



See what's possible.

PLEASANTON UNIFIED SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2025

PLEASANTON UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

Independent Auditors' Report	1
Management's Discussion and Analysis	4

FINANCIAL SECTION

Basic Financial Statements:

Government-Wide Financial Statements

Statement of Net Position	14
Statement of Activities	15

Fund Financial Statements

Governmental Funds - Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	18
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	19
Proprietary Fund - Statement of Net Position	20
Proprietary Fund - Statement of Revenues, Expenses, and Changes in Net Position	21
Proprietary Fund - Statement of Cash Flows	22

Notes to Financial Statements	23
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Budgetary Comparison Schedule	62
Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios	63
Schedule of Contributions - OPEB	65
Schedule of the Proportionate Share of the Net Pension Liability	66
Schedule of Contributions - Pensions	68
Notes to Required Supplementary Information	70

PLEASANTON UNIFIED SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

SUPPLEMENTARY INFORMATION

Local Education Agency Organization Structure	72
Schedule of Expenditures of Federal Awards	73
Schedule of Average Daily Attendance	74
Schedule of Instructional Time	75
Schedule of Financial Trends and Analysis	76
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	77
Schedule of Charter Schools	78
Combining Statements - Non-Major Governmental Funds	
Non-Major Special Revenue Funds Combining Balance Sheet	79
Non-Major Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	80
Non-Major Capital Projects Funds Combining Balance Sheet	81
Non-Major Capital Projects Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	82
Non-Major Debt Service Funds Combining Balance Sheet	83
Non-Major Debt Service Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	84
Non-Major Governmental Funds Combining Balance Sheet	85
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	86
Note to Supplementary Information	87

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	89
Independent Auditors' Report on Compliance for Each Major Federal Program; and Report on Internal Control over Compliance Required by the Uniform Guidance	91
Independent Auditors' Report on State Compliance and on Internal Control over Compliance for State Programs	94

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	99
Financial Statement Findings	100
Federal Award Findings and Questioned Costs	101
State Award Findings and Questioned Costs	102
Summary Schedule of Prior Audit Findings	104



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the 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, 2025, and the related notes to 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 the District as of June 30, 2025, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements 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 audit opinions.

Change in Accounting Principle

As discussed in Note 1 to financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*, which required a restatement of net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

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, and for 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS 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 and the Required Supplementary Information section as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 District's basic financial statements. The Supplementary Information section as listed in the table of contents, which includes the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 GAAS. 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 29, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



San Diego, California
December 29, 2025

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

INTRODUCTION

This management's discussion and analysis of Pleasanton Unified School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

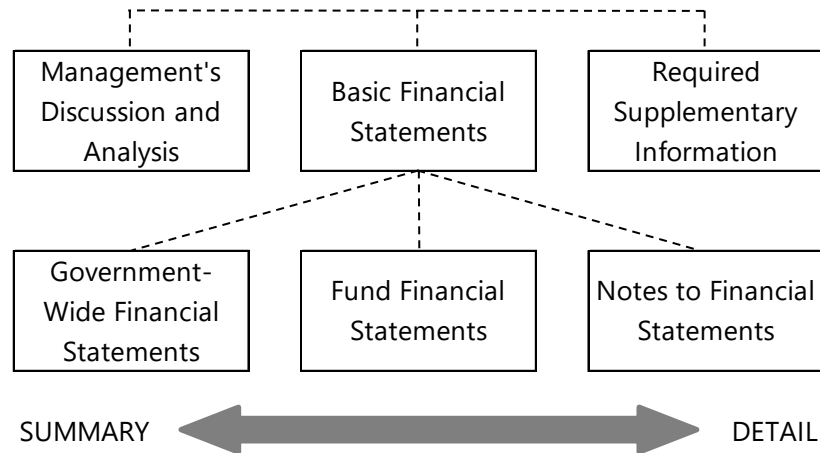
Government Accounting Standards Board Statement (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 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, 2025 was \$160.5 million.

Overall governmental activities revenues were \$339.0 million which were more than expenses of \$287.5 million. Business-type activities revenues were \$5.0 million which were more than expenses of \$3.6 million.

General Fund revenues and other financing sources were less than expenditures and other financing uses by \$9.6 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 District’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.
 - **Proprietary funds** report services for which the District charges customers a fee. Like the government-wide financial statements, they provide both long-term and short-term financial information.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

OVERVIEW OF FINANCIAL STATEMENTS, continued

Components of the Financials Statements, continued

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 Financial Statements

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

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

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's governmental activities net position was \$68.7 million at June 30, 2025, as reflected in the table below. Of this amount, there is a deficit of \$471.9 million in unrestricted net position due primarily to the issuances of general obligation bonds during the year of \$195.0 million. Net investment in capital assets (e.g., land, buildings, improvements, equipment and furniture, net of related debt) was \$159.2 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 \$381.3 million of net position.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current assets	\$ 434,347,059	\$ 231,792,783	\$ 202,554,276	\$ 4,878,007	\$ 3,517,696	\$ 1,360,311
Non-current assets	364,497,713	332,214,968	32,282,745	-	-	-
Deferred outflows of resources	69,086,738	70,473,834	(1,387,096)	-	-	-
Total Assets and Deferred Outflows of Resources	867,931,510	634,481,585	233,449,925	4,878,007	3,517,696	1,360,311
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current liabilities	63,466,222	50,434,149	13,032,073	185,414	184,695	719
Non-current liabilities	705,911,474	517,904,316	188,007,158	-	-	-
Deferred inflows of resources	29,871,356	29,208,034	663,322	-	-	-
Total Liabilities and Deferred Inflows of Resources	799,249,052	597,546,499	201,702,553	185,414	184,695	719
NET POSITION						
Net investment in capital assets	159,239,201	139,216,025	20,023,176	-	-	-
Restricted	381,338,669	183,959,979	197,378,690	-	-	-
Unrestricted	(471,895,412)	(286,240,918)	(185,654,494)	4,692,593	3,333,001	1,359,592
Total Net Position	\$ 68,682,458	\$ 36,935,086	\$ 31,747,372	\$ 4,692,593	\$ 3,333,001	\$ 1,359,592

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position

As shown in the table below, the District's governmental activities and business-type revenues were \$339.0 million and \$5.0 million, respectively. The majority of the revenue comes from taxes and subventions which is 58.7% of the total revenues, and operating grants and contributions of 25.7% of total revenues.

The total cost of all governmental activities and business-type programs and services was \$287.6 million and \$3.6 million, respectively. The District's expenses are predominately related to instruction and instruction-related services of 60.9% of the total cost. Pupil services (including transportation and food) account for 9.4% of the total cost. General administration activities accounted for just 4.9% of the total cost. Plant services, which represent the facilities maintenance and operations costs, account for 6.8% of the total cost. Other outgo accounted for 7.7% of the total cost. The remaining expenses were for ancillary services, enterprise services, interest and other charges, depreciation and amortization, which is 10.4% of all costs. The governmental activities net position increased by \$31.7 million, including effect of prior period adjustments.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
REVENUES						
Program revenues						
Charges for services	\$ 3,783,452	\$ 1,696,466	\$ 2,086,986	\$ -	\$ 4,718,119	\$ (4,718,119)
Operating grants and contributions	87,134,149	78,601,395	8,532,754	11,780	-	11,780
Capital grants and contributions	3,242,912	15,205	3,227,707	-	-	-
General revenues						
Property taxes	126,236,074	124,501,016	1,735,058	-	-	-
Federal and state aid not restricted for specific purposes	72,693,449	77,669,768	(4,976,319)	-	-	-
Other	45,932,966	5,498,211	40,434,755	4,951,151	(1,385,126)	6,336,277
Total Revenues	339,023,002	287,982,061	51,040,941	4,962,931	3,332,993	1,629,938
EXPENSES						
Instruction	148,046,561	149,181,553	(1,134,992)	-	-	-
Instruction-related services	27,204,542	30,399,858	(3,195,316)	-	-	-
Pupil services	27,081,686	26,133,243	948,443	-	-	-
General administration	14,037,681	17,105,653	(3,067,972)	-	-	-
Plant services	19,425,364	27,534,009	(8,108,645)	-	-	-
Ancillary services	3,553,450	2,368,082	1,185,368	-	-	-
Enterprise services/activities	69,380	54,811	14,569	3,603,339	2,958,879	644,460
Interest on long-term debt	12,314,201	14,441,192	(2,126,991)	-	-	-
Other outgo	22,029,435	22,229,710	(200,275)	-	-	-
Depreciation (unallocated)	13,159,791	12,355,762	804,029	-	-	-
Amortization (unallocated)	687,175	-	687,175	-	-	-
Total Expenses	287,609,266	301,803,873	(14,194,607)	3,603,339	2,958,879	644,460
CHANGE IN NET POSITION	51,413,736	(13,821,812)	65,235,548	1,359,592	374,114	985,478
NET POSITION - BEGINNING	36,935,086	50,756,898	(13,821,812)	3,333,001	2,958,887	374,114
PRIOR PERIOD ADJUSTMENTS (NOTE 15)	(19,666,364)	-	(19,666,364)	-	-	-
NET POSITION - ENDING	\$ 68,682,458	\$ 36,935,086	\$ 31,747,372	\$ 4,692,593	\$ 3,333,001	\$ 1,359,592

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE, continued

Changes in Net Position, continued

The net expense of all our governmental activities by function this year was \$193.4 million. These costs were offset by general revenues, including taxes and subventions of \$198.9 million, and other general revenues of \$45.9 million. The table below displays the net expense of all governmental activities by function before the general revenue offsets.

	Governmental Activities	
	Net Cost of Services	
	2025	2024
Instruction	\$ 107,013,952	\$ 113,458,966
Instruction-related services	22,058,470	25,293,178
Pupil services	10,346,948	9,396,364
General administration	12,156,805	15,352,326
Plant services	10,351,757	27,363,546
Ancillary services	37,436	715,302
Enterprise services	64,056	55,881
Interest on long-term debt	12,314,201	14,441,192
Other outgo	5,258,162	3,058,290
Depreciation (unallocated)	13,159,791	12,355,762
Amortization (unallocated)	687,175	-
Total	\$ 193,448,753	\$ 221,490,807

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 \$397.2 million, which increased from last year's ending fund balance of \$204.1 million. The District's General Fund had \$9.6 million less total revenues and other financing sources than total expenditures and other financing uses for the year ended June 30, 2025, leading to an ending fund balance of \$12.4 million.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year 2024-25, 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.

During 2024-25, the District continued to experience significant fiscal pressures related to declining enrollment, rising operating costs, and the expiration of one-time funding sources. As a result of these ongoing challenges, the District's unrestricted general fund reserve fell below and did not maintain the state-required 3% minimum reserve level. Management monitored the budget closely and implemented mid-year adjustments; however, structural imbalances between ongoing revenues and expenditures continue to present a challenge.

Looking ahead to 2025-26, the District has adopted a cautious budget and is developing a multi-year plan aimed at restoring reserves and addressing the underlying structural deficit. While the District remains committed to maintaining high-quality instructional programs and essential services, additional fiscal discipline, targeted expenditure reductions, and close monitoring will be necessary to improve financial stability. The District will continue working with the Board, labor groups, and the community to realign resources with enrollment and revenue trends while prioritizing long-term solvency.

CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

At June 30, 2025, the District invested \$362.9 million in capital assets and right-to-use assets, net of accumulated depreciation and amortization. The net change as a result of fiscal year 2024-25 activity is primarily due to current year depreciation and amortization, and increase in construction in progress.

	Governmental Activities		
	2025	2024*	Net Change
CAPITAL ASSETS AND RIGHT-TO-USE ASSETS			
Land	\$ 47,305,782	\$ 47,323,968	\$ (18,186)
Construction in progress*	96,112,586	56,113,906	39,998,680
Land improvements	33,884,167	33,686,254	197,913
Buildings and improvements*	424,270,548	424,119,138	151,410
Furniture and equipment	14,942,903	13,930,311	1,012,592
Less: Accumulated depreciation	(255,724,959)	(242,565,168)	(13,159,791)
Right-to-use assets*	3,294,794	1,654,010	1,640,784
Less: Accumulated amortization*	(1,165,244)	(478,069)	(687,175)
Total Capital Assets and Right-to-Use Assets, Net	\$ 362,920,577	\$ 333,784,350	\$ 29,136,227

*2024 balances as restated, see Note 15.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

LONG-TERM LIABILITIES

At June 30, 2025, the District had \$728.5 million in long-term liabilities, an increase of \$168.1 million from last year, as shown below. General obligation bonds increased by \$177.1 million. Net pension liability decreased by \$14.6 million primarily due to high investment returns during the measurement period of the net pension liability (June 30, 2024) as compared to the prior measurement period (June 30, 2023). Net OPEB liability increased by \$6.1 million. More detailed information about the District's long-term liabilities is presented in notes to financial statements.

