Financial Statements
June 30, 2021

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, 2021, 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 17 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

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 4 through 11, budgetary comparison information on page 59, schedule of changes in the District's total OPEB liability and related ratios on page 60, schedule of the District's proportionate share of the net pension liability on pages 61-62, and schedule of District contributions on pages 63-64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The combining non-major governmental 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 non-major governmental 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 non-major governmental fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information 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 15, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Rancho Cucamonga, California
December 15, 2021

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
Riitta DeAnda
Ivery Hood
Janet Jackson Forbes
Meghan Thompson
Manveer Sandhu

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, 2021, with comparative information for the year ended June 30, 2020. 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), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. 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 positive 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 $11,692,463 for $40,021,878 ending balance as of June 30, 2021.

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 reports all of its services 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. and California 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. The District's fiduciary activities are reported in the Statements of Net Position – Fiduciary Funds and Statement of Changes in Net Position – Fiduciary Funds. 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 $35,365,240 for the fiscal year ended June 30, 2021. Of this amount, $(43,871,549) 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 $(43,871,549) in the unrestricted net deficit of governmental activities represents the accumulated results of all past years' operations.

	Governmental Activities	
	2021	2020 (as restated)
Assets		
Current and other assets	$ 51,435,299	$ 32,968,299
Capital assets	90,301,098	93,194,981
Total assets	141,736,397	126,163,280
Deferred outflows of resources	14,990,288	16,340,852
Liabilities		
Current liabilities	11,852,366	5,096,674
Long-term liabilities	105,904,053	104,325,048
Total liabilities	117,756,419	109,421,722
Deferred inflows of resources	3,605,026	4,240,185
Net Position		
Net investment in capital assets	62,936,785	62,741,957
Restricted	16,300,004	9,325,208
Unrestricted	(43,871,549)	(43,224,940)
Total net position	$ 35,365,240	$ 28,842,225

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	
	2021	2020*
Revenues		
Program revenues		
Charges for services	$ 4,559,188	$ 2,065,846
Operating grants and contributions	13,585,446	8,182,995
General revenues		
Federal and State aid not restricted	46,127,536	46,825,870
Property taxes	11,232,709	11,013,955
Other general revenues	2,901,618	3,320,350
Total revenues	78,406,497	71,409,016
Expenses		
Instruction-related	50,738,069	48,546,917
Pupil services	8,386,353	8,886,616
Administration	5,145,852	4,724,528
Plant services	4,664,005	4,149,650
All other services	2,949,203	3,279,445
Total expenses	71,883,482	69,587,156
Change in net position	$ 6,523,015	$ 1,821,860

* The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

Governmental Activities

As reported in the *Statement of Activities* on page 13, the cost of all of our governmental activities this year was $71,883,482. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $11,232,709 because the cost was paid by those who benefited from the programs ($4,559,188) or by other governments and organizations who subsidized certain programs with grants and contributions ($13,585,446). We paid for the remaining "public benefit" portion of our governmental activities with $46,127,536 in State and Federal funds and with $2,901,618 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	
	2021	2020*	2021	2020*
Instruction-related	$ 50,738,069	$ 48,546,917	$ (37,768,025)	$ (41,977,629)
Pupil services	8,386,353	8,886,616	(4,414,150)	(6,448,831)
Administration	5,145,852	4,724,528	(4,876,333)	(4,479,317)
Plant services	4,664,005	4,149,650	(4,327,511)	(3,430,990)
All other services	2,949,203	3,279,445	(2,352,829)	(3,001,548)
Total	$ 71,883,482	$ 69,587,156	$ (53,738,848)	$ (59,338,315)

* The total and net cost of services for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $40,021,878, which is an increase of $11,692,463 from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2020 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2021
General	$ 12,524,082	$ 65,979,854	$ 61,024,187	$ 17,479,749
Capital Facilities	6,149,354	6,132,514	590,244	11,691,624
Capital Projects Fund for Blended Component Units	8,181,044	3,710,809	2,608,375	9,283,478
Non-Major Governmental Funds	1,474,935	3,871,158	3,779,066	1,567,027
Total	$ 28,329,415	$ 79,694,335	$ 68,001,872	$ 40,021,878

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had $90,301,098 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 $2,893,883, or 0.03%, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	$ 39,536,927	$ 39,447,433
Buildings and improvements	47,954,027	50,448,525
Equipment	2,810,144	3,299,023
Total	$ 90,301,098	$ 93,194,981

Long-Term Liabilities

At the end of this year, the District had $105,904,053 in long-term liabilities outstanding versus $104,325,048 last year, an increase of $1,579,005, or 0.02%. The long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
Certificates of participation	$ 22,070,000	$ 22,985,000
Private placement debt issuances	12,319,876	13,238,941
Unamortized premiums	2,257,915	2,410,127
Compensated absences	448,836	414,220
Total OPEB liability	1,597,594	2,168,479
Aggregate net pension liability	67,209,832	63,108,281
Total	$ 105,904,053	$ 104,325,048

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS

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

- The FY 2021-2022 budget includes expenditures sufficient to implement the actions and strategies included in the Local Continuity and Attendance Plan (LCAP).
- Includes the compounded COLA for 2021-2022, increase in unemployment insurance (UI) from 0.05% to 0.50%, and decrease for the employer-paid portion of STRS and PERS for FY 2021-2022, as well as the increases for FY 2022-2023 and 2023-2024.
- Declining enrollment affects 2022-2023 and 2023-2024, with 2021-2022 held harmless due to the COVID-19 pandemic.
- Increasing special education costs, which increases the local contribution due to inadequate Federal and State funding.
- Elementary & Secondary School Emergency Relief (ESSER II & III) COVID-19 funds, Expanded Learning Opportunities (ELO) COVID-19 grant, and In-Person Instruction (IPI) COVID-19 grant
- Department of Defense Education Activity (DoDEA) 2017 and 2019, and Strong Workforce grants for Med-Science and Business.

