

# **MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT**

**AUDIT REPORT  
JUNE 30, 2020**

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2020**

---

**FINANCIAL SECTION**

Independent Auditors’ Report..... 1  
Management’s Discussion and Analysis..... 3  
Basic Financial Statements  
    Government-wide Financial Statements  
        Statement of Net Position..... 10  
        Statement of Activities..... 11  
    Fund Financial Statements  
        Governmental Funds – Balance Sheet..... 12  
        Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 13  
        Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances..... 14  
        Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities..... 15  
        Fiduciary Funds – Statement of Net Position ..... 17  
Notes to Financial Statements..... 18

**REQUIRED SUPPLEMENTARY INFORMATION**

General Fund – Budgetary Comparison Schedule ..... 49  
Schedule of Changes in Total OPEB Liability and Related Ratios ..... 50  
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS ..... 51  
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalPERS ..... 52  
Schedule of District Contributions - CalSTRS ..... 53  
Schedule of District Contributions - CalPERS ..... 54  
Notes to Required Supplementary Information ..... 55

**SUPPLEMENTARY INFORMATION**

Schedule of Expenditures of Federal Awards..... 57  
Schedule of Average Daily Attendance (ADA) ..... 58  
Schedule of Instructional Time ..... 59  
Schedule of Financial Trends and Analysis ..... 60  
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements ..... 61  
Combining Statements – Non-Major Governmental Funds  
    Combining Balance Sheet ..... 62  
    Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 63  
Local Education Agency Organization Structure ..... 64  
Notes to Supplementary Information ..... 65

**OTHER INDEPENDENT AUDITORS’ REPORTS**

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* ..... 67  
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance ..... 69  
Report on State Compliance ..... 71

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2020**

---

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Summary of Auditors' Results.....	73
Financial Statement Findings.....	74
Federal Award Findings and Questioned Costs.....	75
State Award Findings and Questioned Costs.....	76
Summary Schedule of Prior Audit Findings.....	77

---

## **FINANCIAL SECTION**

---

**INDEPENDENT AUDITORS' REPORT**

Governing Board  
Mountain View Whisman School District  
Mountain View, 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 the Mountain View Whisman School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Mountain View Whisman School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinions***

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of District contributions for pensions be presented to supplement the basic financial statements. Such information, although not 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 appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mountain View Whisman School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021 on our consideration of Mountain View Whisman School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mountain View Whisman School 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 Mountain View Whisman School District's internal control over financial reporting and compliance.



San Diego, California  
January 15, 2021

# MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

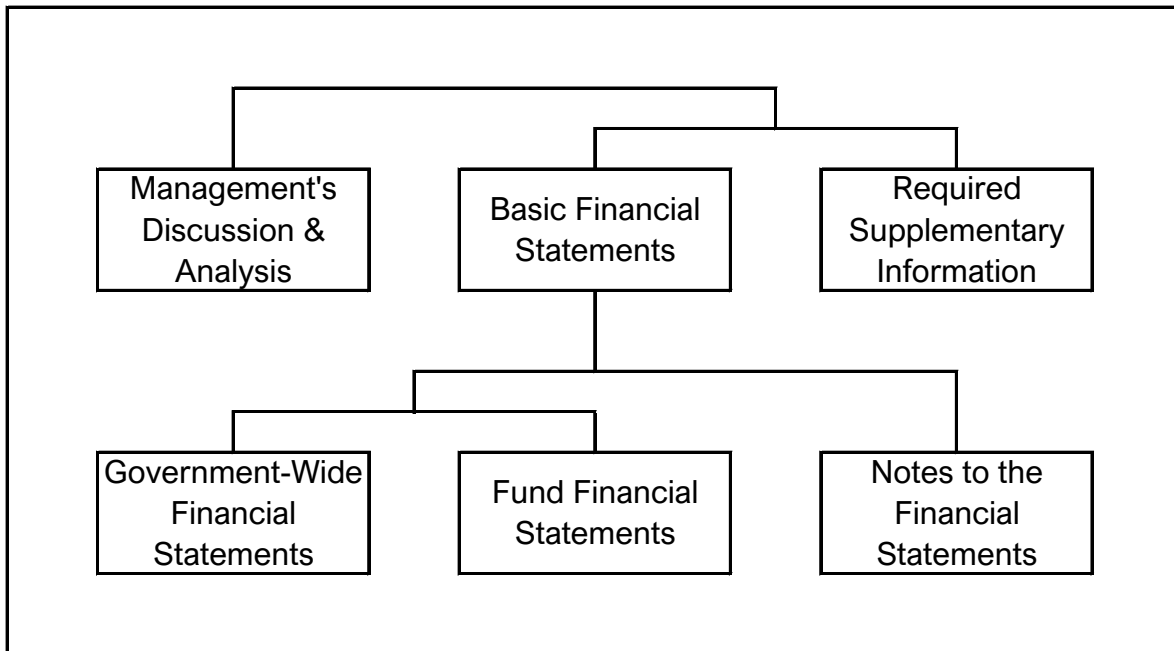
Our discussion and analysis of Mountain View Whisman School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the District's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

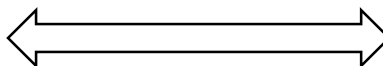
- The District's total net position was \$(22,442,821) at June 30, 2020. This was a decrease of \$14,011,315 from the prior year.
- Overall expenditures of \$117,421,239 exceeded overall revenues of \$103,409,924.