	Governmental Activities		
	2025	2024*	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 455,950,000	\$ 278,860,000	\$ 177,090,000
Unamortized debt premiums	20,171,607	17,049,874	3,121,733
Certificates of participation (COP)	30,000,000	30,000,000	-
Lease liability*	1,463,336	734,851	728,485
Subscription-based IT arrangements*	451,619	486,780	(35,161)
Compensated absences*	18,963,168	23,270,127	(4,306,959)
Net pension liability	160,525,808	175,144,049	(14,618,241)
Net OPEB liability	40,983,175	34,851,837	6,131,338
Total Long-Term Liabilities	\$ 728,508,713	\$ 560,397,518	\$ 168,111,195

*2024 balances as restated, see Note 15.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The 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 2024-25 the State Budget included a 1.07% COLA increase to the LCFF. The economic challenges continue for the State due to a variety of Federal and State challenges, which have led to a conservative budgeting posture by the State. The 2025-26 State Budget included a COLA of 2.3% for 2025-26 and the budget included a future "settle-up" payment to Local Educational Agencies (LEAs) because the Proposition 98 was not fully funded in 2025-26.

With one-time pandemic relief funds ending and the high cost of living in the Bay Area driving costs up, the District strategically spent its restricted funds on allowable expenditures to lessen the impact on the unrestricted ending fund balance. In 2024-25, the District had a decline in LCFF revenues due to declining enrollment and the very low COLA, while expenditures continued to increase.

The District ended the fiscal year with a net decrease in the General Fund's unrestricted fund balance of \$7,619,000 and a net decrease in the restricted fund balance of \$1,964,323. The General Fund's unrestricted reserves ended at 0.58% of total expenditures or \$1.32 million. The significant decrease in the General Fund's unrestricted balance was primarily driven by increased costs in salaries and benefits as a result of not properly accounting for non-positional costs, such as hourly wages, stipends, and substitutes, 1% compensation increase, increased health benefits, and increased special education costs. With reserves below the required 3%, the District will need to make significant reductions and/or identify new revenue sources moving forward. Total General Fund's revenues (unrestricted and restricted) for 2024-25 were \$214,310,552 with restricted revenues accounting for about 20% of total revenues.

Total General Fund's unrestricted revenues were \$171,690,040 with the LCFF Sources accounting for 95.5% of that total. In 2024-25 the State provided a COLA of 1.07%, but due to declining enrollment, the revenue from LCFF decreased by 2% from 2023-24 level. The impact of enrollment loss has been dampened by using the three-year average in calculating the ADA used in the LCFF. This shielded the district from funding reductions due to loss of enrollment. From 2019-20 to 2024-25, the District enrollment decreased by about 1,500 students (CALPADS Fall 1 date) State funding through the LCFF and other State funds remains the District's main source of revenue. Local property taxes support 60% of the LCFF, with the remaining coming directly from the State.

Total General Fund's expenditures for 2024-25 were \$227,350,695. This represents a decrease of 1.3% from the fiscal year 2023-24. The unrestricted expenditures grew by about 1% from 2023-24 level. Restricted expenditures account for 36.5% of total expenditures. The District was able to keep total salary/benefit costs increase below 1% even with increased compensation and health benefits as a result of reductions, strategic attrition, and staffing alignment to enrollment. Savings were identified in the Book/Supplies and Services category from the 2023-24 levels, resulting in overall reductions. The level of cuts was not enough to offset all the cost increases and reduced revenues.

**PLEASANTON UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, continued

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, development, competition from private, parochial, inter-district 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. 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 2026-27 fiscal year.

In putting together the 2025-26 Budget, the District took significant steps towards right-sizing and reductions; however, it was not enough to counter rising costs. As a result of the current fiscal position with deficit spending and reserves below 3%, the District is taking immediate action in the current 2025-26 school year to reduce costs. It is in the process of identifying and making over \$11M in reduction for 2026-27. To further stabilize the general fund and ensure we have the minimum reserves, the District has moved \$11M from the sale of property into specific committed and stabilization arrangement funds. While these funds are not available to balance a negative balance, they will ensure a positive ending fund balance. To support our efforts, the District is working closely with the Alameda County Office of Education and our Fiscal Advisor to develop a plan to address our current fiscal challenges.

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.

FINANCIAL SECTION

PLEASANTON UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Current Assets			
Cash and equivalents	\$ 379,883,384	\$ 4,307,320	\$ 384,190,704
Accounts receivable	52,182,433	570,687	52,753,120
Inventory	490,023	-	490,023
Prepaid expenses	882,057	-	882,057
Lease receivable, current portion	909,162	-	909,162
Total Current Assets	434,347,059	4,878,007	439,225,066
Non-Current Assets			
Lease receivable, non-current portion	1,577,136	-	1,577,136
Capital assets, net	360,791,027	-	360,791,027
Right-to-use assets, net	2,129,550	-	2,129,550
Total Non-Current Assets	364,497,713	-	364,497,713
TOTAL ASSETS	798,844,772	4,878,007	803,722,779
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	16,071,698	-	16,071,698
Deferred outflows related to pensions	53,015,040	-	53,015,040
TOTAL DEFERRED OUTFLOWS OF RESOURCES	69,086,738	-	69,086,738
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 867,931,510	\$ 4,878,007	\$ 872,809,517
LIABILITIES			
Current Liabilities			
Accrued liabilities	\$ 35,500,522	\$ 178,180	\$ 35,678,702
Internal balance	(7,234)	7,234	-
Interest payable	4,542,996	-	4,542,996
Unearned revenue	832,699	-	832,699
Long-term debt, current portion	22,597,239	-	22,597,239
Total Current Liabilities	63,466,222	185,414	63,651,636
Non-Current Liabilities			
Net pension liability	160,525,808	-	160,525,808
Net OPEB liability	40,983,175	-	40,983,175
Long-term debt, non-current portion	504,402,491	-	504,402,491
Total Non-Current Liabilities	705,911,474	-	705,911,474
TOTAL LIABILITIES	769,377,696	185,414	769,563,110
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to lease receivable	2,402,494	-	2,402,494
Deferred inflows related to OPEB	10,420,400	-	10,420,400
Deferred inflows related to pensions	17,048,462	-	17,048,462
TOTAL DEFERRED INFLOWS OF RESOURCES	29,871,356	-	29,871,356
NET POSITION			
Net investment in capital assets	159,239,201	-	159,239,201
Restricted			
Educational programs	7,531,616	-	7,531,616
Debt service	26,497,583	-	26,497,583
Capital projects	336,295,114	-	336,295,114
Child nutrition	6,826,491	-	6,826,491
Student activity funds	1,164,235	-	1,164,235
Other restrictions	3,023,630	-	3,023,630
Total Restricted	381,338,669	-	381,338,669
Unrestricted	(471,895,412)	4,692,593	(467,202,819)
TOTAL NET POSITION	68,682,458	4,692,593	73,375,051
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 867,931,510	\$ 4,878,007	\$ 872,809,517

The notes to financial statements are an integral part of this statement.

PLEASANTON UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

					Net (Expense)/ Revenues and Changes in Net Position		
Function/Programs	Expenses	Program Revenues			Governmental Activities	Business-Type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental Activities							
Instruction	\$ 148,046,561	\$ 296,019	\$ 37,493,678	\$ 3,242,912	\$(107,013,952)	\$ -	\$(107,013,952)
Instruction-related services							
Instructional supervision and administration	7,396,974	14,450	2,683,270	-	(4,699,254)	-	(4,699,254)
Instructional library, media, and technology	3,896,470	12,439	88,879	-	(3,795,152)	-	(3,795,152)
School site administration	15,911,098	12,530	2,334,504	-	(13,564,064)	-	(13,564,064)
Pupil services							
Home-to-school transportation	1,766,595	4,408	899,227	-	(862,960)	-	(862,960)
Food services	8,506,152	16,364	8,219,021	-	(270,767)	-	(270,767)
All other pupil services	16,808,939	35,047	7,560,671	-	(9,213,221)	-	(9,213,221)
General administration							
Centralized data processing	2,569,249	-	6,301	-	(2,562,948)	-	(2,562,948)
All other general administration	11,468,432	8,064	1,866,511	-	(9,593,857)	-	(9,593,857)
Plant services	19,425,364	1,917,526	7,156,081	-	(10,351,757)	-	(10,351,757)
Ancillary services	3,553,450	34	3,515,980	-	(37,436)	-	(37,436)
Enterprise services	69,380	-	5,324	-	(64,056)	-	(64,056)
Interest on long-term debt	12,314,201	-	-	-	(12,314,201)	-	(12,314,201)
Other outgo	22,029,435	1,466,571	15,304,702	-	(5,258,162)	-	(5,258,162)
Depreciation (unallocated)	13,159,791	-	-	-	(13,159,791)	-	(13,159,791)
Amortization (unallocated)	687,175	-	-	-	(687,175)	-	(687,175)
Business-Type Activities							
Enterprise activities	3,603,339	-	11,780	-	-	(3,591,559)	(3,591,559)
Total	\$ 291,212,605	\$ 3,783,452	\$ 87,145,929	\$ 3,242,912	(193,448,753)	(3,591,559)	(197,040,312)
General Revenues							
Taxes and subventions							
Property taxes, levied for general purposes					100,360,804	-	100,360,804
Property taxes, levied for debt service					25,875,270	-	25,875,270
Federal and state aid not restricted for specific purposes					72,693,449	-	72,693,449
Interest and investment earnings					5,700,096	161,364	5,861,460
Miscellaneous					7,856,940	6,789,787	14,646,727
Special and extraordinary items					30,375,930	-	30,375,930
Internal transfers					2,000,000	(2,000,000)	-
Total General Revenues					244,862,489	4,951,151	249,813,640
CHANGE IN NET POSITION							
NET POSITION - BEGINNING					51,413,736	1,359,592	52,773,328
NET POSITION - BEGINNING					36,935,086	3,333,001	40,268,087
PRIOR PERIOD ADJUSTMENTS (NOTE 15)					(19,666,364)	-	(19,666,364)
NET POSITION - ENDING							
					\$ 68,682,458	\$ 4,692,593	\$ 73,375,051

PLEASANTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 11,888,931	\$ 311,046,731	\$ 56,947,722	\$ 379,883,384
Accounts receivable	17,252,716	972,598	33,957,119	52,182,433
Due from other funds	1,346,529	-	-	1,346,529
Inventory	316,995	-	173,028	490,023
Prepaid expenses	882,057	-	-	882,057
Lease receivable	-	-	2,486,298	2,486,298
Total Assets	<u>\$ 31,687,228</u>	<u>\$ 312,019,329</u>	<u>\$ 93,564,167</u>	<u>\$ 437,270,724</u>
LIABILITIES				
Accrued liabilities	\$ 18,535,506	\$ 15,640,477	\$ 1,324,539	\$ 35,500,522
Due to other funds	-	-	1,339,295	1,339,295
Unearned revenue	739,817	-	92,882	832,699
Total Liabilities	<u>19,275,323</u>	<u>15,640,477</u>	<u>2,756,716</u>	<u>37,672,516</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to lease receivable	-	-	2,402,494	2,402,494
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,402,494</u>	<u>2,402,494</u>
FUND BALANCES				
Nonspendable	1,239,202	-	175,528	1,414,730
Restricted	9,852,010	296,378,852	75,107,807	381,338,669
Assigned	-	-	13,121,622	13,121,622
Unassigned	1,320,693	-	-	1,320,693
Total Fund Balances	<u>12,411,905</u>	<u>296,378,852</u>	<u>88,404,957</u>	<u>397,195,714</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,687,228</u>	<u>\$ 312,019,329</u>	<u>\$ 93,564,167</u>	<u>\$ 437,270,724</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental Funds \$ 397,195,714

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

Capital assets and right-to-use 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, and right-to-use assets and accumulated amortization:

Capital assets	\$ 616,515,986	
Accumulated depreciation	(255,724,959)	
Right-to-use assets	3,294,794	
Accumulated amortization	<u>(1,165,244)</u>	362,920,577

Unmatured interest on long-term debt:

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

(4,542,996)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the government-wide statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	\$ 455,950,000	
Unamortized debt premiums	20,171,607	
Certificates of participation (COP)	30,000,000	
Lease liability	1,463,336	
Subscription-based IT arrangements	451,619	
Compensated absences	18,963,168	
Net pension liability	160,525,808	
Net OPEB liability	<u>40,983,175</u>	(728,508,713)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows related to pensions	\$ 53,015,040	
Deferred inflows related to pensions	<u>(17,048,462)</u>	35,966,578

