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PLEASANTON UNIFIED SCHOOL DISTRICT
PLEASANTON, CALIFORNIA

AUDIT REPORT

Fiscal Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

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

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pleasanton Unified School District ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasanton Unified School District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pleasanton Unified School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in the net OPEB liability and related ratios, schedule of contributions – OPEB, schedule of the proportionate share of the net pension liability, and schedule of contributions - pensions as identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pleasanton Unified School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2023 on our consideration of Pleasanton Unified School 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 Pleasanton Unified School District's internal control over financial reporting and compliance.

CWDL, Certified Public Accountants

San Diego, California
December 14, 2023

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INTRODUCTION

Our discussion and analysis of Pleasanton Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

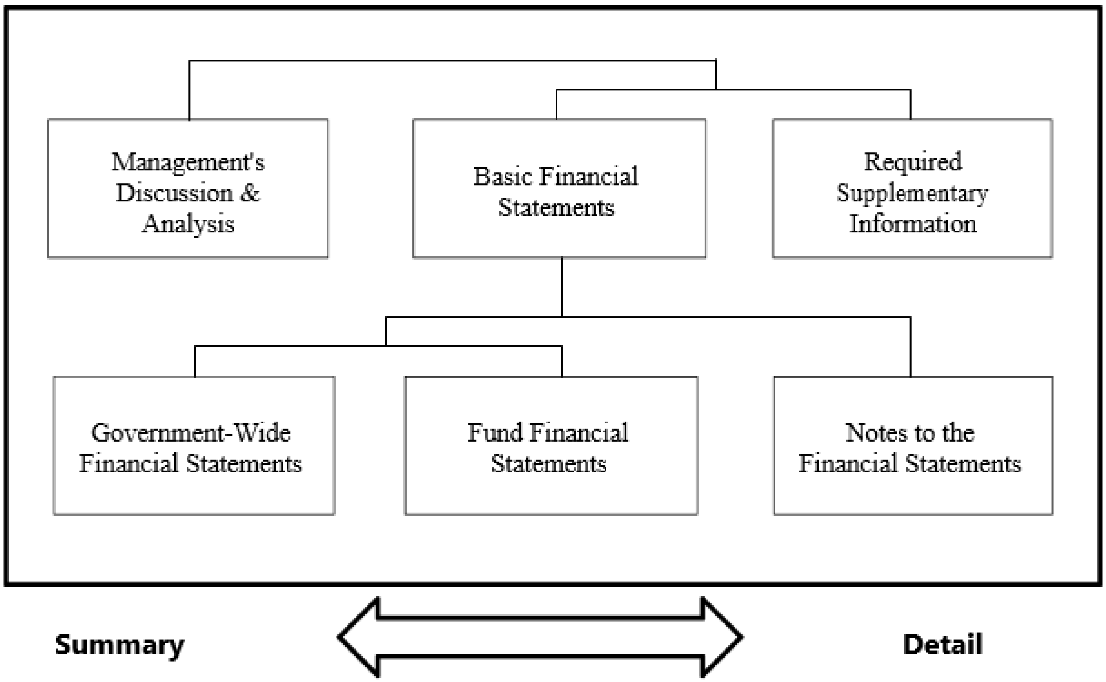
Government Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (collectively, the Statements) was implemented during the fiscal year ended June 30, 2015. The primary objective of the Statements is to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It requires employers to report a net pension liability for the difference between the present value of projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The net pension liability as of June 30, 2023 was $168.8 million.

Overall governmental activities revenues were $270.5 million which were more than expenses of $237.8 million. Business-type activities revenues were $5.4 million which were more than expenses of $2.6 million.

General Fund revenues and other financing sources were greater than expenditures and other financing uses by $6.5 million.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Statements



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

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

    - **Governmental Funds** provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

    - **Enterprise Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

OVERVIEW OF FINANCIAL STATEMENTS, continued

Components of the Financials Statements

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

Government-Wide Statements

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

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

- Additional non-financial factors such as condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's governmental activities net position was $50.8 million at June 30, 2023, as reflected in the table below. Of this amount, there is a deficit of $331.3 million in unrestricted due primarily to the recognition of the net pension liability of $168.8 million and net OPEB liability of $29.5 million. Net investment in capital assets (e.g., land, building and equipment, net of related debt) was $171.3 million of the net position. The District uses these assets to provide educational services; therefore, they are not available for future spending. Although the District's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. And lastly, resources subject to external restrictions accounted for $210.8 million of net position.

	Governmental Activities			Business-Type Activities		
	2023	**2022**	**Net Change**	**2023**	**2022**	**Net Change**
ASSETS AND DEFERRED OUTFLOWS						
Current and other assets	$ 260,178,909	$ 198,723,169	$ 61,455,740	$ 3,120,590	$ 353,489	$ 2,767,101
Capital assets	320,113,299	239,583,148	80,530,151	-	-	-
Deferred outflows	63,150,956	48,276,889	14,874,067	-	-	-
Total Assets and Deferred Outflows	643,443,164	486,583,206	156,859,958	3,120,590	353,489	2,767,101
LIABILITIES AND DEFERRED INFLOWS						
Current liabilities	36,653,612	42,501,592	(5,847,980)	161,703	176,024	14,321
Long-term liabilities	524,856,484	339,372,574	185,483,910	-	-	-
Deferred inflows	35,401,074	86,619,729	(51,218,655)	-	-	-
Total Liabilities and Deferred Inflows	596,911,170	468,493,895	128,417,275	161,703	176,024	14,321
NET POSITION						
Net investment in capital assets	171,275,709	133,158,000	38,117,709	-	-	-
Restricted	210,785,969	138,329,487	72,456,482	-	-	-
Unrestricted	(331,304,780)	(253,398,176)	(77,906,604)	2,958,887	177,465	2,781,422
Total Net Position	$ 50,756,898	$ 18,089,311	$ 32,667,587	$ 2,958,887	$ 177,465	$ 2,781,422

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE, continued

Changes in Net Position

As shown in the table below, the District's governmental activities and business-type revenues were $270.5 million and $5.4 million, respectively. The majority of the revenue comes from property taxes and unrestricted federal and state aid (66.2%). Operating grants and contributions for specific programs accounted for another 31.8% of total revenues.

The total cost of all governmental activities and business-type programs and services was $237.8 million and $2.6 million respectively. The District's expenses are predominately related to educating and caring for students (67.2%). Pupil Services (including transportation and food) account for 8.8% of expenses. General administrative activities accounted for just 4.5% of total costs. Plant services, which represent the facilities maintenance and operations costs, account for 1.7% of all costs. Other outgo accounted for 9.7% of all costs. The remaining expenses were for interest and other charges, depreciation, and enterprise services and account for the remaining 8.1% of all costs. The governmental activities net position increased by $32.7 million.

	Governmental Activities			Business-Type Activities		
	2023	**2022**	**Net Change**	**2023**	**2022**	**Net Change**
REVENUES						
Program revenues						
Charges for services	$ 2,159,784	$ 1,839,480	$ 320,304	$ 5,357,808	$ 3,986,846	$ 1,370,962
Operating grants and contributions	85,906,694	73,970,781	11,935,913	-	-	-
Capital grants and contributions	16,400	3,013,936	(2,997,536)	-	-	-
General revenues						
Property taxes	107,325,797	98,031,094	9,294,703	-	-	-
Unrestricted federal and state aid	71,687,153	62,918,274	8,768,879	-	-	-
Other	3,363,763	1,637,186	1,726,577	24,136	2,799	21,337
Total Revenues	270,459,591	241,410,751	29,048,840	5,381,944	3,989,645	1,392,299
EXPENSES						
Instruction	133,878,871	110,850,473	23,028,398	-	-	-
Instruction-related services	25,997,280	23,265,956	2,731,324	-	-	-
Pupil services	20,988,487	15,389,955	5,598,532	-	-	-
General administration	10,641,599	14,183,466	(3,541,867)	-	-	-
Plant services	3,939,819	20,824,446	(16,884,627)	-	-	-
Ancillary services	2,304,753	2,038,312	266,441	-	-	-
Interest and other charges	6,559,287	3,762,831	2,796,456	-	-	-
Other outgo	22,968,196	30,750,542	(7,782,346)	-	-	-
Depreciation	10,493,139	8,814,279	1,678,860	-	-	-
Enterprise services	20,573	-	20,573	2,600,522	3,978,190	(1,377,668)
Total Expenses	237,792,004	229,880,260	7,911,744	2,600,522	3,978,190	(1,377,668)
Change in net position	32,667,587	11,530,491	21,137,096	2,781,422	11,455	2,769,967
Net Position - Beginning	18,089,311	6,558,820	11,530,491	177,465	166,010	11,455
Net Position - Ending	$ 50,756,898	$ 18,089,311	$ 32,667,587	$ 2,958,887	$ 177,465	$ 2,781,422

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE, continued

Changes in Net Position, continued

The net expense of all our governmental activities by function this year was $149.7 million. These costs were offset by general revenues, including property taxes of $107.3 million, unrestricted federal and state aid of $71.7 million, and other general revenues of $3.4 million. The table below displays the net expense of all governmental activities by function before the general revenue offsets.

