Financial Statements
June 30, 2021

Piedmont Unified School District

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Independent Auditor's Report

To the Governing Board
Piedmont Unified School District
Piedmont, California

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

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 and 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, each major fund, and the aggregate remaining fund information of Piedmont Unified School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle
As discussed in Notes 1 and 16 to the financial statements, Piedmont Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net pension liability, and the schedule of District contributions as listed in the table of contents, 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.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Piedmont Unified School District's financial statements. The supplementary information as listed in the table of contents, the local education agency organization structure, schedule of instructional time, reconciliation of annual financial and budget report with audited financial statements, schedule of financial trends and analysis, combining non-major governmental fund financial statements are presented for purpose of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2021 on our consideration of Piedmont Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of Piedmont Unified School District's 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 Piedmont Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

San Ramon, California
December 23, 2021

This section of Piedmont Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for governmental activities.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Piedmont Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we separate the District activities as follows:

Governmental Activities - All of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, food services, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

THE DISTRICT AS A WHOLE

Net Position

The District's net (deficit) position was $(27,254,660) for the fiscal year ended June 30, 2021. Of this amount, $(65,640,425) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities 2021	Governmental Activities 2020
Assets		
Current and other assets	$ 57,278,663	$ 74,523,401
Capital assets	123,211,287	102,452,261
Total assets	180,489,950	176,975,662
Deferred outflows of resources	12,629,937	12,862,405
Liabilities		
Current liabilities	7,866,626	10,183,429
Long-term liabilities	209,891,590	199,395,708
Total liabilities	217,758,216	209,579,137
Deferred inflows of resources	2,616,331	3,710,288
Net Position		
Net investment in capital assets	2,140,841	2,247,955
Restricted	36,244,924	10,378,554
Unrestricted	(65,640,425)	(36,077,867)
Total net position	$ (27,254,660)	$(23,451,358)

The $(65,640,425) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The long-term liabilities that contribute to the negative net position include outstanding general obligation bonds, which will be repaid from on-going property tax collections, and the actuarially determined current value of future pension obligations, which will be paid over time from employer, employee and state contributions into the pension funds.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 15. Table 2 takes the information from the Statement and rearranges them slightly so you can see our total revenues for the year. The negative change in net position reflects a draw-down of the fund balance accumulated from unspent revenues from prior years.

Table 2

	Governmental Activities	
	2021	2020*
Revenues		
Program revenues		
Operating grants and contributions	$ 10,086,904	$ 7,979,644
General revenues		
Federal and State aid not restricted	8,957,250	9,979,370
Property taxes	32,169,964	31,947,654
Other general revenues	2,236,914	4,959,655
Total revenues	53,451,032	54,866,323
Expenses		
Instruction-related	39,354,405	36,869,585
Pupil services	3,325,856	3,526,729
Administration	4,326,290	3,632,369
Plant services	5,277,852	4,542,171
All other services	5,563,327	5,070,890
Total expenses	57,847,730	53,641,744
Change in net position	$ (4,396,698)	$ 1,224,579

*The revenues and expenses for Fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 15, the cost of all of our governmental activities this year was $57,847,730. The amount that our taxpayers ultimately financed for these activities through local taxes was $32,169,964. The part of the cost paid by other governments and organizations who subsidized certain programs with grants and contributions was $10,086,904. The remaining $11,194,164 "public benefit" portion of the district's governmental activities was paid with Federal and State funds, interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction including, special instruction programs and other instructional programs, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2021	2020*	2021	2020*
Instruction-related	$ 39,354,405	$ 36,869,585	$ (31,660,365)	$ (30,364,214)
Pupil services	3,325,856	3,526,729	(2,716,488)	(3,003,434)
Administration	4,326,290	3,632,369	(3,715,710)	(3,427,874)
Plant services	5,277,852	4,542,171	(4,943,383)	(4,381,474)
All other services	5,563,327	5,070,890	(4,724,880)	(4,485,104)
Total	$ 57,847,730	$ 53,641,744	$ (47,760,826)	$ (45,662,100)

* The total and net cost of services for fiscal year 2020 were not restated to show the effects of GASB 84 for comparitive purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $51,245,851, which is a decrease of $15,501,856 from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2020 as restated	Revenues and Other Fianacing Sources	Expenditures and Other Financing Uses	June 30, 2021
General	$ 2,971,500	$ 47,318,688	$ 45,514,721	$ 4,775,467
Student Activity Fund	593,396	103,570	231,615	465,351
Cafeteria	741,680	12,904	379,150	375,434
Building	22,253,820	10,397,253	24,313,838	8,337,235
County School Facilities	3,652	74	-	3,726
Special Reserve Fund for Capital Outlay Projects	453,250	223,053	502	675,801
Bond Interest and Redemption	39,730,409	6,373,048	9,490,620	36,612,837
Total	$ 66,747,707	$ 64,428,590	$ 79,930,446	$ 51,245,851

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 30, 2021. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 61).

The primary reasons for the changes in the revenues and expenditures between the original and final budgets and the actual amounts are the new revenues from State and Federal sources and expenses associated with that funding.

At the time of the final budget adjustment, on June 30, 2021, the District projected an increase in the general fund of $1,157,611. The actual net change in fund balance is an increase of $1,989,534. Revenues were $1,217,087 less than projected and expenditures were $2,048,990 less than projected. A large part of this difference is adjusting for STRS on-behalf pass-through based on updated information (revenues and expenditures) and the delay of certain expenditures from 2020-21 to 2021-22.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had $123,211,287 in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $20,759,261, or 20 %, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	$ 1,529,429	$ 31,076,478
Buildings and improvements	121,151,563	70,777,387
Equipment	530,295	598,396
Total	$ 123,211,287	$ 102,452,261

This year's additions were primarily related to the completion of the STEAM building funded by voter approved bonds. We present more detailed information regarding our capital assets in Note 5 of the financial statements

Long-Term Liabilities

At the end of this year, the District had $209,891,590 in long-term liabilities outstanding versus $199,395,708 last year, an increase of 5 %. Those long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	$ 148,428,559	$ 141,850,025
Unamortized premiums/(discounts)	8,041,932	7,797,587
Capital leases	22,025	28,620
Compensated absences	163,716	129,357
Total OPEB liability	8,814,778	7,823,149
Aggregate net pension liability	44,420,580	41,766,970
Total	$ 209,891,590	$ 199,395,708

The District's general obligation bond ratings are "AA+" by S&P. The State limits the amount of general obligation debt that districts can issue to two and one-half (2.50%) of the assessed value of all taxable property within the District's boundaries. For purposes of this calculation, the District's outstanding general obligation debt is $121 million ($148 million less the $27 million 2017B General Obligation Refunding Bonds (Crossover)) and is below the $124 million statutorily-imposed limit.