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

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

Deferred outflows related to OPEB	\$ 16,071,698	
Deferred inflows related to OPEB	<u>(10,420,400)</u>	5,651,298

Total Net Position - Governmental Activities \$ 68,682,458

PLEASANTON UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Building Fund	Formerly Major Fund Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	\$ 163,940,153	\$ -	\$ -	\$ -	\$ 163,940,153
Federal sources	3,380,959	-	-	2,209,078	5,590,037
Other state sources	35,399,084	-	-	38,322,481	73,721,565
Other local sources	11,590,356	8,476,903	-	39,160,798	59,228,057
Total Revenues	214,310,552	8,476,903	-	79,692,357	302,479,812
EXPENDITURES					
Current					
Instruction	146,177,430	-	-	6,954,373	153,131,803
Instruction-related services					
Instructional supervision and administration	7,505,594	-	-	86,460	7,592,054
Instructional library, media, and technology	3,825,764	-	-	-	3,825,764
School site administration	15,165,387	-	-	1,038,889	16,204,276
Pupil services					
Home-to-school transportation	1,745,997	-	-	-	1,745,997
Food services	32,894	-	-	8,357,438	8,390,332
All other pupil services	17,140,730	-	-	90,869	17,231,599
General administration					
Centralized data processing	2,541,065	-	-	-	2,541,065
All other general administration	11,018,024	-	-	726,423	11,744,447
Plant services	17,735,686	-	-	152,114	17,887,800
Facilities acquisition and maintenance	1,873,616	41,769,180	-	603,908	44,246,704
Ancillary services	89,715	-	-	3,463,735	3,553,450
Transfers to other agencies	1,765,026	-	-	20,264,409	22,029,435
Debt service					
Principal	668,514	-	-	-	668,514
Interest and other	65,253	726,100	-	12,639,734	13,431,087
Redemptions	-	-	-	17,910,000	17,910,000
Total Expenditures	227,350,695	42,495,280	-	72,288,352	342,134,327
Excess/(Deficiency) of Revenues					
Over Expenditures	(13,040,143)	(34,018,377)	-	7,404,005	(39,654,515)
OTHER FINANCING SOURCES/(USES)					
Transfers in	2,125,960	-	-	36,759	2,162,719
Other sources	1,361,838	195,000,000	-	34,380,295	230,742,133
Transfers out	(31,578)	-	-	(131,141)	(162,719)
Other Financing Sources/(Uses), Net	3,456,220	195,000,000	-	34,285,913	232,742,133
NET CHANGES IN FUND BALANCES	(9,583,923)	160,981,623	-	41,689,918	193,087,618
FUND BALANCES - BEGINNING	21,995,828	135,397,229	24,530,508	22,184,531	204,108,096
Change with financial reporting entity (major to non-major fund) (Note 15)	-	-	(24,530,508)	24,530,508	-
FUND BALANCES - BEGINNING, AS RESTATED	21,995,828	135,397,229	-	46,715,039	204,108,096
FUND BALANCES - ENDING	\$ 12,411,905	\$ 296,378,852	\$ -	\$ 88,404,957	\$ 397,195,714

**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, 2025**

Net Change in Fund Balances - Governmental Funds \$ 193,087,618

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, lease assets and subscription-based IT arrangements are reported as expenditures in the period when the assets are acquired. In the government-wide statement of activities, costs of capital assets, lease assets and subscription-based IT arrangements are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:

Expenditures for capital outlay	\$ 43,001,379	
Depreciation	(13,159,791)	
Amortization	<u>(687,175)</u>	29,154,413

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:

18,578,514

Debt proceeds:

In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(200,348,017)

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 government-wide 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:

(18,186)

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:

252,440

Compensated absences:

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

4,306,959

Pensions:

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

9,430,359

Postemployment benefits other than pensions (OPEB):

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

(3,894,810)

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:

864,446

Change in Net Position of Governmental Activities

\$ 51,413,736

PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities
	Enterprise Fund
ASSETS	
Cash and equivalents	\$ 4,307,320
Accounts receivable	570,687
TOTAL ASSETS	<u>\$ 4,878,007</u>
LIABILITIES	
Accrued liabilities	\$ 178,180
Due to other funds	7,234
TOTAL LIABILITIES	<u>185,414</u>
NET POSITION	
Unrestricted	<u>4,692,593</u>
TOTAL NET POSITION	<u>4,692,593</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,878,007</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund
OPERATING REVENUES	
State sources	\$ 11,780
Local sources	6,951,151
TOTAL OPERATING REVENUES	6,962,931
OPERATING EXPENSES	
Classified personnel salaries	2,211,929
Employee benefits	937,475
Books and supplies	152,109
Services and other operating expenses	301,826
TOTAL OPERATING EXPENSES	3,603,339
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,359,592
CONTRIBUTIONS AND TRANSFERS	
Interfund transfer out	(2,000,000)
TOTAL CONTRIBUTIONS AND TRANSFERS	(2,000,000)
OPERATING INCOME/(LOSS)	1,359,592
CHANGE IN NET POSITION	1,359,592
NET POSITION - BEGINNING	3,333,001
NET POSITION - ENDING	\$ 4,692,593

PLEASANTON UNIFIED SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Fund
Cash Flows from Operating Activities	
Cash received from grants and customers	\$ 6,689,594
Cash payments for operating activities with other funds	(1,991,573)
Cash payments to employees for services	(2,211,929)
Cash payments to employees for benefits	(937,475)
Cash payments for other goods and services	(377,027)
Net Cash Provided by/(Used in) Operating Activities	<u>1,171,590</u>
Net Increase/(Decrease) in Cash and Equivalents	1,171,590
Cash and Equivalents, Beginning of Year	3,135,730
Cash and Equivalents, End of Year	<u>\$ 4,307,320</u>
Reconciliation of Operating Income/(Loss) to Net Cash	
Provided by/(Used in) Operating Activities	
Operating Income/(Loss)	<u>\$ 1,359,592</u>
Adjustments to Reconcile Operating Income/(Loss) to Net Cash	
Provided by/(Used in) Operating Activities	
Changes in Assets and Liabilities:	
Accounts receivable	(190,274)
Prepaid expenses	360
Due from other funds	1,193
Accrued liabilities	76,548
Unearned revenue	(83,063)
Due to other funds	7,234
Total Adjustments	<u>(188,002)</u>
Net Cash Flows From Operating Activities	<u>\$ 1,171,590</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

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.

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.

The government-wide financial 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 financial statements and the statements for governmental funds.

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

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting – Measurement Focus, continued

Governmental Fund Financial Statements – Governmental 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.

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.

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 fund use the accrual basis of accounting.

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

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting – Measurement Focus, continued

Revenues – Exchange and Non-Exchange Transactions, 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.

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 of resources, liabilities, deferred inflows of resources, 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 and proprietary fund as follows:

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Accounting, continued

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.

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 – These 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 *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.

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 *Child Development Fund* is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

The *Cafeteria Special Revenue 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.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Accounting, continued

Non-Major Governmental Funds, continued

Capital Projects Funds – These 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 – These 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. This was reported as major fund in prior year and was determined to be non-major fund in the current year.

Proprietary Funds

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 Enterprise Fund.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) 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.

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.

Cash and Equivalents

Cash includes cash balances held on hand, in banks and in revolving funds. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. Equivalents also include cash in county treasury and Local Agency Investment Funds (LAIF).

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

Accounts Receivable

Accounts receivable include amounts due from the Local Control Fund Formula (LCFF), Federal, State and/or local governments, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of charges for other services. The District does not provide for an allowance for uncollectible accounts as an estimation of amounts that may not be received. Accounts receivable at June 30, 2025 are deemed fully collectible.

Inventory and Prepaid Expenses

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 expenses in governmental funds either when paid or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Leases

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of the lease term, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term or useful life of the underlying asset.

The District recognizes a lease liability and a right-to-use asset in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period varies from two to five years.

Capital Assets and Right-to-Use 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 is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvement of sites, 20 to 50 years; furniture and equipment, 15 to 20 years; technology equipment, 4 to 5 years; and vehicles, 8 years.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use asset is amortized each year for the term of the contract or useful life of the underlying asset. The District also records the value of right-to-use subscription-based IT assets on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 OPEB and 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 notes 10 and 11 for further details related to these OPEB and pensions deferred outflows and inflows.

Accrued Liabilities, Interest Payable and Long-Term Liabilities

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

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

Pensions

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

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense/(benefit), information about the fiduciary net position of the District Plan. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Compensated Absences

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

GASB Statement No. 101 requires that liabilities for compensated absences be recognized for [1] leave that has not been used and [2] leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if [a] the leave is attributable to services already rendered, [b] the leave accumulates, and [c] the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Flow Assumption: When determining the amounts due within one year for sick leave, accumulated sick leave as of June 30, 2025 is assumed to be used before future sick leave accruals (i.e. First In, First Out). The amount due within one year for vacation leave is based on the expected accumulated vacation leave to be cashed out upon the end of employment in the following year.

Under applicable California law, credit for unused sick leave is available at retirement. Classified employees retiring after January 1, 1999, receive 0.004 year of CalPERS service credit for each day of unused sick leave. Certificated employees receive CalSTRS service credit for unused sick leave, calculated by dividing unused sick days by the number of base service days required to complete the last school year, if employed full-time. This conversion to service credit is administered by the pension systems and does not create a direct financial liability of the District.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

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

Nonspendable – 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.

Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Spending Policy

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

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/(uses) in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Minimum Fund Balance Policy

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

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.

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.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Adoption of New Accounting Standards

The following GASB Pronouncements were adopted by the District during the year ended June 30, 2025:

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. The financial impact of this statement is reflected in Notes 9 and 15.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should disclose in notes to financial statements the information if the following criteria have been met; (a) a concentration or constraint is known to the government prior to the issuance of the financial statements and makes the reporting unit vulnerable to the risk of a substantial impact, (b) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management has determined that the adoption of this statement did not have any material impact on the District's financial statements.

Upcoming GASB Pronouncements

The GASB has issued several pronouncements that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the District.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. This statement is effective for periods beginning after June 15, 2025.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This statement also requires additional disclosures for capital assets held for sale. This statement is effective for periods beginning after June 15, 2025.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH AND EQUIVALENTS

Cash and equivalents as of June 30, 2025, consist of the following:

	Governmental Activities	Business-Type Activities
Cash in county treasury	\$ 370,504,576	\$ 3,160,324
Cash on hand and in banks	1,453,362	1,121,361
Cash in revolving fund	42,650	4,000
Deposit in LAIF	5,346,335	-
Fair market value adjustment	2,536,461	21,635
Total	<u>\$ 379,883,384</u>	<u>\$ 4,307,320</u>

Cash in County Treasury

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the Alameda County Treasury (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. The funds maintained by the County Treasury are either secured by federal depository insurance or are collateralized.

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 (LAIF)

The District is a participant in the 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.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH AND EQUIVALENTS, continued

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	25%	10%
Negotiable Certificates of Deposit	5 years	30%	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

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, 2025, the weighted average maturity of the investments contained in the County Treasury investment pool is approximately 833 days.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 – CASH AND EQUIVALENTS, continued

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 \$918,160 at June 30, 2025.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2025:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Governmental Activities	Total Business-Type Activities
Federal Government						
Categorical aid	\$ 2,484,214	\$ -	\$ 1,023,211	\$ 3,507,425	\$ 3,507,425	\$ -
State Government						
Categorical aid	3,077,961	-	1,868,830	4,946,791	4,946,791	-
Lottery	641,479	-	-	641,479	641,479	-
LCFF	1,792,292	-	-	1,792,292	1,792,292	-
Local Government						
Interest	40,923	972,325	149,258	1,162,506	1,162,506	20,395
Other local sources	9,215,847	273	30,915,820	40,131,940	40,131,940	550,292
Total	<u>\$ 17,252,716</u>	<u>\$ 972,598</u>	<u>\$ 33,957,119</u>	<u>\$ 52,182,433</u>	<u>\$ 52,182,433</u>	<u>\$ 570,687</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 – LEASE RECEIVABLE

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.

During the fiscal year 2022-23, the District purchased a new District office building. The District has sub-leased a portion of the property. In accordance with GASB Statement No. 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 of 3.00%. Any variable payments are excluded unless fixed in substance. For the year ended June 30, 2025, the District recognized lease revenue of \$1,002,375, consisting of \$882,325 in principal and \$120,050 in interest. No lease revenue related to variable receipts was excluded from measurement.

