

**PLEASANTON UNIFIED SCHOOL DISTRICT**

**PLEASANTON, CALIFORNIA**

**AUDIT REPORT**

**YEAR ENDED JUNE 30, 2020**



**PLEASANTON UNIFIED SCHOOL DISTRICT**  
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**JUNE 30, 2020**

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## **FINANCIAL SECTION**

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## 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, 2020, 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, 2020, 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.

## 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 November 6, 2020, 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  
November 6, 2020

**PLEASANTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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, 2020. 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, 2020 was \$183.5 million.

Overall governmental activities revenues were \$213.7 million which were less than expenses of \$220.9 million. Business-type activities revenues were \$3.6 million which were less than expenses of \$4.3 million.

General Fund revenues and other financing sources were less than expenditures and other financing uses by \$6.8 million.

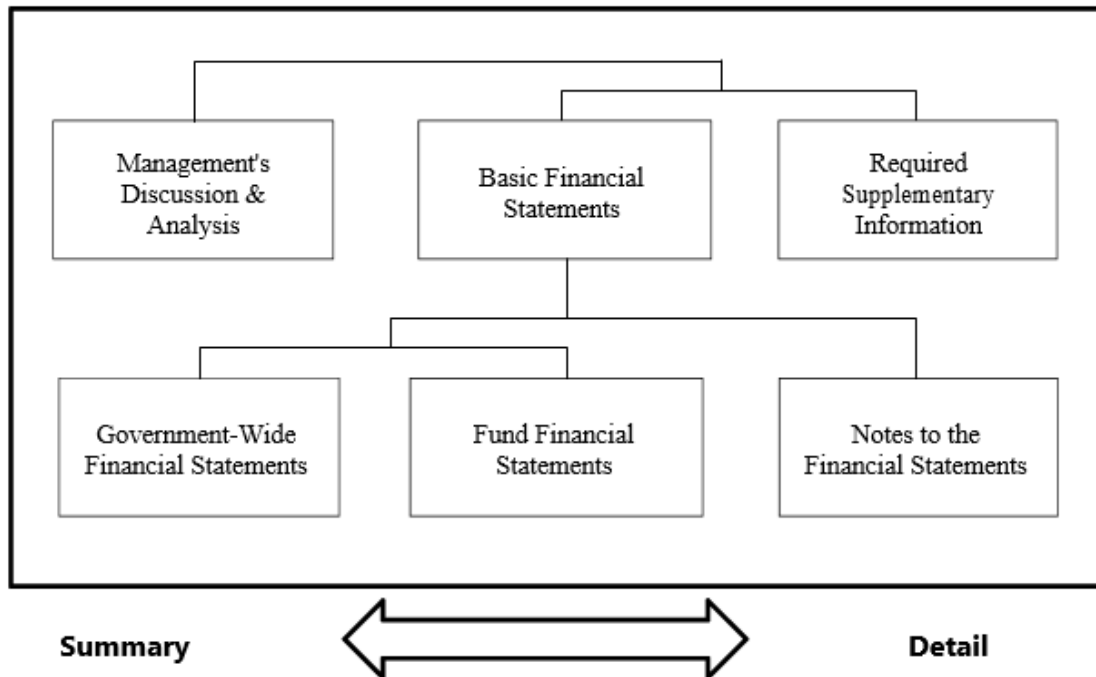


**PLEASANTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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, 2020**

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**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, 2020**

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**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's governmental activities net position was \$8.0 million at June 30, 2020, as reflected in the table below. Of this amount, there is a deficit of \$275.2 million in unrestricted due primarily to the recognition of the net pension liability of \$183.5 million and net OPEB liability of \$33.0 million. Net investment in capital assets (e.g., land, building and equipment, net of related debt) was \$129.8 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 \$153.4 million of net position.

	Governmental Activities			Business-Type Activities		
	2020	2019	Net Change	2020	2019	Net Change
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
Current and other assets	\$ 217,968,392	\$ 134,743,623	\$ 83,224,769	\$ 1,418,674	\$ 2,307,604	\$ (888,930)
Capital assets	156,950,035	151,778,053	5,171,982	-	-	-
Deferred outflows	47,794,156	47,390,313	403,843	-	-	-
<b>Total Assets and Deferred Outflows</b>	<b>422,712,583</b>	<b>333,911,989</b>	<b>88,800,594</b>	<b>1,418,674</b>	<b>2,307,604</b>	<b>(888,930)</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>						
Current liabilities	39,255,611	29,054,989	10,200,622	205,904	430,461	224,557
Long-term liabilities	361,600,273	276,729,425	84,870,848	-	-	-
Deferred inflows	13,877,905	12,969,867	908,038	-	-	-
<b>Total Liabilities and Deferred Inflows</b>	<b>414,733,789</b>	<b>318,754,281</b>	<b>95,979,508</b>	<b>205,904</b>	<b>430,461</b>	<b>224,557</b>
<b>NET POSITION</b>						
Net investment in capital assets	129,827,646	121,968,244	7,859,402	-	-	-
Restricted	153,476,104	74,088,897	79,387,207	-	-	-
Unrestricted	(275,324,956)	(180,899,433)	(94,425,523)	1,212,770	1,877,143	(664,373)
<b>Total Net Position</b>	<b>\$ 7,978,794</b>	<b>\$ 15,157,708</b>	<b>\$ (7,178,914)</b>	<b>\$ 1,212,770</b>	<b>\$ 1,877,143</b>	<b>\$ (664,373)</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

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**Changes in Net Position**

As shown in the table below, the District's governmental activities and business-type revenues were \$213.7 million and \$3.6 million, respectively. The majority of the revenue comes from property taxes and unrestricted federal and state aid (75.0%). Operating grants and contributions for specific programs accounted for another 22.6% of total revenues.

The total cost of all governmental activities and business-type programs and services was \$220.9 million and \$4.3 million respectively. The District's expenses are predominately related to educating and caring for students (69%). Pupil Services (including transportation and food) account for 6% of expenses. General administrative activities accounted for just 4% of total costs. Plant services, which represent the facilities maintenance and operations costs, account for 7% of all costs. Other outgo accounted for 8% of all costs. The remaining expenses were for interest and other charges, depreciation, and enterprise services and account for the remaining 6% of all costs. The governmental activities net position decreased by \$7.2 million.

	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 3,859,841	\$ 4,339,022	\$ (479,181)	\$ 3,624,315	\$ 4,436,926	\$ (812,611)
Operating grants and contributions	48,221,988	57,284,523	(9,062,535)	1,667	-	1,667
Capital grants and contributions	(2,715,761)	65,359	(2,781,120)	-	-	-
General revenues						
Property taxes	94,167,934	87,690,986	6,476,948	-	-	-
Unrestricted federal and state aid	66,082,973	69,307,353	(3,224,380)	-	-	-
Other	4,108,522	6,265,424	(2,156,902)	-	4,525	(4,525)
<b>Total Revenues</b>	<b>213,725,497</b>	<b>224,952,667</b>	<b>(11,227,170)</b>	<b>3,625,982</b>	<b>4,441,451</b>	<b>(815,469)</b>
<b>EXPENSES</b>						
Instruction	129,398,735	127,629,869	1,768,866	-	-	-
Instruction-related services	24,186,417	22,996,728	1,189,689	-	-	-
Pupil services	13,991,501	14,363,431	(371,930)	-	-	-
General administration	9,469,837	11,563,832	(2,093,995)	-	-	-
Plant services	14,445,017	14,802,751	(357,734)	-	-	-
Interest and other charges	4,202,532	1,193,711	3,008,821	-	-	-
Other outgo	17,439,352	17,992,328	(552,976)	-	-	-
Depreciation	7,771,020	8,087,717	(316,697)	-	-	-
Enterprise services	-	-	-	4,290,355	4,336,084	(45,729)
Transfers to other agencies	-	49,785	(49,785)	-	(49,785)	49,785
<b>Total Expenses</b>	<b>220,904,411</b>	<b>218,680,152</b>	<b>2,274,044</b>	<b>4,290,355</b>	<b>4,286,299</b>	<b>4,056</b>
<b>Change in net position</b>	<b>(7,178,914)</b>	<b>6,272,515</b>	<b>(13,451,429)</b>	<b>(664,373)</b>	<b>155,152</b>	<b>(819,525)</b>
<b>Net Position - Beginning</b>	<b>15,157,708</b>	<b>8,885,193</b>	<b>6,272,515</b>	<b>1,877,143</b>	<b>1,721,991</b>	<b>155,152</b>
<b>Net Position - Ending</b>	<b>\$ 7,978,794</b>	<b>\$ 15,157,708</b>	<b>\$ (7,178,914)</b>	<b>\$ 1,212,770</b>	<b>\$ 1,877,143</b>	<b>\$ (664,373)</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**Changes in Net Position, continued**

The net expense of all our governmental activities by function this year was \$171.5 million. These costs were offset by general revenues, including property taxes of \$94.2 million, unrestricted federal and state aid of \$66.1 million, and other general revenues of \$4.1 million. The table below displays the net expense of all governmental activities by function before the general revenue offsets.

