Financial Statements
June 30, 2020

Travis Unified School District

TRAVIS UNIFIED
SCHOOL DISTRICT

Reaching beyond the boundaries
to build a community of learners.

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Travis Unified School District
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Independent Auditor's Report

Governing Board
Travis Unified School District
Fairfield, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Travis Unified School District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Travis Unified School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, budgetary comparison information on page 65, schedule of changes in the District's total OPEB liability and related ratios on page 66, schedule of the District's proportionate share of the net pension liability on page 67, and schedule of the District contributions on page 68, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Travis Unified School District's financial statements. The combining and individual nonmajor fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2020 on our consideration of Travis Unified School Districts internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Travis Unified School District 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 Travis Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 9, 2020

TRAVIS UNIFIED SCHOOL DISTRICT

Reaching beyond the boundaries to build a community of learners.

Pamela Conklin
Superintendent

2751 De Ronde Drive
Fairfield, CA 94533
(707) 437-4604

Cambridge Elementary School
100 Cambridge Drive, Vacaville
(707) 446-9494

Center Elementary School
3101 Markeley Lane, Fairfield
(707) 437-4621

Foxboro Elementary School
600 Morning Glory Drive, Vacaville
(707) 447-7883

Golden West Middle School
2651 De Ronde Drive, Fairfield
(707) 437-8240

Scandia Elementary School
100 Broadway Street, Travis AFB
(707) 437-4691

Travis Community Day School
2785 De Ronde Drive, Fairfield
(707) 437-8265

Travis Elementary School
100 Fairfield Avenue, Travis AFB
(707) 437-2070

Travis Education Center
2775 De Ronde Drive, Fairfield
(707) 437-8265

Vanden High School
2951 Markeley Lane, Fairfield
(707) 437-7333

Governing Board
Russ Barrington
Riitta DeAnda
Ivery Hood
Janet Jackson Forbes

This section of Travis Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020, with comparative information for the year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and fiduciary.

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

The primary unit of the government is the Travis Unified School District.

FINANCIAL HIGHLIGHTS

- The District continues to maintain a three percent Reserve for Economic Uncertainties and has received a qualified certification from the County Education Office for the current and next two fiscal years.

- A 2.5% on-schedule salary increase effective July 1, 2020, was given to all employees. This settled both 2019-2020 and 2020-2021.

- The Governmental Funds balance had a net increase of $5,636,971 for $28,054,052 ending balance as of June 30, 2020.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

Governmental Activities - The District's services are reported in this category. This includes the education of pre-kindergarten through grade twelve students, the operation of cafeteria activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

THE DISTRICT AS A TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for associated student body activities and scholarships. The District's fiduciary activities are reported in the *Statements of Fiduciary Net Position.* We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $28,566,862 for the fiscal year ended June 30, 2020. Of this amount, $(43,224,940) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

The $(43,224,940) in the unrestricted net deficit of governmental activities represents the accumulated results of all past years' operations.

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	$ 32,692,936	$ 26,938,391
Capital assets	93,194,981	94,799,161
Total assets	125,887,917	121,737,552
Deferred outflows of resources	16,340,852	16,871,947
Liabilities		
Current liabilities	5,096,674	5,000,176
Long-term liabilities	104,325,048	103,170,980
Total liabilities	109,421,722	108,171,156
Deferred inflows of resources	4,240,185	3,693,341
Net Position		
Net investment in capital assets	62,741,957	61,017,511
Restricted	9,049,845	7,166,138
Unrestricted	(43,224,940)	(41,438,647)
Total net position	$ 28,566,862	$ 26,745,002

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 13. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	$ 2,065,846	$ 753,989
Operating grants and contributions	8,182,995	9,077,794
General revenues		
Federal and State aid not restricted	46,825,870	46,151,878
Property taxes	11,013,955	10,731,475
Other general revenues	3,320,350	7,499,423
Total revenues	71,409,016	74,214,559
Expenses		
Instruction-related	48,546,917	47,137,790
Pupil services	8,886,616	8,835,596
Administration	4,724,528	4,263,540
Plant services	4,149,650	3,657,214
Other	3,279,445	2,981,016
Total expenses	69,587,156	66,875,156
Change in net position	$ 1,821,860	$ 7,339,403

Governmental Activities

As reported in the *Statement of Activities* on page 13, the cost of all of our governmental activities this year was $69,587,156. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $11,013,955 because the cost was paid by those who benefited from the programs ($2,065,846) or by other governments and organizations who subsidized certain programs with grants and contributions ($8,182,995). We paid for the remaining "public benefit" portion of our governmental activities with $46,825,870 in State and Federal funds and with $3,320,350 other revenues, like interest and general entitlements.

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

Table 3

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	$ 48,546,917	$ 47,137,790	$ (41,977,629)	$ (40,788,345)
Pupil services	8,886,616	8,835,596	(6,448,831)	(5,984,503)
Administration	4,724,528	4,263,540	(4,479,317)	(3,988,895)
Plant services	4,149,650	3,657,214	(3,430,990)	(3,537,825)
All other services	3,279,445	2,981,016	(3,001,548)	(2,743,805)
Total	$ 69,587,156	$ 66,875,156	$ (59,338,315)	$ (57,043,373)

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $28,054,052, which is an increase of $5,636,971 from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2019	Revenues	Expenditures	June 30, 2020
General	$ 12,295,705	$ 62,812,763	$ 62,584,386	$ 12,524,082
Capital Facilities	2,875,453	3,481,082	207,181	6,149,354
Capital Projects Fund for Blended Component	6,727,108	3,546,922	2,092,986	8,181,044
Non-Major Governmental Funds	518,815	4,549,910	3,869,153	1,199,572
Total	$ 22,417,081	$ 74,390,677	$ 68,753,706	$ 28,054,052

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had $93,194,981 in a broad range of capital assets (net of depreciation), including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of $1,604,180, or 2%, from last year (Table 5).

Table 5

	Governmental Activities	
	2020	2019
Land and construction in progress	$ 39,447,433	$ 38,928,153
Buildings and improvements	50,448,525	52,453,879
Equipment	3,299,023	3,417,129
Total	$ 93,194,981	$ 94,799,161

We present more detailed information regarding our capital assets in Note 5 of the financial statements.