	Governmental Activities		
	2023	**2022**	**Net Change**
NET EXPENSE OF SERVICES			
Instruction	$ 95,271,245	$ 73,751,000	$ 21,520,245
Instruction-related services	18,742,247	15,487,319	3,254,928
Pupil services	5,033,220	4,107,594	925,626
General administration	8,665,684	11,425,510	(2,759,826)
Plant services	(3,251,432)	20,704,862	(23,956,294)
Ancillary services	(781,541)	230,902	(1,012,443)
Interest and other charges	6,559,287	3,762,831	2,796,456
Other outgo	8,956,704	12,771,766	(3,815,062)
Enterprise services	20,573	-	20,573
Depreciation	10,493,139	8,814,279	1,678,860
Totals	$ 149,709,126	$ 151,056,063	$ (1,346,937)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of $234.9 million, which increased from last year's ending fund balance of $167.2 million. The District's General Fund had $6.5 million more revenues than expenses for the year ended June 30, 2023, leading to an ending fund balance of $35.1 million. The District's Special Education Pass-Through Fund had a $0 ending fund balance for the year ended June 30, 2023 due to the fact that all of revenues in this fund are transferred to other agencies.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had invested $320.1 million in capital assets, net of accumulated depreciation. The net change as a result of fiscal year 2022 activity is primarily due to current year depreciation and increases to and transfers out of CIP.

	Governmental Activities		
	2023	2022	Net Change
CAPITAL ASSETS			
Land	$ 47,323,968	$ 40,624,273	$ 6,699,695
Construction in Progress	46,825,200	55,410,649	(8,585,449)
Land improvements	33,244,848	33,244,848	-
Buildings & improvements	410,796,705	318,601,620	92,195,085
Furniture & equipment	12,131,984	11,454,451	677,533
Accumulated depreciation	(230,209,406)	(219,752,693)	(10,456,713)
Total Capital Assets	$ 320,113,299	$ 239,583,148	$ 80,530,151

Long-Term Liabilities

At June 30, 2023, the District had $524.9 million in long-term debt, an increase of $185.5 million from last year – as shown below. General Obligation Bonds increased $95.1 million. Net Pension Liability increased by $68.6 million primarily due to high investment returns during the measurement period of the net pension liability (June 30, 2022) as compared to the prior measurement period (June 30, 2021). Net OPEB Liability decreased by $7.5 million. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2023	2022	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	$ 287,550,000	$ 210,332,589	$ 77,217,411
Unamortized premium	$ 17,911,032	$ 14,457,589	3,453,443
Certificates of participation	30,000,000	-	30,000,000
Compensated absences	723,314	1,042,041	(318,727)
Net OPEB liability	29,472,014	37,008,906	(7,536,892)
Net pension liability	168,751,282	100,176,719	68,574,563
Less: current portion of long-term debt	(9,551,158)	(9,187,681)	(363,477)
Total Long-term Liabilities	$ 524,856,484	$ 353,830,163	$ 171,026,321

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

For several fiscal years, the District was operationally impacted by the pandemic. In 2022/23 the District was able to return to more normal operations and school functions; however, the lingering effects of the pandemic continued with student learning, behavioral or mental health needs, special education, and staffing challenges. The District continued to use various one-time funds to address the needs of the students. In 2022/23 the State also provided new one-time grants for continued Learning Recovery Grant and the Arts Music and Instructional Materials Discretionary Block Grant. The District used 2022/23 to develop its spending for the next 3-4 years. This was a prudent move as the State began to pull those funds back as State revenues started to fall below projects and foretell of economic challenges ahead.

The District ended the fiscal year with a net decrease in the unrestricted ending fund balance of $2,338,993 and a net increase in the restricted fund balance of $9,527,435. Increased unrestricted expenditures grew primarily from increased salaries and benefits costs as well as increased services and operating costs. Restricted balances grew as a result of new one-time grants that are planned to spend down over a period of 3-4 years. This also includes continued expenditures of one-time pandemic relief funds. Expenditures on the restricted side increased by 5.0%, while unrestricted expenditures grew by 9.9% during the same period. Total revenues for 2022/23 were $223,166.723 which includes $3.4M in one-time COVID pandemic-related relief.

The District's LCFF increased as the state provided a 6.56% COLA with an additional investment to LCFF of 6.70% in 2022/23. Furthermore, the district's LCFF revenues were calculated using the prior three-year average for ADA. This shields the district from funding reductions due to loss of enrollment in 2022/23 of about 176 students.

Total expenditures for 2022/23 were $216,716,200. This represents an increase of 8.9% from the fiscal year 2021/22, which was primarily a result of the spending of funds that were one-time in nature.

On November 8, 2022, the voters of the District approved a new bond (Measure I) for $395M to continue with the replacement and modernization of aging facilities throughout the District. The first series of the Measure I Bonds ($100M) were sold in the Spring of 2023 and the staff is currently working on planning and design of the projects authorized by the voters. The District continues with its Measure I1 projects that were approved by the voters in 2016. In 2023, the rebuild and modernization of Lydiksen Elementary School was fully completed as well as the Hart Middle School Science Building. Other projects to upgrade security systems, Fire Alarms, HVAC and roofing replacements and all saw significant progress. Design work for two new transitional kindergarten classroom buildings are underway at Fairlands and Donlon as well.

In August of 2022, the District purchased a new site for the relocation of the District Office. The purchase was made through the sale of COP in the amount of $31.3M. Funds from the COP were used to purchase the new property and make needed improvements. Staff moved into the new office in August of 2023. The property also includes leased office space that provides annually about $1M in revenue to the District. The District intends to sell existing property to pay off the COP.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, continued

The financing of California school districts is a complex calculation called the Local Control Funding Formula (LCFF). The District monitors the impact of the LCFF on funding for our program offerings and services. The LCFF provides a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low-income brackets, those that are English language learners, homeless, and foster youth. In 2022/23 State Budget included a 6.56% COLA increase to the LCFF and an additional investment of 6.70% to LCFF base. Current economic forecasts have reduced projected state revenues. This drop in state revenue equates to a downward adjustment to the FY 22/23 Proposition 98 minimum guarantee.

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

Enrollment can fluctuate due to factors such as population growth, pandemics, competition from private, parochial, interdistrict transfers in or out, economic conditions, and housing values. The current economic conditions may further impact enrollment in these uncertain times. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in operating costs. The District will need to continue to right size its staff with the decline in enrollment and make further reductions to the program as one-time funds are used. Fiscal challenges on the State level that result in lower COLA adjustments will need to be factored and will require further reduction in the District's expenditures. All of these factors will be considered in preparing the District's budget for the 2024/25 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's Business Office at 5758 West Las Positas Boulevard, Pleasanton, CA 94588.

PLEASANTON UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 242,340,815	$ 2,788,858	$ 245,129,673
Accounts receivable	16,068,513	478,700	16,547,213
Prepaid expenses	966,980	-	966,980
Inventory	655,633	-	655,633
Internal balances	146,968	(146,968)	-
Lease Receivable	4,224,904	-	4,224,904
Capital assets, not depreciated	94,149,168	-	94,149,168
Capital assets, net of accumulated depreciation	225,964,131	-	225,964,131
Total Assets	584,517,112	3,120,590	587,637,702
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	12,919,213	-	12,919,213
Deferred outflows related to pensions	50,231,743	-	50,231,743
Total Deferred Outflows of Resources	63,150,956	-	63,150,956
LIABILITIES			
Accrued liabilities	25,774,100	78,640	25,852,740
Unearned revenue	1,328,354	83,063	1,411,417
Net pension liability	168,751,282	-	168,751,282
Net OPEB liability	29,472,014	-	29,472,014
Long-term liabilities, current portion	9,551,158	-	9,551,158
Long-term liabilities, non-current portion	326,633,188	-	326,633,188
Total Liabilities	561,510,096	161,703	561,671,799
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	18,154,704	-	18,154,704
Deferred inflows related to OPEB	13,042,005	-	13,042,005
Deferred inflows related to leases	4,204,365	-	4,204,365
Total Deferred Inflows of Resources	35,401,074	-	35,401,074
NET POSITION			
Net investment in capital assets	171,275,709	-	171,275,709
Restricted:			
Capital projects	161,169,197	-	161,169,197
Debt service	17,749,764	-	17,749,764
Educational programs	20,489,487	-	20,489,487
All others	11,377,521	-	11,377,521
Unrestricted	(331,304,780)	2,958,887	(328,345,893)
Total Net Position	$ 50,756,898	$ 2,958,887	$ 53,715,785