At year-end, the District has a net pension liability of $44,420,580 versus $41,766,970 last year, an increase of $2,653,610, or 6 percent.

Other liabilities include compensated absences payable, net other postemployment benefits (OPEB) liability (not including health benefits) and other long-term liabilities. We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020-2021 ARE NOTED BELOW:

The 2020-21 fiscal year was shaped by the District's, the County's and the State's responses to the COVID-19 Coronavirus pandemic. Although initial forecasts for State revenues were bleak, the State and Federal governments, along with the local community, provided over $1.7 million in additional resources to support the District with significant COVID-related expenses.

The State of California and Alameda County set the health and safety guidelines for whether, when and how the District was to provide in-person instruction. As a result, the year began in distance learning mode while preparations were made to return to in-person. To provide distance and hybrid learning, the District was able to:

- Procure hardware for distance and hybrid classrooms, including student and teacher computers, microphones and cameras.
- Identify and purchase online curriculum, subscriptions and testing tools.
- Put into place technical support for teachers and help desk support for students.

To meet health and safety requirements and prepare for a safe working and learning environment, the District was able to:

- Develop, implement and regularly update a COVID Health and Safety Plan.
- Expand nursing support and add health clerks to school sites.
- Upgrade ventilation to comply with new standards.
- Regularly clean and disinfect all sites.
- Develop a screening tool for staff, students and visitors.
- Provide regular COVID-testing of staff and, when required, student athletes.

To support staff, the District negotiated initial Memorandums of Understanding (MOUs) with the three employee groups (APT, CSEA, and APSA), and subsequently updated those MOUs as conditions changed. 2020-21 was the first year of the Measure H parcel tax, which generated approximately $2.5 million in revenues. Separate agreements were negotiated utilizing Measure H funds to provide:

- 6% salary increase for APT and CSEA employees.
- 5.76% (or equivalent) salary increase for APSA employees.
- 3 additional work days for APT and APSA employees.
- Longevity bonuses for CSEA employees at 3, 4, 5 and 25 years.
- One-time bonuses for APT and CSEA employees.

The District was the first in Alameda County to bring elementary students back to campus in February 2021. Small groups of students were on campus as early as November 2020. Middle school students also began to return to campus in February. High school students returned in March. As a result of the safety precautions in place, including cohort scheduling, screening protocol, periodic COVID testing, robust air circulation and diligent cleaning, the District had no in-school transmission of COVID.

The Measure H1 bond program was also challenged by COVID, but the District was able to complete the STEAM building and hold classes in the new facilities when school opened in the spring of 2021. Construction on the performing arts center began in 2020-21 and is nearing completion.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's governing board adopted the budget for 2021-22 on June 23, 2021.

The original budget is based on the following broad assumptions. Adjustments are incorporated as new information is available:

- **Enrollment** - the district projected declining enrollment for estimating funding through the Local Control Funding Formula (LCFF). Staffing was also adjusted to the lower enrollment projections.
- **State revenues** (LCFF) – a Cost of Living Adjustment (COLA) of 5.07% over the 2020-21 funding levels is assumed for LCFF.
- **Other State and Federal Revenues** – State and Federal funds tied to COVID and learning recovery are incorporated into the budget. These are one-time funds tied to one-time resources.
- **Local revenues** - the two parcel taxes, Measure G and Measure H are included in the budget. Ongoing salary increases approved in 2020-21 are to be paid from Measure H. In addition, the Piedmont Education Foundation provided $2.7 million annual donation.
- **Expenditures** - staffing was adjusted for the reduced enrollment. As mentioned above, learning recovery expenses have been incorporated into the budget in line with the funding provided.
- Materials have been included with each Board agenda item on the budget, including assumptions and other information. Please refer to the board agenda website:

https://agendaonline.net/public/Meeting.aspx?AgencyID=1241&MeetingID=26295&AgencyTypeID=1&IsArchived=True

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 Randall Booker, the Superintendent at Piedmont Unified School District, Piedmont, California, 94611, or e-mail at rbooker@piedmont.k12.ca.us.

	Governmental Activities
Assets	
Deposits and investments	$ 52,465,199
Receivables	4,789,305
Prepaid expense	24,159
Capital assets not depreciated	1,529,429
Capital assets, net of accumulated depreciation	121,681,858
Total assets	180,489,950
Deferred Outflows of Resources	
Deferred charge on refunding	422,810
Deferred outflows of resources related to OPEB	1,840,133
Deferred outflows of resources related to pensions	10,366,994
Total deferred outflows of resources	12,629,937
Liabilities	
Accounts payable	5,301,743
Interest payable	1,833,814
Unearned revenue	731,069
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	2,896,304
Long-term liabilities other than OPEB and pensions due in more than one year	153,759,928
Total other postemployment benefits liability (OPEB)	8,814,778
Aggregate net pension liabilities	44,420,580
Total liabilities	217,758,216

	Governmental Activities
Deferred Inflows of Resources	
Deferred charge on refunding	360,000
Deferred inflows of resources related to OPEB	193,349
Deferred inflows of resources related to pensions	2,062,982
Total deferred inflows of resources	2,616,331
Net Position	
Net investment in capital assets	2,140,841
Restricted for	
Debt service	34,779,023
Capital projects	194,191
Educational programs	1,252,882
Other restrictions	18,828
Unrestricted	(65,640,425)
Total net position (deficit)	$ (27,254,660)

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities			
Instruction	$ 32,542,111	$ 6,554,124	$ (25,987,987)
Instruction-related activities			
Supervision of instruction	1,656,442	443,802	(1,212,640)
Instructional library, media, and technology	844,011	102,567	(741,444)
School site administration	4,311,841	593,547	(3,718,294)
Pupil services			
Home-to-school transportation	58,363	-	(58,363)
Food services	302,927	13,328	(289,599)
All other pupil services	2,964,566	596,040	(2,368,526)
Administration			
Data processing	1,642,967	470,955	(1,172,012)
All other administration	2,683,323	139,625	(2,543,698)
Plant services	5,277,852	334,469	(4,943,383)
Ancillary services	543,487	240,300	(303,187)
Community services	151	-	(151)
Interest on long-term liabilities	5,019,689	-	(5,019,689)
Other outgo	-	598,147	598,147
Total governmental activities	57,847,730	10,086,904	(47,760,826)
General Revenues and Subventions			
Property taxes, levied for general purposes			13,712,379
Property taxes, levied for debt service			5,140,932
Taxes levied for other specific purposes			13,316,653
Federal and State aid not restricted to specific purposes			8,957,250
Interest and investment earnings			121,211
Miscellaneous			2,115,703
Subtotal, general revenues			43,364,128
Change in Net Position			(4,396,698)
Net Position - Beginning (deficit), as restated			(22,857,962)
Net Position - Ending (deficit)			$ (27,254,660)