Long-Term Liabilities

At the end of this year, the District had $104,325,048 in long-term liabilities outstanding versus $103,170,980 last year, an increase of $1,154,068, or 1%. The long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2020	2019
Long-Term Liabilities		
Certificates of participation	$ 22,985,000	$ 23,830,000
Private placement debt issuances	13,238,941	14,116,419
Unamortized premiums/(discounts)	2,410,127	2,562,339
Compensated absences	414,220	378,860
Total OPEB liability	2,168,479	1,938,182
Aggregate net pension liability	63,108,281	60,345,180
Total	$ 104,325,048	$ 103,170,980

We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS

In preparing the District budget for 2020-2021 and the multi-year projections through 2022-2023, the following assumptions and criteria were considered:

- The FY 2020-2021 budget includes expenditures sufficient to implement the actions and strategies included in the Local Continuity and Attendance Plan (LCP).
- Includes the decreases for the employer-paid portion of STRS and PERS for FY2020-2021 and FY2021-2022, as well as the increases for FY 2022-2023.
- Increasing special education costs, which increases the local contribution due to inadequate Federal and State funding.
- Department of Defense Education Activity (DoDEA) Operation Open Doors, and Travis Unified Alliance for Science grants.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. This report once approved by the Board of Trustees will be published to the District website. If you have questions about this report or need additional financial information, please contact Trudy Barrington, Director, Fiscal Services, Travis Unified School District, 2751 De Ronde Drive, Fairfield, California 94533.

	Governmental Activities
Assets	
Deposits and investments	$ 24,734,738
Receivables	7,892,656
Prepaid items	1,705
Stores inventories	63,837
Capital assets not depreciated	39,447,433
Capital assets, net of accumulated depreciation	53,747,548
Total assets	125,887,917
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	109,441
Deferred outflows of resources related to pensions	16,231,411
Total deferred outflows of resources	16,340,852
Liabilities	
Accounts payable	4,353,373
Interest payable	457,790
Unearned revenue	285,511
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	1,834,065
Long-term liabilities other than OPEB and pensions due in more than one year	37,214,223
Total other postemployment benefits liability	2,168,479
Aggregage net pension liability	63,108,281
Total liabilities	109,421,722
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	4,240,185
Net Position	
Net investment in capital assets	62,741,957
Restricted for	
Capital projects	7,126,179
Educational programs	1,753,286
Food Services	170,380
Unrestricted	(43,224,940)
Total net position	$ 28,566,862

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction	$ 41,536,338	$ 411,153	$ 4,900,664	$ (36,224,521)
Instruction-related activities				
Supervision of instruction	2,308,591	304,854	685,708	(1,318,029)
Instructional library, media, and technology	1,214,899	66,493	13,213	(1,135,193)
School site administration	3,487,089	558	186,645	(3,299,886)
Pupil services				
Home-to-school transportation	1,783,164	-	5,866	(1,777,298)
Food services	1,598,666	523,405	784,497	(290,764)
All other pupil services	5,504,786	-	1,124,017	(4,380,769)
Administration				
Data processing	406,044	-	-	(406,044)
All other administration	4,318,484	24,165	221,046	(4,073,273)
Plant services	4,149,650	690,933	27,727	(3,430,990)
Ancillary services	454,174	44,285	71,618	(338,271)
Interest on long-term liabilities	1,234,231	-	-	(1,234,231)
Other outgo	1,591,040	-	161,994	(1,429,046)
Total governmental activities	$ 69,587,156	$ 2,065,846	$ 8,182,995	(59,338,315)

Travis Unified School District
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
General Revenues and Subventions				
Property taxes, levied for general purposes				$ 7,599,132
Taxes levied for other specific purposes				3,414,823
Federal and State aid not restricted to specific purposes				46,825,870
Interest and investment earnings				555,956
Miscellaneous				2,764,394
Subtotal, general revenues				61,160,175
Change in Net Position				1,821,860
Net Position - Beginning				26,745,002
Net Position - Ending				$ 28,566,862

	General Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units
Assets			
Deposits and investments	$ 9,522,107	$ 5,839,572	$ 8,181,044
Receivables	7,426,096	411,428	-
Due from other funds	162,694	-	-
Prepaid expenditures	1,705	-	-
Stores inventories	20,217	-	-
Total assets	$ 17,132,819	$ 6,251,000	$ 8,181,044
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 4,323,226	$ -	$ -
Due to other funds	-	101,646	-
Unearned revenue	285,511	-	-
Total liabilities	4,608,737	101,646	-
Fund Balances			
Nonspendable	71,922	-	-
Restricted	1,753,286	6,149,354	8,181,044
Assigned	8,822,771	-	-
Unassigned	1,876,103	-	-
Total fund balances	12,524,082	6,149,354	8,181,044
Total liabilities and fund balances	$ 17,132,819	$ 6,251,000	$ 8,181,044

	Non-Major Governmental Funds	Total Governmental Funds
Assets		
Deposits and investments	$ 1,192,015	$ 24,734,738
Receivables	55,132	7,892,656
Due from other funds	-	162,694
Prepaid expenditures	-	1,705
Stores inventories	43,620	63,837
Total assets	$ 1,290,767	$ 32,855,630
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 30,147	$ 4,353,373
Due to other funds	61,048	162,694
Unearned revenue	-	285,511
Total liabilities	91,195	4,801,578
Fund Balances		
Nonspendable	43,620	115,542
Restricted	1,155,952	17,239,636
Assigned	-	8,822,771
Unassigned	-	1,876,103
Total fund balances	1,199,572	28,054,052
Total liabilities and fund balances	$ 1,290,767	$ 32,855,630

Total Fund Balance - Governmental Funds		$ 28,054,052
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 138,638,711	
Accumulated depreciation is	(45,443,730)	
Net capital assets		93,194,981
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(457,790)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits	109,441	
Net pension liability	16,231,411	
Total deferred outflows of resources		16,340,852
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Net pension liability		(4,240,185)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(63,108,281)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(2,168,479)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
Certificates of participation	(22,107,522)	
Unamortized debt premiums	(2,562,339)	
Compensated absences (vacations)	(414,220)	
Private placement debt issuances	(13,964,207)	
Total long-term liabilities		(39,048,288)
Total net position - governmental activities		$ 28,566,862

