



# **Pacific Grove Unified School District**

**Audited Financial Statements  
June 30, 2021**

# Audit Process

We would like to thank the sites and District staff for providing requested information and for welcoming our auditors.

## The Audit Process

- ▶▶ A sample of school sites are tested for State compliance and possibly student body procedures.
- ▶▶ The district office is visited prior to August for preliminary compliance and procedural testing and then again after the Unaudited Actuals are complete for year end balances testing and drafting the audit report.
- ▶▶ 2021 audit was a full remote but we are going back to being there physically again for 2022. The interim audit starts April 25.

# Summary of Opinions and Findings

## The Independent Auditor's Report was unmodified

»» "In our opinion, the Financial Statements present fairly, in all material respects, the respective financial position..."

No findings in current year and the prior year finding was implemented

### Financial Statements

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

### Federal Awards

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

### Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing/Federal CFDA Number</u>
COVID-19, Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

### State Compliance

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

# Components of the Audited Financial Statements

## Management's Discussion and Analysis – PDF pg. 7

- ▶▶ Management's opportunity to put a narrative to the financial numbers and information presented in the financial statements
- ▶▶ "Cliff notes" of financial statements and an easy read
- ▶▶ Provides a comparison to the previous fiscal year to tell the 'story' of significant events during the 2021 fiscal year
- ▶▶ 2020 was restated as part of implementation of GASB 84
  - ▶▶ Student activities are now included in District governmental funds (fund 08)

# Components of the Audited Financial Statements

## Financial Statements

- ▶▶ Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position (Entity-wide statements) – PDF pgs. 16-17
  - ▶▶ Includes all fixed assets and long-term obligations of the District.
- ▶▶ Fund Financial Statements follow which present the Districts largest funds and aggregated “non-major” fund totals– PDF pgs. 18 & 20
  - ▶▶ Non-major fund Financial Statements – PDF pgs. 85-86

# Statement of Net Position

- ▶▶ Net Position - \$(20.1 million), Unrestricted is \$(39.0 million)
- ▶▶ GO Bonds - \$44.1 million
- ▶▶ Net OPEB Liability – \$9.5 million
  - ▶▶ Future retirement costs for active employees and retirees
- ▶▶ Net Pension Obligation – \$44.9 million
  - ▶▶ This, along with the netting impact of related deferred outflows and deferred inflows impacted ending net position by \$(35.7) million
  - ▶▶ District's fair share of unfunded STRS and PERS pension obligations

# The Fiscal Year 2021

## Selected Highlights:

- ▶▶ General Fund increased by \$1.4 million, from \$5.4 in the previous year to end at \$6.8 million in 20-21
- ▶▶ Building Fund increased by \$4.7 million to end at \$6.8 million.
  - ▶▶ Issued Series A of Election 2020 bonds of \$6.0 million.
- ▶▶ Aggregate Remaining increased by \$0.9 million.
- ▶▶ The available reserves ended at approximately 13%.
  - ▶▶ 2% increase from prior year and 7% increase from 2019. Good to see





**Thank you:  
Questions or Comments?**