## OVERVIEW OF FINANCIAL STATEMENTS

### Components of the Financial Section



**Summary**



**Detail**

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

**Components of the Financial Section (continued)**

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

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
  
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
  - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
  
  - ▶ **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds, such as Associated Student Bodies and pension funds.

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

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Property taxes and federal and state grants finance most of these activities.



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position was \$(22,422,821) at June 30, 2020, as reflected in the table below. Of this amount, \$(56,167,946) was unrestricted. 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 that net position for day-to-day operations.

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 98,501,251	\$ 69,748,422	\$ 28,752,829
Capital assets	265,468,835	259,884,369	5,584,466
<b>Total Assets</b>	<b>363,970,086</b>	<b>329,632,791</b>	<b>34,337,295</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>31,895,297</b>	<b>30,959,923</b>	<b>935,374</b>
<b>LIABILITIES</b>			
Current liabilities	14,071,499	18,794,677	(4,723,178)
Long-term liabilities	398,864,361	346,848,208	52,016,153
<b>Total Liabilities</b>	<b>412,935,860</b>	<b>365,642,885</b>	<b>47,292,975</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>5,372,344</b>	<b>3,381,335</b>	<b>1,991,009</b>
<b>NET POSITION</b>			
Net investment in capital assets	15,386,208	29,090,589	(13,704,381)
Restricted	18,338,917	26,025,092	(7,686,175)
Unrestricted	(56,167,946)	(63,547,187)	7,379,241
<b>Total Net Position</b>	<b>\$ (22,442,821)</b>	<b>\$ (8,431,506)</b>	<b>\$ (14,011,315)</b>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 3,730,171	\$ 3,907,908	\$ (177,737)
Operating grants and contributions	16,413,221	16,609,789	(196,568)
General revenues			
Property taxes	73,869,182	68,801,732	5,067,450
Unrestricted federal and state aid	6,195,254	6,767,445	(572,191)
Other	3,202,096	4,666,510	(1,464,414)
<b>Total Revenues</b>	<b>103,409,924</b>	<b>100,753,384</b>	<b>2,656,540</b>
<b>EXPENSES</b>			
Instruction	59,578,706	58,308,830	1,269,876
Instruction-related services	10,618,357	11,461,334	(842,977)
Pupil services	7,433,000	6,839,981	593,019
General administration	6,396,176	6,102,847	293,329
Plant services	6,956,881	6,458,748	498,133
Ancillary and community services	12,264	3,976	8,288
Debt service	12,020,234	10,047,256	1,972,978
Other outgo	647,463	1,650	645,813
Depreciation	13,758,158	9,584,544	4,173,614
<b>Total Expenses</b>	<b>117,421,239</b>	<b>108,809,166</b>	<b>8,612,073</b>
<b>Change in net position</b>	<b>(14,011,315)</b>	<b>(8,055,782)</b>	<b>(5,955,533)</b>
<b>Net Position - Beginning</b>	<b>(8,431,506)</b>	<b>(375,724)</b>	<b>(8,055,782)</b>
<b>Net Position - Ending</b>	<b>\$ (22,442,821)</b>	<b>\$ (8,431,506)</b>	<b>\$ (14,011,315)</b>

The cost of all our governmental activities this year was \$117,421,239 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$73,869,182 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions as well as charges for services and other general revenues.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)**

**Changes in Net Position (continued)**

In the table below, we have presented the net cost of each of the District's functions. 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.

	<b>Net Cost of Services</b>	
	<b>2020</b>	<b>2019</b>
Instruction	\$ 54,626,473	\$ 52,662,971
Instruction-related services	9,873,428	10,692,690
Pupil services	4,947,324	4,465,014
General administration	6,106,209	5,679,837
Plant services	3,806,359	(2,100,615)
Ancillary and community services	10,756	3,972
Debt service	12,020,234	10,047,256
Transfers to other agencies	(7,871,094)	(2,744,200)
Depreciation	13,758,158	9,584,544
<b>Total Expenses</b>	<b>\$ 97,277,847</b>	<b>\$ 88,291,469</b>

**FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$95,419,661, which is less than last year's ending fund balance of \$62,936,330. The District's General Fund had \$732,680 less in operating revenues than expenditures for the year ended June 30, 2020 as well as \$642,523 in net financing sources that led to a net decrease in fund balance of \$90,157. The District's Building Fund experienced a net increase in fund balance of \$41,231,113 for the year ended June 30, 2020 due to the receipt of 2020 Series A and A-1 bond proceeds and continued Measure G and Measure T construction projects. The District's Special Reserve Fund for Capital Outlay Projects experienced a net decrease in fund balance of \$10,995,727 for the year ended June 30, 2020 due to ongoing construction projects. The District's Bond Interest and Redemption Fund experienced a net increase in fund balance of \$2,127,255 for the year ended June 30, 2020.

**CURRENT YEAR BUDGET 2019-2020**

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a periodic basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

By the end of 2019-2020 the District had invested \$265,468,835 in capital assets, net of accumulated depreciation.