	General Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units
Revenues			
Local Control Funding Formula	$ 49,327,067	$ -	$ -
Federal sources	5,711,621	-	-
Other State sources	5,618,563	-	-
Other local sources	2,053,866	3,481,082	3,546,922
Total revenues	62,711,117	3,481,082	3,546,922
Expenditures			
Current			
Instruction	35,887,641	-	-
Instruction-related activities			
Supervision of instruction	2,130,994	-	-
Instructional library, media, and technology	1,145,834	-	-
School site administration	3,207,154	-	-
Pupil services			
Home-to-school transportation	1,504,695	-	-
Food services	-	-	-
All other pupil services	5,071,207	-	-
Administration			
Data processing	397,085	-	-
All other administration	3,981,236	5,000	-
Plant services	4,958,617	92,460	-
Ancillary services	435,886	-	-
Facility acquisition and construction	503,316	8,075	13,703
Debt service			
Principal	-	-	590,570
Interest and other	1,593,326	-	161,114
Total expenditures	60,816,991	105,535	765,387
Excess (Deficiency) of Revenues Over Expenditures	1,894,126	3,375,547	2,781,535
Other Financing Sources (Uses)			
Transfers in	101,646	-	-
Transfers out	(1,767,395)	(101,646)	(1,327,599)
Net Financing Sources (Uses)	(1,665,749)	(101,646)	(1,327,599)
Net Change in Fund Balances	228,377	3,273,901	1,453,936
Fund Balance - Beginning	12,295,705	2,875,453	6,727,108
Fund Balance - Ending	$ 12,524,082	$ 6,149,354	$ 8,181,044

	Non-Major Governmental Funds	Total Governmental Funds
Revenues	$ -	$ 49,327,067
Local Control Funding Formula	762,840	6,474,461
Federal sources	53,603	5,672,166
Other State sources	638,473	9,720,343
Other local sources	1,454,916	71,194,037
Total revenues		
Expenditures		
Current	-	35,887,641
Instruction		
Instruction-related activities	-	2,130,994
Supervision of instruction		
Instructional library, media,	-	1,145,834
and technology	-	3,207,154
School site administration		
Pupil services	-	1,504,695
Home-to-school transportation	1,322,187	1,322,187
Food services	-	5,071,207
All other pupil services		
Administration	-	397,085
Data processing	61,043	4,047,279
All other administration	-	5,051,077
Plant services	-	435,886
Ancillary services	109,896	634,990
Facility acquisition and construction		
Debt service	1,131,908	1,722,478
Principal	1,244,119	2,998,559
Interest and other	3,869,153	65,557,066
Total expenditures		
Excess (Deficiency) of Revenues	(2,414,237)	5,636,971
Over Expenditures		
Other Financing Sources (Uses)	3,094,994	3,196,640
Transfers in	-	(3,196,640)
Transfers out	3,094,994	-
Net Financing Sources (Uses)	680,757	5,636,971
Net Change in Fund Balances	518,815	22,417,081
Fund Balance - Beginning	$ 1,199,572	$ 28,054,052
Fund Balance - Ending		

Travis Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds		$ 5,636,971
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense	$ (3,381,720)	
Capital outlays	1,777,540	
Net expense adjustment		(1,604,180)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(35,360)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(3,900,843)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(170,494)

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.		
Premium amortization	$	152,212
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Certificates of participation		845,000
Private placement debt issuances		877,478
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		21,076
Change in net position of governmental activities	$	1,821,860

	Scholarship Trust	Agency Funds
Assets		
Deposits and investments	$ 7,939	$ 275,367
Liabilities		
Due to student groups	-	$ 275,367
Net Position		
Held in trusts for scholarships	$ 7,939	

	Scholarship Trust
Additions	
Interest	156
Change in Net Position	156
Net Position - Beginning	7,783
Net Position - Ending	$ 7,939

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

Travis Unified School District (the District) was unified on January 30, 1962, under the laws of the State of California. The District operates under a locally elected five member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates five elementary schools, one middle school, one high school, one alternative education high school, and one community day school.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units described below have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units*, and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Public Property Financing Corporation of California as represented by the Certificates of Participation, is presented in the financial statements as the Capital Project Fund for Blended Component Units, the COP Capital Projects Fund, and the COP Debt Service Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

The Travis Unified School District CFD No. 1 and CFD No. 2 financial activity is presented in the financial statements within the Capital Project Fund for Blended Component Units. Special taxes collected for CFD No. 1 and CFD No. 2 are used to pay the certificates of participation issued by the Public Property Financing Corporation of California included in the Governmental Funds of the District.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

Three funds are currently defined, as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects and Fund 20, Special Reserve Fund for Postemployment Benefits, are not substantially composed of restricted or committed revenue sources. While these funds are authorized by statute and will remain open for internal reporting purposes, these funds function effectively as an extension of the General Fund, and accordingly have been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $3,002,074.

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (Education Code Sections 17620-17626 and Government Code Section 65995 et seq.). Expenditures are restricted to the purposes specified in Government Code Sections 65970-65981 or to the items specified in agreements with the developer (Government Code Section 66006).

Capital Projects Fund for Blended Component Units The Capital Project Fund for Blended Component Units is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Non-Major Governmental Funds

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

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

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

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).
-
- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (Education Code Section 42840).

- **COP Capital Projects Fund** The COP Capital Projects Fund is used to account for capital projects that are considered component units of the District under generally accepted accounting principles.

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

- **COP Debt Service Fund** The COP Debt Service Fund is used to account for the interest and redemption of principal of Certificates of Participation.

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Trust fund are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, no available to support the District's own programs. The District trust fund account for scholarship activity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity account since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

Basis of Accounting - Measurement Focus

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

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

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

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

- Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

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

Investments

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.

Capital Assets and Depreciation

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

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 50 years; equipment, 2 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

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

However, 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, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight line method, which approximates the effective interest method.

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items. The deferred amounts related to pension relate to differences between contributions and the District's proportionate share of contributions, differences between expected and actual experiences, and differences between expected and actual earnings on investments.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Fund Balances - Governmental Funds

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $9,049,845 of net position restricted by enabling legislation.

