PLEASANT VALLEY SCHOOL DISTRICT
VENTURA COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Pleasant Valley School District
Camarillo, 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 the Pleasant Valley School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' 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 the District as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information schedules as listed in the aforementioned 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 the District's basic financial statements. The supplementary schedules and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Average Daily Attendance (ADA), Schedule of Instructional Time, Schedule of Expenditures of Federal Awards, Reconciliation of the Annual Financial and Budget Report with the Audited Financial Statements, the Notes to the Supplementary Information and the combining non-major fund financial statements are the responsibility of management and were 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The History and Organization, Schedule of Financial Trends and Analysis and Schedule of Charter Schools have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Board of Trustees
Pleasant Valley School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the 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 the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
March 11, 2021

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the District for the fiscal year ending June 30, 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB). Certain comparative information between the current and the prior year is required to be presented in the MD&A.

This section provides an overview of the District's financial activities.

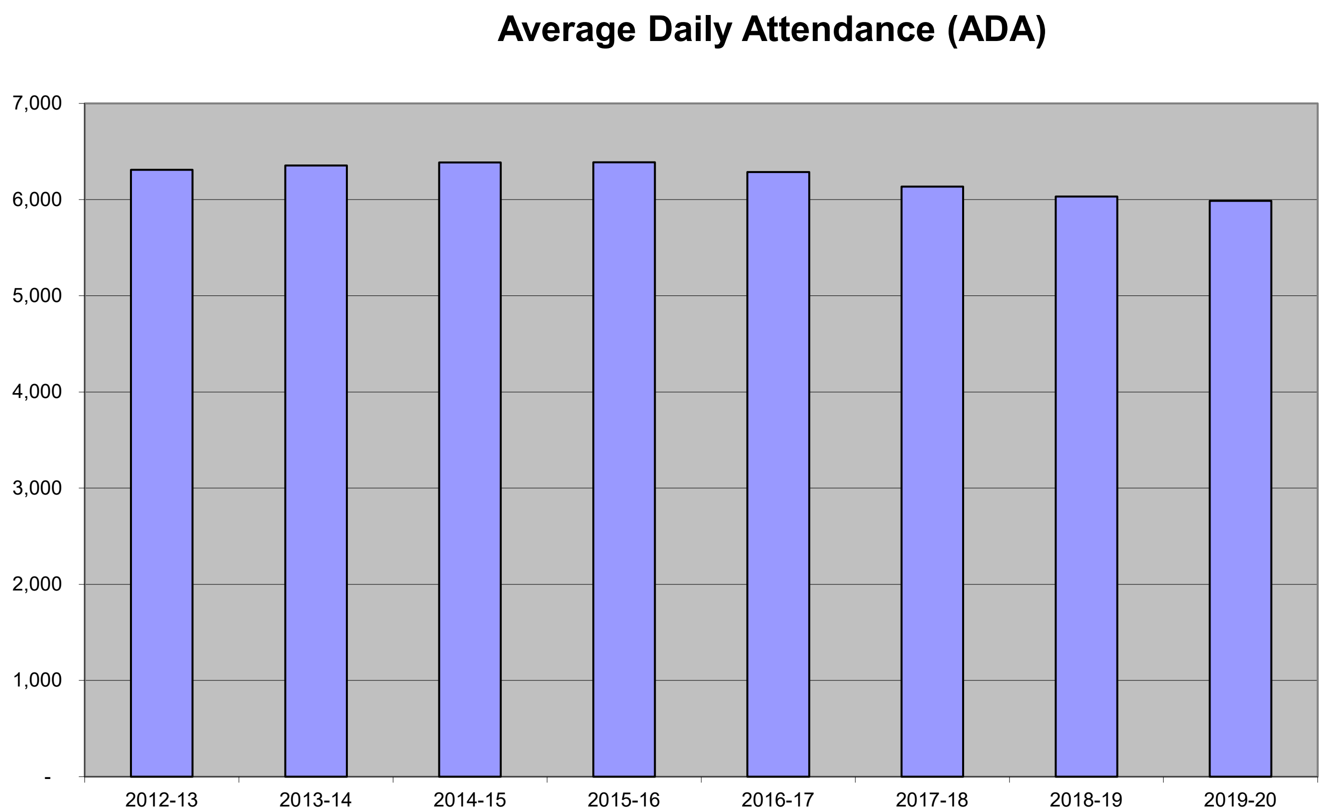
- Total net position of the District decreased by 34%. Although the general fund saw a $1.65 million excess of revenues over expenditures, spending in the other governmental funds caused overall governmental funds to decrease $11.7 million. Specifically, bond program expenditures spent down general obligation bond proceeds, and the food service fund and child care fund spent down significant amounts of their reserves due to pandemic impacts on those programs. Bond fund expenditures were anticipated and increased the District's depreciable assets.

- During the adoption of the 2019-20 budget, the District Management Team kept priorities aligned with Board goals and the Local Control Accountability Plan within the parameters of the State Budget.

- At year-end, the government-wide revenues were $82.46 million, representing a decrease of 3% from the prior year. The decrease in revenue was primarily attributable to reduced LCFF funding due to Average Daily Attendance (ADA) decline, reduction of child care fund revenues due to COVID-19 school closures, and reduction of food services fund revenues due to school closures.

- The District continues to maintain reserves sufficient to meet the state required minimum Reserve for Economic Uncertainties of 3% of General Fund expenditures. It is important to note that 3% reserves are a statutory minimum and represent less than two weeks of payroll expenditures. The Government Finance Officers Association recommends a minimum of 17% reserves.

- The following chart shows the District's Average Daily Attendance (ADA) for the previous eight-year period. Since 2012-13, ADA has fluctuated between a high of 6,388 to a low of 5,987. The pandemic conditions that affected the 2019-20 school year exacerbated a pre-existing trend of slightly declining enrollment. The District should include this recent enrollment decrease in any financial planning. The risks associated with declining enrollment must be factored into financial decision-making processes.



Fund Financial Statements

More detailed information about the District's most significant funds are provided in the fund financial statements. Funds are accounting formats used to keep track of specific sources of funding and expenditures in particular programs. Some funds are required by bond covenants and by state law and other funds are established by the District to control and manage a variety of activities for particular purposes (such as childcare activities). Other funds may also address specific accounting requirements for certain revenue and expenditure classifications (such as federal grants).

The District maintains two classes of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets can readily be converted to cash flow (in and out) and the balances left at year-end that are available for expenditure in subsequent years. A detailed short-term view is provided by the governmental fund statements. These help determine whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information is provided in the reconciliation provided after the governmental fund statements that explains the differences (or relationships).

Fiduciary fund: The District has several Associated Student Body Funds. For assets that belong to others, such as the student activities funds, the District acts as the trustee, or fiduciary, and is responsible for ensuring that the assets reported in these funds are only used for their intended purpose and by those to whom the assets belong. These activities are excluded from the government-wide financial statements, as the assets cannot be used to finance other District operations.

Funds used by the District for the current fiscal year are outlined on page 20 of the report.

Statement of Net Position

The statement of net position presents the assets and liabilities of the District as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The statement of net position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The statement of net position presents end-of-year data concerning assets (current and non-current), deferred outflows of resources, liabilities (current and non-current), deferred inflows of resources, and net position.

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the District. Readers are also able to determine the amount owed by the District to vendors and employees. Finally, the statement of net position provides a picture of the net position and the availability of those assets for expenditure.

The net between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources (net position) is one indicator of the current financial condition of the District, and the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation.

The District has implemented GASB standards, which requires districts to report their proportionate share of CalSTRS and CalPERS unfunded portion of pension benefits. Note 11 to the financial statements provides additional information on employee retirement plans.

	June 30, 2020	June 30, 2019
ASSETS		
Cash and Cash Equivalents	$ 51,872,979	$ 68,679,816
Accounts Receivable	9,425,235	4,830,663
Prepaid Expenses	140,271	-
Capital Assets, Net	79,722,215	71,335,050
Total Assets	141,160,700	144,845,529
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - OPEB	951,351	193,209
Deferred Outflows - Pensions	17,603,172	20,567,121
Total Deferred Outflows of Resources	18,554,523	20,760,330
LIABILITIES		
Other Liabilities	7,464,932	7,944,201
Long-Term Liabilties	143,673,536	149,178,607
Total Liabilities	151,138,468	157,122,808
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - OPEB	993,870	-
Deferred Inflows - Pensions	4,552,920	3,918,149
Total Deferred Inflows of Resources	5,546,790	3,918,149
NET POSITION		
Net Investment in Capital Assets	42,313,517	39,521,910
Restricted	15,926,040	18,338,143
Unrestricted	(55,209,592)	(53,295,151)
Total Net Position	$ 3,029,965	$ 4,564,902

- Cash with the District is also explained in the notes to the financial statements and is invested with the Ventura County Treasury to maximize interest income. The significant decrease in cash is due to the expenditure of general obligation bond funds on facilities projects and the spend down of child care and food service program reserves.

- Accounts receivable are mainly amounts due from federal and state government sources for the operation of categorical programs as well as for ongoing operational costs.

- Other liabilities consist mainly of the cost of supplies and/or employee and contractor services incurred during the 2019-20 fiscal year and paid in the 2020-21 year.

Statement of Activities

Changes in total net position, as presented on the statement of net position, are based on the activity presented in the statement of activities. The purpose of this statement is to present the revenues earned, whether received or not, by the District, and the expenses incurred, whether paid or not, by the District. Thus, this statement presents the District's results of operations.

The statement of activities is summarized below:

	June 30, 2020	June 30, 2019
REVENUES		
Program Revenues:		
Charges for Services	$ 2,047,825	$ 2,081,212
Operating Grants and Contributions	12,461,161	15,084,390
General Revenues:		
Property Taxes	34,696,207	33,791,632
Federal and State Aid Not Restricted to Specific Programs	29,648,432	29,816,866
Interest and Investment Earnings	421,496	465,391
Miscellaneous	3,185,560	3,336,142
Total Revenues	82,460,681	84,575,633
EXPENSES		
Instruction	46,657,174	46,940,741
Instruction-Related Services	7,739,025	8,688,120
Pupil Services	6,346,924	6,364,338
Ancillary Services	10,778	18,403
Community Services	1,792,823	2,082,692
General Administration	4,415,417	4,644,779
Plant Services	8,182,965	8,134,796
Other Outgo and Debt Service	5,133,558	5,021,883
Depreciation (Unallocated)	3,716,954	3,496,027
Total Expenses	83,995,618	85,391,779
CHANGE IN NET POSITION	$ (1,534,937)	$ (816,146)

- Expenses decreased by 2% from the prior year, primarily due to expenses which were unrealized or deferred due to the pandemic closures.

