	-	-	-	-	5,506,918	1,016,210	-	-	6,523,128
Debt service	-	-	-	-	-	-	-	-	16,678	16,395,328	16,412,006
All others	919,279	-	14,318	905,674	-	-	-	-	-	-	1,839,271
Assigned	-	-	72,002	339	113,532	4,665,071	-	-	12,462,938	-	17,313,882
Total Fund Balances	919,279	-	229,794	983,169	113,532	4,665,071	5,506,918	1,016,210	12,479,616	16,395,328	42,308,917
Total Liabilities and Fund Balances	\$ 919,279	\$ 414,909	\$ 265,427	\$ 1,351,314	\$ 113,532	\$ 4,665,071	\$ 5,510,059	\$ 1,016,210	\$ 12,525,535	\$ 16,395,328	\$ 43,176,664

See accompanying note to supplementary information.

**PLEASANTON UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	Student Activity Special Revenue Fund	Special Education Pass- Through Fund	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Special Reserve Fund for Postemployment Benefits	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Bond Interest & Redemption Fund	Total Non-Major Governmental Funds
REVENUES											
Federal sources	\$ -	\$ 349,708	\$ 74,249	\$ 2,723,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,147,538
Other state sources	-	10,712,924	646,791	303,401	-	-	-	-	-	61,215	11,724,331
Other local sources	822,128	-	224,527	8,395	1,198	77,134	1,051,731	14,219	214,662	16,054,100	18,468,094
Total Revenues	822,128	11,062,632	945,567	3,035,377	1,198	77,134	1,051,731	14,219	214,662	16,115,315	33,339,963
EXPENDITURES											
Current											
Instruction	-	-	469,732	-	-	-	-	-	-	-	469,732
Instruction-related services											
Instructional supervision and administration	-	-	76	-	-	-	-	-	-	-	76
School site administration	-	-	372,340	-	-	-	-	-	-	-	372,340
Pupil services											
Food services	-	-	-	3,042,263	-	-	-	-	-	-	3,042,263
General administration											
All other general administration	-	-	28,331	107,678	-	-	-	-	-	-	136,009
Plant services	-	-	-	3,908	57,560	-	235,047	-	-	-	296,515
Facilities acquisition and maintenance											
Ancillary services	582,650	-	-	-	-	-	-	-	203,670	-	203,670
Debt service											
Interest and other	-	-	-	-	-	-	-	-	-	5,058,183	5,058,183
Redemptions	-	-	-	-	-	-	-	-	-	14,355,000	14,355,000
Total Expenditures	582,650	11,062,632	870,479	3,153,849	57,560	-	235,047	-	203,670	19,413,183	35,579,070
Excess (Deficiency) of Revenues											
Over Expenditures	239,478	-	75,088	(118,472)	(56,362)	77,134	816,684	14,219	10,992	(3,297,868)	(2,239,107)
Other Financing Sources (Uses)											
Transfers in	-	-	18,302	-	471,575	-	-	-	-	-	489,877
Transfers out	-	-	-	-	(471,575)	(2,200,000)	(29,524)	-	(40,961)	-	(2,742,060)
Net Financing Sources (Uses)	-	-	18,302	-	-	(2,200,000)	(29,524)	-	(40,961)	-	(2,252,183)
NET CHANGE IN FUND BALANCE	239,478	-	93,390	(118,472)	(56,362)	(2,122,866)	787,160	14,219	(29,969)	(3,297,868)	(4,491,290)
Fund Balance - Beginning	-	-	136,404	1,101,641	169,894	6,787,937	4,719,758	1,001,991	12,509,585	19,693,196	46,120,406
Adjustment for restatement	679,801	-	-	-	-	-	-	-	-	-	679,801
Fund Balance - Ending	\$ 919,279	\$ -	\$ 229,794	\$ 983,169	\$ 113,532	\$ 4,665,071	\$ 5,506,918	\$ 1,016,210	\$ 12,479,616	\$ 16,395,328	\$ 42,308,917

See accompanying note to supplementary information.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULES

Local Education 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 Expenditures of Federal Awards

The audit of the District for the year ended June 30, 2021, was conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, which requires disclosure of the financial activities of all federally funded programs. To comply with Uniform Guidance, the Schedule of Expenditures of Federal Awards was prepared by the District.

General – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. The District reporting entity is defined in Note 1 to the District’s basic financial statements.

Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District’s basic financial statements.

Indirect Cost Rate – The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Schedule of Instructional Time

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 46208. During the year ended June 30, 2021, the District participated in the Longer Day incentive funding program.

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 for a reasonable period of time.

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 Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of Charter Schools

As of June 30, 2021, the District is not a sponsoring local educational agency for any charter schools.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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

Members of the Board of Trustees
Pleasanton Unified School District
Pleasanton, California

We have audited, in accordance with the 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, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasanton Unified School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 31, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

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 determination of financial statement amounts. 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*.

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



San Diego, California
December 31, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of The Board of Trustees
Pleasanton Unified School District
Pleasanton, California

Report on Compliance for Each Major Federal Program

We have audited the Pleasanton Unified School District's (the District) compliance 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's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Audit Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pleasanton Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Pleasanton Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Purpose of this Report

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



San Diego, California
December 31, 2021



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Members of The Board of Trustees
Pleasanton Unified School District
Pleasanton, California

Report on State Compliance

We have audited the Pleasanton Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Pleasanton Unified School District's state programs for the fiscal year ended June 30, 2021, as identified below.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances.

We believe that our audit provides a reasonable basis for our opinions. However, our audit does not provide a legal determination of Pleasanton Unified School District's compliance with those requirements.

Opinion on State Compliance

In our opinion, Pleasanton Unified School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2021.