Interfund Activity

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

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

Estimates

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

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 13 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Solano bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The provisions of this Statement have been implemented as of June 30, 2020.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the

service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	$ 24,734,738
Fiduciary funds	283,306
Total deposits and investments	$ 25,018,044

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	$ 275,367
Cash in revolving	50,000
Investments	24,692,677
Total deposits and investments	$ 25,018,044

Policies and Practices

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

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

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities through the last scheduled payment of the certificates of participation debt.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool and having the Pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Reported Amount	Weighted Average Maturity in Days/ Maturity Date
U.S. Agencies	$ 414	7/1/2020
Money Market Mutual Funds	8,505	7/1/2020
Solano County Investment Pool	24,683,758	517
Total	$ 24,692,677	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the year end for each investment type

Investment Type	Reported Amount	Minimum Legal Rating	Standard & Poor's Rating	Fitch's Rating
U.S. Agencies	$ 414	N/A	AAAm	AAAmmf
Money Market Mutual Funds	8,505	N/A	Not Rated	AAAmmf
Solano County Investment Pool	24,683,758	N/A	Aaf/S1	Not Rated
Total	$ 24,692,677			

N/A - Not applicable

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District's bank balance was not exposed to custodial credit risk.

Note 3 - Fair Value Measurements

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

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

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

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

Uncategorized - Investments in the Solano County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Fair Value Measurements Using Level 2 Inputs	Uncategorized
U.S. Agencies	$ 414	$ 414	$ -
Money Market Mutual Funds	8,505	8,505	-
Riverside County Investment Pool	24,683,758	-	24,683,758
Total	$ 24,692,677	$ 8,919	$ 24,683,758

All assets have been valued using a market approach, with quoted market prices.

Note 4 - Receivables

Receivables at June 30, 2020, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total
Federal Government				
Categorical aid	$ 1,172,317	$ -	$ 50,762	$ 1,223,079
State Government				
LCFF apportionment	5,203,499	-	-	5,203,499
Categorical aid	294,737	-	4,370	299,107
Lottery	573,048	-	-	573,048
Local Government				
Other local sources	182,495	411,428	-	593,923
Total	$ 7,426,096	$ 411,428	$ 55,132	$ 7,892,656

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	$ 12,548,300	$ -	$ -	$ 12,548,300
Construction in progress	26,379,853	519,280	-	26,899,133
Total capital assets not being depreciated	38,928,153	519,280	-	39,447,433
Capital assets being depreciated				
Land improvements	15,761,041	-	-	15,761,041
Buildings and improvements	72,770,261	503,316	-	73,273,577
Furniture and equipment	9,401,716	754,944	-	10,156,660
Total capital assets being depreciated	97,933,018	1,258,260	-	99,191,278
Total capital assets	136,861,171	1,777,540	-	138,638,711
Accumulated depreciation				
Land improvements	(6,226,416)	(754,233)	-	(6,980,649)
Buildings and improvements	(29,851,007)	(1,754,437)	-	(31,605,444)
Furniture and equipment	(5,984,587)	(873,050)	-	(6,857,637)
Total accumulated depreciation	(42,062,010)	(3,381,720)	-	(45,443,730)
Governmental activities capital assets, net	$ 94,799,161	$ (1,604,180)	$ -	$ 93,194,981

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

Governmental Activities	
Instruction	$ 2,536,003
Supervision of instruction	63,451
School site administration	16,529
Home-to-school transportation	211,709
Food services	242,075
All other pupil services	105,016
All other administration	109,947
Plant services	96,990
Total depreciation expenses governmental activities	$ 3,381,720

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2020, between major and non-major governmental funds are as follows:

The balance of $61,048 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect costs and postage fees.

The balance of $101,646 is due to the General Fund from the Capital Facilities fund for capital projects expenditures.

Operating Transfers

Interfund transfers for the year ended June 30, 2020, consisted of the following:

The General Fund transferred to the Cafeteria Non-Major Governmental Fund for reduced fee buyout and students' negative account balances.	$	40,173
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for Scandia Project and debt service payments.		1,244,206
The Capital Projects Fund for Blended Component Units transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.		1,327,599
The General Fund transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.		483,016
The Capital Facilities Fund transferred to the General Fund for capital project expenditures.		101,646
Total	$	3,196,640

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Vendor payables	$ 1,656,184	$ 28,435	$ 1,684,619
Salaries and benefits	2,667,042	1,712	2,668,754
Total	$ 4,323,226	$ 30,147	$ 4,353,373

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2020, consisted of the following:

	General Fund
Federal financial assistance	$ 9,408
State categorical aid	50,462
Other local	225,641
Total	$ 285,511

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

Summary

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Long-Term Liabilities					
Certificates of participation	23,830,000	-	(845,000)	22,985,000	915,000
Private placement debt issuances	14,116,419	-	(877,478)	13,238,941	919,065
Unamortized debt premiums	2,562,339		(152,212)	2,410,127	-
Compensated absences	378,860	35,360	-	414,220	-
Total	$ 40,887,618	$ 35,360	$ (1,874,690)	$ 39,048,288	$ 1,834,065

Payments on certificates of participation are made in the COP Debt Service Fund. Private placement debt

issuance are made in the Capital Projects Fund for Blended Component Units and the Special Reserve Fund for Capital Outlay Projects Fund. The compensated absences will be paid by the fund for which the employee worked.

The District's outstanding certificates of participation of $22,985,000 are secured with collateral of an undeveloped lot zoned for commercial use.

The outstanding certificates of participation from private placements related of $13,238,941 contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 120% of debt service coverage due in the following year and (2) a provision that if the District is unable to make payment, outstanding amounts are due immediately.

Certificates of Participation

2016 Refunding Certificates of Participation

On February 25, 2016, the District issued Certificates of Participation totaling $19,625,000, pursuant to a lease agreement with the District and the Public Property Financing Corporation of California. Interest rates range from 2.00 to 5.00%. At June 30, 2020, the principal balance outstanding was $17,680,000.