- Representing 89% of the unrestricted General Fund, salaries and benefits comprise the largest expenditures of the District. Certificated and classified salaries are adjusted annually for compensation increases, step and column adjustments and staffing changes.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2020, the District had $42.31 million invested in capital assets, net of associated debt, primarily related to school construction and other capital improvements.

Note 7 to the financial statements provides additional information on capital assets. A summary of capital assets is presented below:

	June 30, 2020	June 30, 2019
Land	$ 14,908,761	$ 14,908,761
Buildings	113,875,844	106,646,439
Site Improvements	6,990,385	3,912,149
Machinery, Equipment and Vehicles	5,133,187	5,147,061
Construction in Progress	3,066,395	1,472,815
Total	143,974,572	132,087,225
Less: Accumulated Depreciation	(64,252,357)	(60,752,175)
Net Capital Assets	$ 79,722,215	$ 71,335,050

Debt

Note 8 to the financial statements provides additional information on outstanding debt. A summary of the District's outstanding debt at year-end is presented below:

	June 30, 2020	June 30, 2019
General Obligation Bonds, Including Bond Premium	$ 63,392,352	$ 69,264,999
Other Postemployment Benefits (OPEB)	9,437,455	9,881,554
Net Pension Liability	70,424,819	69,627,141
Compensated Absences	418,910	404,913
Total Long-Term Liabilities	$ 143,673,536	$ 149,178,607

Governmental Funds

All governmental funds are summarized below:

	Fund Balance		
	June 30, 2020	June 30, 2019	Difference
General	$ 14,784,328	$ 13,145,460	$ 1,638,868
Child Development	381,816	746,346	(364,530)
Cafeteria	571,098	676,406	(105,308)
Deferred Maintenance	828,727	902,626	(73,899)
Building	25,983,654	37,451,859	(11,468,205)
Capital Facilities	4,389,469	4,577,370	(187,901)
Bond Interest & Redemption Fund	8,303,937	9,428,691	(1,124,754)
Total	$ 55,243,029	$ 66,928,758	$ (11,685,729)

- The increase in the General Fund of $1.64 million is due primarily to unrealized and deferred expenditures as a result of the pandemic closures. Reduced utility bills are an example of savings. Deferred services for students with special needs are an example of costs deferred into the subsequent fiscal year.

- The decrease in the Child Development Fund of $365 thousand is due to loss of revenue during the pandemic closures.

- The decrease in the Building Fund of $11.47 million is due to expenditures on planned facilities projects.

General Fund Budget Information

During the fiscal year, the Board of Trustees authorized revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. A budgetary comparison schedule for the General Fund is presented on page 56.

Variations between the original and final budget amounts were in part created by increased state funding and carryover of program funds from one year to the next. These amounts were unknown at the time the original budget was adopted.

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The District begins the budget process in January of each year, to be completed by June 30th. After updating changes in revenue and expenditure assumptions, the operating budget begins at the school level. The District uses staffing allocation formulas, per pupil allocations for site supplies, and a review of historical cost data to develop a preliminary budget. The Board of Trustees begins the budget process by establishing District goals and budget priorities. The Local Control Accountability Plan (LCAP) outlines the instructional and financial goals for the District and is written using the input of staff, students, parents, and community members. The budget is aligned to support the goals identified in the LCAP.

The budget cycle continues into the following fiscal year with the preparation of a 45-day budget revision (accepted 45 days from the date the governor signs the state budget) and two Interim reports (October 31st and January 31st) reviewed and approved by the Board. Site and department budgets are reviewed regularly to ensure management is aware of any significant variations during the year.

Economic Factors that May Affect the Future

Local Control Funding Formula - On July 1, 2013, the Local Control Funding Formula (LCFF) replaced revenue limit funding and more than 40 categorical programs with base grants per pupil, plus supplemental and concentration grants based on "Unduplicated Pupil" counts (students who are English Learners, from low-income families, or are homeless/in foster care). The LCFF calculates a target for each district and determines the gap between that target and prior year funding. In the 2018-19 fiscal year Budget Act the LCFF gap funding was set at 100%, fulfilling the "full funding" of the LCFF. With gap funding fully met, the year over year LCFF gap funding increases will cease, leaving the possibility of a COLA only funding increase environment. Simultaneously, districts face growing pension contribution costs, continued salary growth due to contractual step and column increases, growing expenditures for Special Education programs, inflationary cost increases on necessary goods and services, and unfunded state mandates. The accumulated effect of these cost pressures, relative to COLA-only increases in revenues, forces districts to consider cost cutting measures in order to avoid deficit spending.

Projected Student Average Daily Attendance (ADA) - ADA has decreased over the last three years. The planned construction of 2,000 housing units within district boundaries is only partially complete. Many projects are behind schedule, and one significant development was cancelled. Those housing units that are complete currently yield students at a lower rate than existing neighborhoods, possibly due to purchase prices that preclude many families with children. Whereas the additional housing units should result in increases in enrollment, the unpredictability of project completion and student generation rates necessitates conservative enrollment projections. Until further data develops that shows otherwise, the district should make financial plans for declining enrollment.

Year	ADA	Percent Growth %
2012-13 (Actual)	6,310	(1.0%)
2013-14 (Actual)	6,354	0.7%
2014-15 (Actual)	6,387	0.5%
2015-16 (Actual)	6,388	0.0%
2016-17 (Actual)	6,287	(1.6%)
2017-18 (Actual)	6,136	(2.4%)
2018-19 (Actual)	6,032	(1.7%)
2019-20 (Actual)	5,987	(0.7%)

Note: The above figures reflect total District P2 ADA, including Special Education.

Ending Fund Balance Projection - The District's 2019-20 ending fund balance exceeds the required 3% contingency reserve requirement. Reserves beyond the 3% requirement are maintained to buffer against economic volatility, preserve the instructional program in the face of economic uncertainties, fund future curriculum adoptions, and maintain cash flow.

While reserves are not necessarily equivalent to cash on hand, districts with higher reserves generally have more cash available than other districts. Districts use cash to meet payroll and pay bills as they arise. The largest recurring expenditure for any school district consists of salaries for employees, which districts pay throughout the year. Districts, however, do not receive all of their revenue on an even schedule. Property tax revenue, for example, arrive in two large installments (in December and April). State funding, while historically paid more evenly throughout the year has been subject to large payment deferrals since 2008-09. By having adequate reserves the District is able to manage cash flow without borrowing funds at interest, thus operating more efficiently.

California's tax system relies heavily on income taxes paid by individuals and businesses, which are quite volatile revenue sources. Since more than 40 percent of the state's General Fund expenditures relate to K-12 education, this volatility affects school funding. Districts can use reserves to even out fluctuations in state funding by increasing spending more slowly in strong economic times and reducing spending more slowly during downturns. In addition to revenue volatility, certain district expenditures (such as healthcare benefits or pension costs) can be difficult to predict precisely. Districts sometimes use reserves to address these cost increases rather than immediately reduce spending in other parts of their budgets.

Whereas districts can anticipate some measure of volatility in their revenues and expenditures, other costs can arise unexpectedly. Examples include (1) special education costs for students with highly specialized needs; (2) an emergency facility repair related to a leaking roof, malfunctioning fire system, or gas leak; (3) a natural disaster, such as a drought or wildfire, that reduces student attendance and associated state funding; and (4) a lawsuit that results in a costly settlement or judgment against the district. Districts facing these unanticipated costs often draw down their reserves to address them.

Districts often build up reserves in order to make large one-time purchases. This approach avoids the need to borrow money. For example, districts commonly save for the upcoming replacement of (1) textbooks and related curricula; (2) computers and technology equipment; (3) school buses; and (4) equipment and facility components that have reached the end of their useful lives, such as worn out flooring or heating and cooling systems.

To finance the construction of school buildings and other capital projects, districts usually borrow money from investors. Before borrowing, most districts obtain a rating from one of three major credit rating agencies (Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings). These ratings indicate the likelihood that districts will be able to repay their loans. Districts with the strongest ratings tend to pay the lowest interest rates because they represent a lower risk of defaulting on their loans. All three rating agencies consider reserves a significant factor in determining a district's rating, noting that reserves provide additional flexibility in times of stress. Moody's, for example, indicates that measures of General Fund reserves (in combination with cash on hand) are responsible for about 30 percent of its overall rating.

Contacting the District's Financial Management

This financial report is designed to provide the community, investors, and creditors with a general overview of the District's financial condition and to show the District's accountability for the funding it receives. If you have questions regarding this report or need additional financial information, contact:

Chris Johnston
Assistant Superintendent, Business Services
Pleasant Valley School District
600 Temple Avenue, Camarillo, California 93010
PHONE (805) 445-8628 FAX (805) 987-5511

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash in County Treasury	$ 51,867,728
Cash and Cash Equivalents	5,251
Accounts Receivable	9,425,235
Prepaid Expenses	140,271
Land	14,908,761
Construction in Progress	3,066,395
Depreciable Assets, Net	61,747,059
Total Assets	141,160,700
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - OPEB	951,351
Deferred Outflows - Pensions	17,603,172
Total Deferred Outflows of Resources	18,554,523
LIABILITIES	
Accounts Payable	5,994,106
Accrued Interest	1,269,476
Unearned Revenue	201,350
Current Portion of Long-Term Liabilities	6,744,226
Noncurrent Portion of Long-Term Liabilities	136,929,310
Total Liabilities	151,138,468
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - OPEB	993,870
Deferred Inflows - Pensions	4,552,920
Total Deferred Inflows of Resources	5,546,790
NET POSITION	
Net Investment in Capital Assets	42,313,517
Restricted for:	
Capital Projects	4,389,469
Debt Service	7,034,461
Educational Programs	3,931,012
Other Programs	571,098
Unrestricted	(55,209,592)
Total Net Position	$ 3,029,965

See accompanying Notes to Financial Statements.