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>NET EXPENSE OF SERVICES</b>			
Instruction	\$ 104,489,577	\$ 94,609,989	\$ 9,879,588
Instruction-related services	20,811,154	18,331,462	2,479,692
Pupil services	7,220,188	5,830,845	1,389,343
General administration	8,595,157	10,336,573	(1,741,416)
Plant services	14,131,387	12,726,333	1,405,054
Interest and other charges	4,202,532	1,193,711	3,008,821
Other outgo	4,317,328	5,824,833	(1,507,505)
Depreciation	7,771,020	8,087,717	(316,697)
<b>Totals</b>	<b>\$ 171,538,343</b>	<b>\$ 156,941,463</b>	<b>\$ 14,596,880</b>

**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 \$196.1 million, which increased from last year's ending fund balance of \$121.8 million. The District's General Fund had \$10.4 million more expenses than revenues for the year ended June 30, 2020, leading to an ending fund balance of \$24.0 million. The District's Special Education Pass-Through Fund had \$0 ending fund balance for the year ended June 30, 2020 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 \$209 thousand more revenues than expenditures for the year ended June 30, 2020, 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, 2020**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2020, the District had invested \$157.0 million in capital assets, net of accumulated depreciation. The net change as a result of fiscal year 2020 activity is primarily due to current year depreciation and increases to and transfers out of CIP.

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 40,624,273	\$ 40,624,273	\$ -
Construction in Progress	14,043,630	8,375,341	5,668,289
Land improvements	31,271,613	29,659,616	1,611,997
Buildings & improvements	265,113,025	261,889,707	3,223,318
Furniture & equipment	9,327,445	6,888,047	2,439,398
Accumulated depreciation	(203,429,951)	(195,658,931)	(7,771,020)
<b>Total Capital Assets</b>	<b>\$ 156,950,035</b>	<b>\$ 151,778,053</b>	<b>\$ 5,171,982</b>

**Long-Term Liabilities**

At June 30, 2020, the District had \$361.6 million in long-term debt, an increase of \$84.9 million from last year – as shown below. General Obligation Bonds increased \$79.9 million. Net Pension Liability increased by \$2.4 million primarily due to low investment returns during the measurement period of the net pension liability (June 30, 2019) as compared to the prior measurement period (June 30, 2018). Net OPEB Liability increased by \$3.7 million. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
General obligation bonds	\$ 159,567,585	\$ 79,620,104	\$ 79,947,481
Certificates of participation	-	755,000	(755,000)
Compensated absences	712,508	780,756	(68,248)
Net OPEB liability	32,991,983	29,310,695	3,681,288
Net pension liability	183,538,595	181,092,870	2,445,725
Less: current portion of long-term debt	(15,210,398)	(14,830,000)	(380,398)
<b>Total Long-term Liabilities</b>	<b>\$ 361,600,273</b>	<b>\$ 276,729,425</b>	<b>\$ 84,870,848</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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 District did pivot its teaching and learning model to offer distance learning because of the COVID pandemic. 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. Beginning in March 2020 the district began taking steps to reduce expenditures and build up its reserves to handle future fiscal challenges. Based on the state's 2020/21 budget the district took additional steps to cut costs. Approximately \$5M in budgetary reductions were made from its baseline budget planning in 2020/21. In addition, with the closing of the 2019/20 books, the Board took action to increase its reserve for economic uncertainty by allocating \$1.7M or .94% from the general funding ending balance to the reserve for economic uncertainty. Additionally, looking into long term planning, staff will recommend to the Board to establish a trust fund for its OPEB obligation and transfer set aside monies into that fund. Staff is exploring various options to increase revenues and is prepared to recommend further reductions if the need arises in the coming fiscal year.

The District sold \$90M in bonds in 2020/21 as the District continues with its Measure I1 projects. The rebuild and modernization of Lydixsen Elementary School, technology and network infrastructure upgrades, and site fencing projects all saw significant progress.

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 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.

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.

All of these factors were considered in preparing the District's budget for the 2019-20 fiscal year.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 201,819,812	\$ 1,518,111	\$ 203,337,923
Accounts receivable	15,747,194	70,092	15,817,286
Prepaid expenses	2,404	420	2,824
Inventory	229,033	-	229,033
Internal balances	169,949	(169,949)	-
Capital assets, not depreciated	54,667,903	-	54,667,903
Capital assets, net of accumulated depreciation	102,282,132	-	102,282,132
<b>Total Assets</b>	<b>374,918,427</b>	<b>1,418,674</b>	<b>376,337,101</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to OPEB	4,286,892	-	4,286,892
Deferred outflows related to pensions	43,507,264	-	43,507,264
<b>Total Deferred Outflows of Resources</b>	<b>47,794,156</b>	<b>-</b>	<b>47,794,156</b>
<b>LIABILITIES</b>			
Accrued liabilities	24,026,982	29,780	24,056,762
Unearned revenue	18,231	176,124	194,355
Net pension liability	183,538,595	-	183,538,595
Net OPEB liability	32,991,983	-	32,991,983
Long-term liabilities, current portion	15,210,398	-	15,210,398
Long-term liabilities, non-current portion	145,069,695	-	145,069,695
<b>Total Liabilities</b>	<b>400,855,884</b>	<b>205,904</b>	<b>401,061,788</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	12,540,002	-	12,540,002
Deferred inflows related to OPEB	1,337,903	-	1,337,903
<b>Total Deferred Inflows of Resources</b>	<b>13,877,905</b>	<b>-</b>	<b>13,877,905</b>
<b>NET POSITION</b>			
Net investment in capital assets	129,827,646	-	129,827,646
Restricted:			
Capital projects	127,058,125	-	127,058,125
Debt service	19,693,196	-	19,693,196
Educational programs	5,578,304	-	5,578,304
All others	1,146,479	-	1,146,479
Unrestricted	(275,324,956)	1,212,770	(274,112,186)
<b>Total Net Position</b>	<b>\$ 7,978,794</b>	<b>\$ 1,212,770</b>	<b>\$ 9,191,564</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	\$ 129,398,735	\$ 540,504	\$ 27,084,415	\$ (2,715,761)	\$ (104,489,577)	\$ -	\$ (104,489,577)
Instruction-related services							
Instructional supervision and administration	7,513,645	14,504	2,207,208	-	(5,291,933)	-	(5,291,933)
Instructional library, media, and technology	3,073,820	8,112	90,189	-	(2,975,519)	-	(2,975,519)
School site administration	13,598,952	6,299	1,048,951	-	(12,543,702)	-	(12,543,702)
Pupil services							
Home-to-school transportation	1,128,051	1,403	556,802	-	(569,846)	-	(569,846)
Food services	4,071,740	2,649,304	853,559	-	(568,877)	-	(568,877)
All other pupil services	8,791,710	3,898	2,706,347	-	(6,081,465)	-	(6,081,465)
General administration							
Centralized data processing	1,450,226	-	-	-	(1,450,226)	-	(1,450,226)
All other general administration	8,019,611	75,303	799,377	-	(7,144,931)	-	(7,144,931)
Plant services	14,445,017	8,449	305,181	-	(14,131,387)	-	(14,131,387)
Interest on long-term debt	4,202,532	-	-	-	(4,202,532)	-	(4,202,532)
Other outgo	17,439,352	552,065	12,569,959	-	(4,317,328)	-	(4,317,328)
Depreciation (unallocated)	7,771,020	-	-	-	(7,771,020)	-	(7,771,020)
Total Governmental Activities	\$ 220,904,411	\$ 3,859,841	\$ 48,221,988	\$ (2,715,761)	(171,538,343)	-	(171,538,343)
BUSINESS-TYPE ACTIVITIES							
Child Development Center	4,290,355	3,624,315	1,667	-	-	(664,373)	(664,373)
Total Business-Type Activities	4,290,355	3,624,315	1,667	-	-	(664,373)	(664,373)
Total School District	\$ 225,194,766	\$ 7,484,156	\$ 48,223,655	\$ (2,715,761)	(171,538,343)	(664,373)	(172,202,716)
General revenues							
Taxes and subventions							
Property taxes, levied for general purposes					77,545,369	-	77,545,369
Property taxes, levied for debt service					16,622,565	-	16,622,565
Federal and state aid not restricted for specific purposes					66,082,973	-	66,082,973
Interest and investment earnings					1,074,259	-	1,074,259
Miscellaneous					3,034,263	-	3,034,263
Subtotal, General Revenue					164,359,429	-	164,359,429
Change in Net Position					(7,178,914)	(664,373)	(7,843,287)
Net Position - Beginning					15,157,708	1,877,143	17,034,851
Net Position - Ending					\$ 7,978,794	\$ 1,212,770	\$ 9,191,564