Future lease payments receivable under non-cancellable leases at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 909,162	\$ 123,284	\$ 1,032,446
2027	936,815	126,605	1,063,420
2028	640,321	82,665	722,986
Total	<u>\$ 2,486,298</u>	<u>\$ 332,554</u>	<u>\$ 2,818,852</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

Capital assets and right-to-use assets activities for the year ended June 30, 2025, were as follows:

	Balance July 01, 2024	Adjustments (Note 15)	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities						
Capital Assets Not Being Depreciated						
Land	\$ 47,323,968	\$ -	\$ 47,323,968	\$ -	\$ 18,186	\$ 47,305,782
Construction in progress	56,451,261	(337,355)	56,113,906	40,348,003	349,323	96,112,586
Total Capital Assets Not Being Depreciated	103,775,229	(337,355)	103,437,874	40,348,003	367,509	143,418,368
Capital Assets Being Depreciated						
Land improvements	33,686,254	-	33,686,254	197,913	-	33,884,167
Buildings and improvements	420,902,044	3,217,094	424,119,138	151,410	-	424,270,548
Furniture and equipment	13,930,311	-	13,930,311	1,012,592	-	14,942,903
Total Capital Assets Being Depreciated	468,518,609	3,217,094	471,735,703	1,361,915	-	473,097,618
Total Capital Assets	572,293,838	2,879,739	575,173,577	41,709,918	367,509	616,515,986
Less: Accumulated Depreciation						
Land improvements	30,196,397	-	30,196,397	213,434	-	30,409,831
Buildings and improvements	204,300,898	-	204,300,898	12,074,056	-	216,374,954
Furniture and equipment	8,067,873	-	8,067,873	872,301	-	8,940,174
Total Accumulated Depreciation	242,565,168	-	242,565,168	13,159,791	-	255,724,959
Capital Assets, Net	329,728,670	2,879,739	332,608,409	28,550,127	367,509	360,791,027
Right-to-Use Assets						
Leased assets - buildings	-	-	-	1,390,396	-	1,390,396
Leased assets - equipment	-	922,512	922,512	23,277	-	945,789
Subscription-based IT arrangements	-	731,498	731,498	227,111	-	958,609
Total Right-to-Use Assets	-	1,654,010	1,654,010	1,640,784	-	3,294,794
Less: Accumulated Amortization						
Leased assets - buildings	-	-	-	306,743	-	306,743
Leased assets - equipment	-	184,807	184,807	189,158	-	373,965
Subscription-based IT arrangements	-	293,262	293,262	191,274	-	484,536
Total Accumulated Amortization	-	478,069	478,069	687,175	-	1,165,244
Right-to-Use Assets, Net	-	1,175,941	1,175,941	953,609	-	2,129,550
Total Capital Assets and Right-to-Use Assets, Net	\$ 329,728,670	\$ 4,055,680	\$ 333,784,350	\$ 29,503,736	\$ 367,509	\$ 362,920,577

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – INTERFUND TRANSACTIONS

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

Due from/Due to Other Funds

Individual interfund receivables and payables as of June 30, 2025 were as follows:

Payable Fund	Receivable Fund	
	General Fund	Total
Non-Major Governmental Funds	\$ 1,339,295	1,339,295
Enterprise Fund	7,234	7,234
Total	\$ 1,346,529	\$ 1,346,529

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

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the year ended June 30, 2025, were as follows:

Interfund Transfer Out	Interfund Transfer In		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 31,578	\$ 31,578
Non-Major Governmental Funds	125,960	5,181	131,141
Enterprise Fund	2,000,000	-	2,000,000
Total	\$ 2,125,960	\$ 36,759	\$ 2,162,719

The interfund transfers were made primarily to provide operating support, fund specific program expenditures, and allocate resources for debt service and capital projects, among others, as authorized by the Board.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Governmental Activities	Total Business-Type Activities
Payroll and related	\$ 7,959,491	\$ 3,827	\$ 136,482	\$ 8,099,800	\$ 8,099,800	\$ 102,892
Vendors payable	10,576,015	15,636,650	1,188,057	27,400,722	27,400,722	75,288
Total	\$ 18,535,506	\$ 15,640,477	\$ 1,324,539	\$ 35,500,522	\$ 35,500,522	\$ 178,180

NOTE 8 – UNEARNED REVENUE

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Federal Government			
Categorical aid	\$ 249,573	\$ 4,693	\$ 254,266
State Government			
Other state sources	490,244	2,397	492,641
Local Government			
Other local sources	-	85,792	85,792
Total	\$ 739,817	\$ 92,882	\$ 832,699

NOTE 9 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

	Balance July 01, 2024	Adjustments (Note 15)	Adjusted Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Governmental Activities							
General obligation bonds	\$ 278,860,000	\$ -	\$ 278,860,000	\$ 195,000,000	\$ 17,910,000	\$ 455,950,000	\$ 16,520,000
Unamortized debt premiums	17,049,874	-	17,049,874	3,986,179	864,446	20,171,607	1,083,655
Certificates of participation (COP)	30,000,000	-	30,000,000	-	-	30,000,000	540,000
Lease liability	-	734,851	734,851	1,134,727	406,242	1,463,336	550,334
Subscription-based IT arrangements	-	486,780	486,780	227,111	262,272	451,619	220,445
Compensated absences	769,714	22,500,413	23,270,127	-	4,306,959	18,963,168	3,682,805
Net pension liability	175,144,049	-	175,144,049	-	14,618,241	160,525,808	-
Net OPEB liability	34,851,837	-	34,851,837	6,131,338	-	40,983,175	-
Total Long-Term Liabilities	\$ 536,675,474	\$ 23,722,044	\$ 560,397,518	\$ 206,479,355	\$ 38,368,160	\$ 728,508,713	\$ 22,597,239

Payments on the general obligation bonds are made from the Bond Interest and Redemption Fund. Payments on the compensation absences are made from the fund for which the related employee worked. Payments on the certificates of participation, lease liability and subscription-based IT arrangements are made from the General Fund.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

General Obligation Bonds

The outstanding general obligation bonds of the District at June 30, 2025 are:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Election 2016, Series 2017	10/25/2017	8/1/2042	0.90 - 3.28%	\$ 70,645,000	\$ 41,975,000	\$ -	\$ 1,110,000	\$ 40,865,000	\$ 1,165,000
Election 2016, Series 2019	9/5/2019	8/1/2042	0.80 - 2.58%	90,000,000	69,195,000	-	-	69,195,000	-
Election 2016, Series 2022	6/16/2022	8/1/2042	1.78 - 4.08%	74,355,000	67,690,000	-	5,490,000	62,200,000	4,460,000
Election 2022, Series 2023	4/11/2023	8/1/2052	4.00 - 5.00%	100,000,000	100,000,000	-	11,310,000	88,690,000	10,895,000
Election 2016, Series 2025	6/3/2025	8/1/2042	5.00%	35,000,000	-	35,000,000	-	35,000,000	-
Election 2022, Series 2025	6/3/2025	8/1/2052	4.25 - 5.00%	160,000,000	-	160,000,000	-	160,000,000	-
Total General Obligation Bonds				\$ 530,000,000	\$ 278,860,000	\$ 195,000,000	\$ 17,910,000	\$ 455,950,000	\$ 16,520,000

The annual requirements to amortize the general obligation bonds, outstanding as of June 30, 2025, are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2026	\$ 16,520,000	\$ 15,543,444	\$ 32,063,444
2027	10,250,000	19,528,488	29,778,488
2028	11,650,000	18,268,575	29,918,575
2029	5,440,000	17,858,800	23,298,800
2030	6,220,000	17,589,550	23,809,550
2031-2035	47,115,000	82,827,600	129,942,600
2036-2040	95,390,000	68,340,875	163,730,875
2041-2045	110,220,000	43,371,213	153,591,213
2046-2050	82,690,000	24,920,200	107,610,200
2051-2053	70,455,000	4,758,363	75,213,363
Total	\$ 455,950,000	\$ 313,007,108	\$ 768,957,108

Certificates of Participation

The outstanding certificates of participation of the District at June 30, 2025 are:

Description	Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025	Due in One Year
Series A	7/28/2022	6/1/2052	5.00 - 5.25%	\$ 21,160,000	\$ 21,160,000	\$ -	\$ -	\$ 21,160,000	\$ 380,000
Series B	7/28/2022	6/1/2052	3.75 - 5.76%	8,840,000	8,840,000	-	-	8,840,000	160,000
Total Certificates of Participation				\$ 30,000,000	\$ 30,000,000	\$ -	\$ -	\$ 30,000,000	\$ 540,000

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

Certificates of Participation, continued

The annual requirements to amortize the certificates of participation, outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	620,000	1,523,288	2,143,288
2030	650,000	1,493,413	2,143,413
2031-2035	3,760,000	6,953,988	10,713,988
2036-2040	4,835,000	5,876,250	10,711,250
2041-2045	6,280,000	4,439,388	10,719,388
2046-2050	8,205,000	2,519,844	10,724,844
2051-2052	3,955,000	333,638	4,288,638
Total	<u>\$ 30,000,000</u>	<u>\$ 27,871,337</u>	<u>\$ 57,871,337</u>

Lease Liability and Subscription-Based IT Arrangements

The District has entered into agreements to lease various buildings, equipment and subscriptions. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and 96, and were recorded at the present value of the future minimum lease payments as of the date of their inception. The general terms of the lease agreements are as follows:

Description	No. of Lease	Lease Term	Interest Rate	Average Annual Lease Payments
Building - Mobile Modulares	6	7/1/2024 - 4/30/2028	3.16%	\$ 370,483
Equipment - Copiers	2	8/1/2023 - 6/30/2029	3.16% - 5.41%	\$ 158,472
Equipment - Mail Machine	1	11/1/2023 - 10/31/2028	2.63%	\$ 13,840
Equipment - Digital Media Labs	1	6/1/2022 - 6/1/2026	2.53%	\$ 16,845
Equipment - Computer	1	4/1/2025 - 4/1/2027	3.16%	\$ 11,844
Software Subscription	5	7/1/2022 - 1/1/2027	2.40% - 3.16%	\$ 218,594

Future minimum lease payments on lease liability at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 550,334	\$ 47,877	\$ 598,211
2027	557,717	26,822	584,539
2028	330,836	8,262	339,098
2029	24,449	178	24,627
Total	<u>\$ 1,463,336</u>	<u>\$ 83,139</u>	<u>\$ 1,546,475</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 – LONG-TERM LIABILITIES, continued

Lease Liability and Subscription-Based IT Arrangements, continued

Future minimum lease payments on subscription-based IT arrangements at June 30, 2025 are as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2026	\$ 220,445	\$ 11,812	\$ 232,257	
2027	231,174	6,042	237,216	
Total	\$ 451,619	\$ 17,854	\$ 469,473	

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unused vacation and sick leave that is expected to be used in future periods or paid upon termination, in accordance with employee collective bargaining agreements and District policy.

At June 30, 2025, the liability recorded for compensated absences was \$18,963,168.

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2025, the District reported net OPEB liability/(asset), deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) for the following plans:

OPEB Plan	Net OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/(Benefit)
District Plan	\$ 40,983,175	\$ 16,071,698	\$ 10,420,400	\$ 5,131,986

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. Assets are accumulated in a trust that meet the criteria in Paragraph 4 of GASB Statement No. 75.

Detailed information about the Plan's fiduciary net position is available in the separately-issued Plan Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by contacting the District.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Benefits Provided

Certificated, classified and management retirees must be at least age 55 with 10 years of service. 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. Following is the summary of the current benefits provided:

	Certificated	Classified	Management
Benefit Types Provided	Medical & Dental	Medical & Dental	Medical & Dental
Duration of Benefits	Earlier of seven years or age 65 Lifetime if employee retires with 50 years of service	Earlier of seven years or age 65 Lifetime if employee retires with 50 years of service	Earlier of seven years or age 65 Lifetime if employee retires with 50 years of service
Required Service	10 years	10 years	10 years
Minimum Age	55	55	55
Dependent Coverage	Yes	Yes	Yes
District Contribution %	100% up to cap	100% up to cap	100% up to cap
District Cap*	\$7,998**	\$7,998***	\$7,998***

*The applicable District caps are payable until age 65. After age 65, certificated employees retiring on or after 2/1/2014 with 50 or more years of service, and classified and management employees retiring on or after 10/28/2014 with 50 or more years of service, are eligible for the PEMHCA minimum contribution under the unequal method.

**Certificated employees hired prior to 7/1/2013 have the option to receive a District contribution for seven years if electing single coverage or for five years if electing 2-party or family coverage with the rates capped at the Kaiser applicable rates.

***Classified and Management employees hired prior to 10/28/2014 have the option to receive a District contribution for seven years if electing single coverage or for five years if electing 2-party or family coverage with the rates capped at the Kaiser applicable rates.