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 1,341,037	\$ 1,341,037	\$ -
Construction in progress	1,065,249	57,631,222	(56,565,973)
Buildings & improvements	353,726,735	278,546,582	75,180,153
Furniture & equipment	4,884,063	4,155,619	728,444
Accumulated depreciation	(95,548,249)	(81,790,091)	(13,758,158)
<b>Total Capital Assets</b>	<b>\$ 265,468,835</b>	<b>\$ 259,884,369</b>	<b>\$ 5,584,466</b>

**Long-Term Liabilities**

At year-end, the District had \$398,864,361 in long-term liabilities, an increase of 15% from last year's balance – as shown in the table below. The current year increase is primarily attributed to the issuance of \$85,000,000 in 2020 Series A and A-1 general obligation bonds (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	<b>Governmental Activities</b>		
	<b>2020</b>	<b>2019</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
Total general obligation bonds	\$ 317,216,224	\$ 235,675,256	\$ 81,540,968
Total certificates of participation	-	35,567,006	(35,567,006)
Compensated absences	60,292	99,170	(38,878)
Total OPEB liability	11,033,092	9,888,414	1,144,678
Net pension liability	79,439,177	74,946,801	4,492,376
Less: current portion of long-term liabilities	(8,884,424)	(9,328,439)	444,015
<b>Total Long-term Liabilities</b>	<b>\$ 398,864,361</b>	<b>\$ 346,848,208</b>	<b>\$ 52,016,153</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

According to the UCLA Anderson Forecast, the U.S. economy is in a "depression-like crisis" and it will take at least three years before its GDP and unemployment rate return to the levels it saw before COVID-19 pandemic struck. Between February 2020 and April 2020, California lost 2.56 million nonfarm payroll jobs, a 15% drop that is nearly double the job loss during the Great Recession in 2008 and 2009.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)**

Fiscal policy for the funding of public education changes annually based on fluctuations in State revenues. Governor Gavin Newsom and the State Legislature provided resources and support beyond the Proposition 98 requirement in 2020–21, giving one-time federal resources and pension rate relief and promising more than the minimum guarantee in 2021–22.

Landmark legislation passed in Year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low-income brackets, those that are English language learners and foster youth.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADs); and, (4) meeting annual compliance and audit requirements.

The District participates in state employee pensions plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS), and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2020. The amount of the liability is material to the financial position of the District. In response to the ongoing pandemic, the 2020-21 State Budget reduced employer contribution rates in 2020–21 and 2021–22. This will reduce the CalSTRS employer rate from 18.4% to approximately 16.15% in 2020–21 and from 18.2% to 16.00% in 2021–22. The CalPERS employer contribution rate will be reduced from CalPERS recently set rate for 2020–21 of 22.68% to 20.7% and CalPERS 2021–22 estimated rate of 24.6% to 23.01%. Despite this reduction in the planned rate increases, the projected increased pension costs to school employers remain a significant fiscal factor.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act provides California K-12 education with \$1.65 billion in Elementary and Secondary School Emergency Relief (ESSER) Funds, \$355 million in Governor's Emergency Education Relief (GEER) Funds, and \$4.4 billion in Coronavirus Relief Funds (CRF). Collectively, GEER Funds, CRF, and \$540 million in state General Fund (GF) contributions are known as Learning Loss Mitigation Funding (LLMF). CARES Act funds will be apportioned in 2020-21, however, ESSER and GEER are to be used on eligible expenditures beginning March 13, 2020 through September 30, 2022, GF is to be used on eligible expenditures beginning March 1, 2020 through June 30, 2021, and CRF is to be used on eligible expenditures beginning March 1, 2020 through December 30, 2020. On December 27, 2020, the President signed the Consolidated Appropriations Act which extended the CRF spending deadline to December 30, 2021.

All of these factors were considered in preparing the District's budget for the 2020-21 fiscal year.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Business Services at 1400 Montecito Ave., Mountain View, CA 94043.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

---

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 91,706,759
Accounts receivable	6,139,441
Inventory	102,136
Prepaid expenses	552,915
Capital assets, not depreciated	2,406,286
Capital assets, net of accumulated depreciation	263,062,549
<b>Total Assets</b>	<b>363,970,086</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	28,546,652
Deferred outflows related to OPEB	659,705
Deferred amount on refunding	2,688,940
<b>Total Deferred Outflows of Resources</b>	<b>31,895,297</b>
<b>LIABILITIES</b>	
Accrued liabilities	4,478,333
Unearned revenue	708,742
Long-term liabilities, current portion	8,884,424
Long-term liabilities, non-current portion	398,864,361
<b>Total Liabilities</b>	<b>412,935,860</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	4,677,004
Deferred inflows related to OPEB	695,340
<b>Total Deferred Inflows of Resources</b>	<b>5,372,344</b>
<b>NET POSITION</b>	
Net investment in capital assets	15,386,208
Restricted:	
Capital projects	3,714,745
Debt service	11,672,489
Educational programs	2,809,852
Food services	141,831
Unrestricted	(56,167,946)
<b>Total Net Position</b>	<b>\$ (22,442,821)</b>