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	$ 46,657,174	$ 1,000,923	$ 7,934,512	$ (37,721,739)
Instruction - Related Services	7,739,025	87,034	879,450	(6,772,541)
Pupil Services	6,346,924	488,450	1,545,686	(4,312,788)
Ancillary Services	10,778	16	586	(10,176)
Community Services	1,792,823	-	269,769	(1,523,054)
General Administration	4,415,417	13,030	373,108	(4,029,279)
Plant Services	8,182,965	274,528	962,308	(6,946,129)
Other Outgo	2,157,746	183,844	495,742	(1,478,160)
Debt Service - Interest	2,975,812	-	-	(2,975,812)
Depreciation (Unallocated)	3,716,954	-	-	(3,716,954)
Total Governmental Activities	$ 83,995,618	$ 2,047,825	$ 12,461,161	(69,486,632)

GENERAL REVENUES	
Property Taxes Levied for:	
General Purposes	27,011,307
Debt Service	7,684,900
Federal and State Aid Not Restricted to Specific Purposes	29,648,432
Interest and Investment Earnings	421,496
Miscellaneous	3,185,560
Total General Revenues	67,951,695
CHANGE IN NET POSITION	(1,534,937)
Net Position - Beginning of Year	4,564,902
NET POSITION - END OF YEAR	$ 3,029,965

See accompanying Notes to Financial Statements.

PLEASANT VALLEY SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Building Fund	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash in County Treasury	$ 11,420,297	$ 25,907,755	$ 8,262,629	$ 6,277,047	$ 51,867,728
Cash and Cash Equivalents	5,251	-	-	-	5,251
Accounts Receivable	8,992,058	168,007	41,308	223,862	9,425,235
Due From Other Funds	5,280	551,572	-	381	557,233
Prepaid Expenditures	140,271				140,271
Total Assets	$ 20,563,157	$ 26,627,334	$ 8,303,937	$ 6,501,290	$ 61,995,718
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 5,053,364	$ 643,680	$ -	$ 297,062	$ 5,994,106
Due to Other Funds	551,953	-	-	5,280	557,233
Unearned Revenue	173,512	-	-	27,838	201,350
Total Liabilities	5,778,829	643,680	-	330,180	6,752,689
FUND BALANCES					
Nonspendable	145,522	-	-	-	145,522
Restricted	3,931,012	25,983,654	8,303,937	4,960,567	43,179,170
Committed	-	-	-	828,727	828,727
Assigned	1,363,092	-	-	381,816	1,744,908
Unassigned	9,344,702	-	-	-	9,344,702
Total Fund Balances	14,784,328	25,983,654	8,303,937	6,171,110	55,243,029
Total Liabilities and Fund Balances	$ 20,563,157	$ 26,627,334	$ 8,303,937	$ 6,501,290	$ 61,995,718

See accompanying Notes to Financial Statements.

PLEASANT VALLEY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
JUNE 30, 2020

Total Fund Balances - Governmental Funds		$ 55,243,029
Amounts reported for governmental funds are different than the statement of net position because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:		
Land	$ 14,908,761	
Construction in Progress	3,066,395	
Depreciable Assets, Net	61,747,059	79,722,215
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:		
General Obligation Bonds, Including Bond Premium	(63,392,352)	
Other Postemployment Benefits (OPEB)	(9,437,455)	
Net Pension Liability	(70,424,819)	
Compensated Absences	(418,910)	(143,673,536)
In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year-end consist of:		
Deferred Outflows - OPEB	951,351	
Deferred Outflows - Pensions	17,603,172	
Deferred Inflows - OPEB	(993,870)	
Deferred Inflows - Pensions	(4,552,920)	13,007,733
Interest expense related to general obligation bonds was incurred but not accrued through June 30, 2020.		(1,269,476)
Total Net Position - Governmental Activities		$ 3,029,965

See accompanying Notes to Financial Statements.

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Building Fund	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding Formula (LCFF):					
State Apportionments	$ 30,169,870	$ -	$ -	$ 546,621	$ 30,716,491
Local Sources	22,892,221	-	-	-	22,892,221
Total LCFF Sources	53,062,091	-	-	546,621	53,608,712
Federal Sources	2,494,571	-	-	1,142,240	3,636,811
Other State Sources	6,444,729	-	48,977	420,126	6,913,832
Other Local Sources	7,328,388	626,552	7,767,732	2,981,735	18,704,407
Total Revenues	69,329,779	626,552	7,816,709	5,090,722	82,863,762
EXPENDITURES					
Instruction	44,569,902	-	-	123,440	44,693,342
Instruction - Related Services	7,183,593	-	-	47,659	7,231,252
Pupil Services	4,154,281	-	-	1,805,126	5,959,407
Ancillary Services	9,545	-	-	-	9,545
Community Services	32,419	-	-	1,579,930	1,612,349
General Administration	3,854,857	-		201,507	4,056,364
Plant Services	5,719,936	12,094,757	-	2,073,330	19,888,023
Other Outgo	2,157,746	-	-	-	2,157,746
Debt Service	-	-	8,941,463	-	8,941,463
Total Expenditures	67,682,279	12,094,757	8,941,463	5,830,992	94,549,491
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,647,500	(11,468,205)	(1,124,754)	(740,270)	(11,685,729)
OTHER FINANCING SOURCES/(USES)					
Interfund transfers in		-	-	8,632	8,632
Interfund transfers out	(8,632)	-	-	-	(8,632)
Total Other Financing Sources/(Uses)	(8,632)	-	-	8,632	-
NET CHANGES IN FUND BALANCE	1,638,868	(11,468,205)	(1,124,754)	(731,638)	(11,685,729)
Fund Balances - Beginning of Year	13,145,460	37,451,859	9,428,691	6,902,748	66,928,758
FUND BALANCES - END OF YEAR	$ 14,784,328	$ 25,983,654	$ 8,303,937	$ 6,171,110	$ 55,243,029

See accompanying Notes to Financial Statements.

PLEASANT VALLEY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds		$ (11,685,729)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay	12,104,119	
Depreciation Expense	(3,716,954)	
Excess of Capital Outlay over Depreciation Expense		8,387,165
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		5,735,000
In governmental funds, pension costs are recognized when the employer contribution is made, but in the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer employer contributions was:		(4,396,398)
In governmental funds, OPEB costs are recognized when the health and welfare payments are made, but in the statement of activities, OPEB costs are recognized on the accrual basis. The difference between accrual basis OPEB costs and actual health and welfare payments was:		208,371
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in Accrued Interest Expense	93,004	
Amortization of General Obligation Bonds Premium	137,647	
Increase in Compensated Absences	(13,997)	216,654
Change in Net Position of Governmental Activities		$ (1,534,937)

See accompanying Notes to Financial Statements.

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	Associated Student Body Funds
ASSETS	
Cash in County Treasury	$ 175,205
Accounts Receivable	3,086
Total Assets	178,291
LIABILITIES	
Accounts Payable	2
Funds Held in Trust	178,289
Total Liabilities	$ 178,291

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District’s financial activities. The entity-wide perspective enhances the fund-group perspective previously required. Fiduciary activities are excluded from the basic financial statements and are reported separately in the fiduciary fund statements.

The District’s basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities displays information about the District as a whole. These statements include the financial activities of the primary government. Fiduciary funds are excluded.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation and interest expense have not been allocated to specific functions.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)
The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction: includes the activities directly dealing with the interaction between teachers and students.

Instruction-Related Services: includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil Services: includes home to school transportation, food services, and other pupil services.

Ancillary Services: includes activities that are generally designed to provide students with experiences outside the regular school day.

Community Services: includes activities that provide services to community participants other than students.

General Administration: includes data processing services and all other general administration services.

Plant Services: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other Outgo: includes transfers to other agencies.

Debt Service: includes principal and interest payments for long term debt.

Fund Accounting
To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations, and equities.

The statement of revenues, expenditures, and changes in fund balances are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization. The modified accrual basis of accounting is used for all governmental funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds – Major

General Fund: used to account for all financial resources except those accounted for in another fund.

Building Fund*:* used to account for resources received from old bond issues and the sale of school sites. The resources are to be used for future construction.

Bond Interest and Redemption Fund*:* used to collect taxes and pay for debt service associated with general obligation bonds.

Governmental Funds – Nonmajor

Special Revenue Funds: used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Child Development Fund: used to account for resources committed to child development programs.

Cafeteria Fund: used to account for revenues received and expenditures made to operate the District's cafeterias.

Deferred Maintenance Fund: used for the purpose of major repair or replacement of District property. The District has taken formal action to commit state apportionment funding from the local control funding formula to this fund for the continued operation of the original program. The fund, therefore, meets the requirements to be reported as a Special Revenue fund.

Capital Projects Funds: used to account for the financial resources that are restricted, committed, or assigned for the acquisition and/or construction of major governmental general fixed assets.

*Capital Facilities Fund***:** used to account for resources received from residential and commercial developer impact fees.

Fiduciary Funds

Associated Student Body Fund: used to account for raising and expending money to promote the general welfare, morale, and educational experiences of the student body. All school site student body fund activity is processed through the District and reported as a single fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the county treasury is recorded at cost, which approximates fair value.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible. Per Education Code Section 33128.1, a local education agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Prepaid Expenses/Expenditures

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which goods or services are consumed.

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Statement of Net Position, but are not reported in the fund financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not own any infrastructure as defined by GASB. 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.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and Improvements	15 – 50 Years
Machinery, Equipment, and Vehicles	5 – 20 Years

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. These amounts are reported in the government-wide statement of net position.

Deferred Outflows – OPEB: The deferred outflows of resources related to OPEB benefits results from the effects of actuarially-determined changes to the OPEB plan. These amounts are deferred and amortized as detailed in Note 10 to the financial statements.

Deferred Outflows – Pensions: The deferred outflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 11 to the financial statements.