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

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2020**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,819,180	\$ 132,445,196	\$ 45,555,436	\$ 201,819,812
Accounts receivable	13,266,763	534,112	1,946,319	15,747,194
Due from other funds	374,203	-	230,810	605,013
Stores inventory	145,149	-	83,884	229,033
Prepaid expenditures	2,404	-	-	2,404
<b>Total Assets</b>	<b>37,607,699</b>	<b>132,979,308</b>	<b>47,816,449</b>	<b>218,403,456</b>
<b>LIABILITIES</b>				
Accrued liabilities	13,318,718	6,921,975	1,568,221	21,808,914
Due to other funds	306,043	1,199	127,822	435,064
Deferred revenue	18,231	-	-	18,231
<b>Total Liabilities</b>	<b>13,642,992</b>	<b>6,923,174</b>	<b>1,696,043</b>	<b>22,262,209</b>
<b>FUND BALANCES</b>				
Nonspendable	223,215	-	86,384	309,599
Restricted				
Educational programs	5,578,304	-	-	5,578,304
Capital projects	-	126,056,134	1,001,991	127,058,125
Debt service	-	-	19,693,196	19,693,196
All others	-	-	1,146,479	1,146,479
Assigned	4,641,585	-	24,192,356	28,833,941
Unassigned	13,521,603	-	-	13,521,603
<b>Total Fund Balances</b>	<b>23,964,707</b>	<b>126,056,134</b>	<b>46,120,406</b>	<b>196,141,247</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 37,607,699</b>	<b>\$ 132,979,308</b>	<b>\$ 47,816,449</b>	<b>\$ 218,403,456</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF**  
**NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**Total Fund Balance - Governmental Funds** \$ 196,141,247

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	\$ 360,379,986	
Accumulated depreciation	(203,429,951)	156,950,035

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 unmatrued interest owing at the end of the period was:

(2,218,068)

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	\$ 183,538,595	
Net OPEB liability	32,991,983	
Long-term liabilities, due within one year	15,210,398	
Long-term liabilities, due in more than one year	145,069,695	(376,810,671)

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:	\$ 43,507,264	
Deferred inflows of resources relating to pensions:	(12,540,002)	30,967,262

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	\$ 4,286,892	
Deferred inflows of resources relating to OPEB	(1,337,903)	2,948,989

<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>7,978,794</u></b>
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**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
LCFF sources	\$ 136,570,437	\$ -	\$ -	\$ 136,570,437
Federal sources	3,741,826	-	881,314	4,623,140
Other state sources	26,504,164	-	11,669,004	38,173,168
Other local sources	8,305,214	2,656,715	21,323,876	32,285,805
<b>Total Revenues</b>	<b>175,121,641</b>	<b>2,656,715</b>	<b>33,874,194</b>	<b>211,652,550</b>
<b>EXPENDITURES</b>				
Current				
Instruction	118,969,656	-	491,424	119,461,080
Instruction-related services				
Instructional supervision and administration	7,123,184	-	-	7,123,184
Instructional library, media, and technology	2,871,526	-	4,970	2,876,496
School site administration	12,372,309	-	428,082	12,800,391
Pupil services				
Home-to-school transportation	1,043,557	-	-	1,043,557
Food services	262	-	3,784,769	3,785,031
All other pupil services	8,448,892	-	-	8,448,892
General administration				
Centralized data processing	1,354,499	-	-	1,354,499
All other general administration	9,282,235	-	145,740	9,427,975
Plant services	12,431,795	-	950,045	13,381,840
Facilities acquisition and maintenance	2,203,504	14,249,482	604,288	17,057,274
Transfers to other agencies	2,719,646	-	13,758,090	16,477,736
Debt service				
Principal	-	-	14,830,000	14,830,000
Interest and other	-	-	4,122,872	4,122,872
<b>Total Expenditures</b>	<b>178,821,065</b>	<b>14,249,482</b>	<b>39,120,280</b>	<b>232,190,827</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<b>(3,699,424)</b>	<b>(11,592,767)</b>	<b>(5,246,086)</b>	<b>(20,538,277)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	157,497	71,755	11,738,389	11,967,641
Other sources	-	90,000,000	4,877,879	94,877,879
Transfers out	(6,969,704)	(300,000)	(4,697,937)	(11,967,641)
<b>Net Financing Sources (Uses)</b>	<b>(6,812,207)</b>	<b>89,771,755</b>	<b>11,918,331</b>	<b>94,877,879</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(10,511,631)</b>	<b>78,178,988</b>	<b>6,672,245</b>	<b>74,339,602</b>
<b>Fund Balance - Beginning</b>	<b>34,476,337</b>	<b>47,877,146</b>	<b>39,448,161</b>	<b>121,801,645</b>
<b>Fund Balance - Ending</b>	<b>\$ 23,964,707</b>	<b>\$ 126,056,134</b>	<b>\$ 46,120,406</b>	<b>\$ 196,141,247</b>

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, 2020**

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**Net Change in Fund Balances - Governmental Funds** \$ 74,339,602

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: \$	12,943,002	
Depreciation expense:	<u>(7,771,020)</u>	5,171,982

**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:

14,830,000

**Debt proceeds:**

In governmental funds, proceeds of long-term debt are reported as Other Financing sources. In the government-wide statements, proceeds of long-term debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from long-term debt were:

(94,877,879)

**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:

(935,057)

**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:

68,248

**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:

(6,163,462)

**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:

(467,746)

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:

855,398

**Change in Net Position of Governmental Activities**

\$ (7,178,914)

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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**ASSETS**

Cash and cash equivalents	\$	1,518,111
Accounts receivable		70,092
Prepaid expenses		420
<b>Total Assets</b>		<u>1,588,623</u>

**LIABILITIES**

Accrued liabilities		29,780
Unearned revenues		176,124
Due to other funds		169,949
<b>Total Liabilities</b>		<u>375,853</u>

**NET POSITION**

Unrestricted		<u>1,212,770</u>
<b>Total Net Position</b>	\$	<u>1,212,770</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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<b>OPERATING REVENUES</b>	
Charges for services	\$ 3,590,288
<b>Total Operating Revenues</b>	<u>3,590,288</u>
<b>OPERATING EXPENSES</b>	
Employee salaries	2,725,258
Employee benefits	1,080,248
Books and supplies	85,351
Services and other operating expenses	<u>399,498</u>
<b>Total Operating Expenses</b>	<u>4,290,355</u>
<b>Operating Income</b>	<u>(700,067)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	35,694
Interfund transfer out	<u>(363,570)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(327,876)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	<u>363,570</u>
<b>Total Other Financing Sources (Uses)</b>	<u>363,570</u>
<b>Change in Net Position</b>	<u>(664,373)</u>
<b>Net Position - Beginning</b>	<u>1,877,143</u>
<b>Net Position - Ending</b>	<u>\$ 1,212,770</u>



**PLEASANTON UNIFIED SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2020**

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<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	
Cash received from user charges	\$ 3,860,902
Cash paid for operating expenses	(4,468,922)
<b>Total Operating Revenues</b>	<u>(608,020)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer to other funds	(341,322)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	35,694
<b>CASH FLOWS FROM OTHER FINANCING SOURCES:</b>	
Transfers in	363,570
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(550,078)</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>2,068,189</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 1,518,111</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ (700,067)
Changes in operating assets and liabilities:	
Accounts receivable	313,894
Prepaid expenses	2,710
Accrued liabilities	(181,277)
Unearned revenues	(43,280)
<b>Net cash and cash equivalents provided by operating activities</b>	<u>\$ (608,020)</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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	<b>Student Body Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 709,179
<b>LIABILITIES</b>	
Due to student groups and other agencies	\$ 709,179

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2020**

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**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.

**Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

**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, 2020**

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**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, 2020**

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**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, 2020**

---

**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.

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.

*Fiduciary Fund*

An Agency Fund is used to account for assets of others for which the District acts as an agent. The District maintains the Student Body Agency 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.

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2020**

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**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:

<b>Asset Class</b>	<b>Years</b>
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, 2020**

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**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, 2020, the District had a Reserve for Economic Uncertainty of \$5,366,503 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, 2020**

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**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. 83 – Certain Asset Retirement Obligations. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations. The Statement is effective for periods beginning after June 15, 2018. This District has implemented GASB Statement No. 83 as of June 30, 2019.

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. Management has not yet determined the impact of GASB Statement No. 84.

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 June 15, 2021. Management has not yet determined the impact of GASB Statement No. 84. GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarified which liabilities government should include when disclosing information related to debt.

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Q. NEW ACCOUNTING PRONOUNCEMENTS, continued**

GASB Statement No. 90 – Accounting for Interest Cost Incurred before the End of a Construction Period. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Management has not yet determined the impact of GASB Statement No. 84.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of June 30, 2020, consist of the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Fiduciary Funds</b>
Cash in county treasury	\$ 196,906,080	\$ 1,514,111	\$ -
Cash on hand and in banks	-	-	709,179
Cash in revolving fund	78,162	4,000	-
Deposit in LAIF	4,835,570	-	-
<b>Total</b>	<b>\$ 201,819,812</b>	<b>\$ 1,518,111</b>	<b>\$ 709,179</b>

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, 2020**

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**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, 2020**

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**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, 2020, the weighted average maturity of the investments contained in the County Treasury investment pool is approximately 674 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 \$107,900 at June 30, 2020.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2020:

	<b>General Fund</b>	<b>Building Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>	<b>Total Business- Type Activities</b>
Federal Government	\$ 2,482,916	\$ -	\$ 261,075	\$ 2,743,991	\$ -
State Government	1,736,681	-	1,509,755	3,246,436	-
Local Government	9,047,166	534,112	175,489	9,756,767	70,092
<b>Total</b>	<b>\$ 13,266,763</b>	<b>\$ 534,112</b>	<b>\$ 1,946,319</b>	<b>\$ 15,747,194</b>	<b>\$ 70,092</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020
Capital assets not being depreciated				
Land	\$ 40,624,273	\$ -	\$ -	\$ 40,624,273
Construction in progress	8,375,341	10,503,604	4,835,315	14,043,630
Total Capital Assets not Being Depreciated	48,999,614	10,503,604	4,835,315	54,667,903
Capital assets being depreciated				
Land improvements	29,659,616	1,611,997	-	31,271,613
Buildings and improvements	261,889,707	3,223,318	-	265,113,025
Furniture and equipment	6,888,047	2,439,398	-	9,327,445
Total Capital Assets Being Depreciated	298,437,370	7,274,713	-	305,712,083
Less Accumulated Depreciation				
Land improvements	29,184,647	365,947	-	29,550,594
Buildings and improvements	161,341,084	7,271,433	-	168,612,517
Furniture and equipment	5,133,200	133,640	-	5,266,840
Total Accumulated Depreciation	195,658,931	7,771,020	-	203,429,951
Capital Assets, net	\$ 151,778,053	\$ 10,007,297	\$ 4,835,315	\$ 156,950,035

**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, 2020 were as follows:

Payable Fund	Receivable Fund			
	General Fund	General Fund - Special Reserve	Other Governmental Funds	Total
General Fund	\$ -	\$ -	\$ 230,810	\$ 230,810
General Fund - Special Reserve	75,233	-	-	75,233
Building Fund	1,199	-	-	1,199
Other Governmental Funds	127,589	233	-	127,822
Enterprise Fund	169,949	-	-	169,949
Total	\$ 373,970	\$ 233	\$ 230,810	\$ 605,013

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, 2020**

**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, 2020.

Interfund transfers for the year ended June 30, 2020, were as follows:

Transfer Out	Transfer In				Total
	General Fund	Building Fund	Other Governmental Funds	Enterprise Fund	
General Fund	\$ -	\$ 71,755	\$ 62,371	\$ -	\$ 134,126
General Fund - Special Reserve	75,000	-	6,760,578	-	6,835,578
Building Fund	-	-	300,000	-	300,000
Other Governmental Funds	82,497	-	4,615,440	-	4,697,937
Enterprise Fund	-	-	-	363,570	363,570
Total	\$ 157,497	\$ 71,755	\$ 11,738,389	\$ 363,570	\$ 12,331,211

**NOTE 6 – LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the year ended June 30, 2020 consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Governmental Activities					
General obligation bonds	\$ 73,495,000	\$ 90,000,000	\$ 14,075,000	\$ 149,420,000	\$ 14,355,000
Unamortized premium	6,125,104	4,877,879	855,398	10,147,585	855,398
Certificates of participation	755,000	-	755,000	-	-
Compensated absences	780,756	-	68,248	712,508	-
Total	\$ 81,155,860	\$ 94,877,879	\$ 15,753,646	\$ 160,280,093	\$ 15,210,398

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, 2020**

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**NOTE 6 – LONG-TERM LIABILITIES, continued**

General Obligation Bonds

The outstanding general obligation bonded debt of the District at June 30, 2020 is:

Series	Issue Date	Maturity Date	Yield Rate	Original Issue	Bonds Outstanding June 30, 2019	Additions	Deductions	Bonds Outstanding June 30, 2020
2013 Refunding	7/10/2013	8/1/2021	0.29 - 2.70%	14,565,000	\$ 10,170,000	-	\$ 2,630,000	\$ 7,540,000
2014 Refunding	6/26/2014	8/1/2023	0.14 - 2.37%	11,100,000	5,025,000	-	1,390,000	3,635,000
Series 2017	10/25/2017	8/1/2042	0.90 - 3.28%	70,645,000	58,300,000	-	10,055,000	48,245,000
2019	9/5/2019	8/1/2042	0.80 - 2.58%	90,000,000	-	90,000,000	-	90,000,000
Total					\$ 73,495,000	\$ 90,000,000	\$ 14,075,000	\$ 149,420,000

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2020, are as follows:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 14,355,000	\$ 5,054,888	\$ 19,409,888
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
2026-2030	13,740,000	17,893,956	31,633,956
2031-2035	25,380,000	14,096,725	39,476,725
2036-2040	39,220,000	8,774,875	47,994,875
2041-2043	31,720,000	1,648,900	33,368,900
Total	\$ 149,420,000	\$ 63,886,032	\$ 213,306,032

Certificates of Participation

On June 10, 2010, the District entered into a lease/purchase agreement with Alameda Contra Costa School Financing Authority for the issuance of Certificates of Participation (2010 COPs) in the amount of \$17,510,000. The 2010 COPS were sold on behalf of the District to refinance the 2002 and 2003 Certificates of Participation which provided funds for the acquisition and construction of certain projects. The COP refunding was split into \$13,010,000 of serial certificates and \$4,500,000 of term certificates which bear a fixed rate per annum. The 2010 COPs are fully matured as of June 30, 2020.

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

For the fiscal year ended June 30, 2019, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	Net OPEB	Deferred Outflows	Deferred Inflows	OPEB
OPEB Plan	Liability (Asset)	of Resources	of Resources	Expense (Benefit)
District Plan	\$ 32,991,983	\$ 4,286,892	\$ (1,337,903)	\$ 2,507,083

**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 all retirees except those Management retirees that chose the Golden Handshake program. For Management retirees to be eligible for the Golden Handshake program, a member with either a combined 10 years as an administrator/employee in the District, or 7 years as an administrator in the District and who is at least 55 years of age. 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.