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Function/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 59,578,706	\$ 179,216	\$ 4,773,017	\$ (54,626,473)
Instruction-related services				
Instructional supervision and administration	2,320,224	918	236,624	(2,082,682)
Instructional library, media, and technology	1,454,111	20,728	64,494	(1,368,889)
School site administration	6,844,022	14,972	407,193	(6,421,857)
Pupil services				
Home-to-school transportation	1,305,564	8,002	26,788	(1,270,774)
Food services	3,187,731	561,526	1,521,342	(1,104,863)
All other pupil services	2,939,705	22,026	345,992	(2,571,687)
General administration				
Centralized data processing	1,213,665	41,391	125,024	(1,047,250)
All other general administration	5,182,511	8	123,544	(5,058,959)
Plant services	6,956,881	762,250	2,388,272	(3,806,359)
Ancillary services	12,264	375	1,133	(10,756)
Interest on long-term debt	12,020,234	-	-	(12,020,234)
Other outgo	647,463	2,118,759	6,399,798	7,871,094
Depreciation (unallocated)	13,758,158	-	-	(13,758,158)
<b>Total Governmental Activities</b>	<b>\$ 117,421,239</b>	<b>\$ 3,730,171</b>	<b>\$ 16,413,221</b>	<b>(97,277,847)</b>
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				55,655,914
Property taxes, levied for debt service				15,287,805
Property taxes, levied for other specific purposes				2,925,463
Federal and state aid not restricted for specific purposes				6,195,254
Interest and investment earnings				571,865
Interagency revenues				2,263
Miscellaneous				2,627,968
<b>Subtotal, General Revenue</b>				<b>83,266,532</b>
<b>CHANGE IN NET POSITION</b>				<b>(14,011,315)</b>
<b>Net Position - Beginning</b>				<b>(8,431,506)</b>
<b>Net Position - Ending</b>				<b>\$ (22,442,821)</b>

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020**

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 26,255,035	\$ 46,613,953	\$ 4,060,622	\$ 13,747,088	\$ 1,030,061	\$ 91,706,759
Accounts receivable	2,817,532	1,493,585	1,365,287	30,886	432,151	6,139,441
Due from other funds	2,950,716	-	-	-	318,193	3,268,909
Stores inventory	28,289	-	-	-	73,847	102,136
Prepaid expenditures	6,770	-	546,145	-	-	552,915
<b>Total Assets</b>	<b>\$ 32,058,342</b>	<b>\$ 48,107,538</b>	<b>\$ 5,972,054</b>	<b>\$ 13,777,974</b>	<b>\$ 1,854,252</b>	<b>\$ 101,770,160</b>
<b>LIABILITIES</b>						
Accrued liabilities	\$ 1,651,119	\$ 274,808	\$ 383,676	\$ -	\$ 63,245	\$ 2,372,848
Due to other funds	318,193	300,000	2,017,905	-	632,811	3,268,909
Unearned revenue	489,969	-	-	-	218,773	708,742
<b>Total Liabilities</b>	<b>2,459,281</b>	<b>574,808</b>	<b>2,401,581</b>	<b>-</b>	<b>914,829</b>	<b>6,350,499</b>
<b>FUND BALANCES</b>						
Nonspendable	43,059	-	546,145	-	73,847	663,051
Restricted	2,742,450	47,532,730	3,024,328	13,777,974	865,576	67,943,058
Assigned	5,359,952	-	-	-	-	5,359,952
Unassigned	21,453,600	-	-	-	-	21,453,600
<b>Total Fund Balances</b>	<b>29,599,061</b>	<b>47,532,730</b>	<b>3,570,473</b>	<b>13,777,974</b>	<b>939,423</b>	<b>95,419,661</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 32,058,342</b>	<b>\$ 48,107,538</b>	<b>\$ 5,972,054</b>	<b>\$ 13,777,974</b>	<b>\$ 1,854,252</b>	<b>\$ 101,770,160</b>

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



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET  
POSITION  
JUNE 30, 2020**

---

**Total Fund Balance - Governmental Funds** \$ 95,419,661

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

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 361,017,084	
Accumulated depreciation	<u>(95,548,249)</u>	265,468,835

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:

2,688,940

Unmatured interest on long-term debt:

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

(2,105,485)

Long-term liabilities:

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

Total general obligation bonds	\$ 317,216,224	
Compensated absences	60,292	
Total OPEB liability	11,033,092	
Net pension liability	<u>79,439,177</u>	(407,748,785)

Deferred outflows and inflows of resources relating to pensions:

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

Deferred outflows of resources related to pensions	\$ 28,546,652	
Deferred inflows of resources related to pensions	<u>(4,677,004)</u>	23,869,648

Deferred outflows and inflows of resources relating to OPEB:

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

Deferred outflows of resources related to OPEB	\$ 659,705	
Deferred inflows of resources related to OPEB	<u>(695,340)</u>	(35,635)