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent eligibility requirements have not been met.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. General obligation bonds are reported net of the applicable bond premium. In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability related to the Medicare Premium Payment (MPP) Program, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPP Program and additions to/deductions from the MPP Program fiduciary net position have been determined on the same basis as they are reported by the MPP Program. For this purpose, the MPP Program recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Net Pension Liability

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.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave, therefore, accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken. However, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position by the District that is applicable to a future reporting period.

Deferred Inflows – OPEB: The deferred inflows of resources related to OPEB benefits results from changes in assumptions These amounts are deferred and amortized as detailed in Note 10 to the financial statements.

Deferred Inflows – Pensions: The deferred inflows of resources related to pensions resulted from the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 11 to the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net 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 improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: Amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Trustees. These amounts cannot be used for any other purpose unless the District Board of Trustees removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Trustees, through a formal action has given authority to Chief Business Official to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned: The residual fund balance for the General Fund and all other spendable amounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Spending Order Policy

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District does not have a written minimum fund balance policy. To protect against revenue shortfalls and unexpected one-time expenditures, the District has maintained a reserve for economic uncertainties consisting of unassigned amounts equivalent to 3% of budgeted General Fund expenditures and other financing uses. These amounts represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. In addition, the District has maintained an additional Budget Stabilization consisting of unassigned amounts to assist in economic uncertainties.

State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. Unsecured property taxes are payable in one installment on or before August 31st.

Real and personal property tax revenues are reported in the same manner in which the county auditor records and reports actual property tax receipts to the California Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the state for local control funding formula purposes. Property taxes for debt service purposes cannot be estimated and have not been accrued in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System on behalf of all school districts in California.

Contributed Services

Generally accepted accounting principles require that contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are to be recorded at fair value in the period received. Although the District receives numerous hours of volunteer time, it is not deemed necessary to record these hours on the books of the District based on the above guidelines. In addition, the District receives donations of immaterial equipment and supplies which are not recorded upon receipt.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed above, the following potential component units have been excluded from the District's reporting entity:

The Pleasant Valley Education Foundation: The Foundation is a separate not-for-profit corporation. The Foundation is not included as a component unit because the third criterion was not met; the economic resources received and held by the Foundation are not significant to the District. Separate financial statements for the Foundation may be obtained through the District.

Various PTA, PTO, and Booster Clubs: Each of these types of organizations at each of the school sites within the District were evaluated using the three criterion listed above. Each entity has been excluded as a component unit because the third criterion was not met in all cases; the economic resources received and held by the PTA, PTO, and Booster Club individually are not significant to the District.

NOTE 2 BUDGET

By state law, the District's Governing Board must approve a budget no later than July 1, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 3 DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk 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 deposit policy for custodial risk. As of June 30, 2020, none of the District's bank balance was exposed to credit risk as uninsured and uncollateralized.

Cash in County

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Ventura County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2020 is measured at 100.41% of amortized cost. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635 and 53648. The county is restricted to invest time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase of reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasure follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized costs, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Ventura County Board of Supervisors, County Government Center, 800 South Victoria Avenue, Ventura, CA 93009.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020 consists of the following:

	General Fund	Building Fund	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal and State	$ 7,953,737	$ -	$ -	$ 185,204	$ 8,138,941
Miscellaneous	1,038,321	168,007	41,308	38,658	1,286,294
Total Accounts Receivable	$ 8,992,058	$ 168,007	$ 41,308	$ 223,862	$ 9,425,235

NOTE 5 INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the government-wide statements. The following balances and transactions are reported in the fund financial statements.

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2020 are temporary loans and are detailed as follows:

	Interfund Receivables	Interfund Payables
Major Fund:		
General Fund	$ 5,280	$ 551,953
Building Fund	551,572	-
Nonmajor Funds:		
Child Development Fund	381	-
Cafeteria Fund	-	5,280
Total	$ 557,233	$ 557,233

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2019-20 fiscal year are as follows:

Transfer from the General Fund to the Cafeteria Fund to reimburse overpayment of indirect costs, and support the Cafeteria Program losses due to bad debt.	$ 8,632

NOTE 6 FUND BALANCES

The following amounts were nonspendable, restricted, committed, assigned, or unassigned as shown below:

	General Fund	Building Fund	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Cash in Revolving Fund	$ 5,251	$ -	$ -	$ -	$ 5,251
Prepaid Expenditures	140,271	-	-	-	140,271
Total Nonspendable	145,522	-	-	-	145,522
Restricted:					
Legally Restricted Programs	3,931,012	-	-	571,098	4,502,110
Capital Projects	-	25,983,654	-	4,389,469	30,373,123
Debt Service	-	-	8,303,937	-	8,303,937
Total Restricted	3,931,012	25,983,654	8,303,937	4,960,567	43,179,170
Committed:					
Deferred Maintenance	-	-	-	828,727	828,727
Total Committed	-	-	-	828,727	828,727
Assigned:					
Special Edication Program	1,363,092	-	-	-	1,363,092
Child Care Program	-	-	-	381,816	381,816
Total Assigned	1,363,092	-	-	381,816	1,744,908
Unassigned:					
Unassigned	9,344,702	-	-	-	9,344,702
Total Unassigned	9,344,702	-	-	-	9,344,702
Total Fund Balance	$ 14,784,328	$ 25,983,654	$ 8,303,937	$ 6,171,110	$ 55,243,029

NOTE 7 CAPITAL ASSETS AND DEPRECIATION – SCHEDULE OF CHANGES

Capital asset activity for the year ended June 30, 2020 is shown below:

	Balance July 01, 2019	Additions	Retirements	Balance June 30, 2020
Capital Assets not Being Depreciated:				
Land	$ 14,908,761	$ -	$ -	$ 14,908,761
Construction in Progress	1,472,815	2,778,985	1,185,405	3,066,395
Total Capital Assets not Being Depreciated	16,381,576	2,778,985	1,185,405	17,975,156
Capital Assets Being Depreciated:				
Buildings	106,646,439	7,229,405	-	113,875,844
Site Improvements	3,912,149	3,078,236	-	6,990,385
Machinery, Equipment, and Vehicles	5,147,061	202,898	216,772	5,133,187
Total Capital Assets Being Depreciated	115,705,649	10,510,539	216,772	125,999,416
Less: Accumulated Depreciation for:				
Buildings	54,962,895	3,238,428	-	58,201,323
Site Improvements	1,977,419	270,031	-	2,247,450
Machinery, Equipment, and Vehicles	3,811,861	208,495	216,772	3,803,584
Total Accumulated Depreciation	60,752,175	3,716,954	216,772	64,252,357
Depreciable Assets, Net	54,953,474	6,793,585	-	61,747,059
Capital Assets, Net	$ 71,335,050	$ 9,572,570	$ 1,185,405	$ 79,722,215

NOTE 8 LONG-TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the year ended June 30, 2020 is shown below:

	Balance July 01, 2019	Additions	Reductions	Balance June 30, 2020	Amount Due in One Year
General Obligation (GO) Bonds	$ 65,950,000	$ -	$ 5,735,000	$ 60,215,000	$ 6,105,000
Premium on GO Bonds	3,314,999	-	137,647	3,177,352	-
Total GO Bonds	69,264,999	-	5,872,647	63,392,352	6,105,000
Other Postemployment Benefits (OPEB)	9,881,554	-	444,099	9,437,455	639,226
Net Pension Liability	69,627,141	797,678	-	70,424,819	-
Compensated Absences	404,913	13,997	-	418,910	-
Total	$149,178,607	$ 811,675	$ 6,316,746	$143,673,536	$ 6,744,226

Liabilities for the OPEB, net pension liability, and compensated absences are liquidated by the fund recording the associated salary expenses. General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

NOTE 9 GENERAL OBLIGATION BONDS

Measure T

On November 4, 1997, the voters approved the issuance of bonds (Measure T) not to exceed $49,000,000 for the construction of new classrooms and other school facilities. Between 1998 and 2001, the District issued bonds, Series A through Series D, totaling $49,000,000. In 2002, the District issued a refunding bond for $45,825,000 to advance refund the outstanding Series A through Series D bonds.

Measure C

On June 5, 2018, the voters approved the issuance of bonds (Measure C) not to exceed $119,000,000 for the renovation, construction, and improvement of school facilities. On October 2, 2018 the District issued $40,000,000 of Series A bonds.

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

	Date of Issue	Date of Final Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2020
Measure T:					
Refunding Bond	10/2/2002	8/1/2031	2.20-5.85	$ 45,825,000	$ 24,155,000
Measure C:					
Series A	10/2/2018	8/1/2043	3.00-5.00	40,000,000	36,060,000
Total				$ 85,825,000	$ 60,215,000

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 6,105,000	$ 2,958,063	$ 9,063,063
2022	2,025,000	2,762,328	4,787,328
2023	2,140,000	2,643,865	4,783,865
2024	2,250,000	2,518,382	4,768,382
2025	2,390,000	2,386,172	4,776,172
2026 - 2030	15,660,000	9,385,600	25,045,600
2031 - 2035	7,550,000	5,847,313	13,397,313
2036 - 2040	10,325,000	4,041,000	14,366,000
2041-2044	11,770,000	1,237,000	13,007,000
Total	$ 60,215,000	$ 33,779,723	$ 93,994,723

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS

The District administers a single-employer defined benefit, post-employment medical benefit plan (Retiree Benefits Plan) for qualified employees. In addition some qualified certificated employees are participant in the Medicare Premium Payment Program, a cost-sharing defined benefit program administered through the California State Teachers' Retirement System (CalSTRS).

As of June 30, 2020, the District's total liability for post-employment healthcare benefits consisted of the following:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Benefits Plan	$ 9,128,365	$ 951,351	$ 993,870	$ 552,562
MPP Program	309,090	-	-	(12,436)
Total	$ 9,437,455	$ 951,351	$ 993,870	$ 540,126

Retiree Benefits Plan

Plan Description and Eligibility

The District provides medical coverage to retirees based on the following provisions:

Retiree benefits for employees who retired on or before June 30, 1984: The District shall provide fully paid medical, dental and/or vision insurance premiums for employees and dependents of employees who retired on or before June 30, 1984, after reaching their 55th birthday, provided said employee had given ten (10) years of satisfactory service to the District. This coverage shall extend for the life of the retired employee.