2016 Series B Certificates of Participation

On October 1, 2016, the District issued Certificates of Participation totaling $6,170,000, pursuant to a lease agreement with the District and the Public Property Financing Corporation of California. Interest rates range from 2.00 to 4.00%. At June 30, 2020, the principal balance outstanding was $5,305,000.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 915,000	$ 934,238	$ 1,849,238
2022	985,000	899,238	1,884,238
2023	1,040,000	860,263	1,900,263
2024	1,125,000	812,963	1,937,963
2025	1,215,000	757,788	1,972,788
2026-2030	7,490,000	2,807,063	10,297,063
2031-2035	9,025,000	892,575	9,917,575
2036-2037	1,190,000	29,219	1,219,219
Total	$ 22,985,000	$ 7,993,347	$ 30,978,347

Private Placement Debt Issuance

2017 Series A Public Lease Revenue Bond

On June 5, 2017, the Public Property Financing Corporation of California issued $3,528,794 of a Tax-Exempt Lease with an interest rate of 2.49%. At June 30, 2020, the principal balance outstanding was $2,980,458.

2017 Series B Public Lease Revenue Bond

On June 5, 2017, the Public Property Financing Corporation of California issued $4,230,971 of a Renewable Energy Bond with an interest rate of 4.68%. At June 30, 2020, the principal balance outstanding was $4,230,971.

2017 Refunding Series C Public Lease Revenue Bond

On June 5, 2017, the Public Property Financing Corporation of California issued $7,806,090 of a Refunding Public Lease Revenue Bond with an interest rate of 2.49%. At June 30, 2020, the principal balance outstanding was $6,027,512.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 919,065	$ 416,587	$ 1,335,652
2022	977,482	393,338	1,370,820
2023	1,002,865	368,840	1,371,705
2024	1,033,249	343,680	1,376,929
2025	1,068,063	317,736	1,385,799
2026-2030	5,212,545	1,144,909	6,357,454
2031-2035	2,200,773	447,972	2,648,745
2036-2037	824,899	48,839	873,738
Total	$ 13,238,941	$ 3,481,901	$ 16,720,842

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to $414,220.

Note 10 - Total Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported total OPEB liability, deferred outflows of resources, and OPEB expense for the following plans:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	OPEB Expense
Retiree Health Plan	$ 2,168,479	$ 109,441	$ 170,494

District Plan

Plan Administration

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

Plan Membership

At July 1, 2018, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	14
Active employees	492
Total	506

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Benefit Payments

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Travis Unified Teachers Association (TUTA), the local California School Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, TUTA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2020, the District paid $75,794 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $2,168,479 was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined by applying updated procedures to the financial reporting actuarial valuation as of July 1, 2018 and rolling forward the total OPEB liability to June 30, 2020. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00	percent
Salary increases	3.00	percent, average, including inflation
Discount rate	2.45	percent
Healthcare cost trend rates	5.00	percent for 2020

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

Mortality rates were based on RP-2014 Employee Mortality Table for Males or Females for pre-retirement and RP-2014 Health Annuitant Mortality Table for Males or Females for post-retirement. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actual experience study for the period July 1, 2016 to June 30, 2017.

Changes in Total OPEB Liability of the District

	Total OPEB Liability
Balance, June 30, 2019	$ 1,938,182
Service cost	149,253
Interest	64,160
Changes of assumptions	92,678
Benefit payments	(75,794)
Net change in total OPEB liability	230,297
Balance, June 30, 2020	$ 2,168,479

There were no changes to benefits noted from the prior evaluation.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13 percent in 2019 to 2.45 percent in 2020.

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

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

Discount Rate	Total OPEB Liability
1% decrease (1.45%)	$ 2,309,521
Current discount rate (2.45%)	2,168,479
1% increase (3.45%)	2,033,223

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

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

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (4.0%)	$ 1,924,521
Current healthcare cost trend rate (5.0%)	2,168,479
1% increase (6.0%)	2,452,586

OPEB Expense and Deferred Outflows of Resources related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of $170,494. At June 30, 2020, the District reported deferred outflows of resources for OPEB changes of assumptions of $109,441.

OPEB contributions subsequent to the measurement date will be recognized as a reduction to the Total OPEB liability in the subsequent fiscal year.

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

Year Ended June 30,	Deferred Outflows of Resources
2021	$ 32,875
2022	32,875
2023	31,601
2024	12,090
Total	$ 109,441

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 50,000	$ -	$ -	$ -	$ 50,000
Stores inventories	20,217	-	-	43,620	63,837
Prepaid expenditures	1,705	-	-	-	1,705
Total nonspendable	71,922	-	-	43,620	115,542
Restricted					
Legally restricted programs	1,753,286	-	-	170,380	1,923,666
Capital projects	-	6,149,354	8,181,044	976,825	15,307,223
Debt services	-	-	-	8,747	8,747
Total restricted	1,753,286	6,149,354	8,181,044	1,155,952	17,239,636
Assigned					
Deferred maintenance	70,438	-	-	-	70,438
Capital projects	2,900,564	-	-	-	2,900,564
Other postemployment benefits	31,072	-	-	-	31,072
TUTA catastrophic leave	20,000	-	-	-	20,000
Compensated absences	320,739	-	-	-	320,739
Reserve for sustainability	4,314,267	-	-	-	4,314,267
Reserve for textbook adoption	1,165,691	-	-	-	1,165,691
Total assigned	8,822,771	-	-	-	8,822,771
Unassigned					
Remaining unassigned	1,876,103	-	-	-	1,876,103
Total	$ 12,524,082	$ 6,149,354	$ 8,181,044	$ 1,199,572	$ 28,054,052

Note 12 - Risk Management

Description

The District's risk management activities are recorded in the General Fund. Employee health programs are administered by the General Fund through the purchase of commercial insurance. The District participates in the North Bay Schools Insurance Authority (NBSIA) joint powers agency for the workers' compensation, property and liability, and dental and vision programs. Refer to Note 15 for additional information regarding the JPA.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year for the three prior years.

Note 13 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 41,778,041	$ 11,379,050	$ 3,976,159	$ 5,007,555
CalPERS	21,330,240	4,852,361	264,026	3,956,780
Total	$ 63,108,281	$ 16,231,411	$ 4,240,185	$ 8,964,335

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

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

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the

District's total contributions were $4,176,662.