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Employees Covered by Benefit Term**

The following is a table of plan participants at June 30, 2020:

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

As of June 30, 2020, the District had not 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, 2020 contributions consist of \$1,355,983 postemployment benefits for current retirees on a pay-as-you-go basis. The change in other postemployment benefits does not include the transfer from the general fund to the special reserve fund for other than capital outlay fund of \$6,760,578 as this does not meet GASB qualification for a contribution. As of June 30, 2020, the District has committed approximately \$6.8 million for postemployment benefits.

**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, 2019
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	3.15%
Health care cost trend rate	6.00% HMO/6.50% PPO decreasing to 5.00% HMO/5.00% PPO
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 3.15% 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.

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,507,083. At June 30, 2020, 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
Change in assumptions	-	1,337,903
District contributions subsequent to the measurement date	2,039,337	-
	<u>\$ 4,286,892</u>	<u>\$ 1,337,903</u>

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
2021	\$ 47,457
2022	47,457
2023	47,457
2024	47,457
2025	218,912
Thereafter	500,912
	<u>\$ 909,652</u>

**Changes in the Net OPEB Liability**

	Increase/(Decrease)		
	Total OPEB Liability	Total Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balance July 1, 2018	\$ 29,310,695	\$ -	\$ 29,310,695
Changes for the year:			
Service cost	1,962,781	-	1,962,781
Interest	1,070,842	-	1,070,842
Employer contributions	-	1,355,983	(1,355,983)
Difference between expected and actual experience	2,568,634	-	2,568,634
Changes of assumptions	(564,986)	-	(564,986)
Expected benefit payments	(1,355,983)	(1,355,983)	-
Net change	<u>3,681,288</u>	<u>-</u>	<u>3,681,288</u>
Balance June 30, 2020	<u>\$ 32,991,983</u>	<u>\$ -</u>	<u>\$ 32,991,983</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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 3.15 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 (2.15%)	Current Discount Rate (3.15%)	Discount Rate 1% Higher (4.15%)
Net OPEB liability \$	31,591,861	\$ 32,991,983	\$ 27,190,690

The following table presents the net OPEB liability calculated using the health care cost trend rate of 6.0 percent HMO/6.5 percent PPO decreasing to 5.0 percent HMO and PPO, respectively. 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 (5.00% HMO/5.5% PPO decreasing to 4.00% HMO/4.00% PPO)	Current Trend Rate (6.00% HMO/6.5% PPO decreasing to 5.00% HMO/5.00% PPO)	Trend Rate 1% Higher (7.00% HMO/7.5% PPO decreasing to 6.00% HMO/6.00% PPO)
Net OPEB liability \$	25,987,026	\$ 32,991,983	\$ 33,211,456

**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, 2020, 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	\$ 138,876,250	\$ 33,283,455	\$ 11,228,719	\$ 16,228,713
CalPERS	44,662,345	10,223,809	1,311,283	9,400,211
Total	\$ 183,538,595	\$ 43,507,264	\$ 12,540,002	\$ 25,628,924

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2018, 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, 2020, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before December 31, 2012	On or after January 1, 2013
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	18.13%	18.13%
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, 2020**

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**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, 2020, are presented above, and the District's total contributions were \$14,973,374.

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

At June 30, 2020, 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	\$	138,876,250
State's proportionate share of the net pension liability associated with the District		75,766,878
Total	\$	<u>214,643,128</u>

The net pension liability was measured as of June 30, 2019. 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, 2019 and June 30, 2018, was 0.154 percent and 0.153 percent, respectively, resulting in a net increase in the proportionate share of 0.001 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$16,228,713. At June 30, 2020, 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	\$ -	\$ 5,348,327
Differences between expected and actual experience	350,588	3,910,735
Changes in assumptions	17,562,832	-
Net changes in proportionate share of net pension liability	396,661	1,969,657
District contributions subsequent to the measurement date	14,973,374	-
Total	<u>\$ 33,283,455</u>	<u>\$ 11,228,719</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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
2020	\$ 1,935,479
2021	(1,435,587)
2022	2,947,311
2023	4,466,258
2024	(426,374)
Thereafter	(405,725)
	<u>\$ 7,081,362</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, 2018 and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010, through June 30, 2015
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, 2020**

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**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:

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-term Expected Real Rate of Return*</b>
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Cash/Liquidity	2%	-1.00%
Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
	<b>100%</b>	

\*20-year geometric 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:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
Plan's net pension liability	\$ 206,798,232	\$ 138,876,250	\$ 82,555,992

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2018, 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, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
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	19.721%	19.721%

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2020, are presented above, and the total District contributions were \$4,492,088.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$44,662,345. The net pension liability was measured as of June 30, 2019. 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, 2019 and June 30, 2018, 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, 2020, the District recognized pension expense of \$9,400,211. At June 30, 2020, 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	\$ -	\$ 414,251
Differences between expected and actual experience	3,244,279	-
Changes in assumptions	2,126,066	-
Net changes in proportionate share of net pension liability	361,376	897,032
District contributions subsequent to the measurement date	4,492,088	-
Total	<u>\$ 10,223,809</u>	<u>\$ 1,311,283</u>

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, 2020**

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**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
2020	\$ 3,425,783
2021	299,640
2022	435,863
2023	259,152
	<u>\$ 4,420,438</u>

**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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997, through June 30, 2011
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, 2020**

**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:

<b>Asset Class*</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 - 10**</b>	<b>Real Return Years 11+***</b>
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%
	<u>100%</u>		

\*In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term

\*\*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:

	<b>1% Decrease (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>1% Increase (8.15%)</b>
Plan's net pension liability	\$ 64,377,833	\$ 44,662,345	\$ 28,306,984

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2020, which amounted to \$7,880,928. 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, 2020. 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 two joint powers authorities (JPAs), the East Bay Schools Insurance Group (EBSIG) and the Alameda County Schools Insurance Group (ACSIG). 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. 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.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**NOTE 10 – PARTICIPATION IN JOINT POWERS AUTHORITIES, continued**

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

**NOTE 11- SUBSEQUENT EVENTS**

The District evaluated subsequent events from June 30, 2020 through November 6, 2020, 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.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**GENERAL FUND – BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2020**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
LCFF sources	\$ 136,857,728	\$ 136,302,653	\$ 136,570,437	\$ 267,784
Federal sources	3,667,620	3,905,485	3,741,826	(163,659)
Other state sources	22,478,831	24,828,556	26,504,164	1,675,608
Other local sources	2,806,716	4,335,519	8,151,005	3,815,486
<b>Total Revenues</b>	<b>165,810,895</b>	<b>169,372,213</b>	<b>174,967,432</b>	<b>5,595,219</b>
<b>EXPENDITURES</b>				
Certificated salaries	88,339,181	87,559,873	88,444,692	884,819
Classified salaries	20,404,929	20,362,174	20,288,430	(73,744)
Employee benefits	35,988,282	36,027,111	37,913,146	1,886,035
Books and supplies	6,512,192	10,702,490	7,750,292	(2,952,198)
Services and other operating expenditures	18,480,152	20,266,881	19,753,541	(513,340)
Capital outlay	481,836	1,415,775	2,079,139	663,364
Other outgo				
Excluding transfers of indirect costs	1,814,215	1,814,215	2,719,646	905,431
Transfers of indirect costs	(206,475)	(206,475)	(127,822)	78,653
<b>Total Expenditures</b>	<b>171,814,312</b>	<b>177,942,044</b>	<b>178,821,064</b>	<b>879,020</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,003,417)</b>	<b>(8,569,831)</b>	<b>(3,853,632)</b>	<b>6,474,239</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	600,050	180,050	157,497	(22,553)
Transfers out	(1,523,375)	(320,375)	(134,126)	186,249
<b>Net Financing Sources (Uses)</b>	<b>(923,325)</b>	<b>(140,325)</b>	<b>23,371</b>	<b>163,696</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(6,926,742)</b>	<b>(8,710,156)</b>	<b>(3,830,261)</b>	<b>4,879,895</b>
<b>Fund Balance - Beginning</b>	<b>26,417,508</b>	<b>26,417,508</b>	<b>26,417,508</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 19,490,766</b>	<b>\$ 17,707,352</b>	<b>\$ 22,587,247</b>	<b>\$ 4,879,895</b>