Contributions

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

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Employees Covered by Benefit Term

The following is a table of plan participants with measurement date as of June 30, 2024:

	Number of Participants
Inactive employees receiving benefits	232
Participating active employees	1,281
Total	1,513

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. During the year ended June 30, 2025, the District did not contribute to the irrevocable trust, and no distributions was used to reimburse pay-as-you-go cost. As of June 30, 2025, the District has a balance in the irrevocable trust of \$6,228,934.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age
Inflation rate	2.50%
Discount rate	4.35%
Salary increase	2.75%
Healthcare cost trend rate	4.00%
Mortality	For certificated employees the 2020 CalSTRS mortality tables were used. For classified employees the 2021 CalPERS mortality for miscellaneous and school employees were used.

The discount rate is based on an index of 20-year general obligation municipal bonds rated AA or higher.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Actuarial Methods and Assumptions, continued

The target asset allocation and assumed rate of return are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All equities	49%	7.25%
All fixed income	23%	4.25%
Real estate investment trusts	20%	7.25%
All commodities	3%	7.25%
Treasury inflation protected securities (TIPS)	5%	3.00%
Total	100%	

OPEB Expense/(Benefit) and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense/(benefit) of \$5,131,986. At June 30, 2025, the District reported deferred outflows 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	\$ 232,532	\$ -
Differences between expected and actual experience	8,870,660	520,134
Change of assumptions	5,731,330	9,900,266
District contributions subsequent to the measurement date	1,237,176	-
Total	\$ 16,071,698	\$ 10,420,400

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

OPEB Expense/(Benefit) 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/(benefit) as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 773,306
2027	770,307
2028	284,644
2029	306,730
2030	369,710
Thereafter	1,909,425
Total	<u>\$ 4,414,122</u>

Changes in the Net OPEB Liability/(Asset)

	Increase/(Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance July 1, 2023 (Measurement Date)	\$ 41,321,287	\$ 6,469,450	\$ 34,851,837
Changes for the year:			
Service cost	1,897,634	-	1,897,634
Interest	2,195,935	-	2,195,935
Employee contributions as benefit payments ¹	-	759,567	(759,567)
Experience (gains)/losses	168,781	-	168,781
Changes of assumptions	3,336,129	-	3,336,129
Investment gains/(losses)	-	709,683	(709,683)
Administrative expense	-	(2,109)	2,109
Expected benefit payments ¹	(1,999,567)	(1,999,567)	-
Net change	5,598,912	(532,426)	6,131,338
Balance June 30, 2024 (Measurement Date)	\$ 46,920,199	\$ 5,937,024	\$ 40,983,175

¹ Includes \$550,690 due to implied rate subsidy.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Sensitivity of the District's Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(asset) calculated using the discount rate of 4.35 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percent lower (3.35 percent) and 1 percent higher (5.35 percent):

	1% Decrease (3.35%)	Current Discount Rate (4.35%)	1% Increase (5.35%)
Net OPEB Liability/(Asset)	\$ 44,187,691	\$ 40,983,175	\$ 35,997,108

Sensitivity of the District's Net OPEB Liability/(Asset) to Healthcare Cost Trend Rate

The following table presents the net OPEB liability/(asset) calculated using the healthcare cost trend rate of 4.00 percent. The schedule also shows what the net OPEB liability/(asset) would be if it were calculated using a healthcare cost trend rate that is 1 percent lower (3.00 percent) and 1 percent higher (5.00 percent):

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
Net OPEB Liability/(Asset)	\$ 37,523,776	\$ 40,983,175	\$ 47,193,361

NOTE 11 – 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, 2025, 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	\$ 99,521,909	\$ 32,451,297	\$ 16,611,859	\$ 8,216,424
CalPERS	61,003,899	20,563,743	436,603	11,408,031
Total	\$ 160,525,808	\$ 53,015,040	\$ 17,048,462	\$ 19,624,455

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by 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, 2023, 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/memberpublications>.

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.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Benefits Provided, continued

The STRP provisions and benefits in effect at June 30, 2025, 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%	10.21%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.83%	10.83%

Contributions

The parameters for employer and state contribution rates for the DB Program are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. The contribution rates for each plan for the year ended June 30, 2025, are presented above, and the District's total contributions were \$19,305,360.

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

At June 30, 2025, 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:

District's proportionate share of the net pension liability	\$ 99,521,909
State's proportionate share of the net pension liability associated with the District	45,661,695
Total	<u>\$ 145,183,604</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

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

The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, was 0.196 percent and 0.151 percent, respectively, resulting in a net increase in the proportionate share of 0.045 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$8,216,424. In addition, the District recognized pension expense and revenue of \$4,167,260 for support provided by the State. At June 30, 2025, 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	\$ -	\$ 406,605
Differences between expected and actual experience	11,258,482	4,354,788
Changes in assumptions	435,648	6,796,368
Net changes in proportionate share of net pension liability	1,451,807	5,054,098
District contributions subsequent to the measurement date	19,305,360	-
Total	\$ 32,451,297	\$ 16,611,859

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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (7,287,778)
2027	6,360,600
2028	(2,343,219)
2029	(697,431)
2030	990,052
Thereafter	(488,146)
Total	\$ (3,465,922)

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007, through June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return / discount rate	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%
Payroll growth	3.25%
Postretirement benefit increases	2.00%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP–2021 Ultimate Projection Scale.

The long-term investment rate of return assumption was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class/strategy. Expected real rates of return are net of our 2.75% inflation assumption and are derived from best-estimate ranges of 20- to 30-year geometrically linked expected returns. These best-estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California State Teachers' Retirement System (CalSTRS), continued

Actuarial Methods and Assumptions, continued

The assumed asset allocation and best estimates of the expected rates of return for each major asset class/strategy as of June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Rate of Return*	Long-term Expected Real Rate of
Public Equity	38%	8.00%	5.25%
Real Estate	15%	6.80%	4.05%
Private Equity	14%	9.50%	6.75%
Fixed Income	14%	5.20%	2.45%
Risk Mitigating Strategies	10%	5.00%	2.25%
Inflation Sensitive	7%	6.40%	3.65%
Cash/Liquidity	2%	2.80%	0.05%
Total	100%		

*20- to 30-year geometric average.

**Real rates of return are net of assumed 2.75% inflation.

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	\$ 177,016,910	\$ 99,521,909	\$ 34,810,367

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – 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, 2023 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 55 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 62 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, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	27.05%	27.05%

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), 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, 2025, are presented above, and the total District contributions were \$9,749,454.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$61,003,899. The net pension liability was measured as of June 30, 2024. 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, 2024 and June 30, 2023, was 0.241 percent and 0.167 percent, respectively, resulting in a net increase in the proportionate share of 0.074 percent.

For the year ended June 30, 2025, the District recognized pension expense of \$11,408,031. At June 30, 2025, 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	\$ 2,369,649	\$ -
Differences between expected and actual experience	5,114,285	436,603
Changes in assumptions	1,348,392	-
Net changes in proportionate share of net pension liability	1,981,963	-
District contributions subsequent to the measurement date	9,749,454	-
Total	<u>\$ 20,563,743</u>	<u>\$ 436,603</u>

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

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

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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 3,694,953
2027	6,328,141
2028	897,019
2029	(542,427)
Total	<u>\$ 10,377,686</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997, through June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return / discount rate	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

California Public Employees' Retirement System (CalPERS), continued

Actuarial Methods and Assumptions, continued

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**
Global Equity - Cap-weighted	30%	4.54%
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%
Total	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	\$ 90,621,802	\$ 61,003,899	\$ 36,537,155

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT SYSTEMS, continued

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$9,219,920. Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued CalSTRS and CalPERS financial report.

NOTE 12 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Revolving cash	\$ 40,150	\$ -	\$ 2,500	\$ 42,650
Stores inventory	316,995	-	173,028	490,023
Prepaid expenditures	882,057	-	-	882,057
Total nonspendable	1,239,202	-	175,528	1,414,730
Restricted				
Educational programs	5,204,859	-	2,326,757	7,531,616
Debt service	-	-	26,497,583	26,497,583
Capital projects	1,623,050	296,378,852	38,293,212	336,295,114
Child nutrition	471	-	6,826,020	6,826,491
Student activity funds	-	-	1,164,235	1,164,235
Other restrictions	3,023,630	-	-	3,023,630
Total restricted	9,852,010	296,378,852	75,107,807	381,338,669
Assigned				
Adult education program	-	-	767,414	767,414
Child development program	-	-	11,042	11,042
Deferred maintenance	-	-	12,343,166	12,343,166
Total assigned	-	-	13,121,622	13,121,622
Unassigned				
Remaining unassigned	1,320,693	-	-	1,320,693
Total unassigned	1,320,693	-	-	1,320,693
Total Fund Balances	\$ 12,411,905	\$ 296,378,852	\$ 88,404,957	\$ 397,195,714

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 – 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.

Construction Commitments

As of June 30, 2025, the District had committed under various capital expenditure purchase agreements for various projects to be funded through general obligation bonds amounting to \$144.6 million.

NOTE 14 – 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 (TVROP). 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.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

Beginning net position/fund balances were restated as follows:

	Governmental Activities	Governmental Funds	
		Bond Interest and Redemption Fund	Non-Major Governmental Funds
Beginning Net Position/Fund Balances - previously reported at June 30, 2024	\$ 36,935,086	\$ 24,530,508	\$ 22,184,531
Prior Period Adjustments:			
Correction to construction in progress	(337,355)	-	-
Correction to capital assets being depreciated	3,217,094	-	-
Correction to right-to-use assets	1,654,010	-	-
Correction to accumulated amortization	(478,069)	-	-
Correction to lease liability	(734,851)	-	-
Correction to subscription-based IT arrangements	(486,780)	-	-
Change in accounting principle (GASB 101)	(22,500,413)	-	-
Change with financial reporting entity (GASB 100)	-	(24,530,508)	24,530,508
Total Prior Period Adjustments	(19,666,364)	(24,530,508)	24,530,508
Beginning Net Position/Fund Balances - as restated at June 30, 2024	\$ 17,268,722	\$ -	\$ 46,715,039

NOTE 16 – SUBSEQUENT EVENTS

Litigation Settlement

On July 10, 2025, a court-approved settlement was reached requiring the District to make payments totaling approximately \$1.1 million. The settlement includes a one-time payment, annual deposits for program-related expenses until the student reaches age 22, reimbursements of certain costs, and legal fees.

Prepayment and Defeasance of COPs

On July 10, 2025, the Board of Trustees authorized the prepayment and defeasance of all outstanding Certificates of Participation issued for the 2022 Capital Improvement Project, Series A and Series B (Federally Taxable). The prepayment was funded with proceeds from the sale of property sites. Funds were deposited into an irrevocable escrow account to fully satisfy future debt service requirements. Accordingly, the COPs are considered legally defeased, and the related liabilities have been removed from the District's financial statements.

Allocation of Property Sale Proceeds for One-Time Uses

On September 11, 2025, the Board of Trustees approved the Vineyard Funds Plan, committing \$11,000,000 from the \$31,395,000 proceeds of the Vineyard property sale for one-time expenditures and reserves. The allocations include retirement incentive payments, textbook adoptions, technology replacements, transportation needs, and a stabilization reserve. These commitments will affect the District's future budgets and financial planning.