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 4,024,368	$ 10,710,322	$ 36,345,252	$ 1,385,257	$ 52,465,199
Receivables	4,496,780	21,508	267,585	3,432	4,789,305
Due from other funds	35,000	-	-	254,657	289,657
Prepaid expenditures	11,512	12,647	-	-	24,159
Total assets	$ 8,567,660	$ 10,744,477	$ 36,612,837	$ 1,643,346	$ 57,568,320
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 2,880,225	$ 2,407,242	$ -	$ 14,276	$ 5,301,743
Due to other funds	254,657	-	-	35,000	289,657
Unearned revenue	657,311	-	-	73,758	731,069
Total liabilities	3,792,193	2,407,242	-	123,034	6,322,469
Fund Balances					
Nonspendable	49,875	12,647	-	-	62,522
Restricted	1,252,882	8,324,588	36,612,837	674,644	46,864,951
Assigned	201,710	-	-	845,668	1,047,378
Unassigned	3,271,000	-	-	-	3,271,000
Total fund balances	4,775,467	8,337,235	36,612,837	1,520,312	51,245,851
Total liabilities and fund balances	$ 8,567,660	$ 10,744,477	$ 36,612,837	$ 1,643,346	$ 57,568,320

See Notes to Financial Statements

Total Fund Balance - Governmental Funds		$ 51,245,851
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 155,268,339	
Accumulated depreciation is	(32,057,052)	
Net capital assets		123,211,287
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(1,833,814)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings (deferred charge on refunding)	422,810	
Other postemployment benefits (OPEB)	1,840,133	
Net pension liability	10,366,994	
Total deferred outflows of resources		12,629,937
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings (deferred charge on refunding)	(360,000)	
Other postemployment benefits (OPEB)	(193,349)	
Net pension liability	(2,062,982)	
Total deferred inflows of resources		(2,616,331)

Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(44,420,580)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(8,814,778)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	$ (148,428,559)	
Capital leases	(22,025)	
Compensated absences (vacations)	(163,716)	
Bond premium net of amortization	(8,041,932)	
Total long-term liabilities		(156,656,232)
Total net position - governmental activities		$ (27,254,660)

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 21,965,049	$ -	$ -	$ -	$ 21,965,049
Federal sources	1,478,275	-	-	-	1,478,275
Other State sources	4,725,692	-	20,291	-	4,745,983
Other local sources	19,149,672	397,253	5,713,703	339,601	25,600,229
Total revenues	47,318,688	397,253	5,733,994	339,601	53,789,536
Expenditures					
Current					
Instruction	28,784,593	-	-	-	28,784,593
Instruction-related activities					
Supervision of instruction	1,533,841	-	-	-	1,533,841
Instructional library, media, and technology	710,353	-	-	-	710,353
School site administration	3,825,107	-	-	-	3,825,107
Pupil services					
Home-to-school transportation	55,130	-	-	-	55,130
Food services	3,085	-	-	271,692	274,777
All other pupil services	2,642,748	-	-	-	2,642,748
Administration					
Data processing	1,519,419	-	-	-	1,519,419
All other administration	2,346,097	-	-	107,458	2,453,555
Plant services	3,695,966	705,050	-	502	4,401,518
Ancillary services	288,070	-	-	231,615	519,685
Community services	150	-	-	-	150
Facility acquisition and construction	102,004	23,621,258	-	-	23,723,262
Debt service					
Principal	6,595	-	5,495,000	-	5,501,595
Interest and other	1,563	(12,470)	3,995,620	-	3,984,713
Total expenditures	45,514,721	24,313,838	9,490,620	611,267	79,930,446
Excess (Deficiency) of Revenues Over Expenditures	1,803,967	(23,916,585)	(3,756,626)	(271,666)	(26,140,910)
Other Financing Sources (Uses)					
Proceeds from bond sales	-	10,000,000	-	-	10,000,000
Bond premiums	-	-	639,054	-	639,054
Net Financing Sources (Uses)	-	10,000,000	639,054	-	10,639,054
Net Change in Fund Balances	1,803,967	(13,916,585)	(3,117,572)	(271,666)	(15,501,856)
Fund Balance - Beginning, as restated	2,971,500	22,253,820	39,730,409	1,791,978	66,747,707
Fund Balance - Ending	$ 4,775,467	$ 8,337,235	$ 36,612,837	$ 1,520,312	$ 51,245,851

See Notes to Financial Statements

Total Net Change in Fund Balances - Governmental Funds		$ (15,501,856)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	$ (2,448,351)	
Loss on capital asset disposal	(4,183)	
Capital outlays	23,211,560	
Net expense adjustment		20,759,026
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(1,283,534)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(34,359)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(2,392,707)

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.	(264,367)
Proceeds received from General obligation bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	$ (10,000,000)
Deferred charge on refunding (the difference between the reacquisition price and the net carrying amount of the refunded debt) are capitalized and amortized over the remaining life of the new or old debt, whichever is shorter.	(126,676)
Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium on issuance recognized	(639,054)
Premium amortization	394,709
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	4,705,000
Capital leases	6,595
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(19,475)
Change in net position of governmental activities	$ (4,396,698)

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Piedmont Unified School District (the District) was organized/unified on July 1, 1936 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates three elementary, one middle, one high school, one alternative high school and one adult school.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Piedmont Unified School District, this includes general operations, food service, and student related activities of the District.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into governmental fund category.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Three funds currently defined as special revenue funds in the California State Accounting Manual (CSAM) do not meet the GASB Statement No. 54 special revenue fund definition. Under the flexibility provisions of current status that allow certain formerly restricted revenues to be used for any educational purpose, Fund 11, Adult Education Fund, Fund 14, Deferred Maintenance Fund, and Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects do not currently meet the definition of special revenue funds as these funds are no longer primarily composed of restricted or committed revenue sources.

As a result, the General Fund reflects an increase in fund balance of $52,627.

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued**.**

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a local educational agency (Education Code Sections 15125-15262)**.**

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Capital Project Funds The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition ks55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function, and exclude fiduciary activity. 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*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund financial statements report 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.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified 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 on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000 for equipment and $15,000 for site improvements and building. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 50 years; equipment, 5 to 20 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as liabilities of the governmental funds.

However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities. Debt premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on refunding of debt and for pension related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Fund Balances - Governmental Funds

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $36,244,924 of restricted net position.