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2020**

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 1,962,781	\$ 1,934,204	\$ 2,040,337
Interest	1,070,842	989,217	815,557
Difference between expected and actual experience	2,568,634	-	-
Changes of assumptions	(564,986)	(220,793)	(1,200,202)
Benefit payments	(1,355,983)	(1,104,698)	(1,037,275)
Net change in total OPEB liability	3,681,288	1,597,930	618,417
Total OPEB liability, beginning of year	29,310,695	27,712,765	27,094,348
Total OPEB liability, end of year (a)	\$ 32,991,983	\$ 29,310,695	\$ 27,712,765
Investment gains/losses	-	-	-
Expected benefit payments	(1,355,983)	(1,104,698)	(1,037,275)
Other	-	-	-
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)	\$ 32,991,983	\$ 29,310,695	\$ 27,712,765
Covered payroll	\$ 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%
Net OPEB asset as a percentage of covered payroll	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, 2020**

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	2020	2019	2018
Actuarially determined contribution	\$ 1,014,254	\$ 1,000,666	\$ 1,037,275
Contributions in relations to the actuarially determined contribution	1,355,983	1,104,698	1,037,275
Contribution deficiency (excess)	\$ (341,729)	\$ 943,851	\$ -
Covered-employee payroll	\$ 105,523,285	\$ 94,010,000	\$ 94,010,000
Contribution as a percentage of covered-employee payroll	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, 2020**

<b>CalSTRS</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.154%	0.153%	0.150%	0.155%	0.159%	0.157%
District's proportionate share of the net pension liability	\$ 138,876,250	\$ 140,659,698	\$ 138,907,437	\$ 125,365,550	\$ 107,045,160	\$ 91,746,090
State's proportionate share of the net pension liability associated with the District	75,766,878	80,538,128	82,177,136	71,546,605	56,774,903	55,260,292
Total	<u>\$ 214,643,128</u>	<u>\$ 221,197,826</u>	<u>\$ 221,084,573</u>	<u>\$ 196,912,155</u>	<u>\$ 163,820,063</u>	<u>\$ 147,006,382</u>
District's covered - employee payroll	\$ 81,934,515	\$ 78,569,591	\$ 78,569,591	\$ 78,191,439	\$ 72,833,668	\$ 70,404,045
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	169%	179%	177%	160%	147%	130%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
<b>CalPERS</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.153%	0.152%	0.150%	0.159%	0.160%	0.162%
District's proportionate share of the net pension liability	\$ 44,662,345	\$ 40,433,172	\$ 35,786,720	\$ 31,402,598	\$ 23,643,118	\$ 18,368,240
District's covered - employee payroll	\$ 21,749,230	\$ 20,585,882	\$ 20,585,882	\$ 19,136,167	\$ 17,751,101	\$ 16,939,425
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	205%	196%	174%	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	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, 2020**

<b>CalSTRS</b>	<b>Reporting Fiscal Year</b>					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 14,973,374	\$ 13,338,939	\$ 11,337,592	\$ 10,009,054	\$ 8,384,573	\$ 6,479,899
District's contributions in relation to the statutorily required contribution	14,973,374	13,338,939	(11,337,592)	(10,009,054)	(8,384,573)	(6,479,899)
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 82,588,935	\$ 81,934,515	\$ 78,569,591	\$ 79,498,369	\$ 78,191,439	\$ 72,833,668
District's contributions as a percentage of covered-employee payroll	18.13%	16.28%	14.43%	12.59%	10.72%	8.90%

<b>CalPERS</b>	<b>Reporting Fiscal Year</b>					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 4,492,088	\$ 3,928,346	\$ 2,859,379	\$ 2,543,175	\$ 2,266,942	\$ 2,089,289
District's contributions in relation to the statutorily required contribution	4,492,088	3,928,346	(2,859,379)	(2,543,175)	(2,266,942)	(2,089,289)
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 22,778,196	\$ 21,749,230	\$ 20,585,882	\$ 19,076,180	\$ 19,136,167	\$ 17,752,101
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	13.89%	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, 2020**

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**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, 2020**

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**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, 2020, 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:

	<b>Expenditures and Other Uses</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Excess</b>
General Fund			
Certificated salaries	\$ 87,559,873	\$ 88,444,692	\$ 884,819
Employee benefits	\$ 36,027,111	\$ 37,913,146	\$ 1,886,035
Capital outlay	\$ 1,415,775	\$ 2,079,139	\$ 663,364
Other outgo			
Excluding transfers of indirect costs	\$ 1,814,215	\$ 2,719,646	\$ 905,431
Transfers of indirect costs	\$ (206,475)	\$ (127,822)	\$ 78,653

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## **SUPPLEMENTARY INFORMATION**

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**PLEASANTON UNIFIED SCHOOL DISTRICT  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
FOR THE YEAR ENDED JUNE 30, 2020**

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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
Steve Maher	President	December 2020
Jamie Yee	Vice - President	December 2020
Valerie Arkin	Board Member	December 2020
Joan Laursen	Board Member	December 2022
Mark Miller	Board Member	December 2022

**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, 2020**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster</b>	<b>CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Agriculture:</b>			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13391	\$ 827,323
Subtotal Child Nutrition Cluster			827,323
<b>Total U. S. Department of Agriculture</b>			<b>827,323</b>
<b>U.S. Department of Education:</b>			
School Climate Transformation Program	84.184G	*	317,847
<i>Passed through California Department of Education:</i>			
Special Education Cluster (IDEA):			
IDEA Basic Grant Entitlement	84.027	13379	2,010,520
IDEA Special Education Preschool Grant	84.173	13430	39,599
IDEA Preschool Local Entitlement	84.027A	13682	-
IDEA Preschool Capacity Building	84.173A	13839	70,377
IDEA Preschool Staff Development	84.173A	13431	1,218
IDEA Alternative Dispute Resolution	84.173A	13007	11,937
IDEA Mental Health	84.027A	14468	219,941
Subtotal Special Education Cluster (IDEA)			2,353,592
Adult Education Cluster			
Adult Secondary Education	84.002A	13978	3,300
Adult Basic Education & ESL	84.002A	14508	49,320
Subtotal Adult Education Cluster			52,620
Title III:			
Title III, LEP Program	84.365	14346	165,862
Title III, Immigrant Education Program	84.365	15146	163,593
Subtotal Title III			329,455
IDEA Early Intervention Grants, Part C	84.181	23761	112,627
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	226,425
Title II: Teacher Quality	84.367A	14341	171,279
CARES Act - COVID-19	84.425	*	209,341
Elementary and Secondary School Emergency Relief Fund	84.425D	*	934
ESSA: School Improvement Funding for LEAs	84.010	15438	81,864
ESSA: Title IV, Part A Student Support and Academic Enrichment	84.330	*	26,132
VOC Programs: Perkins Act	84.048	50437	53,313
<b>Total U. S. Department of Education</b>			<b>3,935,429</b>
<b>Total Federal Expenditures</b>			<b>\$ 4,762,752</b>

\* - PCS Number not available or not applicable

**PLEASANTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Second Period Report</b>	<b>Audited Second Period Report</b>	<b>Annual Report</b>	<b>Audited Annual Report</b>
	<b>Certificate No. DB6E325A</b>	<b>Not Available</b>	<b>Certificate No. 79EB6B1A</b>	<b>Not Available</b>
Regular ADA				
Transitional Kindergarten through third	3,879.21	3,879.21	3,879.21	3,879.21
Fourth through Sixth	3,238.91	3,238.91	3,238.91	3,238.91
Seventh and Eighth	2,321.17	2,321.17	2,321.27	2,321.27
Ninth through twelfth	4,905.28	4,887.21	4,905.28	4,887.21
Total Regular ADA	14,344.57	14,326.50	14,344.67	14,326.60
Extended Year Special Education				
Transitional Kindergarten through third	3.22	3.22	3.22	3.22
Fourth through Sixth	1.96	1.96	1.96	1.96
Seventh and Eighth	1.95	1.95	1.95	1.95
Ninth through twelfth	2.91	2.91	2.91	2.91
Total Extended Year Special Education	10.04	10.04	10.04	10.04
Special Education, Nonpublic, Nonsectarian Schools				
Transitional Kindergarten through third	1.64	1.64	1.64	1.64
Fourth through Sixth	3.08	3.08	3.08	3.08
Seventh and Eighth	1.74	1.74	1.74	1.74
Ninth through twelfth	4.28	4.28	4.28	4.28
Total Special Education, Nonpublic, Nonsectarian Schools	10.74	10.74	10.74	10.74
Extended Year Special Education - Nonpublic				
Transitional Kindergarten through third	0.19	0.19	0.19	0.19
Fourth through Sixth	0.33	0.33	0.33	0.33
Seventh and Eighth	0.33	0.33	0.33	0.33
Ninth through twelfth	1.30	1.30	1.30	1.30
Total Extended Year Special Education - Nonpublic	2.15	2.15	2.15	2.15
ADA Totals	14,367.50	14,349.43	14,367.60	14,349.53

**PLEASANTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2020**

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Grade Level	Minutes Requirement	2019-20 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	36,000	180	N/A	Compliant
Grade 1	50,400	50,435	180	N/A	Complied
Grade 2	50,400	50,435	180	N/A	Complied
Grade 3	50,400	55,915	180	N/A	Complied
Grade 4	54,000	55,620	180	N/A	Complied
Grade 5	54,000	55,620	180	N/A	Complied
Grade 6	54,000	59,364	180	N/A	Complied
Grade 7	54,000	59,364	180	N/A	Complied
Grade 8	54,000	59,364	180	N/A	Complied
Grade 9	64,800	64,804	180	N/A	Complied
Grade 10	64,800	64,804	180	N/A	Complied
Grade 11	64,800	64,804	180	N/A	Complied
Grade 12	64,800	64,804	180	N/A	Complied

The District participated in Longer Day incentives and is funded at a level for a District that has not met or exceeded its LCFF target funding.

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	2021 (Budget)	2020	2019	2018
General Fund - Budgetary Basis**				
Revenues and Other Financing Sources	\$ 172,309,317	\$ 175,124,929	\$ 175,072,623	\$ 155,162,956
Expenditures and Other Financing Uses	175,117,931	178,955,190	172,874,897	156,835,091
Net Change in Fund Balance	(2,808,614)	(3,830,261)	2,197,726	(1,672,135)
Ending Fund Balance	\$ 19,778,633	\$ 22,587,247	\$ 26,417,508	\$ 24,219,782
Available Reserves*	\$ 11,043,755	\$ 13,521,603	\$ 11,016,569	\$ 14,934,465
Available Reserves as a Percentage of Outgo	6.3%	7.6%	6.4%	9.5%
Long-term Debt	\$ 376,810,671	\$ 376,810,671	\$ 291,559,425	\$ 298,112,539
Average Daily Attendance at P-2	14,365	14,368	14,491	14,402

\* 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 decreased by a net of \$1,560,780 over the past two years. The fiscal year 2020-21 budget projects a decrease of \$2,808,614. 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 2019-20 fiscal year. Total long-term debt has increased by \$78,698,132 over the past two years.

Average daily attendance has decreased by 135 over the past two years. ADA is anticipated to decrease by 3 during fiscal year 2020-21.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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*There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.*

**PLEASANTON UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
JUNE 30, 2020**

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

**PLEASANTON UNIFIED SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2020**

	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
<b>ASSETS</b>										
Cash and cash equivalents	\$ 39,164	\$ 62,652	\$ 832,754	47,097	6,760,968	\$ 4,716,539	\$ 992,881	\$ 12,488,616	\$ 19,614,765	\$ 45,555,436
Accounts receivable	1,455,274	107,068	229,690	187	26,969	18,621	9,110	20,969	78,431	1,946,319
Due from other funds	-	-	99,703	131,107	-	-	-	-	-	230,810
Stores inventory	-	-	83,884	-	-	-	-	-	-	83,884
<b>Total Assets</b>	<b>1,494,438</b>	<b>169,720</b>	<b>1,246,031</b>	<b>178,391</b>	<b>6,787,937</b>	<b>4,735,160</b>	<b>1,001,991</b>	<b>12,509,585</b>	<b>19,693,196</b>	<b>47,816,449</b>
<b>LIABILITIES</b>										
Accrued liabilities	1,494,438	10,367	39,517	8,497	-	15,402	-	-	-	1,568,221
Due to other funds	-	22,949	104,873	-	-	-	-	-	-	127,822
<b>Total Liabilities</b>	<b>1,494,438</b>	<b>33,316</b>	<b>144,390</b>	<b>8,497</b>	<b>-</b>	<b>15,402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,696,043</b>
<b>FUND BALANCES</b>										
Nonspendable	-	-	86,384	-	-	-	-	-	-	86,384
Restricted										
Capital projects	-	-	-	-	-	-	1,001,991	-	-	1,001,991
All others	-	131,411	1,015,068	-	-	-	-	-	-	1,146,479
Assigned	-	4,993	189	169,894	6,787,937	4,719,758	-	12,509,585	-	24,192,356
<b>Total Fund Balances</b>	<b>-</b>	<b>136,404</b>	<b>1,101,641</b>	<b>169,894</b>	<b>6,787,937</b>	<b>4,719,758</b>	<b>1,001,991</b>	<b>12,509,585</b>	<b>19,693,196</b>	<b>46,120,406</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,494,438</b>	<b>\$ 169,720</b>	<b>\$ 1,246,031</b>	<b>\$ 178,391</b>	<b>\$ 6,787,937</b>	<b>\$ 4,735,160</b>	<b>\$ 1,001,991</b>	<b>\$ 12,509,585</b>	<b>\$ 19,693,196</b>	<b>\$ 47,816,449</b>

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, 2020**

	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
<b>REVENUES</b>										
LCFF sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	52,073	52,620	776,621	-	-	-	-	-	-	881,314
Other state sources	13,706,017	626,448	55,030	-	-	-	(2,787,417)	-	68,926	11,669,004
Other local sources	-	178,282	2,770,082	13,282	27,359	1,174,239	71,657	259,646	16,829,329	21,323,876
<b>Total Revenues</b>	<b>13,758,090</b>	<b>857,350</b>	<b>3,601,733</b>	<b>13,282</b>	<b>27,359</b>	<b>1,174,239</b>	<b>(2,715,760)</b>	<b>259,646</b>	<b>16,898,255</b>	<b>33,874,194</b>
<b>EXPENDITURES</b>										
Current										
Instruction	-	491,424	-	-	-	-	-	-	-	491,424
Instruction-related services										
Instructional library, media, and technology	-	4,970	-	-	-	-	-	-	-	4,970
School site administration	-	428,082	-	-	-	-	-	-	-	428,082
Pupil services										
Food services	-	-	3,784,769	-	-	-	-	-	-	3,784,769
General administration										
All other general administration	-	22,949	104,873	-	-	17,918	-	-	-	145,740
Plant services	-	-	1,791	699,021	-	249,233	-	-	-	950,045
Facilities acquisition and maintenance	-	-	-	604,097	-	191	-	-	-	604,288
Transfers to other agencies	13,758,090	-	-	-	-	-	-	-	-	13,758,090
Debt service										
Principal	-	-	-	-	-	755,000	-	-	14,075,000	14,830,000
Interest and other	-	-	-	-	-	15,082	-	-	4,107,790	4,122,872
Redemptions	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>13,758,090</b>	<b>947,425</b>	<b>3,891,433</b>	<b>1,303,118</b>	<b>-</b>	<b>1,037,424</b>	<b>-</b>	<b>-</b>	<b>18,182,790</b>	<b>39,120,280</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>(90,075)</b>	<b>(289,700)</b>	<b>(1,289,836)</b>	<b>27,359</b>	<b>136,815</b>	<b>(2,715,760)</b>	<b>259,646</b>	<b>(1,284,535)</b>	<b>(5,246,086)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	-	-	62,371	300,000	6,760,578	4,615,440	-	-	-	11,738,389
Other sources	-	-	-	-	-	-	-	-	4,877,879	4,877,879
Transfers out	-	-	-	-	-	(4,647,937)	-	(50,000)	-	(4,697,937)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>62,371</b>	<b>300,000</b>	<b>6,760,578</b>	<b>(32,497)</b>	<b>-</b>	<b>(50,000)</b>	<b>4,877,879</b>	<b>11,918,331</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>(90,075)</b>	<b>(227,329)</b>	<b>(989,836)</b>	<b>6,787,937</b>	<b>104,318</b>	<b>(2,715,760)</b>	<b>209,646</b>	<b>3,593,344</b>	<b>6,672,245</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>226,479</b>	<b>1,328,970</b>	<b>1,159,730</b>	<b>-</b>	<b>4,615,440</b>	<b>3,717,751</b>	<b>12,299,939</b>	<b>16,099,852</b>	<b>39,448,161</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 136,404</b>	<b>\$ 1,101,641</b>	<b>\$ 169,894</b>	<b>\$ 6,787,937</b>	<b>\$ 4,719,758</b>	<b>\$ 1,001,991</b>	<b>\$ 12,509,585</b>	<b>\$ 19,693,196</b>	<b>\$ 46,120,406</b>