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

PLEASANTON UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Revenues and Changes in Net Position		
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction	$ 133,878,871	$ 186,843	$ 38,404,383	$ 16,400	$ (95,271,245)	$ -	$ (95,271,245)
Instruction-related services							
Instructional supervision and administration	8,518,897	12,989	2,639,464	-	(5,866,444)	-	(5,866,444)
Instructional library, media, and technology	3,360,958	5,366	43,976	-	(3,311,616)	-	(3,311,616)
School site administration	14,117,425	5,947	4,547,291	-	(9,564,187)	-	(9,564,187)
Pupil services							
Home-to-school transportation	1,949,835	6,868	1,105,514	-	(837,453)	-	(837,453)
Food services	4,942,409	11	6,985,858	-	2,043,460	-	2,043,460
All other pupil services	14,096,243	13,240	7,843,776	-	(6,239,227)	-	(6,239,227)
General administration							
Centralized data processing	2,570,517	-	6,238	-	(2,564,279)	-	(2,564,279)
All other general administration	8,071,082	6,450	1,963,227	-	(6,101,405)	-	(6,101,405)
Plant services	3,939,819	1,532,581	5,658,670	-	3,251,432	-	3,251,432
Ancillary services	2,304,753	-	3,086,294	-	781,541	-	781,541
Interest on long-term debt	6,559,287	-	-	-	(6,559,287)		(6,559,287)
Other outgo	22,968,196	389,489	13,622,003	-	(8,956,704)	-	(8,956,704)
Enterprise activities	20,573	-	-	-	(20,573)	-	(20,573)
Depreciation (unallocated)	10,493,139	-	-	-	(10,493,139)	-	(10,493,139)
Total Governmental Activities	$ 237,792,004	$ 2,159,784	$ 85,906,694	$ 16,400	(149,709,126)	-	(149,709,126)
BUSINESS-TYPE ACTIVITIES							
Child Development Center	2,600,522	5,357,808	-	-	-	2,757,286	2,757,286
Total Business-Type Activities	2,600,522	5,357,808	-	-	-	2,757,286	2,757,286
Total School District	$ 240,392,526	$ 7,517,592	$ 85,906,694	$ 16,400	(149,709,126)	2,757,286	(146,951,840)
General revenues							
Taxes and subventions							
Property taxes, levied for general purposes					94,462,866	-	94,462,866
Property taxes, levied for debt service					12,862,931	-	12,862,931
Federal and state aid not restricted for specific purposes					71,687,153	-	71,687,153
Interest and investment earnings					825,398	24,136	849,534
Miscellaneous					2,538,365	-	2,538,365
Subtotal, General Revenue					182,376,713	24,136	182,400,849
Change in Net Position					32,667,587	2,781,422	35,449,009
Net Position - Beginning					18,089,311	177,465	18,266,776
Net Position - Ending					$ 50,756,898	$ 2,958,887	$ 53,715,785

PLEASANTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 37,996,978	$ 160,855,872	$ 43,487,965	$ 242,340,815
Accounts receivable	6,833,686	1,594,410	777,440	9,205,536
Due from grantor government	6,792,781	-	70,196	6,862,977
Due from other funds	469,019	-	-	469,019
Stores inventory	603,187	-	52,446	655,633
Prepaid expenditures	955,718	-	11,262	966,980
Total Assets	$ 53,651,369	$ 162,450,282	$ 44,399,309	$ 260,500,960
LIABILITIES				
Accrued liabilities	$ 17,334,558	$ 5,826,840	$ 830,779	$ 23,992,177
Due to other funds	-	-	322,051	322,051
Deferred revenue	1,242,562	-	85,792	1,328,354
Total Liabilities	18,577,120	5,826,840	1,238,622	25,642,582
FUND BALANCES				
Nonspendable	1,599,055	-	132,416	1,731,471
Restricted				
Educational programs	18,729,055	-	1,760,432	20,489,487
Capital projects	2,028,100	152,761,673	6,379,424	161,169,197
Debt service	-	-	17,749,764	17,749,764
All others	176,917	-	11,200,604	11,377,521
Assigned	2,757,491	-	11,375,386	14,132,877
Unassigned	9,783,631	3,861,769	(5,437,339)	8,208,061
Total Fund Balances	35,074,249	156,623,442	43,160,687	234,858,378
Total Liabilities and Fund Balances	$ 53,651,369	$ 162,450,282	$ 44,399,309	$ 260,500,960

PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Total Fund Balance - Governmental Funds		$ 234,858,378
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets:		
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:		
Lease Receivable	$ 4,224,904	
Capital assets	550,322,705	
Accumulated depreciation	(230,209,406)	324,338,203
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(1,781,923)
Long-term liabilities:		
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Net pension liability	$ 168,751,282	
Net OPEB liability	29,472,014	
Long-term liabilities, due within one year	9,551,158	
Long-term liabilities, due in more than one year	326,633,188	(534,407,642)
Deferred outflows and inflows of resources relating to pensions:		
In governmental funds, defered outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:		
Deferred outflows of resources relating to pensions:	$ 50,231,743	
Deferred inflows of resources relating to pensions:	(18,154,704)	32,077,039
Deferred outflows and inflows of resources related to other postemployment benefits (OPEB):		
In governmental funds, defered outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported:		
Deferred outflows of resources relating to OPEB	$ 12,919,213	
Deferred inflows of resources relating to OPEB	(13,042,005)	
Deferred inflows of resources relating to leases	(4,204,365)	(4,327,157)
Total Net Position - Governmental Activities		$ 50,756,898

PLEASANTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	$ 157,919,427	$ -	$ -	$ 157,919,427
Federal sources	6,915,515	-	2,266,347	9,181,862
Other state sources	50,471,143	-	28,694,621	79,165,764
Other local sources	7,862,966	1,648,612	18,849,738	28,361,316
Total Revenues	223,169,051	1,648,612	49,810,706	274,628,369
EXPENDITURES				
Current				
Instruction	140,473,262	-	1,651,462	142,124,724
Instruction-related services				
Instructional supervision and administration	8,936,698	-	72,433	9,009,131
Instructional library, media, and technology	3,363,738	-	-	3,363,738
School site administration	14,196,352	-	573,028	14,769,380
Pupil services				
Home-to-school transportation	1,942,106	-	-	1,942,106
Food services	34,288	-	4,880,839	4,915,127
All other pupil services	14,854,528	-	-	14,854,528
General administration				
Centralized data processing	2,556,440	-	-	2,556,440
All other general administration	11,598,147	-	256,633	11,854,780
Plant services	16,597,853	-	176,363	16,774,216
Facilities acquisition and maintenance	166,803	48,932,611	28,993,775	78,093,189
Ancillary services	77,587	-	2,227,166	2,304,753
Transfers to other agencies	1,918,398	-	21,014,261	22,932,659
Debt service				
Interest and other	-	-	7,591,035	7,591,035
Redemptions	-	-	8,325,000	8,325,000
Total Expenditures	216,716,200	48,932,611	75,761,995	341,410,806
Excess (Deficiency) of Revenues Over Expenditures	6,452,851	(47,283,999)	(25,951,289)	(66,782,437)
Other Financing Sources (Uses)				
Transfers in	749,305	-	251,343	1,000,648
Other sources	-	100,000,000	34,476,120	134,476,120
Transfers out	(709,240)	-	(326,945)	(1,036,185)
Net Financing Sources (Uses)	40,065	100,000,000	34,400,518	134,440,583
NET CHANGE IN FUND BALANCE	6,492,916	52,716,001	8,449,229	67,658,146
Fund Balance - Beginning	28,581,333	103,907,441	34,711,458	167,200,232
Fund Balance - Ending	$ 35,074,249	$ 156,623,442	$ 43,160,687	$ 234,858,378

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

PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Governmental Funds		$ 67,658,146
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay:		
In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay:	$ 91,024,399	
Depreciation expense:	(10,493,139)	80,531,260
Debt service:		
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		8,345,539
Debt proceeds:		
In governmental funds, proceeds of long-term debt are reported as Other Financing sources. In the government-wide statements, proceeds of long-term debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from long-term debt were:		(134,476,140)
Gain or loss from the disposal of capital assets:		
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:		(1,109)
Unmatured interest on long-term debt:		
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		9,051
Compensated absences:		
In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:		318,727
Pensions:		
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		5,807,918
Postemployment benefits other than pensions (OPEB):		
In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:		3,451,498
Amortization of debt issuance premium or discount:		
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:		1,022,697
Change in Net Position of Governmental Activities		$ 32,667,587

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

PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS		
Cash and cash equivalents	$	2,788,858
Accounts receivable		478,700
Total Assets		3,267,558
LIABILITIES		
Accrued liabilities		78,640
Unearned revenues		83,063
Due to other funds		146,968
Total Liabilities		308,671
NET POSITION		
Unrestricted		2,958,887
Total Net Position	$	2,958,887

PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Charges for services	$ 5,379,145
Total Operating Revenues	5,379,145
OPERATING EXPENSES	
Employee salaries	1,524,808
Employee benefits	646,111
Books and supplies	160,419
Services and other operating expenses	269,184
Total Operating Expenses	2,600,522
Operating Income (Loss)	2,778,623
NONOPERATING REVENUES (EXPENSES)	
Interest income	2,799
Total Nonoperating Revenues (Expenses)	2,799
Change in Net Position	2,781,422
Net Position - Beginning	177,465
Net Position - Ending	$ 2,958,887

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

PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from user charges	$ 4,878,846
Cash paid for operating expenses	(2,592,247)
Net Cash Provided (Used) by Operating Activities	2,286,599
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer to other funds	(4,566)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	2,799
Net Increase (Decrease) in Cash and Cash Equivalents	2,284,832
Cash and Cash Equivalents - Beginning of Year	504,026
Cash and Cash Equivalents - End of Year	$ 2,788,858
RECONCILIATION OF OPERATING INCOME TO CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	$ 2,778,623
Changes in operating assets and liabilities:	
Accounts receivable	(477,703)
Accrued liabilities	8,275
Unearned revenues	(22,596)
Net cash and cash equivalents provided (used) by operating activities	$ 2,286,599

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

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

B. REPORTING ENTITY

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

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

C. BASIS OF ACCOUNTING – MEASUREMENT FOCUS

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

C. BASIS OF ACCOUNTING – MEASUREMENT FOCUS, continued

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

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

Proprietary Funds - Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

D. BASIS OF ACCOUNTING

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. BASIS OF ACCOUNTING, continued

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. FUND ACCOUNTING

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

Major Governmental Funds

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

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

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

Non-Major Governmental Funds

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. FUND ACCOUNTING, continued

Non-Major Governmental Funds, continued

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

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

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

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

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

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

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

Enterprise Fund

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

F. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

G. CASH AND EQUIVALENTS

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

H. INVENTORIES AND PREPAID ITEMS

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

I. CAPITAL ASSETS

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

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

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

Additional factors involved in the calculation of the District's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 8 and Note 9 for further details related to these OPEB and pensions deferred outflows and inflows.

K. PENSIONS

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

L. COMPENSATED ABSENCES

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

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

M. FUND BALANCE RESERVES

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

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

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

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

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

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

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Trustees, the District maintains a Reserve for Economic Uncertainties to safeguard the District's financial stability. The responsibility to operate the District to maintain financial stability resides with the elected Board of Trustees. The recommended reserve for a District of this size is a minimum of 3% of general fund expenditures and other financing uses. The District's standard policy is to maintain the minimum reserve. As of June 30, 2023, the District had a Reserve for Economic Uncertainty of $6.5 million in the General Fund's unassigned fund balance which represents 3% of the budgeted General Fund expenditures and other financing uses on a budgetary basis.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

N. PROPERTY TAXES

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

O. LONG-TERM OBLIGATIONS

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

P. USE OF ESTIMATES

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

Q. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The statement is effective for fiscal year 2022- 23. The District has implemented GASB Statement No. 92 as of June 30, 2023.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and (d) terminology used in Statement 53 to refer to resource flows statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Q. NEW ACCOUNTING PRONOUNCEMENTS, continued

GASB Statement No. 99 – A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023, consist of the following:

	Governmental Activities	Business-Type Activities
Cash in county treasury	$ 232,573,836	$ 2,784,858
Cash on hand and in banks	2,945,319	-
Cash with fiscal agent	1,804,051	-
Cash in revolving fund	42,650	4,000
Deposit in LAIF	4,974,959	-
Total	$ 242,340,815	$ 2,788,858

<u>Cash in County Treasury</u>

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

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

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

Local Agency Investment Funds

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

Investments Authorized by the District's Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	40%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

NOTE 2 – CASH AND CASH EQUIVALENTS, continued

Derivative Investments

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investments contained in the County Treasury investment pool is approximately 473 days.

Credit Risks

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Treasury and LAIF investment pool do not have a rating provided by a nationally recognized statistical rating organization

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits that are made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amounts deposited by the public agencies.

District deposits held with financial institutions and with fiscal agents in excess of federal depository limits were $2,945,319 at June 30, 2023.

NOTE 3 – ACCOUNTS RECEIVABLE AND DUE FROM GRANTOR GOVERNMENT

Accounts receivable consisted of the following at June 30, 2023:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Enterprise Fund
Federal Government	$ 2,340,721	$ -	$ 95,760	$ 2,436,481	$ -
State Government	5,638,036	-	370,464	6,008,500	-
Local Government	5,647,710	1,594,410	381,412	7,623,532	478,700
Total	$ 13,626,467	$ 1,594,410	$ 847,636	$ 16,068,513	$ 478,700

NOTE 6 – LEASE RECEIVABLE AND ARRANGEMENTS

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Future deferred inflows on noncancellable leases at June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 856,281	$ 116,899	$ 973,180
2025	882,325	120,050	1,002,375
2026	909,162	123,284	1,032,446
2027	936,815	126,605	1,063,420
2028	640,321	82,665	722,986
Total	$ 4,224,904	$ 569,503	$ 4,794,407

During 2022-23, the District purchased a new District office building. The District has sub-leased a portion of the property. In accordance with GASB 87, the District records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective lease. The expected receipts are discounted using the District's incremental borrowing rate. Any variable payments are excluded unless fixed in substance. During the year ended June 30, 2023, the District recognized principal reductions related to these lease agreements totaling $279,773. During the year ended June 30, 2023, the District does not have any lease revenue related to variable receipts that were not previously included in the measurement of the lease receivable.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets not being depreciated				
Land	$ 40,624,273	$ 6,699,695	$ -	$ 47,323,968
Construction in progress	55,410,649	66,926,811	75,512,260	46,825,200
Total Capital Assets Not Being Depreciated	96,034,922	73,626,506	75,512,260	94,149,168
Capital assets being depreciated				
Land improvements	33,244,848	-	-	33,244,848
Buildings and improvements	318,601,620	92,195,085	-	410,796,705
Furniture and equipment	11,454,451	715,068	37,535	12,131,984
Total Capital Assets Being Depreciated	363,300,919	92,910,153	37,535	456,173,537
Less Accumulated Depreciation				
Land improvements	29,788,821	193,041	-	29,981,862
Buildings and improvements	183,207,951	9,395,284	-	192,603,235
Furniture and equipment	6,755,921	904,814	36,426	7,624,309
Total Accumulated Depreciation	219,752,693	10,493,139	36,426	230,209,406
Capital Assets, net	$ 239,583,148	$ 156,043,520	$ 75,513,369	$ 320,113,299

NOTE 7 – INTERFUND TRANSACTIONS

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

<u>Due from/Due to Other Funds</u>

Individual interfund receivables and payables as of June 30, 2023 were as follows:

	Receivable Fund	
Payable Fund	General Fund	Total
Total Non-Major Governmental Funds	$ 322,051	$ 322,051
Enterprise Fund	146,968	146,968
Total	$ 469,019	$ 469,019

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

NOTE 7 – INTERFUND TRANSACTIONS, continued

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. There are no significant and/or non-routine transfers for the fiscal year ended June 30, 2023.

Interfund transfers for the year ended June 30, 2023, were as follows:

	Transfer-In			
Transfer-Out	General Fund	Total Non-Major Governmental Funds	Retiree Benefit Fund	Total
General Fund	$ 662,377	$ 11,326	$ 35,537	$ 709,240
Total Non-Major Governmental Funds	86,928	240,017	-	326,945
Total	$ 749,305	$ 251,343	$ 35,537	$ 1,036,185

NOTE 7 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2023 consisted of the following:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
Governmental Activities					
General obligation bonds	$ 195,875,000	$ 100,000,000	$ 8,325,000	$ 287,550,000	$ 8,690,000
Unamortized premium	14,457,589	4,476,140	1,022,697	17,911,032	861,158
Certificates of participation	-	30,000,000	-	30,000,000	-
Compensated absences	1,042,041	-	318,727	723,314	-
Total	$ 211,374,630	$ 134,476,140	$ 9,666,424	$ 336,184,346	$ 9,551,158

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund. Payments on the postemployment benefits are made from the General Fund, regardless of the fund for which the related employee worked. Payments on the compensation absences are made from the fund for which the related employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt of the District at June 30, 2023 is:

Series	Issue Date	Maturity Date	Yield Rate	Original Issue	Bonds Outstanding June 30, 2022	Additions	Deductions	Bonds Outstanding June 30, 2023
2013 Refunding	7/10/2013	8/1/2021	0.29 - 2.70%	$ 14,565,000	$ -	$ -	$ -	$ -
2014 Refunding	6/26/2014	8/1/2023	0.14 - 2.37%	$ 11,100,000	1,895,000	-	925,000	970,000
Series 2017	10/25/2017	8/1/2042	0.90 - 3.28%	$ 70,645,000	44,850,000	-	1,820,000	43,030,000
2019	9/5/2019	8/1/2042	0.80 - 2.58%	$ 90,000,000	74,775,000	-	5,580,000	69,195,000
2022	6/16/2022	8/1/2042	1.78 - 4.08%	$ 74,355,000	74,355,000	-	-	74,355,000
				$ 100,000,000	-	100,000,000		100,000,000
				Total	$ 195,875,000	$ 100,000,000	$ 8,325,000	$ 287,550,000