Procedures Performed

In connection with the audit referred to above, we selected and tested transactions and records to determine Pleasanton Unified School District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Yes
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes

PROGRAM NAME	PROCEDURES PERFORMED
Charter Schools:	
Independent Study-Course Based	Not applicable
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study for Charter	Not applicable
Determination of Funding for Non-classroom-Based Instruction	Not applicable
Charter School Facility Grant Program	Not applicable

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform any procedures related to Early Retirement Incentive Program.

The District is not registered as a District of Choice, therefore, we did not perform any procedures related to District of Choice.

The District did not operate any charter schools; therefore, we did not perform any procedures specific to any charter school compliance areas.

CWDL, Certified Public Accountants

San Diego, California
December 31, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Noted</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Noted</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Section 200.516 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:	<u>No</u>

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
<u>84.425D, 84.425C, 84.425F</u>	<u>Education Stabilization Fund Cluster</u>
<u>21.019</u>	<u>Coronavirus Relief Fund</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Noted</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

FIVE DIGIT CODE	AB3627 FINDING TYPES
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

There were no financial statement findings or questioned costs identified during 2020-21.

**PLEASANTON UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

FIVE DIGIT CODE

50000

AB3627 FINDING TYPES

Federal Compliance

There were no federal award findings or questioned costs identified during 2020-21.

**PLEASANTON UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs identified during 2020-21.

**PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

FINDING #2020-001: – APPRENTICESHIP RELATED AND SUPPLEMENTAL INSTRUCTION (RSI) FUNDS (40000)

Criteria or Specific Requirement

Education Code Section 8152.5 states, "The Controller shall include instructions necessary to enforce this article [Apprenticeship Education] in the audit guide required by Section 14502.1. The instructions shall include, but not necessarily be limited to, procedures for verifying if the hours for related and supplemental instruction reported to each local educational agency by a participating apprenticeship program sponsor, pursuant to Section 8152, are eligible for reimbursement pursuant to Section 8152." Consequently, the audit guide requires auditors to "Select a representative sample of students and verify the hours claimed for RSI, as reported by a participation apprenticeship program sponsor pursuant to Education Code sections 8150.5, 8152, and 79149.3, are eligible for reimbursement, by tracing the hours reported for reimbursement to source documents (i.e. student sign in sheets)."

Condition

The District incorrectly reported apprenticeship hours by failing to claim the amount of total actual hours that students had participated in the program.

Questioned Costs

The District's FY1920 Apprenticeship Attendance Report, certified and submitted to the CCCCCO was understated. At the funding rate of \$6.45 per hour, the understatement of 100,676 hours resulted in a negative questioned cost of \$649,360. We note that as of the date of this report, the District has received advance approval for a recertification of hours, enabling it to obtain the underclaimed funding and effectively eliminate the questioned cost.

Context

The District reported 349,590 Apprentice Hours of Instruction in 1st Period on the Apprenticeship Attendance Report. We selected 25 apprenticeship students across all three programs, Cement Masons, Fire Fighters and Journeymen. All of our selections vouched to supporting program source documentation. However, when we traced up to the Apprenticeship Attendance Report, we noted an understatement of participation hours claimed on the Apprenticeship Attendance Report relative to source documents.

Effect

The District claimed 349,590 Apprentice Hours of Instruction, while students participated in a total of 450,266 hours, resulting in an understatement of participation hours of 100,676 hours.

Cause

Delay and disconnect during the transfer of information from the District's third party Apprenticeship partner to the District's departmental staff due to operational disruption caused by the pandemic.

Recommendation

It is recommended that the District continue its efforts to immediately amend the FY1920 Apprenticeship Attendance Report in order to resubmit the updated hours of participation to the CCCCCO and work with that body to secure the related funding and remediate the negative questioned cost. It is also recommended that the District review the methods used to obtain and review Apprenticeship attendance information from its third-party program partners in order to ensure complete reporting upon future submissions.

**PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

**FINDING #2020-001: – APPRENTICESHIP RELATED AND SUPPLEMENTAL INSTRUCTION (RSI) FUNDS
(40000), continued**

Management's Response and Corrective Action Plan

A change in staffing caused an underreporting of hours claimed. The District has been in contact with the California Community Colleges Chancellor Office (CCCCO) and we will be able to recertify and report our claimed hours correctly. In addition, going forward staff will verify hours match the source documentation at the three reporting periods of P1, P2, and P3

Current Status:

Implemented in 2020-21.

**PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

FINDING #2020-002: ATTENDANCE ACCOUNTING (10000, 40000)

Criteria

Certificated rosters, absence notes, and other source documents of attendance should be correctly posted to the District's attendance system per Education Code Section 46000 et seq. Auditors are required to verify compliance in Section 19817.1 of the Standards and Procedures for Audits of California K-12 Local Educational Agencies.

Condition

From our testing at Village Continuation High School, we discovered that attendance relating to a subset of 21 transition students were not supported by signed teacher rosters.

Questioned Costs

The District's P2 report was overstated by 18.07 ADA. At a Grade 9-12 base funding rate of \$9,329 per ADA, the related questioned costs total \$168,575.

Cause

Clerical oversight.

Effect

Due to the lack of signed teacher rosters in support of the attendance of the 21 transition students, 18.07 ADA is considered overstated.

ADA Impact

The District's P2 report was impacted in the amount of a 18.07 ADA overstatement as a result of this exception.

Recommendation

We recommend that the District review each school site for proper attendance procedures to ensure that signed rosters are maintained to support all attendance generated.

Management's Response and Corrective Action Plan

The District has already reviewed with staff the proper procedure to follow. Furthermore, the District will remind the responsible site staff of these procedures at monthly meetings and annual training sessions.

Current Status:

Implemented in 2020-21.