Retiree benefits for employees hired on or before June 30, 1984, who retire after June 30, 1984: The District shall contribute not more than three thousand nine hundred dollars ($3,900) per year per retiree and dependents toward medical, dental and/or vision insurance premiums for all qualified employees and dependents of employees who retire after June 30, 1984, after reaching their 55th birthday, provided said employee had given twelve (12) consecutive years of satisfactory service to the District. This coverage shall extend for the life of the retired employee.

Retiree benefits for employees hired after June 30, 1984: The District shall contribute not more than twenty-four hundred dollars ($2,400) per year per employee and dependents of employees toward medical, dental and/or vision premiums for all employees hired subsequent to June 30, 1984. The employee shall be required to have reached their 60th birthday and shall be required to have served the District for fifteen (15) consecutive years. This coverage shall extend for the life of the retired employee.

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Retiree Benefits Plan (Continued)

Plan Description and Eligibility (Continued)

Retiree benefits for employees hired after June 30, 1986 who are eligible for Medicare through District employment and who meet the qualifications of subsection C above receive benefits as outlined below: The District shall contribute not more than twenty-four hundred ($2,400) per year per employee and dependents of employees toward medical, dental and/or vision premiums until such time as the employee meets the eligibility requirements for Medicare.

The Retiree Benefits Plan does not issue a separate financial report.

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District contributes the cost of current year premiums for eligible retired plan members and their dependents as applicable. For the year ended June 30, 2020, the District contributed $748,497 to the plan for current year premiums.

Actuarial Methods and Assumptions

Actuarial assumptions

The total OPEB liability was determined based on an actuarial valuation as of June 30, 2019. The following actuarial assumptions used in the June 30, 2019 valuation, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Salary Increases	2.75%
Healthcare Costs Trend Rate	4.00%

Mortality assumptions are based on the 2020 CalSTRS mortality experience study for certificated employee types and the 2017 CalPERS mortality experience study for the classified employee types. CalSTRS and CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. These table incorporates mortality projection as deemed appropriate based on CalSTRS and CalPERS analysis.

Discount rate

The discount rate used to measure the OPEB liability was 2.20%. The projection of cash flows used to determine the discount rate was based on the Bond Buyer 20 Bond Index.

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Retiree Benefits Plan (Continued)

Changes in the Total OPEB Liability

Total OPEB Liability	2020
Beginning Balance	$ 9,560,028
Changes for the Year	
Service Cost	229,120
Interest Cost	325,512
Employer Contributions	(748,497)
Differences Between Expected and Actual Experience	(1,104,300)
Changes in Assumptions	866,502
Net Change in Total OPEB Liability	(431,663)
Ending Balance	$ 9,128,365

Sensitivity

The following present the District's OPEB liability calculated using the discount rate of 2.20% as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Discount Rate	Total OPEB Liability
1% Decrease	$ 9,844,521
Current Discount Rate	9,128,365
1% Increase	8,488,663

The following present the District's OPEB liability calculated using the healthcare cost trend rate of 4.0%, as well as what the OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Trend Rate	Total OPEB Liability
1% Decrease	$ 8,823,324
Current Healthcare Trend Rate	9,128,365
1% Increase	9,483,174

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Retiree Benefits Plan (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

The deferred outflows of resources related to OPEB resulted from changes in actuarial assumptions and differences between expected and actual experience as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 951,351	$ -
Differences Between Expected and Actual Experience	-	993,870
Total	$ 951,351	$ 993,870

These amounts are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the plan from the June 30, 2020 measurement date is 10 years. The first year of amortization is recognized in OPEB expense for the year the change of assumptions or difference between expected and actual experience occurs. The remaining amount will be recognized to OPEB expense as follows:

Year Ending June 30,	Amortization
2021	$ (2,070)
2022	(2,070)
2023	(2,070)
2024	(2,070)
2025	(2,070)
Thereafter	(32,169)
Total	$ (42,519)

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP)

Plan Description and Eligibility

The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to California state statute. CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible California fulltime and part-time public school teachers from pre-kindergarten through community college who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program. For the years ending June 30, 2019 and 2018, 5,744 and 5,984 retirees participated in the MPP Program, respectively. The number of retired members who will participate in the program in the future is unknown because eligibility cannot be pre-determined.

Funding Policy

The MPP Program is funded on a pay-as-you go basis from a portion of monthly employer contributions. In accordance with California Education Code, contributions that would otherwise be credited to the CalSTRS defined benefit pension program (STRP) each month are instead credited to the MPP Program to fund monthly program and administrative costs. These contributions are generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds remaining within the MPP Program as of June 30, 2019 were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program. Total aggregate employer contributions of all participating employers to the MPP Program for fiscal year 2018-19 were $27.98 million.

Because amounts credited to the MPP Program are deducted from the employer’s regular STRP contributions, there are no contribution rates specific to the MPP Plan. Employer contributions to the STRP are calculated by CalSTRS based on creditable compensation for active members reported by employers. Employer contributions are accrued when required by statute, and the employer has made a formal commitment to provide the contributions. Cash remittances of contributions due are received from employers prior to their reports of creditable earnings by member. As a result, CalSTRS accrues employer contributions due monthly using current contribution rates and estimates based on historical creditable compensation. CalSTRS recognizes MPP Program expenses when due and payable.

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Net OPEB Liability

As of June 30, 2020, the District reported a net OPEB liability for its proportionate share of the MPP total OPEB liability, fiduciary net position and net OPEB liability as follows:

Propostionate Share of OPEB Liability	Balance June 30, 2020
Total OPEB Liability	$ 306,613
Plan Fiduciary Net Position	(2,477)
Net OPEB Liability	$ 309,090

As the MPP Program is funded on a pay-as-you-go basis from redirected contributions from the STRP, the District has elected to calculate their proportionate share based on Schedule C of the audited proportionate share schedules of the MPP Program This schedule presents the projection of the District's long-term share of contributions to the STRP relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.0830% which a decrease of 0.0010% from its proportion measured as of June 30, 2018.

Actuarial Methods and Assumptions

The June 30, 2019 total OPEB liability for the MPP Program was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019 using the assumptions listed in the following table:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Experience Study	July 1, 2010 through June 30, 2015
Investment Rate of Return	3.50%
Medicare Part A Premium Costs Trend Rate	3.70%
Medicare Part B Premium Costs Trend Rate	4.10%

In addition, assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population of 165,422.

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Actuarial Methods and Assumptions (Continued)

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 our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (for example, Medicare premiums) and assumptions about the probability of occurrence of events far into the future (for example, mortality, disabilities and retirees eligible for the program). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective and take into account the premiums and surcharges paid after termination of employment until the death of the employee. In many cases, actuarial calculations reflect several decades of payments after termination of employment.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019 and 2018 was 3.50 percent and 3.87 percent, respectively. The MPP Program is funded on a pay-as-you-go basis, and under the pay-as-you-go method, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent and 3.87 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019 and 2018, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

The following table presents the net OPEB liability of employers as of June 30, 2019, using the current discount rate as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

Discount Rate	Net OPEB Liability
1% Decrease (2.50%)	$ 337,287
Current Discount Rate (3.50%)	309,090
1% Increase (4.50%)	283,163

NOTE 10 POSTEMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Medicare Premium Payment Program (MPP) (Continued)

Medicare Costs Trend Rate

The June 30, 2018, valuation uses the 2019 Medicare Part A and Part B premiums as the basis for future premium calculations. Future premiums are assumed to increase with a medical trend rate that varies by year. The Part A trend is approximately equivalent to assuming a fixed 3.70 percent increase each year. The Part B trend is approximately equivalent to assuming a fixed 4.10 percent increase each year.

The following table presents as of June 30, 2019, the net OPEB liability of employers using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are 1 percent lower and 1 percent higher than the current rate:

Health Care Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A, 3.1% Part B)	$ 281,651
Current Healthcare Trend Rate (3.7% Part A, 4.1% Part B)	309,090
1% increase (4.7% Part A, 5.1% Part B)	340,534

Amortization of Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are the consumption of net position by CalSTRS that is applicable to future reporting periods. As the MPP Program is a retiree only OPEB plan with no average remaining service life, other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in OPEB expense in the current period. The net deferred inflows and outflows relating to differences between projected and actual earnings on plan investments are netted and amortized over a closed five-year period. As of June 30, 2019, the deferred outflows of resources and deferred inflows of resources related to the MPP Program are not material and have not been recognized in these financial statements.

MPP Program Net OPEB Liability

Detailed information about the MPP Program net OPEB liability is available in a separate comprehensive annual financial report on the CalSTRS website. Copies of the CalSTRS annual financial report may also be obtained from CalSTRS.

NOTE 11 EMPLOYEE RETIREMENT PLANS

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).

As of June 30, 2020, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS (STRP)	$ 48,770,640	$ 12,980,103	$ 4,126,378	$ 9,981,516
CalPERS (Schools Pool Plan)	21,654,179	4,623,069	426,542	4,634,899
Total	$ 70,424,819	$ 17,603,172	$ 4,552,920	$ 14,616,415

The details of each plan are as follows:

<u>California State Teachers' Retirement System (CalSTRS)</u>

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.

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% 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 to the STRP Defined Benefit Program and STRP Defined Benefit Supplement Program, thus disclosures are not included for the other plans.

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Benefits Provided (Continued)

The STRP provisions and benefits in effect at June 30, 2020 are summarized as follows:

Provisions and Benefits	STRP Defined Benefit Program and Supplement 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	17.10%	17.10%
Required State Contribution Rate	10.328%	10.328%

Contributions

Required member, District, and State of California contribution 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. The contribution rates for each plan for the year ended June 30, 2020 are presented above and the total District contributions were $4,915,149.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

	Balance June 30, 2020
District Proportionate Share of the Net Pension Liability	$ 48,770,640
State's Proportionate Share of the Net Pension Liability Associated with the District	26,607,855
Total	$ 75,378,495

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2019, the District's proportion was 0.0540% which is the same proportion measured as of June 30, 2018.