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

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

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 41,778,041
State's proportionate share of the net pension liability	22,792,711
Total	$ 64,570,752

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively was 0.0463 percent and 0.0443 percent, resulting in a net decrease in the proportionate share of 0.0020 percent.

For the year ended June 30, 2020, the District recognized pension expense of $5,007,555. In addition, the District recognized pension expense and revenue of $3,394,326 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,176,662	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,812,912	1,189,600
Differences between projected and actual earnings on pension plan investments	-	1,609,303
Differences between expected and actual experience in the measurement of the total pension liability	105,467	1,177,256
Changes of assumptions	5,284,009	-
Total	$ 11,379,050	$ 3,976,159

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ (162,326)
2022	(1,277,597)
2023	(265,249)
2024	95,869
Total	$ (1,609,303)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 1,071,893
2022	1,189,587
2023	1,041,397
2024	1,387,448
2025	30,397
Thereafter	114,810
Total	$ 4,835,532

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 62,210,961
Current discount rate (7.10%)	41,778,041
1% increase (8.10%)	24,835,259

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These reports 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 provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the total District contributions were $2,105,464.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $21,330,240. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, was 0.0732 percent and 0.0736 percent, respectively, resulting in a net increase in the proportionate share of 0.0004 percent.

For the year ended June 30, 2020, the District recognized pension expense of $3,956,780. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,105,464	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	182,080	66,184
Differences between projected and actual earnings on pension plan investments	-	197,842
Differences between expected and actual experience in the measurement of the total pension liability	1,549,431	-
Changes of assumptions	1,015,386	-
Total	$ 4,852,361	$ 264,026

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 195,292
2022	(390,089)
2023	(59,113)
2024	56,068
Total	$ (197,842)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 1,730,268
2022	699,262
2023	228,347
2024	22,836
Total	$ 2,680,713

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to

determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 30,746,138
Current discount rate (7.15%)	21,330,240
1% increase (8.15%)	13,519,102

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 $2,380,771 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of $798,576 for these contributions has been recorded in these financial statements.

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

Note 15 - Participation in Joint Power Authority

The District is a member of the North Bay Schools Insurance Authority (NBSIA) joint powers authority (JPA). The District pays an annual premium to the applicable entity for its workers' compensation and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

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

During the year ended June 30, 2020, the District made a payment of $686,441 to NBSIA for its dental, workers' compensation, and property liability coverage.

Note 16 - Subsequent Events

Subsequent to year end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to State apportionment deferrals.

Required Supplementary Information
June 30, 2020

Travis Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 49,136,970	$ 47,567,910	$ 49,327,067	$ 1,759,157
Federal sources	4,961,300	6,324,251	5,711,621	(612,630)
Other State sources	4,317,745	5,144,491	5,618,563	474,072
Other local sources	1,429,807	2,142,636	2,053,866	(88,770)
Total revenues [1]	59,845,822	61,179,288	62,711,117	1,531,829
Expenditures				
Current				
Certificated salaries	27,839,783	27,105,532	26,563,060	542,472
Classified salaries	10,183,357	9,757,898	9,628,706	129,192
Employee benefits	14,054,427	12,847,804	14,051,084	(1,203,280)
Books and supplies	2,547,064	2,353,568	1,831,051	522,517
Services and operating expenditures	5,897,696	6,365,054	5,907,221	457,833
Other outgo	1,125,215	1,139,615	(15,717)	1,155,332
Capital outlay	983,621	1,149,529	1,258,260	(108,731)
Debt service				
Debt service - principal	198,144	104,010	-	104,010
Debt service - interest and other	285,000	373,000	1,593,326	(1,220,326)
Total expenditures [1]	63,114,307	61,196,010	60,816,991	379,019
Excess (Deficiency) of Revenues Over Expenditures	(3,268,485)	(16,722)	1,894,126	1,910,848
Other Financing Sources (Uses)				
Transfers in	-	-	101,646	101,646
Transfers out	(600,489)	(556,678)	(1,767,395)	(1,210,717)
Net Change in Fund Balances	(3,868,974)	(573,400)	228,377	801,777
Fund Balance - Beginning	12,295,705	12,295,705	12,295,705	-
Fund Balance - Ending	$ 8,426,731	$ 11,722,305	$ 12,524,082	$ 801,777

[1] Due to the consolidation of Fund 14, Deferred Maintenance, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects and Fund 20 Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however, are not included in the original and final General Fund budgets.

Travis Unified School District

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

Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 149,253	$ 140,117	$ 136,036
Interest	64,160	61,931	57,987
Changes of assumptions	92,678	62,366	-
Benefit payments	(75,794)	(73,416)	(96,537)
Net change in total OPEB liability	230,297	190,998	97,486
Total OPEB Liability - Beginning	1,938,182	1,747,184	1,649,698
Total OPEB Liability - Ending	$ 2,168,479	$ 1,938,182	$ 1,747,184
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

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

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

Travis Unified School District

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

Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
CalSTRS						
Proportion of the net pension liability	0.0463%	0.0443%	0.0450%	0.0449%	0.0474%	0.0459%
Proportionate share of the net pension liability	$ 41,778,041	$ 40,716,743	$ 41,610,073	$ 36,319,582	$ 31,929,420	$ 26,833,207
State's proportionate share of the net pension liability	22,792,711	23,312,240	24,616,167	20,676,090	16,887,143	16,203,049
Total	$ 64,570,752	$ 64,028,983	$ 66,226,240	$ 56,995,672	$ 48,816,563	$ 43,036,256
Covered payroll	$ 25,171,916	$ 22,164,789	$ 21,514,436	$ 22,761,463	$ 21,292,128	20,865,993
Proportionate share of the net pension liability as a percentage of its covered payroll	165.97%	183.70%	193.41%	159.57%	149.96%	128.60%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
Proportion of the net pension liability	0.0732%	0.0736%	0.0726%	0.0705%	0.0651%	0.0637%
Proportionate share of the net pension liability	$ 21,330,240	$ 19,628,437	$ 17,325,004	$ 13,930,582	$ 9,589,568	$ 7,229,635
Covered payroll	$ 10,174,665	$ 10,200,940	$ 8,856,884	$ 7,462,708	$ 7,239,682	6,675,380
Proportionate share of the net pension liability as a percentage of its covered payroll	209.64%	192.42%	195.61%	186.67%	132.46%	108.30%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 4,176,662	$ 4,097,988	$ 3,198,379	$ 2,706,516	$ 2,442,305	$ 1,890,741
Less contributions in relation to the contractually required contribution	4,176,662	4,097,988	3,198,379	2,706,516	2,442,305	1,890,741
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$24,424,924	$25,171,916	$22,164,789	$21,514,436	$22,761,463	$21,292,128
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 2,105,464	$ 1,837,748	$ 1,584,308	$ 1,230,044	$ 884,107	$ 852,183
Less contributions in relation to the contractually required contribution	2,105,464	1,837,748	1,584,308	1,230,044	884,107	852,183
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$10,676,254	$10,174,665	$10,200,940	$ 8,856,884	$ 7,462,708	$ 7,239,682
Contributions as a percentage of covered payroll	19.72%	18.062%	15.531%	13.888%	11.847%	11.771%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