**Total Net Position - Governmental Activities** \$ (22,442,821)

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
LCFF sources	\$ 60,298,964	\$ -	\$ -	\$ -	\$ -	\$ 60,298,964
Federal sources	2,194,013	-	-	-	1,319,545	3,513,558
Other state sources	6,471,656	-	-	28,150	1,290,779	7,790,585
Other local sources	12,680,686	1,541,392	4,073,343	15,368,195	1,356,211	35,019,827
<b>Total Revenues</b>	<b>81,645,319</b>	<b>1,541,392</b>	<b>4,073,343</b>	<b>15,396,345</b>	<b>3,966,535</b>	<b>106,622,934</b>
<b>EXPENDITURES</b>						
Current						
Instruction	56,451,532	-	-	-	1,530,049	57,981,581
Instruction-related services						
Instructional supervision and administration	2,242,742	-	-	-	-	2,242,742
Instructional library, media, and technology	1,337,068	-	-	-	-	1,337,068
School site administration	5,960,003	-	-	-	342,558	6,302,561
Pupil services						
Home-to-school transportation	1,222,742	-	-	-	-	1,222,742
Food services	14,727	-	-	-	2,919,891	2,934,618
All other pupil services	2,883,763	-	-	-	-	2,883,763
General administration						
Centralized data processing	1,081,679	-	-	-	-	1,081,679
All other general administration	4,828,130	-	-	-	52,906	4,881,036
Plant services	6,343,349	-	-	-	9,200	6,352,549
Facilities acquisition and maintenance	-	6,727,290	12,497,114	-	137,209	19,361,613
Ancillary services	12,264	-	-	-	-	12,264
Debt service						
Principal	-	31,645,000	-	5,337,448	-	36,982,448
Interest and other	-	7,254,331	693,308	9,452,614	-	17,400,253
<b>Total Expenditures</b>	<b>82,377,999</b>	<b>45,626,621</b>	<b>13,190,422</b>	<b>14,790,062</b>	<b>4,991,813</b>	<b>160,976,917</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(732,680)</b>	<b>(44,085,229)</b>	<b>(9,117,079)</b>	<b>606,283</b>	<b>(1,025,278)</b>	<b>(54,353,983)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,878,648	-	-	-	1,236,125	3,114,773
Other sources	-	85,316,342	-	30,950,726	-	116,267,068
Transfers out	(1,236,125)	-	(1,878,648)	-	-	(3,114,773)
Other uses	-	-	-	(29,429,754)	-	(29,429,754)
<b>Net Financing Sources (Uses)</b>	<b>642,523</b>	<b>85,316,342</b>	<b>(1,878,648)</b>	<b>1,520,972</b>	<b>1,236,125</b>	<b>86,837,314</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(90,157)</b>	<b>41,231,113</b>	<b>(10,995,727)</b>	<b>2,127,255</b>	<b>210,847</b>	<b>32,483,331</b>
<b>Fund Balance - Beginning</b>	<b>29,689,218</b>	<b>6,301,617</b>	<b>14,566,200</b>	<b>11,650,719</b>	<b>728,576</b>	<b>62,936,330</b>
<b>Fund Balance - Ending</b>	<b>\$ 29,599,061</b>	<b>\$ 47,532,730</b>	<b>\$ 3,570,473</b>	<b>\$ 13,777,974</b>	<b>\$ 939,423</b>	<b>\$ 95,419,661</b>

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Net Change in Fund Balances - Governmental Funds** \$ 32,483,331

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 19,342,624	
Depreciation expense:	<u>(13,758,158)</u>	5,584,466

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

63,937,448

Debt proceeds:

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

(114,750,000)

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:

302,991

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

548,661

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

282,789

*(continued on the following page)*

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

Compensated absences:

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

38,878

Postemployment benefits other than pensions (OPEB):

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

(1,305,468)

Pensions:

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

(5,690,212)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is:

4,555,801

**Change in Net Position of Governmental Activities**

\$ (14,011,315)

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

---

	<u>Agency Fund</u> <u>Student Body</u> <u>Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 16,834
<b>Total Assets</b>	<u>\$ 16,834</u>
<b>LIABILITIES</b>	
Due to student groups	\$ 16,834
<b>Total Liabilities</b>	<u>\$ 16,834</u>

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

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

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. 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 and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

**B. 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. The District has no such component units.

**C. Basis of Presentation**

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. 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 of 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.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Fund Financial Statements.** The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the District's own programs.

**Major Governmental Funds**

**General Fund:** The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

**Building Fund:** This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

**Special Reserve Fund for Capital Outlay Projects:** This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

**Bond Interest and Redemption Fund:** This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Non-Major Governmental Funds**

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

**Child Development Fund:** This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 8328*).

**Cafeteria Special Revenue Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Special Revenue Fund shall be 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:** Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Capital Facilities Fund:** This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

**Fiduciary Funds**

**Trust and Agency Funds:** Trust and agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

**Student Body Fund:** The Student Body Fund is an agency fund and, therefore, consists only of accounts such as cash and balancing liability accounts, such as due to student groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code Sections 48930–48938*).



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus**

**Government-Wide and Fiduciary Financial Statements**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. 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. The net position should be reported as restricted when constraints placed on its use 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 results from special revenue funds and the restrictions on their use.

**Governmental Funds**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting – Measurement Focus (continued)**

**Unearned Revenue**

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position**

**Cash and Cash Equivalents**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**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 county and State investment pools are determined by the program sponsor.

**Inventories**

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Capital Assets**

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$25,000. The District does not own any infrastructure as defined in GASB Statement No. 34. 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. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	20 to 50 years
Furniture and Equipment	5 to 20 years
Vehicles	8 years

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. 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 resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations 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 obligations of the funds.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 through June 30, 2019

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**Premiums and Discounts**

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

**Deferred Outflows/Deferred Inflows of Resources**

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)**

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

*Restricted* - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

*Committed* - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

*Assigned* - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

*Unassigned* - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Interfund Activity**

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 columns of the statement of activities

**G. 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.

**H. Budgetary Data**

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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.

**I. 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 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. New Accounting Pronouncements**

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2019. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This standard's primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The statement was postponed by GASB Statement No. 95 and is effective for periods beginning after December 15, 2021. The District has not yet determined the impact on the financial statements.

**GASB Statement No. 92** – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This standard's primary objectives are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. A portion of this statement was effective upon issuance, while the majority of this statement was postponed by GASB Statement No. 95 and is effective for periods beginning after June 15, 2021. The District has implemented the requirements that were effective upon issuance but has not yet determined the impact on the financial statements for the requirements of this statement that are not yet effective.

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 2 – CASH AND INVESTMENTS**

**A. Summary of Cash and Investments**

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
Investment in county treasury	\$ 91,675,179	\$ -
Cash on hand and in banks	400	16,834
Cash with fiscal agent	23,180	-
Cash in revolving fund	8,000	-
<b>Total</b>	<u>\$ 91,706,759</u>	<u>\$ 16,834</u>

**B. 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; collateralized mortgage obligations; and the County Investment Pool.