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

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

For the year ended June 30, 2020, the District recognized pension expense of $6,675,420. In addition, the District recognized revenue and corresponding expense of $3,306,096 for support provided by the state. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 4,915,149	$ -
Differences Between Expected and Actual Experience	123,120	1,374,300
Changes of Assumptions	6,168,420	-
Changes in Proportion	1,773,414	873,418
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	1,878,660
Total	$ 12,980,103	$ 4,126,378

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 year ended June 30, 2021. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis.

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the STRP for the June 30, 2019 measurement date is seven years.

The remaining amount will be recognized to pension expense as follows:

Year Ending June 30,	Amortization
2021	$ 1,654,266
2022	352,326
2023	907,638
2024	1,316,630
2025	(149,814)
2026	(142,470)
Total	$ 3,938,576

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2018 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Experience Study	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.10%
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%

CalSTRS uses 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% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) 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 and adopted by the CalSTRS Board in February 2017. The assumed asset allocation is based on board policy for target asset allocation in effect on February 2017, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California State Teachers' Retirement System (CalSTRS) (Continued)

Actuarial Methods and Assumptions (Continued)

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	47 %	4.80 %
Private Equity	13	6.30
Real Estate	13	3.60
Fixed Income	12	1.30
Risk Mitigating Strategies	9	1.80
Inflation Sensitive	4	3.30
Cash/Liquidity	2	(0.40)

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that 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%) 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 the 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%)	$ 72,623,520
Current Discount Rate (7.10%)	48,770,640
1% Increase (8.10%)	28,992,060

Plan Fiduciary Net Position

Detailed information about the STRP's plan fiduciary net position is available in a separate comprehensive annual financial report on the CalSTRS website. Copies of the CalSTRS annual financial report may be obtained from CalSTRS.

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool Plan under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law.

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 5 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 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

Provisions and Benefits	Schools Pool Plan (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	19.721%	19.721%

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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 determined 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, 2020 are as presented above and the total District contributions were $2,019,300.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $21,654,179. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.0743% which is a decrease of 0.0007% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of $4,634,899. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 2,019,300	$ -
Differences Between Expected and Actual Experience	1,572,963	-
Changes of Assumptions	1,030,806	-
Changes in Proportion	-	225,695
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	200,847
Total	$ 4,623,069	$ 426,542

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 year ended June 30, 2021. The net difference between projected and actual earnings on plan investments is amortized over a five year period on a straight-line basis.

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

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

All other deferred outflows of resources and deferred inflows of resources are amortized over the expected average remaining service life (EARSL) of the plan participants. The EARSL for the CalPERS Schools Pool Plan for the June 30, 2019 measurement date is 4.1 years.

The remaining amount will be recognized in pension expense as follows:

Year Ending June 30,	Amortization
2021	$ 1,718,960
2022	223,899
2023	155,858
2024	78,510
Total	$ 2,177,227

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The financial reporting actuarial valuation as of June 30, 2018 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Experience Study	July 1, 1997 through June 30, 2015
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.15%
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by Entry Age and Service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 15 years of mortality improvements using 90% of scale MP 2016 published by the Society of Actuaries.

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Methods and Assumptions (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target 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
Real Assets	13	4.93
Private Equity	8	7.23
Liquidity	1	(0.92)

Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Schools Pool Plan net of investment expenses and without reduction for administrative expenses. 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 Schools Pool Plan 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.

NOTE 11 EMPLOYEE RETIREMENT PLANS (CONTINUED)

California Public Employees Retirement System (CalPERS) (Continued)

Discount Rate (Continued)

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%)	$ 31,213,075
Current Discount Rate (7.15%)	21,654,179
1% Increase (8.15%)	13,724,414

Plan Fiduciary Net Position

Detailed information about CalPERS Schools Pool Plan fiduciary net position is available in a separate comprehensive annual financial report available on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from CalPERS.

NOTE 12 JOINT POWERS AGREEMENTS

The District participates in two joint power agreement (JPA) entities, the Ventura County Schools Self-Funding Authority (VCSSFA) and the Self-Insured Schools of California (SISC).

VCSSFA provides workers' compensation, property and liability coverage for its member school districts. The District pays a contribution commensurate with the level of coverage requested. SISC arranges for health and welfare benefits for employees and retirees of participating school districts and their eligible dependents. Member districts pay a monthly premium per eligible participant.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters. VCSSFA and SISC maintain their own accounting records. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA. Claims have not exceeded coverage in any of the past three fiscal years. Separate financial statements for each JPA may be obtained from the respective entity.

NOTE 12 JOINT POWERS AGREEMENTS (CONTINUED)

The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes.

Condensed financial information is as follows:

	VCSSFA (Audited) 6/30/2020	SISC (Audited) 9/30/2019
Total Assets and Deferred Outflows of Resources	$ 129,538,133	$ 744,080,723
Total Liabilities and Deferred Inflows of Resources	58,925,189	217,105,846
Net Position	$ 70,612,944	$ 526,974,877
Total Revenues	$ 30,584,037	$2,493,302,675
Total Expenditures	35,205,446	2,411,333,172
Change in Net Position	$ (4,621,409)	$ 81,969,503

NOTE 13 COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

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

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

Construction Commitments

As of June 30, 2020 , the District was committed under various capital expenditure purchase agreements for construction projects totaling approximately $5 million. Projects will primarily be funded through Measure C.

COVID-19

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies and our communities. Potential impacts to the District associated with the COVID-19 pandemic include, but are not limited to, challenges to delivery of public education, increasing costs, disruption to cash flow associated with state apportionment deferrals and lost revenue for fee generating programs.

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

COVID-19 (Continued)

In response to the COVID-19 pandemic, the District has staggered employee shifts, enabled certain employees to telecommute and implemented distance learning in response to health requirements. In addition, the District has certified acceptance of CARES act funding appropriated for distribution to school districts in the 2020-21 California State Budget.

The COVID-19 pandemic is ongoing, and the duration and severity of the pandemic and the economic and other actions that may be taken by governmental authorities to contain the pandemic or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the District is unknown at this time. The District continues to actively monitor revenues, expenses and collection of receivables so that any further impacts can be anticipated.

The District does not currently expect that the COVID-19 pandemic will have a material adverse effect on the District's ability to pay general obligation bonds. The source for debt service payments is tax assessments; the County Auditor-Controller's Office has not communicated a reduction in tax levies or receipts that would negatively affect the District's ability to make debt service payments.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgetary Amounts - General Fund		Actual Amounts
	Original	Final	General Fund
REVENUES			
Local Control Funding Formula (LCFF):			
State Apportionments	$ 31,974,083	$ 30,163,402	$ 30,169,870
Local Sources	21,251,842	22,892,222	22,892,221
Total LCFF Sources	53,225,925	53,055,624	53,062,091
Federal Sources	3,075,675	3,081,081	2,494,571
Other State Sources	1,782,961	2,767,985	6,444,729
Other Local Sources	6,017,233	7,129,775	7,328,388
Total Revenues	64,101,794	66,034,465	69,329,779
EXPENDITURES			
Certificated Salaries	29,871,906	30,362,092	29,675,581
Classified Salaries	9,198,971	9,299,263	9,221,577
Employee Benefits	14,905,794	15,083,792	18,463,466
Books and Supplies	3,056,546	3,125,301	1,934,195
Services and Other Operating Expenditures	7,077,200	7,152,209	5,007,078
Capital Outlay	1,153,579	1,525,966	1,424,145
Other Outgo	1,922,777	2,698,992	1,956,237
Total Expenditures	67,186,773	69,247,615	67,682,279
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,084,979)	(3,213,150)	1,647,500
OTHER FINANCING USES			
Interfund transfers out	-	-	(8,632)
Total Other Financing Uses	-	-	(8,632)
NET CHANGE IN FUND BALANCES	$ (3,084,979)	$ (3,213,150)	$ 1,638,868
Fund Balance - Beginning of Year			13,145,460
FUND BALANCE - END OF YEAR			$ 14,784,328

See accompanying Notes to Required Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS – RETIREE BENEFITS PLAN
YEAR ENDED JUNE 30,

Total OPEB Liability - Retiree Health Plan	2020	2019	2018
Beginning Balance	$ 9,560,028	$ 9,561,943	$ 9,721,190
Changes for the Year			
Service Cost	229,120	212,015	206,341
Interest Cost	325,512	325,183	359,442
Employer Contributions	(748,497)	(754,031)	(725,030)
Differences Between Expected and Actual Experience	(1,104,300)	-	-
Changes in Assumptions	866,502	214,918	-
Net Changes	(431,663)	(1,915)	(159,247)
Ending Balance	$ 9,128,365	$ 9,560,028	$ 9,561,943
District's Covered Payroll	$ 40,863,103	$ 39,185,756	$ 39,185,756
Total OPEB Liability as a Percentage of its Covered Payroll	22%	24%	24%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY – MEDICARE PREMIUM PAYMENT PLAN
MEASUREMENT PERIOD ENDED JUNE 30,

Medicare Premium Payment Program	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.0830%	0.0840%	0.1400%
District's Proportionate Share of the Net OPEB Liability	$ 309,090	$ 321,526	$ 588,991
District's Covered Payroll *	$ -	$ -	$ -
Net OPEB liability (asset) as a Percentage of Covered Payroll *	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.81%	-0.40%	0.01%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

* Plan participants are limited to retirees; therefore covered-payroll is zero.