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	$ 39,695,930
Receivables	11,658,138
Prepaid expense	4,210
Stores inventories	77,021
Capital assets not depreciated	39,536,927
Capital assets, net of accumulated depreciation	50,764,171
Total assets	141,736,397
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	157,139
Deferred outflows of resources related to pensions	14,833,149
Total deferred outflows of resources	14,990,288
Liabilities	
Accounts payable	10,673,631
Interest payable	438,945
Unearned revenue	739,790
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	1,962,482
Long-term liabilities other than OPEB and pensions due in more than one year	35,134,145
Total other postemployment benefits liability (OPEB)	1,597,594
Aggregage net pension liability	67,209,832
Total liabilities	117,756,419
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	611,942
Deferred inflows of resources related to pensions	2,993,084
Total deferred inflows of resources	3,605,026
Net Position	
Net investment in capital assets	62,936,785
Restricted for	
Debt service	8,621
Capital projects	12,514,802
Educational programs	3,235,745
Food Services	540,836
Unrestricted	(43,871,549)
Total net position	$ 35,365,240

Travis Unified School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	$ 42,788,467	$ 1,224,975	$ 8,343,895	$ (33,219,597)
Instruction-related activities				
Supervision of instruction	3,374,910	1,389,441	1,729,756	(255,713)
Instructional library, media, and technology	1,156,795	153,158	24,857	(978,780)
School site administration	3,417,897	-	103,962	(3,313,935)
Pupil services				
Home-to-school transportation	1,294,695	-	-	(1,294,695)
Food services	1,789,783	(2,527)	1,852,590	60,280
All other pupil services	5,301,875	1,065,753	1,056,387	(3,179,735)
Administration				
Data processing	482,047	-	-	(482,047)
All other administration	4,663,805	(78)	269,597	(4,394,286)
Plant services	4,664,005	326,167	10,327	(4,327,511)
Ancillary services	516,297	402,299	58,448	(55,550)
Interest on long-term liabilities	1,182,768	-	-	(1,182,768)
Other outgo	1,250,138	-	135,627	(1,114,511)
Total governmental activities	$ 71,883,482	$ 4,559,188	$ 13,585,446	(53,738,848)

See Notes to Financial Statements

Travis Unified School District

Statement of Activities

Year Ended June 30, 2021

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				$ 7,683,222
Taxes levied for other specific purposes				3,549,487
Federal and State aid not restricted to specific purposes				46,127,536
Interest and investment earnings				289,147
Miscellaneous				2,612,471
Subtotal, general revenues				60,261,863
Change in Net Position				6,523,015
Net Position - Beginning, as restated				28,842,225
Net Position - Ending				$ 35,365,240

Travis Unified School District
Balance Sheet – Governmental Funds
June 30, 2021

	General Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 16,315,884	$ 12,175,855	$ 9,674,577	$ 1,529,614	$ 39,695,930
Receivables	11,492,331	-	-	165,807	11,658,138
Due from other funds	1,008,652	-	87,252	478,351	1,574,255
Prepaid expenditures	4,210	-	-	-	4,210
Stores inventories	48,474	-	-	28,547	77,021
Total assets	$ 28,869,551	$ 12,175,855	$ 9,761,829	$ 2,202,319	$ 53,009,554
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 10,562,760	$ -	$ -	$ 110,871	$ 10,673,631
Due to other funds	87,252	484,231	478,351	524,421	1,574,255
Unearned revenue	739,790	-	-	-	739,790
Total liabilities	11,389,802	484,231	478,351	635,292	12,987,676
Fund Balances					
Nonspendable	102,684	-	-	28,547	131,231
Restricted	3,069,728	11,691,624	9,283,478	1,538,480	25,583,310
Assigned	12,476,611	-	-	-	12,476,611
Unassigned	1,830,726	-	-	-	1,830,726
Total fund balances	17,479,749	11,691,624	9,283,478	1,567,027	40,021,878
Total liabilities and fund balances	$ 28,869,551	$ 12,175,855	$ 9,761,829	$ 2,202,319	$ 53,009,554

Total Fund Balance - Governmental Funds		$ 40,021,878
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	$ 138,831,825	
Accumulated depreciation is	(48,530,727)	
Net capital assets		90,301,098
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.		(438,945)
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 (OPEB)	157,139	
Net pension liability	14,833,149	
Total deferred outflows of resources		14,990,288
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		
Other postemployment benefits (OPEB)	(611,942)	
Net pension liability	(2,993,084)	
Total deferred inflows of resources		(3,605,026)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(67,209,832)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(1,597,594)
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	(22,070,000)	
Unamortized debt premiums	(2,257,915)	
Compensated absences (vacations)	(448,836)	
Private placement debt issuances	(12,319,876)	
Total long-term liabilities		(37,096,627)
Total net position - governmental activities		$ 35,365,240