See accompanying note to supplementary information.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

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**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, 2020, 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 Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

**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, 2020, the District participated in the Longer Day incentive funding program. As of June 30, 2020, the District had not yet met its target funding.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE 1 – PURPOSE OF SCHEDULES, continued**

**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.

**Schedule of Charter Schools**

As of June 30, 2020, 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.

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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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**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, 2020, 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 November 6, 2020.

**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  
November 6, 2020



## **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, 2020. 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, 2020.

## 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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.

*CWDL, Certified Public Accountants*

San Diego, California  
November 6, 2020





## 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 *2019-20 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, 2020, 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 *2019-20 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, 2020.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002. Our opinion is not modified with respect to this matter.

Pleasanton Unified School District's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. Pleasanton Unified School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## 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:

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Not applicable
Continuation Education	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
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Yes
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Charter Schools:	
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
Annual Instructional Minutes - Classroom-Based	Not applicable
Charter School Facility Grant Program	Not applicable

We did not perform any procedures related to Independent Study because the ADA reported was below the level required for testing.

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 does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.

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 have an After/Before School Education and Safety Program; therefore, we did not perform any procedures related to the After-School Education and Safety Program.

The District did not offer a Course Based Independent Study Program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

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  
November 6, 2020

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## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**PLEASANTON UNIFIED SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**FINANCIAL STATEMENTS**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Non-compliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditors' report issued:	Unmodified
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:	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.027, 74.173, 84.027A, 84.173A	Special Education Cluster (IDEA)

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

**STATE AWARDS**

Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for state programs:	Unmodified

**PLEASANTON UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

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<b>FIVE DIGIT CODE</b>	<b>AB3627 FINDING TYPES</b>
20000	Inventory of Equipment
30000	Internal Control
60000	Miscellaneous

***There were no financial statement findings or questioned costs identified during 2019-20.***

**PLEASANTON UNIFIED SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**FIVE DIGIT CODE**

50000

**AB3627 FINDING TYPES**

Federal Compliance

*There were no federal award findings or questioned costs identified during 2019-20.*

**PLEASANTON UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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<b>FIVE DIGIT CODE</b>	<b>AB3627 FINDING TYPES</b>
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

**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 1<sup>st</sup> 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.



**PLEASANTON UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**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.

**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.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**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.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Finding #2019-001: ASSOCIATED STUDENT BODY (ASB) (30000)**

**Criteria:** In accordance with sound internal control practices, Associated Student Body (ASB) organizations should have appropriate safeguards in place to control receipt and disbursement transactions so as to minimize the potential for loss and misuse of student funds.

**Condition:** We found the following internal control deficiencies in our test of ASB controls:

*Amador Valley High School*

- One (1) out of 10 cash receipts tested did not have detailed support to reconcile with cash collected.
- Seven (7) out of 15 expenditures tested were accompanied by a check request that was signed and completed after expenses were made.

*Harvest Park Middle School*

- Seven (7) out of 10 cash receipts tested did not have detailed support to reconcile with cash collected.

**Cause:** Lack of consistent application of District policies in ASB organizations.

**Perspective:** Internal control walkthroughs and detail tests of transactions occurred at Amador Valley High School, and Harvest Park Middle School. The Sample consisted of 15 disbursements and 10 receipts at Amador Valley High School and 10 disbursements and 8 receipts at Harvest Park Middle School.

**Effect:** Potential for waste or abuse in the ASB organizations.

**Recommendation:** The District should continue to provide support and regular in-service trainings to District employees involved with ASB organizations to best ensure the consistent application of District policies.

**Corrective Action Plan:** The District has slated an ASB training seminar led by the auditors from Cossolias, Wilson, Dominguez, and Leavitt in Spring 2020. Fiscal Services will provide a guide and resources that Activities Directors can use and annual trainings will be provided.

**Current Status:** Implemented in current year.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**FINDING #2019-002: FEDERAL COMPLIANCE – NATIONAL SCHOOL LUNCH PROGRAM (50000)  
Federal Program Affected**

Program Name: Child Nutrition Cluster, National School Lunch Program  
CFDA Number: 10.555  
Pass-Through Entity: California Department of Education  
Federal Agency: U.S. Department of Agriculture

**Criteria:** Per Title 7, Code of Regulations, Part 210, Subpart B, Section 210.8, A school operating child nutrition services must maintain internal controls to ensure accurate reporting of free, reduced and paid meals served.

**Condition:** Auditor compared monthly source records of meals served to students across all school sites against related meals claimed for funding in order to determine that the number of free, reduced and paid meals served agreed with related Federal CNIPS claims forms noting that meals were underclaimed at Pleasanton Middle School. Free, reduced and paid lunches were underclaimed by 8, 2 and 25 meals respectively. Free, reduced and paid breakfasts were underclaimed by 38, 2 and 15 meals respectively.

**Cause:** Clerical error.

**Perspective:** Detailed testing of two months of meals served across all school sites.

**Recurrence:** We noted this finding was not a repeat finding from the 2017-18 audit.

**Effect:** Noncompliance with the criteria noted above.

**Questioned Costs:** No questioned costs associated with the exceptions noted above as they are well below the threshold of \$25,000.

**Recommendation:** We recommend that the District continue to monitor and review the accuracy of data input and ensure that all meals served are properly claimed.

**Corrective Action Plan:** There has been a change in personnel in the District's Food Services department; and the district is confident that all processes related to meals claimed, are being conducted properly.

**Current Status:** Implemented in current year.

**PLEASANTON UNIFIED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**FINDING #2019-003: STATE COMPLIANCE – INSTRUCTIONAL TIME**

**Criteria:** Per Education Code 46201, A For each school district that received an apportionment pursuant to subdivision (a) of this section, as it read on January 1, 2013, and that reduces the amount of instructional time offered below the minimum amounts specified in subdivision (b), the Superintendent shall withhold from the school district's local control funding formula grant apportionment pursuant to Section 42238.02, as implemented by Section 42238.03, for the average daily attendance of each affected grade level, the sum of that apportionment multiplied by the percentage of the minimum offered minutes at that grade level that the school district failed to offer.

**Condition:** Auditor tested instructional time, noting that Amador Valley High School was scheduled for five minutes less than the required 64,800 minutes for the 2018-19 fiscal year.

**Cause:** Clerical error.

**Perspective:** Detailed testing of instructional time across all school sites.

**Recurrence:** We noted this finding was not a repeat finding from the 2017-18 audit.

**Effect:** Noncompliance with the criteria noted above.

**Questioned Costs:** Five (5) minutes of instructional time divided by the required 64,800 minutes results in a (0.00772%) reduction to Amador Valley High School ADA generated during 2018-19. The school was reported at 2,562.49 ADA as of P2, resulting in reduction of 0.198 ADA. At a base funding rate of \$9,269 per ADA, the questioned cost is approximately \$1,832.69.

**Recommendation:** We recommend that the District increase review procedures over scheduled instructional time to ensure that minutes deficits do not occur going forward.

**Corrective Action Plan:** A clerical error was made when calculating the instructional minutes at Amador High School. For the fiscal year that ends June 30, 2020 the instructional minutes have been verified by District staff that the District is in compliance. For further verification, the District will have the District Auditors certify that the calculations are correct before the start of the second semester.

**Current Status:** Implemented in current year.