REQUIRED SUPPLEMENTARY INFORMATION

PLEASANTON UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 164,179,580	\$ 163,945,453	\$ 163,940,153	\$ (5,300)
Federal sources	3,440,056	3,547,739	3,380,959	(166,780)
Other state sources	31,972,329	34,957,186	35,399,084	441,898
Other local sources	5,236,308	10,430,227	11,590,356	1,160,129
Total Revenues	204,828,273	212,880,605	214,310,552	1,429,947
EXPENDITURES				
Certificated salaries	99,822,322	103,932,387	104,118,354	(185,967)
Classified salaries	30,944,676	32,272,076	32,427,921	(155,845)
Employee benefits	54,866,719	55,083,314	55,350,305	(266,991)
Books and supplies	5,484,322	5,135,504	4,476,572	658,932
Services and other operating expenditures	20,644,815	27,765,425	27,634,090	131,335
Capital outlay	295,500	1,016,195	2,128,943	(1,112,748)
Other outgo				
Excluding transfers of indirect costs	1,657,062	1,940,935	1,940,933	2
Transfers of indirect costs	(442,798)	(448,441)	(726,423)	277,982
Total Expenditures	213,272,618	226,697,395	227,350,695	(653,300)
Excess/(Deficiency) of Revenues				
Over Expenditures	(8,444,345)	(13,816,790)	(13,040,143)	776,647
OTHER FINANCING SOURCES/(USES)				
Transfers in	1,580,000	2,080,000	2,125,960	45,960
Other sources	-	-	1,361,838	1,361,838
Transfers out	-	-	(31,578)	(31,578)
Other Financing Sources/(Uses), Net	1,580,000	2,080,000	3,456,220	1,376,220
NET CHANGES IN FUND BALANCES	(6,864,345)	(11,736,790)	(9,583,923)	2,152,867
FUND BALANCES - BEGINNING	21,995,828	21,995,828	21,995,828	-
FUND BALANCES - ENDING	\$ 15,131,483	\$ 10,259,038	\$ 12,411,905	\$ 2,152,867

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 1,897,634	\$ 1,634,928	\$ 2,184,843	\$ 2,572,669
Interest	2,195,935	2,192,921	1,663,847	946,710
Difference between expected and actual experience	-	-	-	-
Experience (gains)/losses	168,781	1,076,478	445,949	10,276,008
Changes of assumptions	3,336,129	2,714,561	(5,919,265)	(7,979,356)
Benefit payments	(1,999,567)	(1,813,952)	(2,129,849)	(1,698,970)
Net change in total OPEB liability	5,598,912	5,804,936	(3,754,475)	4,117,061
Total OPEB liability, beginning of year	41,321,287	35,516,351	39,270,826	35,153,765
Total OPEB liability, end of year (a)	\$ 46,920,199	\$ 41,321,287	\$ 35,516,351	\$ 39,270,826
Plan fiduciary net position				
Employer contributions	\$ 759,567	\$ 1,850,078	\$ 6,779,849	\$ 3,898,970
Investment gains/(losses)	709,683	390,748	(866,491)	62,021
Administrative expense	(2,109)	(1,761)	(1,092)	(101)
Expected benefit payments	(1,999,567)	(1,813,952)	(2,129,849)	(1,698,970)
Change in plan fiduciary net position	(532,426)	425,113	3,782,417	2,261,920
Fiduciary trust net position, beginning of year	6,469,450	6,044,337	2,261,920	-
Fiduciary trust net position, end of year (b)	\$ 5,937,024	\$ 6,469,450	\$ 6,044,337	\$ 2,261,920
Net OPEB liability/(asset), ending (a) - (b)	\$ 40,983,175	\$ 34,851,837	\$ 29,472,014	\$ 37,008,906
Covered payroll	\$ 111,819,223	\$ 108,826,495	\$ 119,839,249	\$ 110,566,854
Plan fiduciary net position as a percentage of the total OPEB liability	12.65%	15.66%	17.02%	5.76%
Net OPEB liability/(asset) as a percentage of covered payroll	36.65%	32.03%	24.59%	33.47%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 2,503,814	\$ 1,962,781	\$ 1,934,204	\$ 2,040,337
Interest	1,098,822	1,070,842	989,217	815,557
Difference between expected and actual experience	(1,387,029)	2,568,634	-	-
Experience (gains)/losses	-	-	-	-
Changes of assumptions	1,180,897	(564,986)	(220,793)	(1,200,202)
Benefit payments	(1,234,722)	(1,355,983)	(1,104,698)	(1,037,275)
Net change in total OPEB liability	2,161,782	3,681,288	1,597,930	618,417
Total OPEB liability, beginning of year	32,991,983	29,310,695	27,712,765	27,094,348
Total OPEB liability, end of year (a)	\$ 35,153,765	\$ 32,991,983	\$ 29,310,695	\$ 27,712,765
Plan fiduciary net position				
Employer contributions	\$ 1,234,722	\$ 1,355,983	\$ 1,104,698	\$ 1,037,275
Investment gains/(losses)	-	-	-	-
Administrative expense	-	-	-	-
Expected benefit payments	(1,234,722)	(1,355,983)	(1,104,698)	(1,037,275)
Change in plan fiduciary net position	-	-	-	-
Fiduciary trust net position, beginning of year	-	-	-	-
Fiduciary trust net position, end of year (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability/(asset), ending (a) - (b)	\$ 35,153,765	\$ 32,991,983	\$ 29,310,695	\$ 27,712,765
Covered payroll	\$ 108,161,367	\$ 105,523,285	\$ 94,010,000	\$ 94,010,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Net OPEB liability/(asset) as a percentage of covered payroll	32.50%	31.27%	31.18%	29.48%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022
Actuarially determined contribution	\$ 1,894,143	\$ 1,830,786	\$ 1,813,952	\$ 1,683,900
Contributions in relations to the actuarially determined contribution	1,237,176	1,448,877	1,591,169	1,384,140
Contribution deficiency/(excess)	<u>\$ 656,967</u>	<u>\$ 381,909</u>	<u>\$ 222,783</u>	<u>\$ 299,760</u>
Covered-employee payroll	\$ 111,819,223	\$ 108,826,495	\$ 119,839,249	\$ 110,566,854
Contribution as a percentage of covered-employee payroll	1.11%	1.33%	1.33%	1.25%
	2021	2020	2019	2018
Actuarially determined contribution	\$ 847,704	\$ 1,014,254	\$ 1,000,666	\$ 1,037,275
Contributions in relations to the actuarially determined contribution	3,782,479	1,355,983	1,104,698	1,037,275
Contribution deficiency/(excess)	<u>\$ (2,934,775)</u>	<u>\$ (341,729)</u>	<u>\$ (104,032)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 108,161,367	\$ 105,523,285	\$ 94,010,000	\$ 94,010,000
Contribution as a percentage of covered-employee payroll	3.50%	1.29%	1.18%	1.10%

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

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalSTRS					
District's proportion of the net pension liability	0.196%	0.151%	0.161%	0.149%	0.157%
District's proportionate share of the net pension liability	\$ 99,521,909	\$ 114,717,689	\$ 111,846,141	\$ 68,017,020	\$ 152,514,210
State's proportionate share of the net pension liability associated with the District	45,661,695	54,965,463	56,012,874	34,224,238	78,620,457
Total	\$ 145,183,604	\$ 169,683,152	\$ 167,859,015	\$ 102,241,258	\$ 231,134,667
District's covered-employee payroll	\$ 100,907,283	\$ 106,869,557	\$ 94,100,236	\$ 86,256,972	\$ 82,588,935
District's proportionate share of the net pension liability as percentage of covered-employee payroll	99%	107%	119%	79%	185%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%

	Reporting Fiscal Year (Measurement Date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
CalPERS					
District's proportion of the net pension liability	0.241%	0.167%	0.165%	0.158%	0.157%
District's proportionate share of the net pension liability	\$ 61,003,899	\$ 60,426,360	\$ 56,905,141	\$ 32,159,699	\$ 48,184,858
District's covered-employee payroll	\$ 33,334,093	\$ 32,100,323	\$ 26,183,426	\$ 19,090,681	\$ 22,778,196
District's proportionate share of the net pension liability as percentage of covered-employee payroll	183%	188%	217%	168%	212%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalSTRS					
District's proportion of the net pension liability	0.154%	0.153%	0.150%	0.155%	0.159%
District's proportionate share of the net pension liability	\$ 138,876,250	\$ 140,659,698	\$ 138,907,437	\$ 125,365,550	\$ 107,045,160
State's proportionate share of the net pension liability associated with the District	75,766,878	80,538,128	82,177,136	71,546,605	56,774,903
Total	\$ 214,643,128	\$ 221,197,826	\$ 221,084,573	\$ 196,912,155	\$ 163,820,063
District's covered-employee payroll	\$ 81,934,515	\$ 78,569,591	\$ 78,569,591	\$ 78,191,439	\$ 72,833,668
District's proportionate share of the net pension liability as percentage of covered-employee payroll	169%	179%	177%	160%	147%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%

	Reporting Fiscal Year (Measurement Date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
CalPERS					
District's proportion of the net pension liability	0.153%	0.152%	0.150%	0.159%	0.160%
District's proportionate share of the net pension liability	\$ 44,662,345	\$ 40,433,172	\$ 35,786,720	\$ 31,402,598	\$ 23,643,118
District's covered-employee payroll	\$ 21,749,230	\$ 20,585,882	\$ 20,585,882	\$ 19,136,167	\$ 17,751,101
District's proportionate share of the net pension liability as percentage of covered-employee payroll	205%	196%	174%	164%	133%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 19,305,360	\$ 19,273,291	\$ 18,082,329	\$ 15,921,760	\$ 13,930,501
District's contributions in relation to the statutorily required contribution	19,305,360	19,273,291	18,082,329	15,921,760	13,930,501
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 101,075,183	\$ 100,907,283	\$ 106,869,557	\$ 94,100,236	\$ 86,256,972
District's contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.92%	16.15%
CalPERS	Reporting Fiscal Year				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 9,749,454	\$ 8,893,536	\$ 7,354,184	\$ 5,998,623	\$ 3,951,771
District's contributions in relation to the statutorily required contribution	9,749,454	8,893,536	7,354,184	5,998,623	3,951,771
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 36,042,344	\$ 33,334,093	\$ 32,100,323	\$ 26,183,426	\$ 19,090,681
District's contributions as a percentage of covered-employee payroll	27.05%	26.68%	22.91%	22.91%	20.70%

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSIONS
FOR THE YEAR ENDED JUNE 30, 2025**

CalSTRS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 14,973,374	\$ 13,338,939	\$ 11,337,592	\$ 10,009,054	\$ 8,384,573
District's contributions in relation to the statutorily required contribution	14,973,374	13,338,939	11,337,592	10,009,054	8,384,573
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 82,588,935	\$ 81,934,515	\$ 78,569,591	\$ 79,498,369	\$ 78,191,439
District's contributions as a percentage of covered-employee payroll	18.13%	16.28%	14.43%	12.59%	10.72%
CalPERS	Reporting Fiscal Year				
	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 4,492,088	\$ 3,928,346	\$ 2,859,379	\$ 2,543,175	\$ 2,266,942
District's contributions in relation to the statutorily required contribution	4,492,088	3,928,346	2,859,379	2,543,175	2,266,942
District's contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 22,778,196	\$ 21,749,230	\$ 20,585,882	\$ 19,076,180	\$ 19,136,167
District's contributions as a percentage of covered-employee payroll	19.72%	18.06%	13.89%	13.33%	11.85%

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES

General Fund – Budgetary Comparison Schedule

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

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

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

Schedule of Changes in the Net OPEB Liability/(Asset) 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.

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

Changes in Assumptions – The discount rate has changed from 5.31% to 4.35% since the previous valuation.

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.

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULES, continued

Schedule of the Proportionate Share of the Net Pension Liability

This schedule presents ten years of information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

Changes in Benefit Terms – There were no changes in benefit terms since the previous valuation for CalSTRS. The required employer contribution rate changed from 26.68% to 27.05% since previous valuation for CalPERS.

Changes in Assumptions – Additional factors were considered in the actuarial valuation for CalSTRS namely the payroll growth rate and long-term expected rate of return based on 20- to 30-years geometric average. There were no changes in economic assumptions since previous valuation for CalPERS.

Schedule of Contributions – Pensions

This schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents ten years of information on 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, 2025, the District incurred an excess of expenditures over appropriations in individual major funds presented in the General Fund Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 103,932,387	\$ 104,118,354	\$ 185,967
Classified salaries	\$ 32,272,076	\$ 32,427,921	\$ 155,845
Employee benefits	\$ 55,083,314	\$ 55,350,305	\$ 266,991
Capital outlay	\$ 1,016,195	\$ 2,128,943	\$ 1,112,748
Transfers out	\$ -	\$ 31,578	\$ 31,578

SUPPLEMENTARY INFORMATION

PLEASANTON UNIFIED SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025

Pleasanton Unified School District (the "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. The District currently operates nine elementary schools, three middle schools, two comprehensive high schools and one continuation high school.