NOTE 7 – LONG-TERM LIABILITIES, continued

General Obligation Bonds, continued

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 8,690,000	$ 4,022,887	$ 12,712,887
2025	17,910,000	10,885,591	28,795,591
2026	16,520,000	10,169,663	26,689,663
2027	2,620,000	9,717,319	12,337,319
2028	2,710,000	9,617,300	12,327,300
2029-2033	26,900,000	45,535,900	72,435,900
2034-2038	59,490,000	36,751,950	96,241,950
2039-2043	95,280,000	21,393,813	116,673,813
2044-2048	22,490,000	9,407,000	31,897,000
2049-2053	34,940,000	3,724,400	38,664,400
Total	$ 287,550,000	$ 161,225,823	$ 448,775,823

Certificates of Participation

The outstanding certificates of participation debt of the District at June 30, 2023 is:

Series	Issue Date	Maturity Date	Yield Rate	Original Issue	COPs Outstanding June 30, 2022	Additions	Deductions	COPs Outstanding June 30, 2023
Series A	7/28/2022	6/1/2052	5.00-5.25%	$ 21,160,000	$ -	$ 21,160,000	$ -	$ 21,160,000
Series B	7/28/2022	6/1/2052	3.75-5.76%	8,840,000	-	8,840,000	-	8,840,000
					$ -	$ 30,000,000	$ -	$ 30,000,000

The annual requirements to amortize the certificates of participation payable, outstanding as of June 30, 2023, are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ -	$ 1,602,636	$ 1,602,636
2025	-	1,602,636	1,602,636
2026	540,000	1,602,636	2,142,636
2027	565,000	1,577,636	2,142,636
2028	590,000	1,551,256	2,141,256
2029-2033	3,415,000	7,300,063	10,715,063
2034-2038	4,365,000	6,347,125	10,712,125
2039-2043	5,655,000	5,063,838	10,718,838
2044-2048	7,365,000	3,354,556	10,719,556
2049-2052	7,505,000	1,074,225	8,579,225
	$ 30,000,000	$ 31,076,607	$ 61,076,607

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For the fiscal year ended June 30, 2022, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Benefit)
District Plan	$ 29,472,014	$ 12,919,213	$ 13,042,005	$ (1,860,329)

Plan Description

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

Benefits Provided

Certificated retirees must be at least age 55 with 10 years of service. Classified retirees must be at least age 55 with 10 years of service. Management retirees must be at least age 55 with at least 10 years of service to the District. All groups receive the same dental coverage. The District provides an explicit subsidy for pre 65 medical and dental benefits for retirees. The Golden Handshake program is not offered to Management retirees and has been suspended for Certificated staff through June 2026. The amount of benefits described is subject to increases based on yearly increases to benefit premiums.

Contributions

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

Employees Covered by Benefit Term

The following is a table of plan participants with measurement date as of June 30, 2022:

	Number of Participants
Inactive Employees Receiving Benefits	224
Active Employees	1,359
	1,558

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

As of June 30, 2023, the District had established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there is no separately issued report of the plan. The June 30, 2023 contributions consist of $36,126 postemployment benefits for current retirees on a pay-as-you-go basis and an additional $35,537 contribution to the District's irrevocable trust. As of June 30, 2023, the District has a balance in the irrevocable trust of $6,467,474

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age normal cost method
Inflation rate	2.50%
Investment rate of return	6.19%
Discount rate	6.19%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2017 CalPERS mortality for miscellaneous and school employees were used.

This discount rate of 6.19% is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

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

For the year ended June 30, 2023, the District recognized OPEB expense of ($1,860,329). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 949,841	$ -
Differences between expected and actual experience	9,935,365	520,138
Change in assumptions	442,838	12,521,867
District contributions subsequent to the measurement date	1,591,169	-
	$ 12,919,213	$ 13,042,005

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

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

The deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred inflows of resources resulting from a change in assumption will be amortized to OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (4,822)
2025	166,636
2026	198,177
2027	(29,516)
2028	(264,723)
Thereafter	(1,779,713)
	$ (1,713,961)

Changes in the Net OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance July 1, 2021	$ 39,270,826	$ 2,261,920	$ 37,008,906
Changes for the year:			
Service cost	2,184,843	-	2,184,843
Interest	1,663,847	-	1,663,847
Employer contributions	-	6,779,849	(6,779,849)
Changes of assumptions	(5,919,265)	-	(5,919,265)
Expected Investment income	-	(866,491)	866,491
Administrative expense	-	(1,092)	1,092
Expected benefit payments	(1,683,900)	(2,129,849)	445,949
Net change	(3,754,475)	3,782,417	(7,536,892)
Balance June 30, 2022	$ 35,516,351	$ 6,044,337	$ 29,472,014

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), continued

Sensitivity of the Net Pension Liability to Assumptions

The following presents the net OPEB liability calculated using the discount rate of 6.19 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower and 1 percent higher:

	Discount Rate 1% Lower (5.19%)	Current Discount Rate (6.19%)	Discount Rate 1% Higher (7.19%)
Net OPEB liability	$ 32,567,590	$ 29,472,014	$ 27,456,610

The following table presents the net OPEB liability calculated using the heath care cost trend rate of 4.00 percent HMO/PPO. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower and 1 percent higher:

	Trend Rate 1% Lower (3.00%)	Current Trend Rate (4.00%)	Trand Rate 1% Higher (5.00%)
Net OPEB liability	$ 25,519,307	$ 29,472,014	$ 33,563,803

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are member of the California State Teachers' Retirement System (CalSTRS), and Classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ending June 30, 2023, the District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 111,846,141	$ 29,449,527	$ 16,567,325	$ 11,705,337
CalPERS	56,905,141	20,782,216	1,587,379	7,923,258
Total	$ 168,751,282	$ 50,231,743	$ 18,154,704	$ 19,628,595

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS) Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2023, are summarized as follows:

	STRP Defined Benefit Plan	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

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

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contribution

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above, and the District's total contributions were $18,082,329.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of the net pension liability	$ 111,846,141
State's proportionate share of the net pension liability associated with the District	56,012,874
Total	$ 167,859,015

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.161 percent and 0.149 percent, respectively, resulting in a net increase in the proportionate share of 0.012 percent.

For the year ended June 30, 2023, the District recognized pension expense of $11,705,337. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ -	$ 5,473,033
Differences between expected and actual experience	91,748	8,384,746
Changes in assumptions	5,542,615	-
Net changes in proportionate share of net pension liability	5,732,835	2,709,546
District contributions subsequent to the measurement date	18,082,329	-
Total	$ 29,449,527	$ 16,567,325

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows of resources related to the difference between projected and actual earning on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (89,242)
2025	(5,206,334)
2026	(6,655,717)
2027	8,295,252
2028	(1,159,387)
Thereafter	(384,699)
	$ (5,200,127)

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, 2021 and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015, through June 30, 2018
Actuarial cost method	Entry Age Normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant. Based on the model for CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on the Teachers' Retirement Board of the California State Teachers' Retirement System (board) policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	42%	4.8%
Real Estate	15%	3.6%
Private Equity	13%	6.3%
Fixed Income	12%	1.3%
Risk Mitigating Strategies	10%	1.8%
Inflation Sensitive	6%	3.3%
Cash/Liquidity	2%	-0.4%
	100%	

*20-year average

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Plan's net pension liability	$ 189,956,230	$ 111,846,141	$ 46,991,282

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS) Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:
https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	7.000%
Required employer contribution rate	25.370%	25.370%

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

Contribution

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above, and the total District contributions were $7,354,184.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $56,905,141. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2022 and June 30, 2021, was 0.165 percent and 0.158 percent, respectively, resulting in a net increase in the proportionate share of 0.007 percent.