Interfund Activity

Transfers between governmental activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities column of the Statement of Activities.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

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

Change in Accounting Principles

Implementation of GASB Statement No. 84

As of July 1, 2020, the District adopted GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 16.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Government-wide activities	$ 52,465,199

Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	$ 664,232
Cash in revolving	38,363
Investments	51,762,604
Total deposits and investments	$ 52,465,199

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining 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	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	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

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 value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Alameda County Treasury Investment Pool to provide the cash flow and liquidity needed for operation.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity
US Treasury Notes	$ 27,027,412	1-2 years
County Pool	24,735,192	593 days
Total	$ 51,762,604	

Credit Risk

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 District does not have a policy for credit risk. The District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2021. Below is the actual rating as of the year-end for each investment type.

			Rating as of Year End	
Investment Type	Reported Amount	Minimum Legal Rating	Aaa	Unrated
US Treasury Notes	$ 27,027,412	N/A	$ 27,027,412	$ -
County Pool	24,735,192	N/A	-	24,735,192
Total	$ 51,762,604		$ 27,027,412	$ 24,735,192

N/A - Not applicable

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. The District's investment in US Treasury notes represents five percent or more of the total investments that are required to be disclosed at June 30, 2021.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits 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 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, the District's bank balance of $295,642 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District's investment of $27,027,412 in cash with fiscal agent has a custodial credit risk exposure. The District does not have a policy limiting the amount of securities that can be held by counterparties.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2021:

Investment Type	Reported Amount	Fair Value Measurements Using Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Uncategorized
US Treasury Notes	$ 27,027,412	$ -	$ 27,027,412	$ -	$ -
County Pool	24,735,192	-	-	-	24,735,192
Total	$ 51,762,604	$ -	$ 27,027,412	$ -	$ 24,735,192

Note 4 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Federal Government					
Categorical aid	$ 579,140	$ -	$ -	$ -	$ 579,140
State Government					
LCFF apportionment	2,304,385	-	-	-	2,304,385
Categorical aid	1,091,460	-	-	-	1,091,460
Lottery	172,583	-	-	-	172,583
Local Government					
Other local sources	349,212	21,508	267,585	3,432	641,737
Total	$ 4,496,780	$ 21,508	$ 267,585	$ 3,432	$ 4,789,305

Note 5 - Capital Assets

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

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 335,023	$ -	$ -	$ 335,023
Construction in progress	30,741,455	23,211,560	(52,758,609)	1,194,406
Total capital assets not being depreciated	31,076,478	23,211,560	(52,758,609)	1,529,429
Capital assets being depreciated				
Land improvements	5,371,680	-	-	5,371,680
Buildings and improvements	94,651,620	52,758,609	-	147,410,229
Furniture and equipment	1,002,001	-	(45,000)	957,001
Total capital assets being depreciated	101,025,301	52,758,609	(45,000)	153,738,910
Total capital assets	132,101,779	75,970,169	(52,803,609)	155,268,339
Accumulated depreciation				
Land improvements	(2,610,658)	(105,630)	-	(2,716,288)
Buildings and improvements	(26,635,255)	(2,278,803)	-	(28,914,058)
Furniture and equipment	(403,605)	(63,918)	40,817	(426,706)
Total accumulated depreciation	(29,649,518)	(2,448,351)	40,817	(32,057,052)
Governmental activities capital assets, net	$ 102,452,261	$ 73,521,818	$ (52,762,792)	$ 123,211,287

Depreciation expense was charged as a direct expense to government functions as follows:

Governmental Activities	
Instruction	$ 1,523,552
Supervision of instruction	81,185
Instructional library, media, and technology	37,599
School site administration	202,461
Home-to-school transportation	2,918
Food services	14,544
All other pupil services	139,879
Ancilliary services	15,247
Data processing	80,422
All other administration	119,222
Plant services	231,322
Total depreciation expenses governmental activities	$ 2,448,351

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2021, between major and non-major governmental funds are as follows:

	Due From		
Due To	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 254,657	$ 254,657
Non-Major Governmental Funds	35,000	-	35,000
Total	$ 35,000	$ 254,657	$ 289,657

All balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

Interfund Loans

In December 2019, the District Board approved an interfund loan agreement between Cafeteria Fund and Deferred Maintenance (blended with General Fund). Under the agreement, the Cafeteria Fund loaned to the Deferred Maintenance Fund the amount of $280,000 to support the installation of ventilation equipment at Havens Elementary School. The Deferred Maintenance Fund will pay back the loan over a ten-year period with a two percent interest rate. The total annual payment of $31,150 will be paid through December 1, 2029. The loan principal balance as of June 30, 2021 was $247,635.

Note 7 - Accounts Payable

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

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Vendor payables	$ 678,119	$ 2,407,242	$ 14,276	$ 3,099,637
Salaries and benefits	2,202,106	-	-	2,202,106
Total	$ 2,880,225	$ 2,407,242	$ 14,276	$ 5,301,743

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund	Non-Major Cafeteria Fund	Total
Federal financial assistance	$ 21,637	$ -	$ 21,637
State categorical aid	618,468	-	618,468
Other local	17,206	73,758	90,964
Total	$ 657,311	$ 73,758	$ 731,069

Note 9 - Long-Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2020	Additions/ Accretions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 141,850,025	$ 11,283,534	$ (4,705,000)	$ 148,428,559	$ 2,495,000
Unamortized debt premiums	7,797,587	639,054	(394,709)	8,041,932	394,709
Capital leases	28,620	-	(6,595)	22,025	6,595
Compensated absences	129,357	34,359	-	163,716	-
Total	$ 149,805,589	$ 11,956,947	$ (5,106,304)	$ 156,656,232	$ 2,896,304

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund. Capital leases are paid by the Deferred Maintenance Fund. Compensated absences are paid by the fund for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2021
4/20/2011	5/1/2026	5.75%	$ 10,000,000	$ 10,000,000	$ -	$ -	$ -	$ 10,000,000
8/23/2013	8/1/2043	5.3-6.3%	11,998,678	18,795,025		1,283,534		20,078,559
11/13/2014	8/1/2020	2.0-5.0%	9,965,000	2,370,000			(2,370,000)	-
3/10/2015	8/1/2031	2.0-5.0%	16,075,000	15,460,000			(595,000)	14,865,000
4/12/2017	8/1/2046	5.00%	26,000,000	21,450,000			(220,000)	21,230,000
4/12/2017	8/1/2034	3.125-5.0%	16,775,000	16,775,000	-	-	-	16,775,000
12/21/2017	8/1/2041	3.0-4.0%	27,000,000	27,000,000	-	-	-	27,000,000
8/27/2019	8/1/2049	3.0-5.0%	30,000,000	30,000,000			(1,520,000)	28,480,000
2/25/2021	8/1/2046	2.0-5.0%	10,000,000	-	10,000,000	-	-	10,000,000
				$ 141,850,025	$ 10,000,000	$ 1,283,534	$ (4,705,000)	$ 148,428,559