At June 30, 2020, the District's General Fund exceeded the budgeted amount in total as follows:

	Expenditures and Other Uses		
Funds	Budget	Actual	Excess
General Fund	$ 61,752,688	$ 62,584,386	$ 831,698

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

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

- *Changes in Benefit Terms* – There were no changes in benefits terms since the previous valuation
- *Changes of Assumptions* – Changes of assumptions reflect a change in the discount rate from 3.13 percent in 2019 to 2.45 percent in 2020.

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

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

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

Schedule of District Contributions

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

Supplementary Information
June 30, 2020

Travis Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Title VII Impact Aid	84.041	10015	$ 3,459,784
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	958,328
Special Education Grants to States - Mental Health Allocation Plan	84.027A	15197	62,044
Special Education Preschool Grants	84.173	13430	40,657
Total Special Education Cluster			1,061,029
English Language Acquisition State Grants - Immigrant Student Program	84.365	15146	11,448
English Language Acquisition State Grants - English Learner Student Program	84.365	14346	15,097
Subtotal			26,545
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	31,150
Title I Grants to Local Educational Agencies - Basic Grants Low-Income Neglected	84.010	14329	339,087
Total U.S. Department of Education			4,917,595
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	418,050
School Breakfast Program - Especially Needy Breakfast	10.553	13526	103,749
National School Lunch Program - Summer Food Program	10.559	13004	183,010
National School Lunch Program - Commodity Supplemental Food	10.555	13391	58,031
Total Child Nutrition Cluster			762,840
U.S. Department of Defense			
Department of Defense Education Activity (DODEA)			
DODEA Open Doors	12.556	[1]	236,159
DODEA Project Connect	12.556	[1]	65,605
DODEA Alliance for Science	12.556	[1]	415,300
Subtotal			717,064
Junior Reserve Officer Training Corps - Air Force	12.000	[1]	76,962
Total U.S. Department of Defense			794,026
Total Expenditures of Federal Awards			$ 6,474,461

[1] Pass-Through Entity Identifying Number not available

Organization

Travis Unified School District (the District) was established January 30, 1962 and consists of an area comprising approximately 46 square miles. The District operates five elementary schools, one middle school, one high school, one alternative education high school, and one community day school. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Ivery Hood	President	November 2020
Russ Barrington	Vice President	November 2020
Janet Jackson Forbes	Member	November 2022
Riitta DeAnda	Member	November 2022

The fifth board member position has been vacant for the 2019-2020 fiscal year.

ADMINISTRATION

NAME	TITLE
Pamela Conklin	Superintendent
Gabe Moulaison	Chief Business Officer
Sue Brothers	Assistant Superintendent, Educational Services
Vincent Ruiz	Assistant Superintendent, Human Resources
Trudy Barrington	Director, Fiscal Services

Travis Unified School District
Schedule of Average Daily Attendance
Year Ended June 30, 2020

	Final Report	
	Second Period Report D1CD06CD	Annual Report 19F494AF
Regular ADA		
Transitional kindergarten through third	1,632.49	1,632.49
Fourth through sixth	1,085.48	1,085.48
Seventh and eighth	816.65	816.65
Ninth through twelfth	1,713.41	1,713.41
Total Regular ADA	5,248.03	5,248.03
Extended Year Special Education		
Transitional kindergarten through third	1.81	1.81
Fourth through sixth	0.80	0.80
Seventh and eighth	0.29	0.29
Ninth through twelfth	0.28	0.28
Total Extended Year Special Education	3.18	3.18
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	3.87	3.87
Seventh and eighth	1.00	1.00
Ninth through twelfth	8.01	8.01
Total Special Education, Nonpublic, Nonsectarian Schools	12.88	12.88
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.36	0.36
Seventh and eighth	0.14	0.14
Ninth through twelfth	0.53	0.53
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	1.03	1.03
Community Day School		
Ninth through twelfth	9.07	9.07
Total ADA	5,274.19	5,274.19

See Note to Supplementary Information

Travis Unified School District

Schedule of Instructional Time

Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	53,261	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		53,261	180	N/A	Complied
Grade 2		53,261	180	N/A	Complied
Grade 3		53,261	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		56,071	180	N/A	Complied
Grade 5		56,071	180	N/A	Complied
Grade 6		56,071	180	N/A	Complied
Grade 7		57,368	180	N/A	Complied
Grade 8		57,368	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		70,096	180	N/A	Complied
Grade 10		70,096	180	N/A	Complied
Grade 11		70,096	180	N/A	Complied
Grade 12		70,096	180	N/A	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.