See accompanying Notes to Required Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MEASUREMENT PERIOD ENDED JUNE 30,

CalSTRS - STRP	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.0540%	0.0540%	0.0540%	0.0560%	0.0550%	0.0480%
District's Proportionate Share of the Net Pension Liability	$ 48,770,640	$ 49,629,780	$ 49,939,200	$ 45,293,360	$ 37,028,200	$ 28,049,760
State's Proportionate Share of the Net Pension Liability Associated with the District	26,607,855	28,415,209	29,543,849	25,788,498	19,583,783	16,937,826
Total	$ 75,378,495	$ 78,044,989	$ 79,483,049	$ 71,081,858	$ 56,611,983	$ 44,987,586
District's Covered Payroll	$ 29,300,000	$ 29,100,000	$ 28,640,000	$ 27,770,000	$ 25,650,000	$ 24,300,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	166%	171%	174%	163%	144%	115%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73%	71%	69%	70%	74%	77%

CalPERS - Schools Pool Plan	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.0743%	0.0750%	0.0755%	0.0770%	0.0770%	0.0744%
District's Proportionate Share of the Net Pension Liability	$ 21,654,179	$ 19,997,361	$ 18,023,843	$ 15,207,548	$ 11,349,876	$ 8,446,212
District's Covered Payroll	$ 10,240,000	$ 9,920,000	$ 9,650,000	$ 9,230,000	$ 8,538,000	$ 7,800,000
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	211%	202%	187%	165%	133%	108%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70%	71%	72%	74%	79%	83%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

The amounts are reported as of the previous fiscal year to align with the measurement date of the net pension liability.

See accompanying Notes to Required Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
YEAR ENDED JUNE 30,

CalSTRS - STRP	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 4,915,149	$ 4,774,323	$ 4,199,622	$ 3,602,313	$ 2,979,394	$ 2,278,095
Contributions in Relation to the Contractually Required Contribution	4,915,149	4,774,323	4,199,622	3,602,313	2,979,394	2,278,095
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 28,750,000	$ 29,300,000	$ 29,100,000	$ 28,640,000	$ 27,770,000	$ 25,650,000
Contributions as a Percentage of Covered Payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%

CalPERS - Schools Pool Plan	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 2,019,300	$ 1,849,845	$ 1,541,147	$ 1,340,193	$ 1,093,764	$ 1,005,080
Contributions in Relation to the Contractually Required Contribution	2,019,300	1,849,845	1,541,147	1,340,193	1,093,764	1,005,080
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 10,240,000	$ 10,240,000	$ 9,920,000	$ 9,650,000	$ 9,230,000	$ 8,538,000
Contributions as a Percentage of Covered Payroll	19.72%	18.06%	15.53%	13.89%	11.85%	11.77%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying Notes to Required Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Budgetary Comparison for the General Fund

A budgetary comparison is presented for the general fund. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year-end, and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

Schedule of Changes in the Total OPEB Liability and Related Ratios – Retiree Benefits Plan

The schedule is intended to show trends about the changes in the District's actuarially determined liability for postemployment benefits other than pension associated with the District's retiree benefits plan. The District has not established a plan or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the Plan and that are legally protected from creditors.

Benefit changes – None.

Changes of Assumptions:

2019-20
The District applied a new discount rate decreasing the rate from 3.50% to 2.20%.

2018-19
The District applied a new discount rate decreasing the rate from 3.80% to 3.50%.

Schedules of Changes in the Net OPEB Liability and Related Ratios – Medicare Premium Payment Plan

The schedule is intended to show trends about the changes in the District's actuarially determined liability for the Medicare Premium Payment plan. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2018-19
CalSTRS applied a new discount rate decreasing the rate from 3.87% to 3.50%.

2017-18
CalSTRS applied a new discount rate increasing the rate from 3.58% to 3.87%.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedules of District's Proportionate Share of the Net Pension Liability – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the state's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Benefit changes – None

Changes of Assumptions:

2018-19
CalPERS Board adopted new mortality assumptions for the plan. Assumption for inflation rate was reduced from 2.75% to 2.50%. Assumption for individual salary increases and overall payroll growth was reduced from 3.00% to 2.75%.

2017-18
CalSTRS Board adopted new mortality assumptions and new mortality tables for the plan. Assumption for inflation rate was reduced from 3.00% to 2.75%. Assumption for payroll growth was reduced from 3.75% to 3.50%.

CalPERS applied a new discount rate decreasing the rate from 7.65% to 7.15%.

2015-16
CalPERS applied a new discount rate increasing the rate from 7.50% to 7.65%.

Schedules of District Contributions – CalSTRS (STRP) and CalPERS (Schools Pool Plan)

The 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, 10 years of information will be presented.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excesses of expenditures over appropriations, by major object accounts, occurred in the General Fund as follows:

Object Account	Amount
Employee Benefits *	3,379,674

* The excess of expenditures over appropriations for employee benefits is due to the exclusion of the STRS on-behalf contribution to the General Fund of $3,709,168 from the budget.

PLEASANT VALLEY SCHOOL DISTRICT
HISTORY AND ORGANIZATION
YEAR ENDED JUNE 30, 2020

The Pleasant Valley School District is comprised of an area of approximately forty-nine (49) square miles located in Ventura County. There were no changes in the boundaries of the District during the current year. The district is currently operating one pre-school, seven elementary schools, two middle schools, and two alternative (Grade K-8) schools.

The Board of Trustees and the District Administrators for the fiscal year ended June 30, 2020 were as follows:

BOARD OF TRUSTEES

Member	Office	Term Expires
Mrs. Beckie Cramer	President	December 2022
Mr. Pat FitzGerald	Clerk	December 2020
Mrs. Suzanne Kitchens	Member	December 2020
Mr. Bob Rust	Member	December 2022
Mr. Ron Speakman	President	December 2022

DISTRICT ADMINISTRATORS

Dr. Angelica Ramsey	Superintendent
Mr. Chris Johnston	Assistant Superintendent, Business Services
Mrs. Carol Bjordahl	Assistant Superintendent, Administrative Services
Dr. Veronica Ortega	Assistant Superintendent, Educational Services

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
YEAR ENDED JUNE 30, 2020

The requirements governing ADA, admission of pupils, types of schools, recording and reporting of pupil attendance, and similar matters are controlled by provisions of the California Education Code and by regulations of the California Department of Education.

ADA statistics reported to the state for the fiscal year ended June 30, 2020 are as follows:

	Second Period Certificate # 7B4E8F7C	Annual Certificate # 752DD178
Grades Transitional Kindergarten through Third:		
Regular ADA	2,620.67	2,620.67
Extended Year Special Education	4.74	4.74
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.14	0.14
Total Grades Transitional Kindergarten Through Third ADA	2,625.55	2,625.55
Grades Four Through Six:		
Regular ADA	1,980.39	1,980.39
Extended Year Special Education	2.73	2.73
Special Education - Nonpublic, Nonsectarian Schools	0.88	0.88
Total Grades Four Through Six ADA	1,984.00	1,984.00
Grades Seven and Eight:		
Regular ADA	1,373.16	1,373.16
Extended Year Special Education	2.06	2.06
Special Education - Nonpublic, Nonsectarian Schools	1.53	1.53
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.56	0.56
Total Grades Seven and Eight ADA	1,377.31	1,377.31
Total ADA	5,986.86	5,986.86

See accompanying Notes to Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2020

Grade Level	Minutes Requirement	Minutes Offered *	Days Offered Traditional	Days Covered by Closure	Status
Kindergarten	36,000	46,550	180	62	In Compliance
Grade 1	50,400	50,567	180	62	In Compliance
Grade 2	50,400	50,567	180	62	In Compliance
Grade 3	50,400	50,567	180	62	In Compliance
Grade 4	54,000	55,919	180	62	In Compliance
Grade 5	54,000	55,919	180	62	In Compliance
Grade 6	54,000	59,530	180	62	In Compliance
Grade 7	54,000	59,530	180	62	In Compliance
Grade 8	54,000	59,530	180	62	In Compliance

* The planned minutes covered by the COVID-19 School Closure Certificaiton were included in the minutes offered column but were not actually offered due to the COVID-19 school closure.

See accompanying Notes to Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Catalog Number	Pass-Through Entity Identifying Number	Total Federal Program Expenditures	Amounts Passed Through to Subrecipients
United States Department of Agriculture				
Pass-Through Program From California Department of Education:				
Child Nutrition Cluster:				
Basic School Breakfast Program	10.553	13525	$ 20,468	$ -
Especially Needy School Breakfast Program	10.553	13526	221,127	-
Seamless Summer Food Option	10.553	13526	106,106	-
Subtotal CFDA #84.365			347,701	-
National School Lunch Program	10.555	13524	511,403	-
Seamless Summer Food Option	10.555	13524	170,453	-
Commodities	10.555	13524	112,683	-
Subtotal CFDA #10.555			794,539	-
Subtotal Child Nutrition Cluster			1,142,240	-
Total United States Department of Agriculture			1,142,240	-
United States Department of Education				
Pass-Through Program From California Department of Education:				
Special Education Cluster:				
IDEA Basic Local Assistance Entitlement	84.027	13379	1,355,396	-
IDEA Federal Preschool Grants	84.173	13430	57,814	-
Subtotal Special Education Cluster			1,413,210	-
Every Student Succeeds Act:				
Title III - Limited English Proficiency	84.365	14346	40,705	-
Title III - Immigrant Student Program	84.365	15146	2,534	-
Subtotal CFDA #84.365			43,239	-
Title I, Part A - Low Income and Neglected	84.010	14329	607,745	-
Title II, Part A - Improving Teacher Quality	84.367	14341	78,291	-
Total United States Department of Education			2,142,485	-
United States Department of Health and Human Services				
Pass-Through Program From California Department of Education:				
Medi-Cal Billing Option	93.778	10013	27,900	-
Total United States Department of Health and Human Services			27,900	-
Total Federal Programs			$ 3,312,625	$ -
Reconciliation to Federal Revenue				
Total Federal Program Expenditures			$ 3,312,625	
Revenues in Excess of Expenditures Related to Federal Entitlements:				
Medi-Cal Billing Option			39,862	
Medi-Cal Administrative Activities (MAA)			18,957	
Federal Impact Aid: Maintenance and Operations			265,367	
Total Federal Program Revenue			$ 3,636,811	

The District is the recipient of a federal aw ard program that does not result in cash receipts or disbursements. The District w as granted $112,683 of commodities under the National School Lunch Program (CFDA 10.555), w hich is included in the total reported above.