Debt Service Requirements to Maturity

The bonds mature through fiscal year 2049 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2022	$ 2,495,000	$ 4,715,400	$ 7,210,400
2023	1,490,000	4,647,396	6,137,396
2024	1,240,000	4,579,144	5,819,144
2025	1,450,000	4,517,044	5,967,044
2026	11,695,000	4,449,469	16,144,469
2027-2031	20,647,347	18,895,750	39,543,097
2032-2036	36,224,599	39,311,676	75,536,275
2037-2041	30,521,732	31,703,920	62,225,652
2042-2046	21,390,000	3,709,816	25,099,816
2046-2049	13,195,000	744,734	13,939,734
Total	140,348,678	$ 117,274,349	$ 257,623,027
Accretion to date	8,079,881		
	$ 148,428,559		

Refunding Bonds

On December 21, 2017, the District issued General Obligation Crossover Refunding Bonds (2017B Refunding Bonds) in the amount of $27,000,000 to refund the outstanding maturities of the Election 2006, Series E Bonds (2006E Bonds). The 2006E Bonds issued in 2013 will be called on August 1, 2023, the "Crossover Date". The proceeds from the 2017B Refunding Bonds were placed in an escrow account held by U.S. Bank and are sufficient to pay off the 2006E Bonds on the Crossover Date, including accreted interest to that date. The funds placed in the escrow account are also sufficient to pay debt service due on the 2017B Refunding Bonds up to and including the Crossover Date. Only interest is due on the 2017B Refunding Bonds through the Crossover Date. After the Crossover Date, the debt service on the 2017B Refunding Bonds will be paid through tax collections. The economic gain on the crossover refunding was $10,847,027. The balance of the escrow account at June 30, 2021 was $27,027,412.

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to $163,716.

Capital Leases

The District has entered into agreements to lease a Ford F-250 super duty truck. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Ford F-250 Super Duty Truck
Balance, July 1, 2020	$ 28,620
Additions	-
Payments	(6,595)
Balance, July 1, 2021	$ 22,025

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2022	$ 8,158
2023	8,158
2024	8,158
Total	24,474
Less amount representing interest	(2,449)
Present value of minimum lease payments	$ 22,025

Leased equipment under capital leases in capital assets at June 30, 2021, include the following:

Vehicle	$ 36,104
Less accumulated depreciation	(1,806)
Total	$ 34,298

Amortization of leased equipment under capital assets is included with depreciation expense.

Note 10 - Total Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	$ 8,814,778	$ 1,840,133	$ 193,349	$ 717,919

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At June 30, 2019, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	148
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	288
Total	436

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses for a duration of 5 years but not beyond Medicare age. Minimum age for eligible retirees is 55 with required services of 10 years for certificated and management and 15 years for classified employees. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by negotiated agreement between the District, the Association of Piedmont Teachers (APT), the local California Service Employees Association (CSEA), the Association of Piedmont School Administrators (APSA), and unrepresented individuals. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, APT, CSEA, APSA, and the unrepresented individuals. For measurement period of June 30, 2020, the District paid $440,512 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $8,814,778 was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions

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

Inflation	2.63	percent for pension
Salary increases	2.75	percent per year
Investment return/discount rate	2.20	percent, net of expenses
Healthcare cost trend rates	4.00	percent per year

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period July 1, 2018 to June 30, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2019	$ 7,823,149
Service cost	242,328
Interest	269,120
Differences between expected and actual experience	(69,830)
Changes in assumptions	990,523
Benefit payments	(440,512)
Net change in total OPEB liability	991,629
Balance, June 30, 2020	$ 8,814,778

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5 percent in 2020 to 2.2 percent in 2021.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (1.20%)	$ 9,568,360
Current discount rate (2.20%)	8,814,778
1% increase (3.20%)	8,020,038

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3%)	$ 8,538,337
Current healthcare cost trend rate (4%)	8,814,778
1% increase (5%)	9,184,798

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to OPEB

For the year ended June 30,2021, the District recognized OPEB expense of $717,919. At June 30, 2021, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 344,016	$ -
Differences between expected and actual experience	485,585	61,101
Changes of assumptions	1,010,532	132,248
Total	$ 1,840,133	$ 193,349

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 199,951
2023	199,951
2024	199,951
2025	199,951
2026	199,951
Thereafter	303,013
Total	$ 1,302,768

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 38,363	$ -	$ -	$ -	$ 38,363
Prepaid expenditures	11,512	12,647	-	-	24,159
Total nonspendable	49,875	12,647	-	-	62,522
Restricted					
Legally restricted programs	1,252,882	-	-	-	1,252,882
Student activities	-	-	-	338,739	338,739
Food service	-	-	-	18,828	18,828
Capital projects	-	8,324,588	-	190,465	8,515,053
Debt services	-	-	36,612,837	-	36,612,837
Total restricted	1,252,882	8,324,588	36,612,837	674,644	46,864,951
Assigned					
Other	201,710	-	-	845,668	1,047,378
Total assigned	201,710	-	-	845,668	1,047,378
Unassigned					
Reserve for economic uncertainties	1,345,000	-	-	-	1,345,000
Remaining unassigned	1,926,000	-	-	-	1,926,000
Total unassigned	3,271,000	-	-	-	3,271,000
Total	$ 4,775,467	$ 8,337,235	$ 36,612,837	$ 1,520,312	$ 51,245,851

Note 12 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2021, the District contracted with Alameda County Schools Insurance Group (ACSIG) JPA for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2021, the District participated in the ACSIG, an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the ACSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG. Participation in the ACSIG is limited to districts that can meet the ACSIG selection criteria.

Coverage provided by ACSIG, NorCal Relief and Schools Association for Excess Risk (SAFER) for property and liability and workers' compensation is as follows:

Insurance Program/Company Name	Type of Coverage	Limits
Alameda County Schools Insurance Group	Workers' Compensation	$155 million
NorCal Relief (NCR)	Property	$25,000-$250,000
NorCal Relief (NCR)	Liability	$25,000-$1 million
Schools Association for Excess Risk (SAFER)	Excess Property	$250,000-$250 million
Schools Association for Excess Risk (SAFER)	Excess Liability	$1 million-$50 million

Employee Medical Benefits

The District offers health insurance to its employees through Kaiser. The premium and plan structure are negotiated annually. The District contributes a fixed amount per employee toward the premium, depending on the type of plan – single person, two-person, or family – and the employee is responsible for the remainder of the premium.

Note 13 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members 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 ended June 30, 2021, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 32,534,237	$ 8,297,250	$ 1,226,664	$ 4,735,296
CalPERS	11,886,343	2,069,744	836,318	2,008,506
Total	$ 44,420,580	$ 10,366,994	$ 2,062,982	$ 6,743,802

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2021, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after 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%	10.205%
Required employer contribution rate	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were $3,161,901.