	(Budget) 2021 [1]	2020	2019	2018
General Fund				
Revenues	$ 55,348,643	$ 62,657,710	$ 63,817,319	$ 57,644,950
Other sources	1,444,931	101,646	-	-
Total Revenues and Other Sources	56,793,574	62,759,356	63,817,319	57,644,950
Expenditures	58,923,351	59,661,356	61,127,401	56,098,660
Other uses and transfers out	619,968	2,875,419	1,660,126	439,762
Total Expenditures and Other Uses	59,543,319	62,536,775	62,787,527	56,538,422
Increase/(Decrease) in Fund Balance	(2,749,745)	222,581	1,029,792	1,106,528
Ending Fund Balance	$ 6,772,263	$ 9,522,008	$ 9,299,427	$ 8,269,635
Available Reserves	$ 1,786,300	$ 1,876,103	$ 1,883,626	$ 1,696,153
Available Reserves as a Percentage of Total Outgo	3.00%	3.00%	3.00%	3.00%
Long-Term Liabilities	N/A	$ 104,325,048	$ 103,170,980	$ 103,315,662
K-12 Average Daily Attendance at P-2	5,261	5,274	5,299	5,275

The General Fund balance has increased by $1,252,373 over the past two years. The fiscal year 2020-2021 budget projects a decrease of $2,749,745 (28.88%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years and anticipates incurring an operating deficit during the 2020-2021 fiscal year. Total long-term liabilities have increased by $1,009,386 over the past two years.

Average daily attendance has decreased by 1 over the past two years. Additional decline of 13 ADA is anticipated during fiscal year 2020-2021.

[1] Budget 2021 is included for analytical purposes only and has not been subjected to audit.

[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

[3] General Fund amounts do not include activity related to the consolidation of Fund 14, Deferred Maintenance, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects and Fund 20, Special Reserve Fund for Postemployment Benefits as required by GASB Statement No. 54.

Travis Unified School District

Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2020

	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	COP Capital Projects Fund	COP Debt Service Fund	Non-Major Governmental Funds
Assets						
Deposits and investments	$ 206,443	$ 745,211	$ 231,442	$ 172	$ 8,747	$ 1,192,015
Receivables	55,132	-	-	-	-	55,132
Stores inventories	43,620	-	-	-	-	43,620
Total assets	$ 305,195	$ 745,211	$ 231,442	$ 172	$ 8,747	$ 1,290,767
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 30,147	$ -	$ -	-	$ -	$ 30,147
Due to other funds	61,048	-	-	-	-	61,048
Total liabilities	91,195	-	-	-	-	91,195
Fund Balances						
Nonspendable	43,620	-	-	-	-	43,620
Restricted	170,380	745,211	231,442	172	8,747	1,155,952
Total fund balances	214,000	745,211	231,442	172	8,747	1,199,572
Total liabilities and fund balances	$ 305,195	$ 745,211	$ 231,442	$ 172	$ 8,747	$ 1,290,767

	Cafeteria Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	COP Capital Projects Fund	COP Debt Service Fund	Non-Major Governmental Funds
Revenues						
Federal sources	$ 762,840	$ -	$ -	$ -	$ -	$ 762,840
Other State sources	53,603	-	-	-	-	53,603
Other local sources	551,843	14,697	71,005	3	925	638,473
Total revenues	1,368,286	14,697	71,005	3	925	1,454,916
Expenditures						
Current						
Pupil services						
Food services	1,322,187	-	-	-	-	1,322,187
Administration						
All other administration	61,043	-	-	-	-	61,043
Facility acquisition and construction	-	2,527	107,369	-	-	109,896
Debt service						
Principal	-	-	286,908	-	845,000	1,131,908
Interest and other	-	-	277,581	-	966,538	1,244,119
Total expenditures	1,383,230	2,527	671,858	-	1,811,538	3,869,153
Excess (Deficiency) of Revenues Over Expenditures	(14,944)	12,170	(600,853)	3	(1,810,613)	(2,414,237)
Other Financing Sources						
Transfers in	40,173	-	1,244,206	-	1,810,615	3,094,994
Net Change in Fund Balances	25,229	12,170	643,353	3	2	680,757
Fund Balance - Beginning	188,771	733,041	(411,911)	169	8,745	518,815
Fund Balance - Ending	$ 214,000	$ 745,211	$ 231,442	$ 172	$ 8,747	$ 1,199,572

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net assets (or net position or fund balance) of the District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

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

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 Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District/County Office of Education has met its target funding. 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 46206.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 54 days due to the pandemic. As a result, the District received credit for these 54 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Independent Auditor's Reports
June 30, 2020

Travis Unified School District

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Governing Board
Travis Unified School District
Fairfield, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Travis Unified School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Travis Unified School Districts basic financial statements and have issued our report thereon dated December 9, 2020.

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 Travis Unified School 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Rancho Cucamonga, California
December 9, 2020

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance Required by the Uniform Guidance

Governing Board
Travis Unified School District
Fairfield, California

Report on Compliance for Each Major Federal Program

We have audited Travis Unified School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Travis Unified School District compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Travis Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Travis Unified School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 9, 2020

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

Governing Board
Travis Unified School District
Fairfield, California

Report on State Compliance

We have audited Travis Unified School District's (the District) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2020.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Compliance Requirements Tested

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

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

We did not perform procedures for Independent Study because the independent study ADA was under the level that requires testing.

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

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

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

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

We did not perform procedures for the After/Before School Education and Safety Program because the District does not offer the program.

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

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

Unmodified Opinion

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

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Rancho Cucamonga, California
December 9, 2020

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Special Education Cluster	84.027, 84.173, 84.027A
Child Nutrition Cluster	10.553, 10.555, 10.559

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

None reported.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

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CPAs & BUSINESS ADVISORS

Management
Travis Unified School District
Fairfield, California

In planning and performing our audit of the financial statements of Travis Unified School District (the District) for the year ended June 30, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 9, 2020, on the government-wide financial statements of the District.

Golden West Middle School and Vanden High School

Revenue Potentials

Observation
Auditor noted incomplete revenue potentials for fundraisers.

Recommendation
Revenue earned in the Student Body fund is subject to greater risk of loss due to the nature of the fundraising events and decentralization of the cash collection procedures. Increased internal control procedures over these activities will assist the District in decreasing the risk of potential losses of the student body funds. One important internal control feature is the Revenue Potential Form. The revenue potential form is important because it shows whether or not all the monies that should have been raised and turned in actually were based on the price of the item and number sold. The form is also used to document overages and shortages or losses of merchandise. A secondary tool that the form accomplishes is to allow the bookkeeper to compare the advisors log of the deposits made for the fundraiser to the financial records of the appropriate account to ensure that all entries were correctly posted. The site administrator should ensure that these forms are completed and turned in to the bookkeeper at the conclusion of the fundraiser.

Eide Bailly LLP

Rancho Cucamonga, California
December 9, 2020