	General Fund	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 48,824,644	$ -	$ -	$ -	$ 48,824,644
Federal sources	7,388,023	-	-	1,709,648	9,097,671
Other State sources	8,224,711	-	-	197,531	8,422,242
Other local sources	1,542,476	6,132,514	3,710,809	56,655	11,442,454
Total revenues	65,979,854	6,132,514	3,710,809	1,963,834	77,787,011
Expenditures					
Current					
Instruction	37,055,149	-	-	-	37,055,149
Instruction-related activities					
Supervision of instruction	3,162,152	-	-	-	3,162,152
Instructional library, media, and technology	1,082,589	-	-	-	1,082,589
School site administration	3,099,724	-	-	-	3,099,724
Pupil services					
Home-to-school transportation	1,029,331	-	-	-	1,029,331
Food services	-	-	-	1,530,809	1,530,809
All other pupil services	4,804,261	-	-	-	4,804,261
Administration					
Data processing	462,961	-	-	-	462,961
All other administration	4,289,647	5,000	-	45,987	4,340,634
Plant services	4,381,516	92,461	-	-	4,473,977
Ancillary services	345,331	-	-	157,920	503,251
Facility acquisition and construction	-	8,552	13,636	89,494	111,682
Debt service					
Principal	-	-	878,284	955,781	1,834,065
Interest and other	1,253,138	-	351,750	999,075	2,603,963
Total expenditures	60,965,799	106,013	1,243,670	3,779,066	66,094,548
Excess (Deficiency) of Revenues Over Expenditures	5,014,055	6,026,501	2,467,139	(1,815,232)	11,692,463
Other Financing Sources (Uses)					
Transfers in	-	-	-	1,907,324	1,907,324
Transfers out	(58,388)	(484,231)	(1,364,705)	-	(1,907,324)
Net Financing Sources (Uses)	(58,388)	(484,231)	(1,364,705)	1,907,324	-
Net Change in Fund Balances	4,955,667	5,542,270	1,102,434	92,092	11,692,463
Fund Balance - Beginning, as restated	12,524,082	6,149,354	8,181,044	1,474,935	28,329,415
Fund Balance - Ending	$ 17,479,749	$ 11,691,624	$ 9,283,478	$ 1,567,027	$ 40,021,878

Total Net Change in Fund Balances - Governmental Funds		$ 11,692,463
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 expense exceeds capital outlays in the period.		
Depreciation expense	$ (3,086,997)	
Capital outlays	193,114	
Net expense adjustment		(2,893,883)
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.		(34,616)
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.		(4,252,712)
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.		6,641

Governmental funds report the effect of premiums, discounts, and the deferred charge on 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		915,000
Private placement debt issuances		919,065
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.		18,845
Change in net position of governmental activities	$	6,523,015

	Private-Purpose Trust
Assets	
Deposits and investments	$ 8,012
Net Position	
Restricted for individuals, organizations and other governments	$ 8,012

Travis Unified School District
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Year Ended June 30, 2021

	Private-Purpose Trust
Additions	
Private donations	$ 6
Interest	67
Total additions	73
Net Position - Beginning	7,939
Net Position - Ending	$ 8,012

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 $3,029,465.

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.

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

- **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 resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. The District's trust fund accounts for scholarship activity.

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 contributions subsequent to measurement date, proportionate share of contributions, differences between projected and actual earnings on investments, differences between expected and actual experience of total pension liability, and changes of assumptions.

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 and OPEB relate to contributions subsequent to measurement date, proportionate share of contributions, differences between projected and

actual earnings on investments, differences between expected and actual experience of total pension liability, changes of assumptions, and differences between projected and actual experience.

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, 2021, 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 $16,300,004 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

Implementation of GASB Statement No. 84

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the District resulted in a reclassification of the District's student body activities from fiduciary to governmental. The effect of the implementation of this standard on beginning fund balance and net position is disclosed in Note 17.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Governmental funds	$ 39,695,930
Fiduciary funds	8,012
Total deposits and investments	$ 39,703,942

Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	$ 166,017
Cash in revolving	50,000
Investments	39,487,925
Total deposits and investments	$ 39,703,942

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	$ 172	7/1/2021
Money Market Mutual Funds	8,449	7/1/2021
Solano County Investment Pool	39,479,304	420
Total	$ 39,487,925	

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	$ 172	N/A	AAAm	AAAmmf
Money Market Mutual Funds	8,449	N/A	Not Rated	AAAmmf
Solano County Investment Pool	39,479,304	N/A	Aaf/S1	Not Rated
Total	$ 39,487,925			

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% 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% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2021, 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.

The District's fair value measurements are as follows at June 30, 2021:

Investment Type	Reported Amount	Fair Value Measurements Using Level 2 Inputs
U.S. Agencies	$ 172	$ 172
Money Market Mutual Funds	8,449	8,449
Total	$ 8,621	$ 8,621

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

Note 4 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Non-Major Governmental Funds	Total
Federal Government			
Categorical aid	$ 2,177,282	$ 152,966	$ 2,330,248
State Government			
LCFF apportionment	7,407,028	-	7,407,028
Categorical aid	760,102	12,841	772,943
Lottery	769,572	-	769,572
Local Government			
Other local sources	378,347	-	378,347
Total	$ 11,492,331	$ 165,807	$ 11,658,138