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

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 32,534,237
State's proportionate share of the net pension liability	16,771,403
Total	$ 49,305,640

The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.0336 percent and 0.0334 percent, resulting in a net increase in the proportionate share of 0.0002 percent.

For the year ended June 30, 2021, the District recognized pension expense of $4,735,296. In addition, the District recognized pension expense and revenue of $2,349,509 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,161,901	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,132,565	309,142
Differences between projected and actual earnings on pension plan investments	772,827	-
Differences between expected and actual experience in the measurement of the total pension liability	57,408	917,522
Changes of assumptions	3,172,549	-
Total	$ 8,297,250	$ 1,226,664

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/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (471,574)
2023	263,316
2024	525,345
2025	455740
Total	$ 772,827

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 1,198,050
2023	1,302,290
2024	839,028
2025	(138,923)
2026	(67,520)
Thereafter	2,933
Total	$ 3,135,858

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

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 (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 49,154,700
Current discount rate (7.10%)	32,534,237
1% increase (8.10%)	18,811,704

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after 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	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

Contributions

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 the 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 contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were $1,189,194.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $11,886,343. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2020 and June 30, 2019, respectively was 0.0387 percent and 0.0398 percent, resulting in a net decrease in the proportionate share of 0.0011 percent.

For the year ended June 30, 2021, the District recognized pension expense of $2,008,506. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,189,194	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	836,318
Differences between projected and actual earnings on pension plan investments	247,436	-
Differences between expected and actual experience in the measurement of the total pension liability	589,526	-
Changes of assumptions	43,588	-
Total	$ 2,069,744	$ 836,318

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/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (92,596)
2023	82,593
2024	143,558
2025	113,881
Total	$ 247,436

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 57,556
2023	(139,724)
2024	(110,330)
2025	(10,706)
Total	$ (203,204)

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

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+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

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:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 17,088,786
Current discount rate (7.15%)	11,886,343
1% increase (8.15%)	7,568,577

Tax Deferred Annuity/Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $1,898,014 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves and have been included in the budgeted amounts reported in the General Fund - Budgetary Comparison Schedule.

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2021.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.

Operating Leases

The District leases certain office equipment under non-cancelable operating leases. Future minimum lease payments at June 30, 2021 are as follows:

Year Ending June 30	Lease Payment
2022	$ 36,480
2023	7,080
Total	$ 43,560

Rental expenditures under operating lease were $95,280 for the year ended June 30, 2021.

Construction Commitments

As of June 30, 2021, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Modernization at various sites		
STEAM/Theater Building	$ 744,083	November-21
Theater Building	8,028,274	January-22
Total	$ 8,772,357	

Note 15 - Participation in Public Entity Risk Pools, Joint Powers Authorities and Other Related Party Transactions

The District is a member of the Alameda County Schools Insurance Group (ACSIG), public entity risk pool. The District pays an annual premium to the applicable entity for its health, workers' compensation, and property liability coverage. Payments for workers compensation and property liability coverages are paid to ACSIG. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are generally available from the respective entities.

The District participates as a board member on the governing board of ACSIG.

During the year ended June 30, 2021, the District made payments of $450,067 and $345,581 to ACSIG for workers' compensation and property, and liability insurance coverage, respectively.

Note 16 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the Piedmont Unified School District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non major Governmental Funds	Total Governmental Funds
Beginning fund balance previously reported at June 30, 2020	$1,198,582	$66,154,311
Reclassification of student activity funds from agency funds to a special revenue fund	593,396	593,396
Fund Balance - Beginning as Restated June 30, 2020	$1,791,978	$66,747,707
Beginning Governmental Activities Net Position previously reported at June 30, 2020		$ (23,451,358)
Reclassification of student activity funds from agency funds to a special revenue fund		593,396
Net Position (deficit)- Beginning as Restated June 30, 2020		$ (22,857,962)

Required Supplementary Information
June 30, 2021

Piedmont Unified School District

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances - Positive (Negative) Final to Actual
Revenues				
Local Control Funding Formula	$ 20,177,921	$ 21,945,294	$ 21,965,049	$ 19,755
Federal sources	679,571	1,489,551	1,478,530	(11,021)
Other State sources	3,306,472	5,705,929	4,338,757	(1,367,172)
Other local sources	18,790,621	18,892,019	19,033,370	141,351
Total revenues [1]	42,954,585	48,032,793	46,815,706	(1,217,087)
Expenditures				
Current				
Certificated salaries	18,251,853	19,628,632	19,978,556	(349,924)
Classified salaries	5,692,685	6,222,541	6,286,279	(63,738)
Employee benefits	12,311,595	12,429,791	11,708,547	721,244
Books and supplies	1,027,335	2,856,476	1,510,868	1,345,608
Services and operating expenditures	4,443,269	5,702,660	5,286,823	415,837
Other outgo	(70,850)	(70,850)	(41,896)	(28,954)
Capital outlay	55,932	55,932	47,015	8,917
Total expenditures [1]	41,711,819	46,825,182	44,776,192	2,048,990
Excess (Deficiency) of Revenues Over Expenditures	1,242,766	1,207,611	2,039,514	831,903
Other Financing Sources (Uses)				
Transfers in	-	-	20	20
Transfers out	(50,000)	(50,000)	(50,000)	-
Net financing sources (uses)	(50,000)	(50,000)	(49,980)	20
Net Change in Fund Balances	1,192,766	1,157,611	1,989,534	831,923
Fund Balance - Beginning	2,733,306	2,733,306	2,733,306	-
Fund Balance - Ending	$ 3,926,072	$ 3,890,917	$ 4,722,840	$ 831,923

[1] Due to the consolidation of Fund 11, Adult Education Fund/Fund 14, Deferred Maintenance Fund, and Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are not included in the Actual (GAAP Basis) revenues and expenditures, and are not included in the original and final General Fund budgets. On behalf payments of $1,898,014 are included in the actual revenues, expenditures, and budgeted amounts.