For the year ended June 30, 2023, the District recognized pension expense of $7.923,258. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual earnings on plan investments	$ 6,718,951	$ -
Differences between expected and actual experience	257,178	1,415,873
Net changes in proportionate share of net pension liability	2,242,385	171,506
District contributions subsequent to the measurement date	7,354,184	-
Total	$ 20,782,216	$ 1,587,379

The deferred outflow of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 2,957,925
2025	2,521,086
2026	1,827,855
2027	4,533,787
	$ 11,840,653

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry Age Normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long- term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - cap-weighted	30%	4.45%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
	100%	

*An expected inflation of 2.30% used for this period.
**Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Plan's net pension liability	$ 82,202,358	$ 56,905,141	$ 35,997,921

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS for the fiscal year ended June 30, 2023, which amounted to $8,985,494. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. No contributions were made for CalPERS for the year ended June 30, 2023. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of nonoperating revenue and employee benefit expense.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

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

Litigation

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

NOTE 11 – PARTICIPATION IN JOINT POWERS AUTHORITIES

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

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

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

NOTE 12 – SUBSEQUENT EVENTS

The District evaluated subsequent events from June 30, 2023 through December 14, 2023, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PLEASANTON UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2023

	Budgeted Amounts		Actual *	Variances -
	Original	**Final**	**(Budgetary Basis)**	**Final to Actual**
REVENUES				
LCFF sources	$ 142,094,556	$ 157,894,764	$ 157,919,427	$ 24,663
Federal sources	7,506,944	7,007,059	6,915,515	(91,544)
Other state sources	39,735,592	44,927,404	50,471,143	5,543,739
Other local sources	5,135,069	5,427,669	7,860,639	2,432,970
Total Revenues	194,472,161	215,256,896	223,166,724	7,909,828
EXPENDITURES				
Certificated salaries	96,125,956	96,648,855	97,919,252	1,270,397
Classified salaries	23,970,288	26,592,953	27,438,851	845,898
Employee benefits	43,457,869	48,833,087	48,518,167	(314,920)
Books and supplies	8,953,708	9,656,551	7,339,775	(2,316,776)
Services and other operating expenditures	27,787,388	34,803,791	33,470,169	(1,333,622)
Capital outlay	1,572,319	681,766	356,491	(325,275)
Other outgo				
Excluding transfers of indirect costs	1,828,299	1,635,841	1,918,398	282,557
Transfers of indirect costs	(168,177)	(262,873)	(244,903)	17,970
Total Expenditures	203,527,650	218,589,971	216,716,200	(1,873,771)
Excess (Deficiency) of Revenues				
Over Expenditures	(9,055,489)	(3,333,075)	6,450,524	6,036,057
Other Financing Sources (Uses):				
Transfers in	588,679	746,841	749,305	2,464
Transfers out	(42,835)	(10,683)	(11,326)	(643)
Net Financing Sources (Uses)	545,844	736,158	737,979	1,821
NET CHANGE IN FUND BALANCE	(8,509,645)	(2,596,917)	7,188,503	9,785,420
Fund Balance - Beginning	27,885,746	27,885,746	27,885,746	-
Fund Balance - Ending	$ 19,376,101	$ 25,288,829	$ 35,074,249	$ 9,785,420

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reason:

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for other than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 2,184,843	$ 2,572,669	$ 2,503,814	$ 1,962,781	$ 1,934,204	$ 2,040,337
Interest	1,663,847	946,710	1,098,822	1,070,842	989,217	815,557
Difference between expected and actual experience	-	-	(1,387,029)	2,568,634	-	-
Changes of assumptions	(5,919,265)	(7,979,356)	1,180,897	(564,986)	(220,793)	(1,200,202)
Benefit payments	(1,683,900)	(1,698,970)	(1,234,722)	(1,355,983)	(1,104,698)	(1,037,275)
Experience gains/losses	-	10,276,008	-	-	-	-
Net change in total OPEB liability	(3,754,475)	4,117,061	2,161,782	3,681,288	1,597,930	618,417
Total OPEB liability, beginning of year	39,270,826	35,153,765	32,991,983	29,310,695	27,712,765	27,094,348
Total OPEB liability, end of year (a)	$ 35,516,351	$ 39,270,826	$ 35,153,765	$ 32,991,983	$ 29,310,695	$ 27,712,765
Plan fiduciary net position						
Employer contributions	$ 6,779,849	$ 3,898,970	$ 1,234,722	$ 1,355,983	$ 1,104,698	$ 1,037,275
Investment income	(866,491)	62,021	-	-	-	-
Administrative expense	(1,092)	(101)	-	-	-	-
Expected benefit payments	(2,129,849)	(1,698,970)	(1,234,722)	(1,355,983)	(1,104,698)	(1,037,275)
Change in plan fiduciary net position	3,782,417	2,261,920	-	-	-	-
Fiduciary trust net position, beginning of year	2,261,920	-	-	-	-	-
Fiduciary trust net position, end of year (b)	$ 6,044,337	$ 2,261,920	$ -	$ -	$ -	$ -
Net OPEB liability (asset), ending (a) - (b)	$ 29,472,014	$ 37,008,906	$ 35,153,765	$ 32,991,983	$ 29,310,695	$ 27,712,765
Covered payroll	$ 119,839,249	$ 110,566,854	$ 108,161,367	$ 105,523,285	$ 94,010,000	$ 94,010,000
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	6%	6%	0%	0%	0%	0%
Net OPEB asset as a percentage of covered payroll	25%	33%	33%	31%	31%	29%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - OPEB
JUNE 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 1,813,952	$ 1,683,900	$ 847,704	$ 1,014,254	$ 1,000,666	$ 1,037,275
Contributions in relations to the actuarially determined contribution	1,591,169	1,384,140	3,782,479	1,355,983	1,104,698	1,037,275
Contribution deficiency (excess)	$ 222,783	$ 299,760	$ (2,934,775)	$ (341,729)	$ (104,032)	$ -
Covered-employee payroll	$ 119,839,249	$ 110,566,854	$ 108,161,367	$ 105,523,285	$ 94,010,000	$ 94,010,000
Contribution as a percentage of covered-employee payroll	1.33%	1.25%	3.50%	1.29%	1.18%	1.10%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)				
CalSTRS	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.1610%	0.1495%	0.1574%	0.1538%	0.1530%
District's proportionate share of the net pension liability	$ 111,846,141	$ 68,017,020	$ 152,514,210	$ 138,876,250	$ 140,659,698
State's proportionate share of the net pension liability associated with the District	56,012,874	34,224,238	78,620,457	75,766,878	80,538,128
Total	$ 167,859,015	$ 102,241,258	$ 231,134,667	$ 214,643,128	$ 221,197,826
District's covered - employee payroll	$ 94,100,236	$ 86,256,972	$ 82,588,935	$ 81,934,515	$ 78,569,591
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	119%	79%	185%	169%	179%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	Reporting Fiscal Year (Measurement Date)				
CalPERS	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
District's proportion of the net pension liability	0.1654%	0.1582%	0.1570%	0.1532%	0.1516%
District's proportionate share of the net pension liability	$ 56,905,141	$ 32,159,699	$ 48,184,858	$ 44,662,345	$ 40,433,172
District's covered - employee payroll	$ 26,183,426	$ 19,090,681	$ 22,778,196	$ 21,749,230	$ 20,585,882
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	217%	168%	212%	205%	196%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2023

	Reporting Fiscal Year (Measurement Date)			
CalSTRS	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.150%	0.155%	0.159%	0.157%
District's proportionate share of the net pension liability	$ 138,907,437	$ 125,365,550	$ 107,045,160	$ 91,746,090
State's proportionate share of the net pension liability associated with the District	82,177,136	71,546,605	56,774,903	55,260,292
Total	$ 221,084,573	$ 196,912,155	$ 163,820,063	$ 147,006,382
District's covered - employee payroll	$ 78,569,591	$ 78,191,439	$ 72,833,668	$ 70,404,045
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	177%	160%	147%	130%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

	Reporting Fiscal Year (Measurement Date)			
CalPERS	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's proportion of the net pension liability	0.150%	0.159%	0.160%	0.162%
District's proportionate share of the net pension liability	$ 35,786,720	$ 31,402,598	$ 23,643,118	$ 18,368,240
District's covered - employee payroll	$ 20,585,882	$ 19,136,167	$ 17,751,101	$ 16,939,425
District's proportionate Share of the net pension liability as percentage of covered-employee payroll	174%	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
JUNE 30, 2023

	Reporting Fiscal Year				
CalSTRS	2023	2022	2021	2020	2019
Statutorily required contribution	$ 18,082,329	$ 15,921,760	$ 13,930,501	$ 14,973,374	$ 13,338,939
District's contributions in relation to the statutorily required contribution	18,082,329	15,921,760	13,930,501	14,973,374	13,338,939
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 94,671,880	$ 94,100,236	$ 86,256,972	$ 82,588,935	$ 81,934,515
District's contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	18.13%	16.28%

	Reporting Fiscal Year				
CalPERS	2023	2022	2021	2020	2019
Statutorily required contribution	$ 7,354,184	$ 5,998,623	$ 3,951,771	$ 4,492,088	$ 3,928,346
District's contributions in relation to the statutorily required contribution	7,354,184	5,998,623	3,951,771	4,492,088	3,928,346
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 28,987,718	$ 26,183,426	$ 19,090,681	$ 22,778,196	$ 21,749,230
District's contributions as a percentage of covered-employee payroll	25.37%	22.91%	20.70%	19.72%	18.06%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSIONS
JUNE 30, 2023

	Reporting Fiscal Year			
CalSTRS	2018	2017	2016	2015
Statutorily required contribution	$ 11,337,592	$ 10,009,054	$ 8,384,573	$ 6,479,899
District's contributions in relation to the statutorily required contribution	(11,337,592)	(10,009,054)	(8,384,573)	(6,479,899)
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 78,569,591	$ 79,498,369	$ 78,191,439	$ 72,833,668
District's contributions as a percentage of covered-employee payroll	14.43%	12.59%	10.72%	8.90%