**Investment in County Treasury** – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Santa Clara County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is 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.

**Cash with Fiscal Agent** – At June 30, 2020, the District had \$23,180 in an account held by US Bank that is restricted for construction costs for various capital improvements.



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**C. General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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

**D. 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 manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$92,768,864 and an amortized book value of \$91,675,179. The average weighted maturity for this pool is 517 days.

**E. 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. The investments in the County Treasury are not required to be rated. As of June 30, 2020, the pooled investments in the County Treasury were not rated.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 2 – CASH AND INVESTMENTS (continued)**

**F. 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. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, the District's bank balance was not exposed to custodial credit risk.

**G. Fair Value**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy 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 (unadjusted) in active markets for identical assets.

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, either directly or indirectly.

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

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

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

	<b>Uncategorized</b>
Investment in county treasury	<u>\$ 92,768,864</u>
<b>Total</b>	<u>\$ 92,768,864</u>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

**NOTE 3 – ACCOUNTS RECEIVABLE**

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

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government						
Categorical aid	\$ 1,307,345	\$ -	\$ -	\$ -	\$ 301,513	\$ 1,608,858
State Government						
Apportionment	500,443	-	-	-	-	500,443
Categorical aid	112,446	-	-	-	124,257	236,703
Lottery	258,765	-	-	-	-	258,765
Local Government						
Other local sources	638,533	1,493,585	1,365,287	30,886	6,381	3,534,672
<b>Total</b>	<b>\$ 2,817,532</b>	<b>\$ 1,493,585</b>	<b>\$ 1,365,287</b>	<b>\$ 30,886</b>	<b>\$ 432,151</b>	<b>\$ 6,139,441</b>

**NOTE 4 – CAPITAL ASSETS**

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

	Balance July 01, 2019	Additions	Deletions	Balance June 30, 2020
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 1,341,037	\$ -	\$ -	\$ 1,341,037
Construction in progress	57,631,222	19,297,318	75,863,291	1,065,249
Total Capital Assets not Being Depreciated	58,972,259	19,297,318	75,863,291	2,406,286
Capital assets being depreciated				
Buildings & improvements	278,546,582	75,180,153	-	353,726,735
Furniture & equipment	4,155,619	728,444	-	4,884,063
Total Capital Assets Being Depreciated	282,702,201	75,908,597	-	358,610,798
Less Accumulated Depreciation				
Buildings & improvements	78,546,305	13,455,076	-	92,001,381
Furniture & equipment	3,243,786	303,082	-	3,546,868
Total Accumulated Depreciation	81,790,091	13,758,158	-	95,548,249
<b>Governmental Activities</b>				
<b>Capital Assets, net</b>	<b>\$ 259,884,369</b>	<b>\$ 81,447,757</b>	<b>\$ 75,863,291</b>	<b>\$ 265,468,835</b>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Interfund Receivables/Payables (Due From/Due To)**

As of June 30, 2020, interfund payables and receivables consisted of the following:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>		
		<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund		\$ -	\$ 318,193	\$ 318,193
Building Fund	300,000	-	-	300,000
Special Reserve Fund for Capital Outlay Projects	2,017,905	-	-	2,017,905
Non-Major Governmental Funds	632,811	-	-	632,811
<b>Total</b>		<b>\$ 2,950,716</b>	<b>\$ 318,193</b>	<b>\$ 3,268,909</b>

Due from the Special Reserve Fund for Capital Outlay Projects to the General Fund for excess Google and GISSC lease transfer.	\$	2,017,905
Due from the Cafeteria Fund to the General Fund to repay short-term borrowing.		550,102
Due from the Building Fund to the General Fund to repay short-term borrowing made to Measure G.		300,000
Due from the General Fund to the Child Development Fund for contributions to preschool program.		158,956
Due from the General Fund to the Cafeteria Fund for fund contributions.		159,237
Due from the Child Development Fund to the General Fund for indirect cost for state preschool program and QRIS.		82,709
<b>Total</b>	<b>\$</b>	<b>3,268,909</b>

**B. Operating Transfers**

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

	<u>Interfund Transfers Out</u>	<u>Interfund Transfers In</u>		
		<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund		\$ -	\$ 1,236,125	\$ 1,236,125
Special Reserve Fund for Capital Outlay Projects	1,878,648	-	-	1,878,648
<b>Total</b>		<b>\$ 1,878,648</b>	<b>\$ 1,236,125</b>	<b>\$ 3,114,773</b>

Transfer from the Special Reserve Fund for Capital Outlay Projects to the General Fund for excess Google and GISSC lease transfer.	\$	1,878,648
Transfer from the General Fund to the Child Development Fund for contributions to preschool program.		485,289
Transfer from the General Fund to the Cafeteria Fund for fund contributions.		750,836
<b>Total</b>	<b>\$</b>	<b>3,114,773</b>

**NOTE 6 – ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2020 consisted of the following:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Special Reserve Fund for Capital Outlay Projects</u>	<u>Non-Major Governmental Funds</u>	<u>District-Wide</u>	<u>Governmental Activities</u>
Payroll	\$ 96,104	\$ 458	\$ -	\$ 17,230	\$ -	\$ 113,792
Construction	-	264,009	372,026	-	-	636,035
Vendors payable	1,555,015	10,341	11,650	46,015	-	1,623,021
Unmatured interest	-	-	-	-	2,105,485	2,105,485
<b>Total</b>	<b>\$ 1,651,119</b>	<b>\$ 274,808</b>	<b>\$ 383,676</b>	<b>\$ 63,245</b>	<b>\$ 2,105,485</b>	<b>\$ 4,478,333</b>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