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 12,548,300	$ -	$ -	$ 12,548,300
Construction in progress	26,899,133	89,494	-	26,988,627
Total capital assets not being depreciated	39,447,433	89,494	-	39,536,927
Capital assets being depreciated				
Land improvements	15,761,041	-	-	15,761,041
Buildings and improvements	73,273,577	-	-	73,273,577
Furniture and equipment	10,156,660	103,620	-	10,260,280
Total capital assets being depreciated	99,191,278	103,620	-	99,294,898
Total capital assets	138,638,711	193,114	-	138,831,825
Accumulated depreciation				
Land improvements	(6,980,649)	(751,422)	-	(7,732,071)
Buildings and improvements	(31,605,444)	(1,743,076)	-	(33,348,520)
Furniture and equipment	(6,857,637)	(592,499)	-	(7,450,136)
Total accumulated depreciation	(45,443,730)	(3,086,997)	-	(48,530,727)
Governmental activities capital assets, net	$ 93,194,981	$ (2,893,883)	$ -	$ 90,301,098

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

Governmental Activities	
Instruction	$ 2,314,986
Supervision of instruction	57,921
School site administration	15,088
Home-to-school transportation	193,258
Food services	220,978
All other pupil services	95,864
All other administration	100,365
Plant services	88,537
Total depreciation expenses governmental activities	$ 3,086,997

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, 2021, between major and non-major governmental funds are as follows:

The balance of $45,987 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for indirect costs and postage fees.

The balance of $484,231 is due to the General Fund from the Capital Facilities Fund for capital project expenditures.

The balance of $478,434 is due to the General Fund from Special Reserve for Capital Outlay Fund for debt service payments.

The balance of $478,351 is due to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects from the Capital Projects Fund for Blended Component Units for debt service payments.

The balance of $87,252 is due to the Capital Projects Fund for Blended Component Units from the General Fund for debt service payments.

Operating Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

The General Fund transferred to the Cafeteria Non-Major Governmental Fund to cover expenditures due to COVID-19 closures.	$	25,000
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Capital Outlay Projects for Scandia Project and debt service payments.		33,388
The Capital Facilities Fund for Blended Component Units transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.		1,364,705
The Capital Facilities Fund transferred to the COP Debt Service Non-Major Governmental Fund for debt service payments.		484,231
Total	$	1,907,324

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, 2021, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Vendor payables	$ 7,680,241	$ 98,497	$ 7,778,738
Salaries and benefits	2,882,519	12,374	2,894,893
Total	$ 10,562,760	$ 110,871	$ 10,673,631

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund
Federal financial assistance	$ 386,850
State categorical aid	240,149
Other local	112,791
Total	$ 739,790

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, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
Certificates of participation	$ 22,985,000	$ -	$ (915,000)	$ 22,070,000	$ 985,000
Private placement debt issuances	13,238,941	-	(919,065)	12,319,876	977,482
Unamortized debt premiums	2,410,127	-	(152,212)	2,257,915	-
Compensated absences*	414,220	34,616	-	448,836	-
Total	$ 39,048,288	$ 34,616	$ (1,986,277)	$ 37,096,627	$ 1,962,482

* Change in compensated absences is presented as a net change.

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 $22,070,000 are secured with collateral of an undeveloped lot zoned for commercial use.

The outstanding certificates of participation from private placements related of $12,319,876 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, 2021, the principal balance outstanding was $17,060,000.

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, 2021, the principal balance outstanding was $5,010,000.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,300,000	698,388	1,998,388
2027-2031	8,025,000	2,438,663	10,463,663
2032-2036	8,040,000	586,494	8,626,494
2037-2038	340,000	5,313	345,313
Total	$ 22,070,000	$ 7,059,110	$ 29,129,110

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, 2021, the principal balance outstanding was $2,666,760.

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, 2021, 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, 2021, the principal balance outstanding was $5,422,145.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,106,855	290,899	1,397,754
2027-2031	4,664,689	989,071	5,653,760
2032-2036	2,041,842	346,836	2,388,678
2037-2038	424,831	14,912	439,743
Total	$ 12,319,876	$ 3,065,312	$ 15,385,188

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to $448,836.

Note 10 - Total Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2021, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	$ 1,597,594	$ 157,139	$ 611,942	$ (6,641)

The details of each plan are as follows:

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, 2020, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	11
Active employees	533
Total	544

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 July 1, 2020, the District paid $0 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $1,597,594 was measured as of July 1, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following assumptions, 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 CalSTRS experience analysis (2015-2018) and CalPERS experience study (1997-2015). 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, 2020 valuation were based on the results of an actual experience study for the period July 1, 2019 to June 30, 2020.

Changes in Total OPEB Liability of the District

	Total OPEB Liability
Balance, June 30, 2020	$ 2,168,479
Differences between expected and actual experience	(611,942)
Changes of assumptions	41,057
Net change in total OPEB liability	(570,885)
Balance, June 30, 2021	$ 1,597,594

There were no changes to benefits or changes of assumptions and other inputs noted from the prior evaluation.