Piedmont Unified School District

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 242,328	$ 238,650	$ 243,037	$ 236,532
Interest	269,120	257,122	261,793	238,886
Changes of benefit terms	-	-	-	-
Difference between expected and	-			
actual experience	(69,830)	647,449	-	-
Changes of assumptions	990,523	191,767	(192,365)	-
Benefit payments	(440,512)	(379,014)	(426,142)	(409,752)
Net change in total OPEB liability	991,629	955,974	(113,677)	65,666
Total OPEB Liability - Beginning	7,823,149	6,867,175	6,980,852	6,915,186
Total OPEB Liability - Ending	$ 8,814,778	$ 7,823,149	$ 6,867,175	$ 6,980,852
Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Proportion of the net pension liability (asset)	0.0336%	0.0334%	0.0333%	0.0339%	0.0343%	0.0372%	0.0346%
Proportionate share of the net pension liability (asset)	$ 32,534,237	$ 30,180,577	$ 30,628,046	$ 31,365,687	$ 27,718,731	$ 25,023,490	$ 20,224,335
State's proportionate share of the net pension liability	16,771,403	16,465,520	17,535,989	18,555,675	15,779,779	13,234,668	12,212,327
Total	$ 49,305,640	$ 46,646,097	$ 48,164,035	$ 49,921,362	$ 43,498,510	$ 38,258,158	$ 32,436,662
Covered payroll	$ 18,439,322	$ 18,277,807	$ 17,817,221	$ 17,682,472	$ 17,019,823	$ 15,329,223	15,958,129
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	176.44%	165.12%	171.90%	177.38%	162.86%	163.24%	126.73%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS							
Proportion of the net pension liability (asset)	0.0387%	0.0398%	0.0426%	0.0431%	0.0440%	0.0455%	0.0436%
Proportionate share of the net pension liability (asset)	$ 11,886,343	$ 11,586,393	$ 11,356,219	$ 10,298,363	$ 8,682,037	$ 6,705,041	$ 4,955,168
Covered payroll	$ 5,576,528	$ 5,224,842	$ 5,604,468	$ 5,408,432	$ 5,255,541	$ 4,936,259	$ 5,800,301
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	213.15%	221.76%	202.63%	190.41%	165.20%	135.83%	85.43%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2021	2020	2019	2018	2017	2016	2015
CalSTRS							
Contractually required contribution	$ 3,161,901	$ 3,153,124	$ 2,975,627	$ 2,571,025	$ 2,224,455	$ 1,826,227	$ 1,361,235
Less contributions in relation to the contractually required contribution	3,161,901	3,153,124	2,975,627	2,571,025	2,224,455	1,826,227	1,361,235
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 19,578,334	$ 18,439,322	$ 18,277,807	$ 17,817,221	$ 17,682,472	$ 17,019,823	$ 15,329,223
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS							
Contractually required contribution	$ 1,189,194	$ 1,099,747	$ 943,711	$ 870,430	$ 751,123	$ 622,624	$ 581,047
Less contributions in relation to the contractually required contribution	1,189,194	1,099,747	943,711	870,430	751,123	622,624	581,047
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,744,899	$ 5,576,528	$ 5,224,842	$ 5,604,468	$ 5,408,432	$ 5,255,541	$ 4,936,259
Contributions as a percentage of covered payroll	20.700%	19.721%	18.0620%	15.5310%	13.8880%	11.8470%	11.7710%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The discount rate changed from 3.5 to 2.2 percent from the last valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Supplementary Information
June 30, 2021

Piedmont Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
COVID- 19 Elementary and Secondary School Emergency Relief (ESSER)	84.425D	15536	$ 27,466
COVID- 19 Governor's Emergency Education Relief Fund (GEER)	84.425C	15517	145,613
Subtotal			173,079
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	530,034
Special Education Grants to States - Mental Health	84.027	14468	28,810
Special Education Preschool Grants	84.173	13430	14,041
Total Special Education Cluster			572,885
Title I Grants to Local Educational Agencies	84.010	14329	10,852
Supporting Effective Instruction State Grants	84.367	14341	20,872
Student Support and Academic Enrichment Program	84.424	15396	15,355
Total U.S. Department of Education			793,043
U.S. Department of Treasury			
Passed Through California Department of Education (CDE)			
COVID- 19 Coronavirus Relief Fund: Learning Loss Mitigation	21.019	25516	685,232
Total U.S. Department of Treasury			685,232
Total Federal Financial Assistance			$ 1,478,275

ORGANIZATION

The Piedmont Unified School District was established July 1, 1936 and consists of an area comprising approximately 1.7 square miles. The District operates three elementary schools, one middle schools, one high school, one alternative high school, and an adult school. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Cory Smegal	President	2024
Megan Pillsbury	Vice President	2022
Veronica Anderson Thigpen	Member	2024
Hilary Cooper	Member	2024
Amal Smith	Member	2022

ADMINISTRATION

NAME	TITLE
Randall Booker	Superintendent
Ruth Alahydoian	Chief Financial Officer
Cheryl Wozniak	Assistant Superintendent, Education Services

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

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	Student Activity Fund	Bond Interest and Redemption Fund
Fund Balance		
Balance, June 30, 2021, Unaudited Actuals	$ 338,739	$ 9,507,843
increase in		
Cash in bank	126,612	-
County cash	-	77,582
Cash with fiscal agent	-	27,027,412
Balance, June 30, 2021, Audited Financial Statements	$ 465,351	$ 36,612,837

	(Budget) 2022 [1]	2021	(Restated) 2020	(Restated) 2019
General Fund [3]				
Revenues	$ 44,880,474	$ 46,815,706	$ 42,943,234	$ 42,695,786
Other sources	50,000	20	140,733	197,187
Total Revenues and Other Sources	44,930,474	46,815,726	43,083,967	42,892,973
Expenditures	46,503,192	44,783,437	42,226,320	42,844,955
Other uses and transfers out	50,000	50,000	150,000	61,195
Total Expenditures and Other Uses	46,553,192	44,833,437	42,376,320	42,906,150
Increase/(Decrease) in Fund Balance	(1,622,718)	1,982,289	707,647	(13,177)
Ending Fund Balance	$ 3,092,877	$ 4,715,595	$ 2,733,306	$ 2,025,659
Available Reserves [2]	$ 2,732,126	$ 3,271,000	$ 1,995,687	$ 1,402,600
Available Reserves as a Percentage of Total Outgo	5.87%	7.30%	4.71%	3.21%
Long-Term Liabilities	N/A	$ 209,891,590	$ 199,395,708	$ 170,789,203
K-12 Average Daily Attendance at P-2	2,329	2,496	2,496	2,529

The General Fund balance has increased by $2,689,936 over the past two years. The fiscal year 2021-2022 budget projects a decrease of $1,622,718 (34 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in one of the past three years and anticipates incurring an operating deficit during the 2021-2022 fiscal year. Total long-term liabilities have increased by $39,102,387 over the past two years primarily due to issuance of general obligation bonds.

Average daily attendance has decreased by 33 over the past two years. Additional decline of 167 ADA is anticipated during fiscal year 2021-2022.

[1] Budget 2022 is included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.
[3] General Fund amounts do not include activity related to the consolidation of the Adult Education Fund, the Deferred Maintenance Fund, and the Special Reserve Other Than Capital Outlay Projects Fund as required by GASB Statement No. 54.