**NOTE 7 – UNEARNED REVENUE**

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

	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Governmental Activities</b>
Federal sources	\$ 42,853	\$ 125,546	\$ 168,399
State categorical sources	-	93,227	93,227
Local sources	447,116	-	447,116
<b>Total</b>	<b>\$ 489,969</b>	<b>\$ 218,773</b>	<b>\$ 708,742</b>

**NOTE 8 – LONG-TERM LIABILITIES**

A schedule of changes in long-term debt for the year ended June 30, 2020 consisted of the following:

	<b>Balance July 01, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>	<b>Balance Due In One Year</b>
<b>Governmental Activities</b>					
General obligation bonds	\$ 203,765,001	\$ 114,750,000	\$ 32,292,448	\$ 286,222,553	\$ 6,147,502
Unamortized premium	14,715,539	1,517,068	2,150,863	14,081,744	804,424
Accreted interest	17,194,716	1,424,763	1,707,552	16,911,927	1,932,498
Total general obligation bonds	<u>235,675,256</u>	<u>117,691,831</u>	<u>36,150,863</u>	<u>317,216,224</u>	<u>8,884,424</u>
Certificates of participation	31,645,000	-	31,645,000	-	-
Unamortized premium	3,922,006	-	3,922,006	-	-
Total certificates of participation	<u>35,567,006</u>	<u>-</u>	<u>35,567,006</u>	<u>-</u>	<u>-</u>
Compensated absences	99,170	-	38,878	60,292	-
Total OPEB liability	9,888,414	1,144,678	-	11,033,092	-
Net pension liability	74,946,801	4,492,376	-	79,439,177	-
<b>Total</b>	<b>\$ 356,176,647</b>	<b>\$ 123,328,885</b>	<b>\$ 71,756,747</b>	<b>\$ 407,748,785</b>	<b>\$ 8,884,424</b>

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for certificates of participation are made in the Building Fund and the Special Reserve Fund for Capital Outlay Projects.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

**A. Compensated Absences**

Total unpaid employee compensated absences as of June 30, 2020 amounted to \$60,292. This amount is included as part of long-term liabilities in the government-wide financial statements.

**B. Other Postemployment Benefits**

The District's beginning total OPEB liability was \$9,888,414 and increased by \$1,144,678 during the year ended June 30, 2020. The ending total OPEB liability at June 30, 2020 was \$11,033,092. See Note 10 for additional information regarding the total OPEB liability.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**C. General Obligation Bonds**

The following schedule summarizes the District's outstanding general obligation bonds as of June 30, 2020:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2020
					Outstanding July 1, 2019	Additions	Deductions	
1996 GOB Series B	1997	8/1/2022	4.65% - 5.48%	\$ 6,784,646	\$ 1,860,996	\$ -	\$ 324,823	\$ 1,536,173
1996 GOB Series C	1999	2/1/2024	4.30% - 5.53%	6,499,471	3,272,969	-	313,753	2,959,216
1996 GOB Series D	2000	2/1/2025	5.11% - 6.28%	5,298,641	3,321,036	-	203,872	3,117,164
2010 GOB Refunding	2020	9/1/2019	4.00% - 5.00%	2,645,000	210,000	-	210,000	-
2012 GOB Refunding	2011	8/1/2021	0.751% - 2.973%	10,880,000	4,650,000	-	1,460,000	3,190,000
2012 GOB Series A	2013	9/1/2040	3.02% - 4.00%	50,000,000	41,415,000	-	27,110,000	14,305,000
2015 GOB Refunding	2016	7/1/2024	2.00% - 5.00%	4,895,000	3,350,000	-	530,000	2,820,000
2012 GOB Series B	2016	9/1/2042	2.00% - 5.00%	148,000,000	139,055,000	-	140,000	138,915,000
2016 GOB Refunding	2016	9/1/2021	4.00% - 5.00%	10,115,000	6,630,000	-	2,000,000	4,630,000
2020 Refunding	2020	9/1/2037	1.488% - 2.475%	29,750,000	-	29,750,000	-	29,750,000
2020 Series A	2020	9/1/2045	3.00% - 4.00%	46,600,000	-	46,600,000	-	46,600,000
2020 Series A-1	2020	9/1/2032	1.043% - 3.450%	38,400,000	-	38,400,000	-	38,400,000
					\$ 203,765,001	\$ 114,750,000	\$ 32,292,448	\$ 286,222,553

The annual requirements to amortize the District's general obligation bonds as of June 30, 2020 were as follows:

Year Ended June 30,	Principal*	Interest	Total
2021	\$ 6,147,502	\$ 10,483,633	\$ 16,631,135
2022	12,419,795	10,929,180	23,348,975
2023	10,742,874	12,275,636	23,018,510
2024	7,230,398	14,276,758	21,507,156
2025	7,811,984	15,949,832	23,761,816
2026 - 2030	37,540,000	37,076,406	74,616,406
2031 - 2035	56,910,000	29,847,878	86,757,878
2036 - 2040	79,015,000	19,604,796	98,619,796
2041 - 2045	63,645,000	4,530,313	68,175,313
2046	4,760,000	71,400	4,831,400
Total	\$ 286,222,553	\$ 155,045,832	\$ 441,268,385

\*Principal balance does not include accreted interest of \$16,911,927 at June 30, 2020.