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%)	$ 1,704,882
Current discount rate (2.45%)	1,597,594
1% increase (3.45%)	1,494,729

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%)	$ 1,437,535
Current healthcare cost trend rate (5.0%)	1,597,594
1% increase (6.0%)	1,782,711

OPEB Expense and Deferred Outflows of Resources related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $(6,641). At June 30, 2021, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 2,095	$ -
Differences between expected and actual experience	-	611,942
Changes of assumptions	155,044	-
Total	$ 157,139	$ 611,942

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

Year Ended June 30,	Deferred Outflows of Resources
2022	$ (76,910)
2023	(76,910)
2024	(76,910)
2025	(76,910)
Thereafter	(149,258)
Total	$ (456,898)

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	48,474	-	-	28,547	77,021
Prepaid expenditures	4,210	-	-	-	4,210
Total nonspendable	102,684	-	-	28,547	131,231
Restricted					
Legally restricted programs	3,069,728	-	-	706,853	3,776,581
Capital projects	-	11,691,624	9,283,478	823,178	21,798,280
Debt services	-	-	-	8,449	8,449
Total restricted	3,069,728	11,691,624	9,283,478	1,538,480	25,583,310
Assigned					
Deferred maintenance	71,081	-	-	-	71,081
Capital projects	2,927,029	-	-	-	2,927,029
Other postemployment benefits	31,355	-	-	-	31,355
TUTA catastrophic leave	20,000	-	-	-	20,000
Compensated absences	448,836	-	-	-	448,836
Reserve for sustainability	7,230,024	-	-	-	7,230,024
Reserve for textbook adoption	1,748,286	-	-	-	1,748,286
Total assigned	12,476,611	-	-	-	12,476,611
Unassigned					
Remaining unassigned	1,830,726	-	-	-	1,830,726
Total	$ 17,479,749	$ 11,691,624	$ 9,283,478	$ 1,567,027	$ 40,021,878

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, 2021, 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	$ 44,640,231	$ 10,931,118	$ 2,529,728	$ 5,912,751
CalPERS	22,569,601	3,902,031	463,356	4,569,541
Total	$ 67,209,832	$ 14,833,149	$ 2,993,084	$ 10,482,292

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, 2019, 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, 2021, 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	16.15%	16.15%
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% of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were $4,049,060.

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

At June 30, 2021, 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	$ 44,640,231
State's proportionate share of the net pension liability	23,012,044
Total	$ 67,652,275

The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, respectively was 0.0461% and 0.0463%, resulting in a net decrease in the proportionate share of 0.0002%.

For the year ended June 30, 2021, the District recognized pension expense of $5,912,751. In addition, the District recognized pension expense and revenue of $3,223,762 for support provided by the State. At June 30, 2021, 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	$ 4,049,060	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,389,838	1,270,797
Differences between projected and actual earnings on pension plan investments	1,060,395	-
Differences between expected and actual experience in the measurement of the total pension liability	78,770	1,258,931
Changes of assumptions	4,353,055	-
Total	$ 10,931,118	$ 2,529,728

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
2022	$ (647,047)
2023	361,296
2024	720,827
2025	625,319
Total	$ 1,060,395

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
2022	1,059,297
2023	970,279
2024	1,315,843
2025	(35,684)
2026	48,765
Thereafter	(66,565)
Total	$ 3,291,935

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) 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 January 2020 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, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Fixed income	12%	1.3%
Real estate	15%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed 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%) 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%)	$ 67,445,170
Current discount rate (7.10%)	44,640,231
1% increase (8.10%)	25,811,542

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, 2019 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, 2021, 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	20.70%	20.70%

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, 2021, are presented above and the total District contributions were $2,180,520.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $22,569,601. The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, was 0.0736% and 0.0732%, respectively, resulting in a net increase in the proportionate share of 0.0004%.

For the year ended June 30, 2021, the District recognized pension expense of $4,569,541. At June 30, 2021, 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	$ 2,180,520	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	49,538	463,356
Differences between projected and actual earnings on pension plan investments	469,827	-
Differences between expected and actual experience in the measurement of the total pension liability	1,119,382	-
Changes of assumptions	82,764	-
Total	$ 3,902,031	$ 463,356

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
2022	(175,820)
2023	156,824
2024	272,587
2025	216,236
Total	$ 469,827

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
2022	648,810
2023	175,773
2024	(30,871)
2025	(5,384)
Total	$ 788,328

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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% 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%)	$ 32,447,917
Current discount rate (7.15%)	22,569,601
1% increase (8.15%)	14,371,094

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 $2,604,276 (10.328% 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.

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, 2021.

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, 2021.

Construction Commitments

As of June 30, 2021, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Scandia Project	$ 62,134	11/01/21

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, 2021, the District made a payment of $1,371,046 to NBSIA for its workers' compensation and property liability coverage.

Note 16 - Subsequent Events

On April 13, 2021 the Governing Board of the District approved a resolution requesting the Treasurer to make a constitutional advance of $4,929,532. This amount is less than or equal to 85% of the 2021-2022 anticipated property tax revenues for the District. The funds will be made available and received by the District between July 1, 2021 and April 30, 2022. The District will be charged an interest rate equal to the rate the Solano County Board of Supervisors applies to funds the Districts deposits with the County. The District will repay the constitutional advance from revenues accruing to the district before any other obligation of the District is met. The funds will be used to cover cash shortages caused by delays in receipt of revenues from the State to which the District is lawfully entitled.