	Reporting Fiscal Year			
CalPERS	2018	2017	2016	2015
Statutorily required contribution	$ 2,859,379	$ 2,543,175	$ 2,266,942	$ 2,089,289
District's contributions in relation to the statutorily required contribution	(2,859,379)	(2,543,175)	(2,266,942)	(2,089,289)
District's contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 20,585,882	$ 19,076,180	$ 19,136,167	$ 17,752,101
District's contributions as a percentage of covered-employee payroll	13.89%	13.33%	11.85%	11.77%

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

NOTE 1 – PURPOSE OF SCHEDULES

General Fund - Budgetary Comparison Schedule

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

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

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

Changes in Assumptions – The discount rate as of the June 30, 2021 measurement date was 4.21%, while the discount rate as of June 30, 2022 measurement date was 6.19%

Schedule of Contributions – OPEB

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

Schedule of the Proportionate Share of the Net Pension Liability

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

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

Changes in Assumptions – The discount rate decreased from 7.15% to 6.90% since the previous valuation for CalPERS. There have been no changes since the previous valuation for CalSTRS.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of Contributions - Pensions

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2023, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	**Actual**	**Excess**
General Fund			
Certificated salaries	$ 96,648,855	$ 97,919,252	$ 1,270,397
Classified salaries	$ 26,592,953	$ 27,438,851	$ 845,898
Other outgo			
Excluding transfers of indirect costs	$ 1,635,841	$ 1,918,398	$ 282,557

SUPPLEMENTARY INFORMATION

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

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

GOVERNING BOARD

Name	Office	Term Expires
Steve Maher	President	December 2024
Mary Jo Carreon	Vice - President	December 2024
Kelly Mokashi	Board Member	December 2024
Justin Brown	Board Member	December 2026
Laurie Walker	Board Member	December 2026

District Administrators

David Haglund, Ed.D.
Superintendent

Ed Diolazo
Deputy Superintendent

Ahmad Sheikholeslami
Assistant Superintendent, Business Services

Julio Hernandez
Assistant Superintendent, Human Resources

Dr. William Nelson
Assistant Superintendent, Teaching and Learning

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through California Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13391	$ 1,550,982
Supply Chain Assistance (SCA) Funds	10.555	15655	335,364
Subtotal Child Nutrition Cluster			1,886,346
Total U. S. Department of Agriculture			1,886,346
U.S. Department of Education:			
Passed through California Department of Education:			
Special Education Cluster (IDEA):			
IDEA Basic Grant Entitlement	84.027	13379	1,926,461
IDEA Special Education Preschool Grant	84.173	13430	30,484
IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	312,028
IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	32,340
IDEA Preschool Capacity Building	84.173A	13839	6,697
IDEA Preschool Staff Development	84.173A	13431	678
IDEA Alternative Dispute Resolution	84.173A	13007	39,322
IDEA Mental Health	84.027A	14468	472,105
Subtotal Special Education Cluster (IDEA)			2,820,115
Adult Education Cluster			
Adult Secondary Education	84.002A	13978	11,335
Adult Basic Education & ESL	84.002A	14508	84,080
Subtotal Adult Education Cluster			95,415
Education Stabilization Funds:			
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	1,826
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	199,306
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425D	10155	241,537
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	1,353,725
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	20,675
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	766
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	1,544,426
American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425W	15535	6,027
Subtotal Education Stabilization Funds			3,368,288
IDEA Early Intervention Grants, Part C	84.181	23761	151,109
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	242,637
Title II: Teacher Quality	84.367A	14341	130,558
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	196,829
ESSA: Title IV, Part A Student Support and Academic Enrichment	84.330	15396	22,580
VOC Programs: Perkins Act	84.048	50437	55,347
Total U. S. Department of Education			6,886,049
Total Federal Expenditures			$ 8,772,395

***** - PCS Number not available or not applicable

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023

	Second Period Report Certificate No. DB68FD6F	Annual Report Certificate No. AE68FD6F
Regular ADA		
Transitional Kindergarten through third	3,400.24	3,415.83
Fourth through Sixth	2,827.01	2,835.28
Seventh and Eighth	2,199.27	2,207.32
Ninth through twelfth	4,968.88	4,931.95
Total Regular ADA	13,395.40	13,390.38
Extended Year Special Education		
Transitional Kindergarten through third	5.41	5.41
Fourth through Sixth	2.51	2.51
Seventh and Eighth	1.11	1.11
Ninth through twelfth	5.30	5.30
Total Extended Year Special Education	14.33	14.33
Special Education, Nonpublic, Nonsectarian Schools		
Transitional Kindergarten through third	-	-
Fourth through Sixth	2.77	3.79
Seventh and Eighth	3.08	4.71
Ninth through twelfth	8.41	12.77
Total Special Education, Nonpublic, Nonsectarian Schools	14.26	21.27
Extended Year Special Education - Nonpublic		
Transitional Kindergarten through third	-	-
Fourth through Sixth	0.42	0.42
Seventh and Eighth	0.59	0.59
Ninth through twelfth	2.14	2.07
Total Extended Year Special Education - Nonpublic	3.15	3.08
ADA Totals	13,427.14	13,429.06

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2023

		2022-23	Number of Days		
Grade Level	**Minutes Requirement**	**Actual Minutes**	**Traditional Calendar**	**Multitrack Calendar**	**Status**
Kindergarten	36,000	41,400	180	N/A	Complied
Grade 1	50,400	51,940	180	N/A	Complied
Grade 2	50,400	55,970	180	N/A	Complied
Grade 3	50,400	55,970	180	N/A	Complied
Grade 4	54,000	56,555	180	N/A	Complied
Grade 5	54,000	56,555	180	N/A	Complied
Grade 6	54,000	58,963	180	N/A	Complied
Grade 7	54,000	58,963	180	N/A	Complied
Grade 8	54,000	58,963	180	N/A	Complied
Grade 9	64,800	65,048	180	N/A	Complied
Grade 10	64,800	65,048	180	N/A	Complied
Grade 11	64,800	65,048	180	N/A	Complied
Grade 12	64,800	65,048	180	N/A	Complied

See accompanying note to supplementary information.

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

	2024 (Budget)	2023	2022	2021
General Fund - Budgetary Basis**				
Revenues and Other Financing Sources	$ 205,105,132	$ 223,916,029	$ 196,682,073	$ 185,052,235
Expenditures and Other Financing Uses	211,116,711	216,727,526	199,002,297	177,433,512
Net Change in Fund Balance	(6,011,579)	7,188,503	(2,320,224)	7,618,723
Ending Fund Balance	$ 29,062,670	$ 35,074,249	$ 27,885,746	$ 30,205,970
Available Reserves*	$ 9,643,764	$ 9,783,631	$ 11,767,780	$ 9,675,673
Available Reserves as a Percentage of Outgo	4.6%	4.5%	5.9%	5.5%
Long-term Debt	$ 524,856,484	$ 534,407,642	$ 348,560,225	$ 381,143,644
Average Daily Attendance at P-2	13,073	13,427	13,441	14,368

* Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund, Special Reserve Fund for Other Than Capital Outlay Projects, and the Special Reserve Fund for Postemployment Benefits.

**This schedule reflects General Fund budgetary fund basis, which excludes the Special Reserve Fund for Other Than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits.

The budgetary basis General Fund balance has increased by a net of $4,868,279 over the past two years. The fiscal year 2023-24 budget projects a decrease of $6,011,579. For a district this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in one of the past three years, and anticipates incurring an operating deficit during the 2023-24 fiscal year. Total long-term debt has increased by $153,263,998 over the past two years.

Average daily attendance has decreased by 941 over the past two years. ADA is anticipated to decrease by 354 during fiscal year 2023-24.

PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Student Activitiy Special Revenue Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits	Building Fund
June 30, 2022, annual financial and budget report fund balance	$ 27,885,747	$ 220,926	$ 660,049	$ -	$ 104,673,463
Adjustments and reclassifications:					
Increase (decrease) in total fund balance					
Fund balance transfer (GASB 54)	695,586	-	(660,049)	(35,537)	-
Adjustments for GASB 84, *Fiduciary Funds*	-	658,772	-	-	2,757,491
Audit adjustment to accounts payable	-	-	-	-	(766,022)
Reclassification from trust account	-	-	-	35,537	-
June 30, 2022, audited financial statement fund balance	$ 28,581,333	$ 879,698	$ -	$ -	$ 106,664,932

See accompanying note to supplementary information.

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

See accompanying note to supplementary information.