The Board of Trustees of the 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
Justin Brown	President	December 2026
Kelly Mokashi	Vice President	December 2028
Laurie Walker	Member	December 2026
Mary Jo Carreon	Member	December 2028
Charlie Jones	Member	December 2028

ADMINISTRATION		
Maurice Ghysels, Ed.D.		
<i>Superintendent</i>		
Ed Diolazo		
<i>Deputy Superintendent</i>		
Ahmad Sheikholeslami		
<i>Assistant Superintendent</i>		
<i>Business Services</i>		
Nimarta Grewal		
<i>Assistant Superintendent</i>		
<i>Human Resources</i>		

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed Through to Subrecipients
U.S. Department of Agriculture:				
<i>Passed Through California Department of Education</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555	13523	\$ 1,201,599	\$ -
School Breakfast Program	10.553	13525	202,018	-
National School Lunch Program Noncash Commodities	10.555	13391	531,105	-
Supply Chain Assistance (SCA) Funds	10.555	15655	144,692	-
Total Child Nutrition Cluster			2,079,414	-
Total U.S. Department of Agriculture			2,079,414	-
U.S. Department of Education:				
<i>Passed Through Tri-Valley Special Education Local Plan Area</i>				
Special Education IDEA Cluster:				
IDEA Local Assistance - Private Schools	84.027	10115	7,089	-
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	1,896,298	-
IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	84.027	10119	301,265	-
IDEA Preschool Capacity Building, Part B, Sec 619	84.173A	13839	54,500	-
IDEA Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	164,537	-
IDEA Preschool Grants, Part B, Sec 619	84.173	13430	137,137	101,380
IDEA Part B, Sec 619, Preschool Grants Early Intervening Services	84.173	10131	5,380	-
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	407	-
Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	18,078	-
Total Special Education IDEA Cluster			2,584,691	101,380
<i>Passed Through California Department of Education</i>				
Adult Education Cluster:				
Adult Basic Education & ELA	84.002A	14508	136,172	-
Adult Secondary Education	84.002	13978	20,143	-
Integrated English Literacy and Civics Education	84.002A	14109	16,661	-
Total Adult Education Cluster			172,976	-
English Language Acquisition Cluster:				
Title III, Immigrant Student Program	84.365	15146	6,902	-
Title III, English Learner Student Program	84.365	14346	172,643	-
Total English Language Acquisition Cluster			179,545	-
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	314,322	-
Carl D. Perkins Career and Technical Education: Secondary, Section 131	84.048	14894	58,928	-
COVID CARES Act Supplemental Meal Reimbursement	84.425	15535	901	-
IDEA Early Intervention Grants, Part C	84.181	23761	149,740	-
Title II, Part A, Supporting Effective Instruction	84.367	14341	169,726	-
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	25,387	-
Total U.S. Department of Education			3,656,216	101,380
Total Federal Financial Assistance			\$ 5,735,630	\$ 101,380

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

	Second Period Report	Audit Adjustments	Revised Second Period Report	Annual Report	Audit Adjustments	Revised Annual Report
	Certification No. D024A7F2		Certification No. *	Certification No. 61A47449		Certification No. *
Regular ADA						
Transitional Kindergarten through Third	3,141.86	-	3,141.86	3,148.70	-	3,148.70
Fourth through Sixth	2,755.03	(0.08)	2,754.95	2,753.76	(0.07)	2,753.69
Seventh and Eighth	2,025.05	(0.21)	2,024.84	2,025.31	(0.17)	2,025.14
Ninth through Twelfth	4,741.36	(0.31)	4,741.05	4,755.52	(0.24)	4,755.28
Total Regular ADA	12,663.30	(0.60)	12,662.70	12,683.29	(0.48)	12,682.81
Extended Year Special Education						
Transitional Kindergarten through Third	3.85	-	3.85	3.85	-	3.85
Fourth through Sixth	2.70	-	2.70	2.70	-	2.70
Seventh and Eighth	0.83	-	0.83	0.83	-	0.83
Ninth through Twelfth	3.30	-	3.30	3.30	-	3.30
Total Extended Year Special Education	10.68	-	10.68	10.68	-	10.68
Special Education, Nonpublic, Nonsectarian Schools						
Transitional Kindergarten through Third	3.27	-	3.27	3.85	-	3.85
Fourth through Sixth	2.49	-	2.49	2.72	-	2.72
Seventh and Eighth	0.46	-	0.46	5.03	-	5.03
Ninth through Twelfth	8.08	-	8.08	8.02	-	8.02
Total Special Education, Nonpublic, Nonsectarian Schools	14.30	-	14.30	19.62	-	19.62
Extended Year Special Education - Nonpublic						
Transitional Kindergarten through Third	-	-	-	-	-	-
Fourth through Sixth	0.07	-	0.07	0.07	-	0.07
Seventh and Eighth	0.15	-	0.15	0.15	-	0.15
Ninth through Twelfth	0.51	-	0.51	0.51	-	0.51
Total Extended Year Special Education - Nonpublic	0.73	-	0.73	0.73	-	0.73
ADA Totals	12,689.01	(0.60)	12,688.41	12,714.32	(0.48)	12,713.84

* The District has not revised P-2 or annual to include the audit findings reported.

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

			Number of Days		
			Traditional Calendar		
Grade Level	Minutes Requirement	Actual Minutes	Actual Day Offered	Multitrack Calendar	Status
Kindergarten	36,000	41,400	180	N/A	Complied
Grade 1	50,400	50,820	180	N/A	Complied
Grade 2	50,400	56,035	180	N/A	Complied
Grade 3	50,400	56,035	180	N/A	Complied
Grade 4	54,000	56,569	180	N/A	Complied
Grade 5	54,000	56,569	180	N/A	Complied
Grade 6	54,000	59,718	180	N/A	Complied
Grade 7	54,000	59,718	180	N/A	Complied
Grade 8	54,000	59,718	180	N/A	Complied
Grade 9	64,800	64,999	180	N/A	Complied
Grade 10	64,800	64,999	180	N/A	Complied
Grade 11	64,800	64,999	180	N/A	Complied
Grade 12	64,800	64,999	180	N/A	Complied

**PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

	2026 (Budget)	2025	2024	2023
General Fund - Budgetary Basis				
Revenues and Other Financing Sources	\$ 212,383,710	\$ 217,798,350	\$ 217,359,543	\$ 223,916,029
Expenditures and Other Financing Uses	220,914,172	227,382,273	230,437,964	216,727,526
Net Change in Fund Balances	(8,530,462)	(9,583,923)	(13,078,421)	7,188,503
Ending Fund Balances	\$ 3,881,443	\$ 12,411,905	\$ 21,995,828	\$ 35,074,249
Available Reserves*	\$ (5,482,913)	\$ 1,320,693	\$ 8,940,293	\$ 9,783,631
Available Reserves as a Percentage of Outgo	-2.5%	0.6%	3.9%	4.5%
Long-term Debt	\$ 705,911,474	\$ 728,508,713	\$ 536,675,474	\$ 534,407,642
Average Daily District Attendance at P-2	12,406	12,688	13,012	13,427

The General Fund balance has decreased by \$22,662,344 over the past two years. The fiscal year 2025-26 budget projects a decrease of \$8,530,462, or 68.73%. 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 operating deficits in two of the past three years and anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term liabilities have increased by \$194,101,071 over the past two years.

Average daily attendance has decreased by 739 over the past two years. Additional decline of 282 ADA is anticipated during fiscal year 2025-26.

*Available reserves are the unrestricted amounts in the Unassigned/Unappropriated accounts in the General Fund.

**PLEASANTON UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Student Activity Special Revenue Fund	Special Education Pass- Through Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund
June 30, 2025 annual financial and budget report fund balance	\$ 12,331,340	\$ 3,391,710	\$ 1,878,819	\$ 887,702	\$ 317,804	\$ 6,670,849
Adjustments and reclassifications						
Increase/(decrease) in total fund balances						
Cash in bank	-	1,164,235	-	-	-	289,127
Fair market value adjustment (GASB 31)	80,565	-	5,613	11,619	3,656	41,572
Deferred outflows of resources	-	(3,391,710)	-	-	-	-
Adjustments and reclassifications, net	80,565	(2,227,475)	5,613	11,619	3,656	330,699
June 30, 2025 audited financial statements fund balance	\$ 12,411,905	\$ 1,164,235	\$ 1,884,432	\$ 899,321	\$ 321,460	\$ 7,001,548

	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Enterprise Fund
June 30, 2025 annual financial and budget report fund balance	\$ 9,827	\$ 294,263,915	\$ 4,678,649	\$ 3,254,186	\$ 42,510,224	\$ 3,549,597
Adjustments and reclassifications						
Increase/(decrease) in total fund balances						
Cash in bank	-	-	-	-	-	1,121,361
Fair market value adjustment (GASB 31)	119	2,114,937	21,395	22,104	56,070	21,635
Lease receivable	-	-	-	-	2,486,298	-
Deferred inflows related to lease receivable	-	-	-	-	(2,402,494)	-
Adjustments and reclassifications, net	119	2,114,937	21,395	22,104	139,874	1,142,996
June 30, 2025 audited financial statements fund balance	\$ 9,946	\$ 296,378,852	\$ 4,700,044	\$ 3,276,290	\$ 42,650,098	\$ 4,692,593

PLEASANTON UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
JUNE 30, 2025

There were no charter schools in the District during fiscal year 2024-25.

PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Student Activity Special Revenue Fund	Special Education Pass- Through Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Total Non-Major Special Revenue Funds
ASSETS							
Cash and equivalents	\$ 1,164,235	\$ 825,562	\$ 1,708,877	\$ 537,694	\$ 6,405,610	\$ 17,535	\$ 10,659,513
Accounts receivable	-	1,884,673	110,089	89,855	910,873	137	2,995,627
Inventory	-	-	-	-	173,028	-	173,028
Total Assets	\$ 1,164,235	\$ 2,710,235	\$ 1,818,966	\$ 627,549	\$ 7,489,511	\$ 17,672	\$ 13,828,168
LIABILITIES							
Accrued liabilities	\$ -	\$ 264,230	\$ 534,113	\$ 236,693	\$ 205,722	\$ 7,726	\$ 1,248,484
Due to other funds	-	561,572	385,532	67,000	277,548	-	1,291,652
Unearned revenue	-	1	-	2,396	4,693	-	7,090
Total Liabilities	-	825,803	919,645	306,089	487,963	7,726	2,547,226
FUND BALANCES							
Nonspendable	-	-	-	-	175,528	-	175,528
Restricted	1,164,235	1,884,432	131,907	310,418	6,826,020	-	10,317,012
Assigned	-	-	767,414	11,042	-	9,946	788,402
Total Fund Balances	1,164,235	1,884,432	899,321	321,460	7,001,548	9,946	11,280,942
Total Liabilities and Fund Balances	\$ 1,164,235	\$ 2,710,235	\$ 1,818,966	\$ 627,549	\$ 7,489,511	\$ 17,672	\$ 13,828,168

**PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Student Activity Special Revenue Fund	Special Education Pass- Through Fund	Adult Education Fund	Child Development Fund	Cafeteria Special Revenue Fund	Deferred Maintenance Fund	Total Non-Major Special Revenue Funds
REVENUES							
Federal sources	\$ -	\$ 101,380	\$ 172,976	\$ -	\$ 1,934,722	\$ -	\$ 2,209,078
Other state sources	-	21,337,953	6,241,921	1,445,392	6,029,959	-	35,055,225
Other local sources	3,515,863	5,613	860,073	32,009	654,655	938	5,069,151
Total Revenues	3,515,863	21,444,946	7,274,970	1,477,401	8,619,336	938	42,333,454
EXPENDITURES							
Current							
Instruction	-	-	5,930,613	1,023,760	-	-	6,954,373
Instruction-related services							
Instructional supervision and administration	-	-	10,575	75,885	-	-	86,460
School site administration	-	-	922,785	116,104	-	-	1,038,889
Pupil services							
Food services	-	-	-	-	8,357,438	-	8,357,438
All other pupil services	-	-	-	90,869	-	-	90,869
General administration							
All other general administration	-	-	383,321	67,000	276,102	-	726,423
Plant services	-	-	-	-	751	7,726	8,477
Ancillary services	3,463,735	-	-	-	-	-	3,463,735
Transfers to other agencies	-	20,264,409	-	-	-	-	20,264,409
Total Expenditures	3,463,735	20,264,409	7,247,294	1,373,618	8,634,291	7,726	40,991,073
Excess/(Deficiency) of Revenues							
Over Expenditures	52,128	1,180,537	27,676	103,783	(14,955)	(6,788)	1,342,381
OTHER FINANCING SOURCES/(USES)							
Transfers in	-	-	-	-	31,578	-	31,578
Other Financing Sources/(Uses), Net	-	-	-	-	31,578	-	31,578
NET CHANGES IN FUND BALANCES	52,128	1,180,537	27,676	103,783	16,623	(6,788)	1,373,959
FUND BALANCES - BEGINNING, AS RESTATED	1,112,107	703,895	871,645	217,677	6,984,925	16,734	9,906,983
FUND BALANCES - ENDING	\$ 1,164,235	\$ 1,884,432	\$ 899,321	\$ 321,460	\$ 7,001,548	\$ 9,946	\$ 11,280,942

**PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total Non-Major Capital Projects Funds
ASSETS				
Cash and equivalents	\$ 3,146,647	\$ 3,250,930	\$ 13,592,692	\$ 19,990,269
Accounts receivable	1,612,390	25,360	29,124,099	30,761,849
Lease receivable	-	-	2,486,298	2,486,298
Total Assets	<u>\$ 4,759,037</u>	<u>\$ 3,276,290</u>	<u>\$ 45,203,089</u>	<u>\$ 53,238,416</u>
LIABILITIES				
Accrued liabilities	\$ 11,350	\$ -	\$ 64,705	\$ 76,055
Due to other funds	47,643	-	-	47,643
Unearned revenue	-	-	85,792	85,792
Total Liabilities	<u>58,993</u>	<u>-</u>	<u>150,497</u>	<u>209,490</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to lease receivable	-	-	2,402,494	2,402,494
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,402,494</u>	<u>2,402,494</u>
FUND BALANCES				
Restricted	4,700,044	3,276,290	30,316,878	38,293,212
Assigned	-	-	12,333,220	12,333,220
Total Fund Balances	<u>4,700,044</u>	<u>3,276,290</u>	<u>42,650,098</u>	<u>50,626,432</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,759,037</u>	<u>\$ 3,276,290</u>	<u>\$ 45,203,089</u>	<u>\$ 53,238,416</u>

**PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total Non-Major Capital Projects Funds
REVENUES				
Other state sources	\$ -	\$ 3,185,785	\$ -	\$ 3,185,785
Other local sources	2,688,640	79,293	4,479,941	7,247,874
Total Revenues	2,688,640	3,265,078	4,479,941	10,433,659
EXPENDITURES				
Current				
Plant services	143,637	-	-	143,637
Facilities acquisition and maintenance	36,995	-	566,913	603,908
Debt service				
Interest and other	-	-	1,605,386	1,605,386
Total Expenditures	180,632	-	2,172,299	2,352,931
Excess/(Deficiency) of Revenues Over Expenditures	2,508,008	3,265,078	2,307,642	8,080,728
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	5,181	-	5,181
Other sources	-	-	30,394,116	30,394,116
Transfers out	(75,960)	-	(55,181)	(131,141)
Other Financing Sources/(Uses), Net	(75,960)	5,181	30,338,935	30,268,156
NET CHANGES IN FUND BALANCES	2,432,048	3,270,259	32,646,577	38,348,884
FUND BALANCES - BEGINNING	2,267,996	6,031	10,003,521	12,277,548
FUND BALANCES - ENDING	\$ 4,700,044	\$ 3,276,290	\$ 42,650,098	\$ 50,626,432

PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Formerly Major Fund		
	Bond Interest and Redemption Fund	Total Non-Major Debt Service Funds	
ASSETS			
Cash and equivalents	\$ 26,297,940	\$ 26,297,940	
Accounts receivable	199,643	199,643	
Total Assets	<u>\$ 26,497,583</u>	<u>\$ 26,497,583</u>	
FUND BALANCES			
Restricted	\$ 26,497,583	\$ 26,497,583	
Total Fund Balances	<u>\$ 26,497,583</u>	<u>\$ 26,497,583</u>	

PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Formerly Major Fund		Total Non-Major Debt Service Funds
	Bond Interest and Redemption Fund		
REVENUES			
Other state sources	\$ 81,471	\$	81,471
Other local sources	26,843,773		26,843,773
Total Revenues	26,925,244		26,925,244
EXPENDITURES			
Debt service			
Interest and other	11,034,348		11,034,348
Redemptions	17,910,000		17,910,000
Total Expenditures	28,944,348		28,944,348
Excess/(Deficiency) of Revenues			
Over Expenditures	(2,019,104)		(2,019,104)
OTHER FINANCING SOURCES/(USES)			
Other sources	3,986,179		3,986,179
Other Financing Sources/(Uses), Net	3,986,179		3,986,179
NET CHANGES IN FUND BALANCES	1,967,075		1,967,075
FUND BALANCES - BEGINNING	-		-
Change with financial reporting entity			
(major to non-major fund) (Note 15)	24,530,508		24,530,508
FUND BALANCES - BEGINNING, AS RESTATED	24,530,508		24,530,508
FUND BALANCES - ENDING	\$ 26,497,583	\$	26,497,583

PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Debt Service Funds	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 10,659,513	\$ 19,990,269	\$ 26,297,940	\$ 56,947,722
Accounts receivable	2,995,627	30,761,849	199,643	33,957,119
Inventory	173,028	-	-	173,028
Lease receivable	-	2,486,298	-	2,486,298
Total Assets	\$ 13,828,168	\$ 53,238,416	\$ 26,497,583	\$ 93,564,167
LIABILITIES				
Accrued liabilities	\$ 1,248,484	\$ 76,055	\$ -	\$ 1,324,539
Due to other funds	1,291,652	47,643	-	1,339,295
Unearned revenue	7,090	85,792	-	92,882
Total Liabilities	2,547,226	209,490	-	2,756,716
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to lease receivable	-	2,402,494	-	2,402,494
Total Deferred Inflows of Resources	-	2,402,494	-	2,402,494
FUND BALANCES				
Nonspendable	175,528	-	-	175,528
Restricted	10,317,012	38,293,212	26,497,583	75,107,807
Assigned	788,402	12,333,220	-	13,121,622
Total Fund Balances	11,280,942	50,626,432	26,497,583	88,404,957
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,828,168	\$ 53,238,416	\$ 26,497,583	\$ 93,564,167

PLEASANTON UNIFIED SCHOOL DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Debt Service Funds	Total Non-Major Governmental Funds
REVENUES				
Federal sources	\$ 2,209,078	\$ -	\$ -	\$ 2,209,078
Other state sources	35,055,225	3,185,785	81,471	38,322,481
Other local sources	5,069,151	7,247,874	26,843,773	39,160,798
Total Revenues	42,333,454	10,433,659	26,925,244	79,692,357
EXPENDITURES				
Current				
Instruction	6,954,373	-	-	6,954,373
Instruction-related services				
Instructional supervision and administration	86,460	-	-	86,460
School site administration	1,038,889	-	-	1,038,889
Pupil services				
Food services	8,357,438	-	-	8,357,438
All other pupil services	90,869	-	-	90,869
General administration				
All other general administration	726,423	-	-	726,423
Plant services	8,477	143,637	-	152,114
Facilities acquisition and maintenance	-	603,908	-	603,908
Ancillary services	3,463,735	-	-	3,463,735
Transfers to other agencies	20,264,409	-	-	20,264,409
Debt service				
Interest and other	-	1,605,386	11,034,348	12,639,734
Redemptions	-	-	17,910,000	17,910,000
Total Expenditures	40,991,073	2,352,931	28,944,348	72,288,352
Excess/(Deficiency) of Revenues Over Expenditures	1,342,381	8,080,728	(2,019,104)	7,404,005
OTHER FINANCING SOURCES/(USES)				
Transfers in	31,578	5,181	-	36,759
Other sources	-	30,394,116	3,986,179	34,380,295
Transfers out	-	(131,141)	-	(131,141)
Other Financing Sources/(Uses), Net	31,578	30,268,156	3,986,179	34,285,913
NET CHANGE IN FUND BALANCES	1,373,959	38,348,884	1,967,075	41,689,918
FUND BALANCES - BEGINNING	9,906,983	12,277,548	-	22,184,531
Change with financial reporting entity (major to non-major fund) (Note 15)	-	-	24,530,508	24,530,508
FUND BALANCES - BEGINNING, AS RESTATED	9,906,983	12,277,548	24,530,508	46,715,039
FUND BALANCES - ENDING	\$ 11,280,942	\$ 50,626,432	\$ 26,497,583	\$ 88,404,957

PLEASANTON UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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

Basis of Presentation: The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position/fund balance of the District.

Summary of Significant Accounting Policies: Expenditures reported on the Schedule are reported on the accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

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

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.

**PLEASANTON UNIFIED SCHOOL DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES, continued

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the annual financial and budget report unaudited actuals to the audited financial statements.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the District audit. As of June 30, 2025, the District is not a sponsoring local educational agency for any charter schools.

Combining Statements – Non-Major Governmental Funds

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

OTHER INDEPENDENT AUDITORS' REPORTS



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasanton Unified School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Diego, California

December 29, 2025



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 (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the 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, 2025.

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 (GAAS); 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 Auditors' 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 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 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 District's federal programs.

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 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 the 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 the 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 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 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 Auditors' 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 or significant deficiencies, 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 29, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

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

Report on State Compliance

Opinion

We have audited Pleasanton Unified School District's (the "District") compliance with the requirements specified in the *2024-25 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, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements referred above that are applicable to laws and regulations of the state programs noted below for the year ended June 30, 2025.

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' 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 on compliance for each applicable state program.. 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 District's compliance with the requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

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 *2024-25 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 *2024-25 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 *2024-25 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. RESERVED	Not Applicable
D. Independent Study	Yes
E. Continuation Education	No
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratios of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	Not Applicable
K. Gann Limit Calculation	Yes

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other than Charter Schools:	
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	Not Applicable
N. Middle or Early College High Schools or Programs	Not Applicable
O. K-3 Grade Span Adjustment	Yes
P. RESERVED	Not Applicable
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
 School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	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	Not Applicable
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
FZ. Kindergarten Continuance	Yes
 Charter Schools:	
AA. Attendance	Not Applicable
BB. Mode of Instruction	Not Applicable
CC. Nonclassroom-Based Instruction/Independent Study	Not Applicable
DD. Determination of Funding for Nonclassroom-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 did not perform testing for continuation education because total reported Average Daily Attendance (ADA) was not material.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and which are described in the accompanying Schedule of Findings and Questioned Costs as finding #2025-001. Our opinion on each applicable state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Auditors' 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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitation, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as finding #2025-001.

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 *2024-25 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 29, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027, 8.027A, 84.173, 84.173A</u>	<u>Special Education IDEA Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

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

**PLEASANTON UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

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

There were no financial statement findings identified for the year ended June 30, 2025.

PLEASANTON UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section presents significant deficiencies, material weaknesses, and instances of noncompliance identified during the audit of the financial statements. These matters are reported in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
50000	Federal Compliance

There were no federal award findings and questioned costs identified for the year ended June 30, 2025.

PLEASANTON UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>FIVE DIGIT CODE</u>	<u>AB3627 FINDING TYPES</u>
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 Misassignments
72000	School Accountability Report Card

ITEM #2025-001: INDEPENDENT STUDY (10000)

Criteria

The local educational agency shall maintain documentation of hours or fraction of an hour of both pupil work products and the time that the pupil engaged in asynchronous instruction in accordance with *Education Code* Section 51747.5(b)(2)(A)(ii).

Condition

While the District is tracking hours or fractions of an hour of pupils work, we noted an instance of over apportioned attendance days based on the total hours of work completed. At Thomas Hart Middle School, the pupil accomplished 25.5 hours of time value of work completed, however was given 8 days of apportionment days of attendance. The minimum school day for the pupil based on the grade span is 240 minutes or 4 hours/day. The pupil should have only been awarded 6 days of apportionment days of attendance. While at Amador Valley, one contract award attendance apportionment without support of any computation of hours of work completed. At Pleasanton Virtual Academy, 7 out of 12 long-term independent study contracts did not include attendance apportionment supported by a calculation of completed work hours for students in grades 6-12.

Effect

As a result of these discrepancies, the District has overstated its reported ADA, which may lead to an overstatement of state funding. This noncompliance with *California Education Code* has resulted in inaccurate reporting of attendance figures, potentially affecting the district’s funding allocation and subjecting the district to potential audit penalties.

**PLEASANTON UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

ITEM #2025-001: INDEPENDENT STUDY (10000), continued

Cause

The school site had an oversight of the selected contract's total work hours, converting to improper ADA.

Questioned Costs

Grade Span	ADA	Derived Value ADA	Questioned costs
4-6	0.08	\$ 10,512.43	\$ 841
7-8	0.21	\$ 10,823.35	2,273
9-12	0.31	\$ 12,870.68	3,990
Total			<u>\$ 7,104</u>

Repeat Finding

No.

Recommendation

It is recommended for the District to review and revise its independent study attendance procedures to ensure compliance with *California Education Code* Section 51747. Also, it is recommended for the District to implement a more rigorous system for tracking and verifying the attendance and instructional time of independent study students and conduct regular training for staff involved in independent study programs to ensure a clear understanding of the state's requirements for ADA reporting.

Views of Responsible Officials and Planned Corrective Actions

The District reviewed with all secretaries how to total the number of minutes of assigned work upon completion of the Short-Term Independent Study Contract, ensuring that the calculation is accurate. A video explanation will be added to the internal website for future reference, and this review will be calendared for secretary meetings twice per year.

In addition, the District reviewed the procedures for calculating and documenting the calculation of apportionment with teaching staff. A new document was created and monthly apportionment calculation is implemented. A review of apportionment calculation procedures and all engagement requirements will be provided to staff annually.

**PLEASANTON UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

This section presents findings and questioned costs identified in prior year audit related to financial statements, federal awards and state awards.

There were no findings or questioned costs identified for the year ended June 30, 2024.