Note 17 - Restatement of Prior Year Net Position and Fund Balance

As of July 1, 2020, the District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, the District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

	Non-Major Governmental Funds	Total Governmental Funds
Beginning Fund Balance Previously Reported at June 30, 2020	$ 1,199,572	$ 28,054,052
Prior Period Adjustment - Implementation of GASB 84		
Reclassification of student activity funds from agency funds to a special revenue fund	275,363	275,363
Fund Balance Restated July 1, 2020	$ 1,474,935	$ 28,329,415

The restatement of net position is identified as follows:

Governmental Activities	
Beginning Net Position Governmental Activities as Previously Reported at June 30, 2020	$ 28,566,862
Reclassification of student activity funds from agency funds to a special revenue fund	275,363
Net Position Restated at July 1, 2020	$ 28,842,225

Required Supplementary Information
June 30, 2021

Travis Unified School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 45,095,303	$ 48,824,643	$ 48,824,644	$ 1
Federal sources	4,649,700	7,388,024	7,388,023	(1)
Other State sources	4,241,842	8,224,711	8,224,711	-
Other local sources	1,361,798	1,515,083	1,542,476	27,393
Total revenues [1]	55,348,643	65,952,461	65,979,854	27,393
Expenditures				
Current				
Certificated salaries	26,736,556	27,342,982	27,342,982	-
Classified salaries	9,596,076	10,044,059	10,044,059	-
Employee benefits	13,510,674	13,307,190	13,307,190	-
Books and supplies	1,674,432	3,385,592	3,385,592	-
Services and operating expenditures	5,242,789	5,580,528	5,580,527	1
Other outgo	1,385,964	1,204,152	(48,985)	1,253,137
Capital outlay	293,716	101,296	101,296	-
Debt service				
Debt service - principal	198,144	-	-	-
Debt service - interest and other	285,000	-	1,253,138	(1,253,138)
Total expenditures [1]	58,923,351	60,965,799	60,965,799	-
Excess (Deficiency) of Revenues Over Expenditures	(3,574,708)	4,986,662	5,014,055	27,393
Other Financing Sources (Uses)				
Transfers in	1,444,931	-	-	-
Transfers out	(619,968)	(58,388)	(58,388)	-
Net Change in Fund Balances	(2,749,745)	4,928,274	4,955,667	27,393
Fund Balance - Beginning	12,524,082	12,524,082	12,524,082	-
Fund Balance - Ending	$ 9,774,337	$ 17,452,356	$ 17,479,749	$ 27,393

[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, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ -	$ 149,253	$ 140,117	$ 136,036
Interest	-	64,160	61,931	57,987
Difference between expected and actual experience	(611,942)	-	-	
Changes of assumptions	41,057	92,678	62,366	-
Benefit payments	-	(75,794)	(73,416)	(96,537)
Net change in total OPEB liability	(570,885)	230,297	190,998	97,486
Total OPEB Liability - Beginning	2,168,479	1,938,182	1,747,184	1,649,698
Total OPEB Liability - Ending	$ 1,597,594	$ 2,168,479	$ 1,938,182	$ 1,747,184
Covered Payroll	N/A[1]	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]	N/A[1]
Measurement Date	July 01, 2020	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, 2021

	2021	2020	2019	2018	2017
CalSTRS					
Proportion of the net pension liability	0.0461%	0.0463%	0.0443%	0.0450%	0.0449%
Proportionate share of the net pension liability	$ 44,640,231	$ 41,778,041	$ 40,716,743	$ 41,610,073	$ 36,319,582
State's proportionate share of the net pension liability	23,012,044	22,792,711	23,312,240	24,616,167	20,676,090
Total	$ 67,652,275	$ 64,570,752	$ 64,028,983	$ 66,226,240	$ 56,995,672
Covered payroll	$ 24,424,924	$ 25,171,916	$ 22,164,789	$ 21,514,436	$ 22,761,463
Proportionate share of the net pension liability as a percentage of its covered payroll	182.77%	165.97%	183.70%	193.41%	159.57%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%	70%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
CalPERS					
Proportion of the net pension liability	0.0736%	0.0732%	0.0736%	0.0726%	0.0705%
Proportionate share of the net pension liability	$ 22,569,601	$ 21,330,240	$ 19,628,437	$ 17,325,004	$ 13,930,582
Covered payroll	$ 10,676,795	$ 10,174,665	$ 10,200,940	$ 8,856,884	$ 7,462,708
Proportionate share of the net pension liability as a percentage of its covered payroll	211.39%	209.64%	192.42%	195.61%	186.67%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%	74%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016

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

	2016	2015
CalSTRS		
Proportion of the net pension liability	0.0474%	0.0459%
Proportionate share of the net pension liability	$ 31,929,420	$ 26,833,207
State's proportionate share of the net pension liability	16,887,143	16,203,049
Total	$ 48,816,563	$ 43,036,256
Covered payroll	$ 21,292,128	20,865,993
Proportionate share of the net pension liability as a percentage of its covered payroll	149.96%	128.60%
Plan fiduciary net position as a percentage of the total pension liability	74%	77%
Measurement Date	June 30, 2015	June 30, 2014
CalPERS		
Proportion of the net pension liability	0.0651%	0.0637%
Proportionate share of the net pension liability	$ 9,589,568	$ 7,229,635
Covered payroll	$ 7,239,682	6,675,380
Proportionate share of the net pension liability as a percentage of its covered payroll	132.46%	108.30%
Plan fiduciary net position as a percentage of the total pension liability	79%	83%
Measurement Date	June 30, 2015	June 30, 2014