See accompanying Notes to Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30,

	2021 (Budgeted)	2020	2019	2018
REVENUE				
Local Control Funding Formula Sources	$ 51,714,894	$ 53,062,091	$ 52,339,168	$ 49,703,096
Federal Sources	3,565,952	2,494,571	2,581,015	2,354,970
Other State Sources	1,553,457	6,444,729	9,965,940	4,855,355
Other Local Sources	6,431,909	7,328,388	7,544,947	7,734,042
Total Revenue	63,266,212	69,329,779	72,431,070	64,647,463
EXPENDITURES				
Certificated Salaries	29,389,825	29,675,581	30,377,409	30,193,256
Classified Salaries	9,133,946	9,221,577	9,737,855	9,247,805
Employee Benefits	14,373,751	18,463,466	19,781,072	15,965,348
Books and Supplies	2,889,387	1,934,195	2,093,047	2,774,791
Services and Other Operating Expenditures	5,985,801	5,007,078	6,410,230	6,108,458
Capital Outlay	-	1,424,145	10,631	501,312
Other Outgo	2,021,924	1,956,237	2,011,849	1,707,105
Debt Service	-	-	-	659,497
Interfund transfers out	1,450,000	8,632	-	-
Total Expenditures	65,244,634	67,690,911	70,422,093	67,157,572
CHANGE IN FUND BALANCE	$ (1,978,422)	$ 1,638,868	$ 2,008,977	$ (2,510,109)
Ending Fund Balance	$ 12,805,906	$ 14,784,328	$ 13,145,460	$ 11,136,483
Available Reserve	$ 5,290,207	$ 9,344,702	$ 8,122,053	$ 8,150,316
Available Reserve %	8.1%	13.8%	11.5%	12.1%
ADA	5,985	5,987	6,032	6,136
Total Long-Term Debt	$ 136,929,310	$ 143,673,536	$ 149,178,607	$ 106,184,255

Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the General Fund.

For a District this size, the state recommends a 3% reserve of total General Fund expenditures, transfers out and other uses. For all years presented, the District has met or is projected to meet the reserve requirement.

The 2021 budget is the original budget adopted on June 18, 2020.

See accompanying Notes to Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2020

Charter School Number	Charter School	Included in District Audit Report
0464	University Preparation Charter School at CSU Channel Islands	No
2062	Peak Prep Pleasant Valley	No

See accompanying Notes to Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

There were no differences between the fund balances reported on the June 30, 2020 Annual Financial and Budget Report for the governmental funds and the audited financial statements.

See accompanying Notes to Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code.

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the District under programs of the federal governmental for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of the 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 operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District did not have any sub-recipients during the year. The District did not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Payments to Subrecipients

The District did not make any payments to subrecipients.

Schedule of Financial Trends and Analysis

The *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule be prepared showing financial trends of the general fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

NOTE 1 PURPOSE OF SCHEDULES (CONTINUED)

Schedule of Charter Schools

The *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.

PLEASANT VALLEY SCHOOL DISTRICT
COMBINING BALANCE SHEET
BUILDING FUND
JUNE 30, 2020

	Building Fund	Building Fund - Measure C	Total Building Funds
ASSETS			
Cash in County Treasury	$ 279,857	$ 25,627,898	$ 25,907,755
Accounts Receivable	1,686	166,321	168,007
Due from Other Funds	-	551,572	551,572
Total Assets	$ 281,543	$ 26,345,791	$ 26,627,334
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ -	$ 643,680	$ 643,680
Total Liabilities	-	643,680	643,680
FUND BALANCES			
Restricted	281,543	25,702,111	25,983,654
Total Fund Balances	281,543	25,702,111	25,983,654
Total Liabilities and Fund Balances	$ 281,543	$ 26,345,791	$ 26,627,334

See accompanying Notes to Optional Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUILDING FUND
YEAR ENDED JUNE 30, 2020

	Building Fund	Building Fund - Measure C	Total Building Funds
REVENUES			
Other Local Sources	$ 5,574	$ 620,978	$ 626,552
Total Revenues	5,574	620,978	626,552
EXPENDITURES			
Plant Services	7,100	12,087,657	12,094,757
Total Expenditures	7,100	12,087,657	12,094,757
NET CHANGES IN FUND BALANCE	(1,526)	(11,466,679)	(11,468,205)
Fund Balances - Beginning of Year	283,069	37,168,790	37,451,859
FUND BALANCES - END OF YEAR	$ 281,543	$ 25,702,111	$ 25,983,654

See accompanying Notes to Optional Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash in County Treasury	$ 396,965	$ 478,720	$ 821,830	$ 4,579,532	$ 6,277,047
Accounts Receivable	24,530	164,476	6,910	27,946	223,862
Due from Other Funds	381	-	-	-	381
Total Assets	$ 421,876	$ 643,196	$ 828,740	$ 4,607,478	$ 6,501,290
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 12,222	$ 66,818	$ 13	$ 218,009	$ 297,062
Due to Other Funds	-	5,280	-	-	5,280
Unearned Revenue	27,838	-	-	-	27,838
Total Liabilities	40,060	72,098	13	218,009	330,180
FUND BALANCES					
Restricted	-	571,098	-	4,389,469	4,960,567
Committed	-	-	828,727	-	828,727
Assigned	381,816	-	-	-	381,816
Total Fund Balances	381,816	571,098	828,727	4,389,469	6,171,110
Total Liabilities and Fund Balances	$ 421,876	$ 643,196	$ 828,740	$ 4,607,478	$ 6,501,290

See accompanying Notes to Optional Supplementary Information.

PLEASANT VALLEY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total Nonmajor Governmental Funds
REVENUES					
Local Control Funding Formula (LCFF):					
State Apportionments	$ -	$ -	$ 546,621	$ -	$ 546,621
Federal Sources	-	1,142,240	-	-	1,142,240
Other State Sources	340,694	79,432	-	-	420,126
Other Local Sources	1,408,422	492,160	20,395	1,060,758	2,981,735
Total Revenues	1,749,116	1,713,832	567,016	1,060,758	5,090,722
EXPENDITURES					
Instruction	123,440	-	-	-	123,440
Instruction - Related Services	47,659	-	-	-	47,659
Pupil Services	26,931	1,778,195	-	-	1,805,126
Community Services	1,579,930	-	-	-	1,579,930
General Administration	151,930	49,577	-	-	201,507
Plant Services	183,756	-	640,915	1,248,659	2,073,330
Total Expenditures	2,113,646	1,827,772	640,915	1,248,659	5,830,992
DEFICIENCY OF REVENUES OVER EXPENDITURES	(364,530)	(113,940)	(73,899)	(187,901)	(740,270)
OTHER FINANCING USES					
Interfund transfers in	-	(8,632)	-	-	(8,632)
Total Other Financing Uses	-	(8,632)	-	-	(8,632)
NET CHANGES IN FUND BALANCE	(364,530)	(105,308)	(73,899)	(187,901)	(731,638)
Fund Balances - Beginning of Year	746,346	676,406	902,626	4,577,370	6,902,748
FUND BALANCES - END OF YEAR	$ 381,816	$ 571,098	$ 828,727	$ 4,389,469	$ 6,171,110

See accompanying Notes to Optional Supplementary Information.

NOTE 1 PURPOSE OF SCHEDULES

Combining Fund Financial Statements

The combining fund balance sheets and statements of revenues, expenditures, and changes in fund balance for the building fund and the nonmajor governmental funds have been presented to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Pleasant Valley School District
Camarillo, 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 Pleasant Valley School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
March 11, 2021

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

Board of Trustees
Pleasant Valley School District
Camarillo, California

Report on Compliance for Each Major Federal Program

We have audited Pleasant Valley School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with 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 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
March 11, 2021

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Pleasant Valley School District
Camarillo, California

We have audited the Pleasant Valley School District's (the District) compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2020. The District's state compliance requirements are identified in the table provided.

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified below.

Auditors' Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the types of compliance requirements referred to below. 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 *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas 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.

Board of Trustees
Pleasant Valley School District

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 the laws and regulations applicable to the following items:

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No[1]
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Yes
Charter Schools:	
Attendance	No[2]
Mode of Instruction	No[2]
Nonclassroom Based Instruction/Independent Study	No[2]
Determination of Funding for Nonclassroom Based Instruction	No[2]
Annual Instructional Minutes – Classroom Based	No[2]
Charter School Facility Grant Program	No[2]

[1]Testing was not performed because the independent study ADA was under the level which requires testing.
[2]The testing for Charter Schools was done by each school's respective auditor.

Opinion on State Compliance

In our opinion, the District complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and which is described in the accompanying schedule of findings and questioned costs as item 20-001. Our opinion on each state program is not modified with respect to these matters.

The District’s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
March 11, 2021

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported
3. Noncompliance material to financial statements noted? ______ yes __x__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __x__ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? __x__ yes ______ no

All audit findings must be identified as one or more of the following categories:

Five Digit Code	Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – State Compliance

20-001 Comprehensive School Safety Plan 61000

Criteria: Pursuant to California Education Code Section 32281, school district are responsible for the overall development of comprehensive school safety plans for its schools operating kindergarten or any of grades 1 to 12, inclusive. Additionally, California Education Code Section 32286 states that each school shall adopt its comprehensive school safety plan by March 1, 2000, and shall review and update its plan by March 1st, every year thereafter.

Condition: Although the comprehensive school safety plans were reviewed and updated for 2019-20, this did not occur until after the March 1 deadline per California Education Code Section 32286.

Effect: The District is not in compliance with California Education Code Section 32286.

Cause: School Safety Plan approvals by School Site Councils were delayed due to the District's precautionary directive to cancel in-person meetings in February. The District did not document the completion of plan development prior to March 1st. School Site Council approval, and documentation of the approval, was completed virtually after the March 1st deadline.

Questioned Costs and Units: There is no associated questioned costs and/or units related to this state compliance finding.

Recommendation: The District should establish procedures to properly review and update their comprehensive school safety plans prior March 1 every year.

Corrective Action Plan: The District plan is to target completion of the School Safety Plans for January of each year. This gives the school sites time to complete the plans by the deadline, even if unexpected delays are encountered. The District has developed the capacity for virtual meetings. This ensures that future interruptions to the ability to meet in person will not delay future plan approvals.

PLEASANT VALLEY SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESITONED COSTS
JUNE 30, 2020

There were no prior year findings and questioned costs related to the basic financial statements, federal awards, or state awards for the prior year.