PLEASANTON UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2023

	Student Activity Special Revenue Fund	Special Education Pass-Through Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Bond Interest & Redemption Fund	Total Non-Major Governmental Funds
ASSETS											
Cash and cash equivalents	$ 1,738,826	$ 257,860	$ 171,216	$ 114,263	$ 5,822,412	$ 115,542	$ 2,162,525	$ 1,040,626	$ 14,419,670	$ 17,645,025	$ 43,487,965
Accounts receivable	-	-	54,278	370,464	25,564	657	12,441	5,920	203,377	104,739	777,440
Due from grantor government	-	42,095	28,101	-	-	-	-	-	-	-	70,196
Stores inventory	-	-	-	-	52,446	-	-	-	-	-	52,446
Prepaid expenditures	-	-	-	-	11,262	-	-	-	-	-	11,262
Total Assets	$ 1,738,826	$ 299,955	$ 253,595	$ 484,727	$ 5,911,684	$ 116,199	$ 2,174,966	$ 1,046,546	$ 14,623,047	$ 17,749,764	$ 44,399,309
LIABILITIES											
Accrued liabilities	$ -	$ 299,955	$ 29,161	$ 197,485	$ 26,496	$ -	$ 1,791	$ -	$ 275,891	$ -	$ 830,779
Due to other funds	-	-	29,512	65,966	226,573	-	-	-	-	-	322,051
Deferred revenue	-	-	-	-	-	-	-	-	85,792	-	85,792
Total Liabilities	-	299,955	58,673	263,451	253,069	-	1,791	-	361,683	-	1,238,622
FUND BALANCES											
Nonspendable	-	-	-	66,208	66,208	-	-	-	-	-	132,416
Restricted											
Educational programs	1,738,826	-	21,606	-	-	-	-	-	-	-	1,760,432
Capital projects	-	-	-	-	-	-	2,173,175	1,046,546	3,159,703	-	6,379,424
Debt service	-	-	-	-	-	-	-	-	-	17,749,764	17,749,764
All others	-	-	15,790	5,592,407	5,592,407	-	-	-	-	-	11,200,604
Assigned	-	-	157,526	-	-	116,199	-	-	11,101,661	-	11,375,386
Unassigned	-	-	-	(5,437,339)	-	-	-	-	-	-	(5,437,339)
Total Fund Balances	1,738,826	-	194,922	221,276	5,658,615	116,199	2,173,175	1,046,546	14,261,364	17,749,764	43,160,687

See accompanying note to supplementary information.

PLEASANTON UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Student Activity Special Revenue Fund	Special Education Pass-Through Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Fund	Bond Interest & Redemption Fund	Total Non-Major Governmental Funds
REVENUES											
Federal sources	$ -	$ 303,573	$ 76,428	$ -	$ 1,886,346	$ -	$ -	$ -	$ -	$ -	$ 2,266,347
Other state sources	-	20,710,688	746,672	1,387,084	5,806,285	-	-	-	-	43,892	28,694,621
Other local sources	3,086,294	-	497,256	1,670	76,178	1,821	886,273	16,400	1,672,842	12,611,004	18,849,738
Total Revenues	3,086,294	21,014,261	1,320,356	1,388,754	7,768,809	1,821	886,273	16,400	1,672,842	12,654,896	49,810,706
EXPENDITURES											
Current											
Instruction	-	-	644,566	1,006,896	-	-	-	-	-	-	1,651,462
Instruction-related services											
Instructional supervision and administration	-	-	10,405	62,028	-	-	-	-	-	-	72,433
School site administration	-	-	540,440	32,588	-	-	-	-	-	-	573,028
Pupil services											
Food services	-	-	-	-	4,880,839	-	-	-	-	-	4,880,839
General administration											
All other general administration	-	-	29,512	65,966	149,425	-	11,730	-	-	-	256,633
Plant services	-	-	-	-	549	-	163,514	-	12,300	-	176,363
Facilities acquisition and maintenance	-	-	-	-	-	-	161,174	-	28,832,601	-	28,993,775
Ancillary services	2,227,166	-	-	-	-	-	-	-	-	-	2,227,166
Transfers to other agencies	-	21,014,261	-	-	-	-	-	-	-	-	21,014,261
Debt service											
Interest and other	-	-	-	-	-	-	-	-	1,291,013	6,300,022	7,591,035
Redemptions	-	-	-	-	-	-	-	-	-	8,325,000	8,325,000
Total Expenditures	2,227,166	21,014,261	1,224,923	1,167,478	5,030,813	-	336,418	-	30,135,914	14,625,022	75,761,995
Excess (Deficiency) of Revenues Over Expenditures	859,128	-	95,433	221,276	2,737,996	1,821	549,855	16,400	(28,463,072)	(1,970,126)	(25,951,289)
Other Financing Sources (Uses)											
Transfers in	-	-	30,067	221,276	-	-	-	-	-	-	251,343
Other sources	-	-	-	-	-	-	-	-	31,264,236	3,211,884	34,476,120
Transfers out	-	-	(30,067)	(221,276)	-	-	(25,602)	-	(50,000)	-	(326,945)
Net Financing Sources (Uses)	-	-	-	-	-	-	(25,602)	-	31,214,236	3,211,884	34,400,518
NET CHANGE IN FUND BALANCE	859,128	-	95,433	221,276	2,737,996	1,821	524,253	16,400	2,751,164	1,241,758	8,449,229
Fund Balance - Beginning	879,698	-	99,489	-	2,920,619	114,378	1,648,922	1,030,146	11,510,200	16,508,006	34,711,458

See accompanying note to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Expenditures of Federal Awards

The audit of the District for the year ended June 30, 2023, was conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, which requires disclosure of the financial activities of all federally funded programs. To comply with Uniform Guidance, the Schedule of Expenditures of Federal Awards was prepared by the District.

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

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

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46208.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of Charter Schools
As of June 30, 2022, the District is not a sponsoring local educational agency for any charter schools.

Combining Statements – Non-Major Funds
These statements provide information on the District's non-major funds.

OTHER INDEPENDENT AUDITORS' REPORTS

CWDL

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasanton Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Pleasanton Unified School District's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pleasanton Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pleasanton Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pleasanton Unified School District's internal control.

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

Our consideration of internal control 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pleasanton Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

CWDL, Certified Public Accountants

San Diego, California
December 14, 2023

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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

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

Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program
We have audited Pleasanton Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pleasanton Unified School District's major federal programs for the year ended June 30, 2023. Pleasanton Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pleasanton Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program
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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pleasanton Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pleasanton Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Pleasanton Unified School District's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pleasanton Unified School District's compliance based on our audit

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about Pleasanton Unified School DIstrict's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pleasanton Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pleasanton Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pleasanton Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

<u>Report on Internal Control Over Compliance</u>

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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

CWDL, Certified Public Accountants

San Diego, California
December 14, 2023

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

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

Report on State Compliance

Opinion on State Compliance

We have audited Pleasanton Unified School District's (District) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, Pleasanton Unified School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Pleasanton Unified School District's state programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

	PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:		
A.	Attendance	Yes
B.	Teacher Certification and Misassignments	Yes
C.	Kindergarten Continuance	Yes
D.	Independent Study	Yes
E.	Continuation Education	Yes
F.	Instructional Time	Yes
G.	Instructional Materials	Yes
H.	Ratio of Administrative Employees to Teachers	Yes
I.	Classroom Teacher Salaries	Yes
J.	Early Retirement Incentive	Not applicable
K.	Gann Limit Calculation	Yes
L.	School Accountability Report Card	Yes
M.	Juvenile Court Schools	Not Applicable
N.	Middle or Early College High Schools	Not applicable
O.	K-3 Grade Span Adjustment	Yes
P.	Transportation Maintenance of Effort	Yes

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools:	
Q. Apprenticeship: Related and Supplemental Instruction	Yes
R. Comprehensive School Safety Plan	Yes
S. District of Choice	Not applicable
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes
U. After/Before School Education and Safety Program	Not applicable
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not applicable
Z. Immunizations	Not applicable
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Not applicable
BB. Mode of Instruction	Not applicable
CC. Nonclassroom-Based Instruction/Independent Study for Charter Schools	Not applicable
DD. Determination of Funding for Non-classroom-Based Instruction	Not applicable
EE. Annual Instructional Minutes - Classroom-Based	Not applicable
FF. Charter School Facility Grant Program	Not applicable

The term Not Applicable is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies or material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 14, 2023

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Is a going concern emphasis-of-matter paragraph included in the audtiors' report?	No
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Noted
Non-compliance material to financial statements noted?	No

FEDERAL AWARDS

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program of Cluster
84.425D, 84.425C, 84.425F	Education Stabilization Fund Cluster

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

STATE AWARDS

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

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

There were no financial statement findings or questioned costs identified during 2022-23.

FIVE DIGIT CODE	AB3627 FINDING TYPES
50000	Federal Compliance

There were no federal award findings or questioned costs identified during 2022-23.

FIVE DIGIT CODE	AB3627 FINDING TYPES
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Missassignments
72000	School Accountability Report Card

There were no state award findings or questioned costs identified during 2022-23.

PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

There were no findings or questioned costs for the year ended June 30, 2022.