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

	2021	2020	2019	2018	2017
CalSTRS					
Contractually required contribution	$ 4,049,060	$ 4,176,662	$ 4,097,988	$ 3,198,379	$ 2,706,516
Less contributions in relation to the contractually required contribution	4,049,060	4,176,662	4,097,988	3,198,379	2,706,516
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 25,071,579	$ 24,424,924	$ 25,171,916	$ 22,164,789	$ 21,514,436
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%	12.58%
CalPERS					
Contractually required contribution	$ 2,180,520	$ 2,105,464	$ 1,837,748	$ 1,584,308	$ 1,230,044
Less contributions in relation to the contractually required contribution	2,180,520	2,105,464	1,837,748	1,584,308	1,230,044
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 10,533,913	$ 10,676,795	$ 10,174,665	$ 10,200,940	$ 8,856,884
Contributions as a percentage of covered payroll	20.700%	19.720%	18.062%	15.531%	13.888%

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

	2016	2015
CalSTRS		
Contractually required contribution	$ 2,442,305	$ 1,890,741
Less contributions in relation to the contractually required contribution	2,442,305	1,890,741
Contribution deficiency (excess)	$ -	$ -
Covered payroll	$ 22,761,463	$ 21,292,128
Contributions as a percentage of covered payroll	10.73%	8.88%
CalPERS		
Contractually required contribution	$ 884,107	$ 852,183
Less contributions in relation to the contractually required contribution	884,107	852,183
Contribution deficiency (excess)	$ -	$ -
Covered payroll	$ 7,462,708	$ 7,239,682
Contributions as a percentage of covered payroll	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.

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* – There were no changes in assumptions since the previous valuation.

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, 2021

Travis Unified School District

Travis Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Federal Impact Aid	84.041	10015	$ 3,819,311
Passed Through Solano County Special Education Local Plan Area:			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	965,080
Special Education Grants to States - Mental Health Allocation Plan	84.027	15197	62,133
Special Education Preschool Grants	84.173	13430	40,747
Total Special Education Cluster			1,067,960
Passed Through California Department of Education (CDE)			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	32,552
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	20,316
Subtotal			52,868
Title II, Part A, Supporting Effective Instruction	84.367	14341	92,894
Title III - Limited English Proficient (LEP) Student Program	84.365	14346	6,509
Title I Grants to Local Educational Agencies - Basic Grants Low-Income Neglected	84.010	14329	210,013
Total U.S. Department of Education			5,249,555
U.S. Department of Treasury			
Passed through California Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	25516	$ 2,104,040
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	7,457
School Breakfast Program - National School Breakfast	10.553	13525	172
School Breakfast Program - Especially Needy Breakfast	10.553	13526	4,527
National School Lunch Program - Summer Food Program	10.559	13004	1,665,925
National School Lunch Program - Commodity Supplemental Food	10.555	13391	31,567
Total Child Nutrition Cluster			1,709,648
U.S. Department of Defense			
Passed Through Defense Education Activity (DODEA)			
DODEA Open Doors	12.256	[1]	28,428
DODEA Alliance for Science	12.256	[1]	6,000
Subtotal			34,428
Total Federal Financial Assistance			$ 9,097,671

[1] Federal Financial Assistance Listing/Federal CFDA 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
Janet Jackson Forbes	President	2022
Ivery Hood	Vice President	2024
Riitta DeAnda	Clerk	2022
Manveer Sandhu	Member	2024
Meghan Thompson	Member	2022

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

Grade Level	Number of Actual Days: Traditional Calendar	Number of Actual Days: Multitrack Calendar	Number of Days Credited Form J-13A*	Total Days Offered	Status
Kindergarten	178	N/A	2	180	Complied
Grades 1 - 3					
Grade 1	178	N/A	2	180	Complied
Grade 2	178	N/A	2	180	Complied
Grade 3	178	N/A	2	180	Complied
Grades 4 - 8					
Grade 4	178	N/A	2	180	Complied
Grade 5	178	N/A	2	180	Complied
Grade 6	178	N/A	2	180	Complied
Grade 7	178	N/A	2	180	Complied
Grade 8	178	N/A	2	180	Complied
Grades 9 - 12					
Grade 9	178	N/A	2	180	Complied
Grade 10	178	N/A	2	180	Complied
Grade 11	178	N/A	2	180	Complied
Grade 12	178	N/A	2	180	Complied

* The District received an approved J-13A for 2 days.

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2021.

	(Budget) 2022 [1]	2021	2020	2019
General Fund				
Revenues	$ 68,332,096	$ 65,952,463	$ 62,657,710	$ 63,817,319
Other sources	-	-	101,646	-
Total Revenues and Other Sources	68,332,096	65,952,463	62,759,356	63,817,319
Expenditures	69,020,845	59,715,661	59,661,356	61,127,401
Other uses and transfers out	694,137	1,308,526	2,875,419	1,660,126
Total Expenditures and Other Uses	69,714,982	61,024,187	62,536,775	62,787,527
Increase/(Decrease) in Fund Balance	(1,382,886)	4,928,276	222,581	1,029,792
Ending Fund Balance	$ 13,067,398	$ 14,450,284	$ 9,522,008	$ 9,299,427
Available Reserves[2]	$ 2,091,449	$ 1,830,726	$ 1,876,103	$ 1,883,626
Available Reserves as a Percentage of Total Outgo	3.00%	3.00%	3.00%	3.00%
Long-Term Liabilities	N/A	$ 105,904,053	$ 104,325,048	$ 103,170,980
K-12 Average Daily Attendance at P-2	5,274	5,274	5,274	5,299

The General Fund balance has increased by $5,150,857 over the past two years. The fiscal year 2021-2022 budget projects decrease of $1,382,886 (9.57%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years and anticipates incurring an operating deficit during the 2021-2022 fiscal year. Total long-term liabilities have increased by $2,733,073 over the past two years.