	Student Activity Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Assets					
Deposits and investments	$ 465,351	$ 241,239	$ 3,719	$ 674,948	$ 1,385,257
Receivables	-	2,070	7	1,355	3,432
Due from other funds	-	254,657	-	-	254,657
Total assets	$ 465,351	$ 497,966	$ 3,726	$ 676,303	$ 1,643,346
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 13,774	$ -	$ 502	$ 14,276
Due to other funds	-	35,000	-	-	35,000
Unearned revenue	-	73,758	-	-	73,758
Total liabilities	-	122,532	-	502	123,034
Fund Balances					
Restricted	465,351	18,828	-	190,465	674,644
Assigned	-	356,606	3,726	485,336	845,668
Total fund balances	465,351	375,434	3,726	675,801	1,520,312
Total liabilities and fund balances	$ 465,351	$ 497,966	$ 3,726	$ 676,303	$ 1,643,346

	Student Activity Fund	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Revenues					
Other local sources	$ 103,570	$ 12,904	$ 74	$ 223,053	$ 339,601
Total revenues	103,570	12,904	74	223,053	339,601
Expenditures					
Current					
Pupil services					
Food services	-	271,692	-	-	271,692
Administration					
All other administration	-	107,458	-	-	107,458
Plant services	-	-	-	502	502
Ancillary services	231,615	-	-	-	231,615
Total expenditures	231,615	379,150	-	502	611,267
Excess (Deficiency) of Revenues Over Expenditures	(128,045)	(366,246)	74	222,551	(271,666)
Net Change in Fund Balances	(128,045)	(366,246)	74	222,551	(271,666)
Fund Balance - Beginning, as restated	593,396	741,680	3,652	453,250	1,791,978
Fund Balance - Ending	$ 465,351	$ 375,434	$ 3,726	$ 675,801	$ 1,520,312

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Piedmont Unified School District (the District) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Piedmont Unified School District, it is not intended to and does not present the net position or change in net position and fund balance of Piedmont Unified School District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the *modified accrual* basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The District has not elected to use the ten percent de minimis cost rate.

Food Donation
Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had no food commodities in inventory.

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 Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Sections 43504.

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 Unaudited Actual Financial Report to the audited financial statements.

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.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Independent Auditor's Reports
June 30, 2021

Piedmont Unified School District

Independent Auditor's 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*

To the Board of Directors
Piedmont Unified School District
Piedmont, California

We have audited, in accordance with 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, each major fund, and the aggregate remaining fund information of Piedmont Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Piedmont Unified School District's basic financial statements and have issued our report thereon dated December 23, 2021.

Emphasis of Matter – Change in Accounting Principle
As discussed in Notes 1 and 16 to the financial statements, Piedmont Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered Piedmont Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Piedmont Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Piedmont Unified School 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-0001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Piedmont Unified School 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 financial statements. 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*.

Piedmont Unified School District's Response to Finding

Piedmont Unified School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Piedmont Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Eide Bailly LLP

San Ramon, California
December 23, 2021

Independent Auditor's Report on Compliance for The Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Piedmont Unified School District
Piedmont, California

Report on Compliance for The Major Federal Program
We have audited Piedmont Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Piedmont Unified School District's major federal program for the year ended June 30, 2021. Piedmont Unified School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for Piedmont Unified School District's major federal program 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 the 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 Piedmont Unified School 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 the major federal program. However, our audit does not provide a legal determination of Piedmont Unified School District's compliance.

Opinion on The Major Federal Program
In our opinion, Piedmont 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 its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance
Management of Piedmont Unified School 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 Piedmont Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the 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 Piedmont Unified School 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.

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

Eide Bailly LLP

San Ramon, California
December 23, 2021

Independent Auditor's Report on State Compliance

To the Board of Directors
Piedmont Unified School District
Piedmont, California

Report on State Compliance
We have audited Piedmont Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility
Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility
Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. 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; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has 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 state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

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

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

Early Retirement Incentive

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

Apprenticeship: Related and Supplemental Instruction

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

District of Choice

We did not perform District of Choice procedures because the program is not offered by the District.

California Clean Energy Jobs Act
We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

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

Charter Schools
The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

Unmodified Opinion
In our opinion, Piedmont Unified School District complied, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

San Ramon, California
December 23, 2021

Schedule of Findings and Questioned Costs
June 30, 2021

Piedmont Unified School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
COVID-19 Coronavirus Relief Fund: Learning Loss Mitigation	21.019

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

State Compliance

Type of auditor's report issued on compliance for programs:	Unmodified

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with Government Auditing Standards. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2021-001 Material Audit Adjustments (30000)

Criteria
Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are being prepared for the audit free from material misstatement, whether due to error or fraud.

Condition
As auditors, we were requested to draft the financial statements and accompanying notes. The District did not record the student activity fund revenues and expenditures for the year. We proposed a material audit adjustment to the student activity fund trial balance which was recorded and included in this report.

Cause
Management misunderstood the elements to be recorded to the student activity fund to implement GASB Statement No. 84, *Fiduciary Activities*, resulting in no revenue or expenditure activity recorded in the current year.

Effect
A material audit adjustment was necessary to properly implement GASB Statement No. 84, *Fiduciary Activities*, to present the financial statements in accordance with Generally Accepted Accounting Principles. This control deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation
We recommend that management perform a reconciliation review of the student activity fund to ensure all transactions are recorded in the proper general ledger accounts.

Repeat Finding (Yes or No)
No

Corrective Action Plan and Views of Responsible Officials
This was the first year of implementation of GASB 84. The Piedmont Middle School, Piedmont High School and Millennium High School have operated student body funds for many years, with oversight by the District, but independent reporting and bank accounts. To implement GASB 84, the District reviewed the available guidelines and determined that recording the ending balance for the student body funds in a separate governmental fund, Fund 8, would be the appropriate treatment for the 2020-2021 fiscal year. Based on the current guidance from the auditor, the District will post revenues and expenditures at each reporting period and, going forward, will include the savings account that was originally not included in the fund balance.

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

2020-001 Restatement and Material Audit Adjustments (30000)

Criteria
A good system of internal accounting control contemplates proper adjustments of all general ledger accounts.

Condition
We identified material misstatements in the District's financial statements causing us to propose audit adjustment as noted on page 83 of this report and restatements to correct errors as noted on page 71 of this report.

Effect
Management has posted the correcting journal entries for each of the items noted.

Cause
The District's financial statement reconciliation controls failed to prevent, or detect on a timely basis, material errors in the financial statements.

Repeat Finding (Yes or No)
No

Recommendation
We recommend that management perform reconciliation review of all general ledger accounts in a timely manner to ensure account balances are accurate.

Current status
Implemented.