Average daily attendance has decreased by 25 over the past two years. No growth or decline in ADA is anticipated during fiscal year 2021-2022.

[1] Budget 2022 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.

	Student Activity Fund	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	$ 166,017	$ 531,887	$ 752,010	$ 71,079	$ 172	$ 8,449	$ 1,529,614
Receivables	-	165,807	-	-	-	-	165,807
Due from other funds	-	-	-	478,351	-	-	478,351
Stores inventories	-	28,547	-	-	-	-	28,547
Total assets	$ 166,017	$ 726,241	$ 752,010	$ 549,430	$ 172	$ 8,449	$ 2,202,319
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ -	$ 110,871	$ -	$ -	-	$ -	$ 110,871
Due to other funds	-	45,987	-	478,434	-	-	524,421
Total liabilities	-	156,858	-	478,434	-	-	635,292
Fund Balances							
Nonspendable	-	28,547	-	-	-	-	28,547
Restricted	166,017	540,836	752,010	70,996	172	8,449	1,538,480
Total fund balances	166,017	569,383	752,010	70,996	172	8,449	1,567,027
Total liabilities and fund balances	$ 166,017	$ 726,241	$ 752,010	$ 549,430	$ 172	$ 8,449	$ 2,202,319

	Student Activity Fund	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	$ -	$ 1,709,648	$ -	$ -	$ -	$ -	$ 1,709,648
Other State sources	-	197,531	-	-	-	-	197,531
Other local sources	48,570	-	6,799	1,278	3	5	56,655
Total revenues	48,570	1,907,179	6,799	1,278	3	5	1,963,834
Expenditures							
Current							
Pupil services							
Food services	-	1,530,809	-	-	-	-	1,530,809
Administration							
All other administration	-	45,987	-	-	-	-	45,987
Ancillary services	157,920	-	-	-	-	-	157,920
Facility acquisition and construction	-	-	-	89,494	-	-	89,494
Debt service							
Principal	-	-	-	40,781	-	915,000	955,781
Interest and other	-	-	-	64,837	-	934,238	999,075
Total expenditures	157,920	1,576,796	-	195,112	-	1,849,238	3,779,066
Excess (Deficiency) of Revenues Over Expenditures	(109,350)	330,383	6,799	(193,834)	3	(1,849,233)	(1,815,232)
Other Financing Sources							
Transfers in	-	25,000	-	33,388	-	1,848,936	1,907,324
Net Change in Fund Balances	(109,350)	355,383	6,799	(160,446)	3	(297)	92,092
Fund Balance - Beginning, as restated	275,367	214,000	745,211	231,442	169	8,746	1,474,935
Fund Balance - Ending	$ 166,017	$ 569,383	$ 752,010	$ 70,996	$ 172	$ 8,449	$ 1,567,027

See Notes to Supplementary Information

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, 2021. 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.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District did not have any food commodities in inventory.

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 Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

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, 2021

Travis Unified School District

EideBailly

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2021.

Emphasis of Matter – Change in Accounting Principle
As discussed in Notes 1 and 17 to the financial statements, the District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

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

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

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

We noted certain matters that we reported to management of the District in a separate letter dated December 15, 2021.

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.



Rancho Cucamonga, California
December 15, 2021

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, 2021. 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, the District's 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, 2021.

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 15, 2021

EideBailly

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 *2020-2021 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, 2021.

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 *2020-2021 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 and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	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
K-3 Grade Span Adjustment	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	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	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	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

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.

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 California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

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, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
December 15, 2021

Schedule of Findings and Questioned Costs
June 30, 2021

Travis Unified School District

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(a)	No

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
Federal Impact Aid	84.041
COVID-19 Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between type A and type B programs	$ 750,000
Auditee qualified as low-risk auditee?	Yes

State Compliance

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

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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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, 2021, 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 15, 2021, on the government-wide financial statements of the District.

Current Year Comments

Golden West Middle School

Cash Disbursements - Approvals

Observation
Approval of one out of two disbursements in the student council minutes were obtained after the checks were issued.

Recommendation
The site should review the cash disbursement procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference.* The manual explains that three signatures, one being a student representative, are required pursuant to California Educational Code Section 48933(5)(b) on all disbursements from a student body account and that documents supporting a disbursement should be kept in organized files with the student body bookkeeper so that they can be easily reviewed should the need arise. The site should ensure all appropriate approval signatures are obtained prior to issuance of the check to ensure all payments meet proper control procedures and policies. The student body and advisors should thoroughly review all payment requests before approving.

Cash Disbursements - General

Observation
Check requests do not contain the three required approval signatures.

10681 Foothill Blvd., Ste. 300 | Rancho Cucamonga, CA 91730-3831 | T 909.466.4410 | F 909.466.4431 | EOE

Recommendation
The site should review the cash disbursement procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*. The manual explains that three signatures, one being a student representative, are required pursuant to California Educational Code Section 48933(5)(b) on all disbursements from a student body account and that documents supporting a disbursement should be kept in organized files with the student body bookkeeper so that they can be easily reviewed should the need arise.

We will review the status of the current year comments during our next audit engagement.



Rancho Cucamonga, California
December 15, 2021