**2020 General Obligation Refunding Bonds**

On March 17, 2020, the District issued 2020 General Obligation Refunding Bonds in the amount of \$29,750,000. The net proceeds received for the bonds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the Election of 2012, Series A General Obligation Bonds that were partially refunded. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's financial statements. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized as an expense over the life of the bond. This refunding reduced total debt service payments by \$2,412,538 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,879,242.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

**NOTE 8 – LONG-TERM LIABILITIES (continued)**

**D. Certificates of Participation**

On October 25, 2016, the District issued certificates of participation in the amount of \$35,840,000 with interest rates ranging from 2.0 to 5.0 percent. As of June 30, 2020, the District’s certificates of participation had been fully repaid using proceeds from the 2020 Series A-1 general obligation bonds.

**E. Net Pension Liability**

The District’s beginning net pension liability was \$74,946,801 and increased by \$4,492,376 during the year ended June 30, 2020. The ending net pension liability at June 30, 2020 was \$79,439,177 See Note 11 for additional information regarding the net pension liability.

**NOTE 9 – FUND BALANCES**

Fund balances were composed of the following elements at June 30, 2020:

	<b>General Fund</b>	<b>Building Fund</b>	<b>Special Reserve Fund for Capital Outlay Projects</b>	<b>Bond Interest &amp; Redemption Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
Non-spendable						
Revolving cash	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Stores inventory	28,289	-	-	-	73,847	102,136
Prepaid expenditures	6,770	-	546,145	-	-	552,915
Total non-spendable	43,059	-	546,145	-	73,847	663,051
Restricted						
Educational programs	2,742,450	-	-	-	33,328	2,775,778
Capital projects	-	47,532,730	3,024,328	-	690,417	51,247,475
Debt service	-	-	-	13,777,974	-	13,777,974
Food service	-	-	-	-	141,831	141,831
Total restricted	2,742,450	47,532,730	3,024,328	13,777,974	865,576	67,943,058
Assigned						
Postemployment benefits	5,359,952	-	-	-	-	5,359,952
Total assigned	5,359,952	-	-	-	-	5,359,952
Unassigned	21,453,600	-	-	-	-	21,453,600
<b>Total Fund Balance</b>	<b>\$ 29,599,061</b>	<b>\$ 47,532,730</b>	<b>\$ 3,570,473</b>	<b>\$ 13,777,974</b>	<b>\$ 939,423</b>	<b>\$ 95,419,661</b>

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. Plan Description**

The Mountain View Whisman School District’s single-employer defined benefit OPEB plan, the Mountain View Whisman School District’s Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

**B. Benefits Provided**

The District contributes toward post-retirement benefits for employees who retire after age 55 with at least 10 years of service. The District will pay the monthly premiums according to the percentages described below. Coverage under this program is available to CSEA, and CTA members, as well as Confidential, Supervisory, Classified Management and Certificated Administrators.

The District payment is pro-rated for employees who were at least 50%, but less than 100%, FTE at the time of retirement. Payments continue for a maximum of 5 years, or until age 65 (eligibility for Medicare/Medical) or death, whichever is first. After this benefit period has expired, the retiree may not continue coverage under the District plan. No benefits are paid to surviving spouses or other beneficiaries after the death of the retired employee.

**For certificated employees:** No benefits are paid if hired after December 6, 2010. The maximum benefit payable for all certificated retirees is 95% of the one-party rate for single, or 90% of the two-party rate for two-party.

**For classified employees:** If retired before January 1, 2017, the maximum benefit payable is 95% of the two-party rate. If retired after December 31, 2016, the maximum benefit payable is 95% of the one-party rate for single, or 90% of the two-party rate for two-party.

**For management employees:** No benefits are paid if hired after December 6, 2010. The maximum benefit payable for all management retirees is 95% of the one-party rate for single, or 90% of the two-party rate for two-party.

**C. Contributions**

For fiscal year 2019-20, the District contributed \$462,449 to the Plan, all of which was used for current premiums.

**D. Plan Membership**

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	17
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>239</u>
<b>Total number of participants**</b>	<u><u>256</u></u>

\*Information not provided

\*\*As of the June 30, 2019 valuation date



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**E. Actuarial Assumptions and Other Inputs**

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs:

**Economic assumptions:**

Inflation	2.75%
Salary increases	3.00%
Discount rate	2.79%
Healthcare cost trend rates	5.00% for medical; 4.00% for dental and vision

**Non-economic assumptions:**

*Mortality:*

Certificated	2016 CalSTRS Mortality Table
Classified	2017 CalPERS OPEB Assumptions Model

*Retirement rates:*

Probability of retirement is assumed to range from 10% at age 55 to 30% at age 64.

The actuarial assumptions used in the June 30, 2019 valuation were selected by the District in accordance with the requirements of GASB Statement No. 75.

The discount rate was based on the 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

**F. Changes in Total OPEB Liability**

	<u>June 30, 2020</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 460,155
Interest on total OPEB liability	287,784
Changes of benefit terms	1,092,726
Difference between expected and actual experience	(530,122)
Changes of assumptions	296,584
Benefits payments	<u>(462,449)</u>
Net change in total OPEB liability	1,144,678
Total OPEB liability - beginning	<u>9,888,414</u>
Total OPEB liability - ending	<u>\$ 11,033,092</u>
Covered-employee payroll	\$ 42,731,864
District's total OPEB liability as a percentage of covered-employee payroll	25.8%

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Mountain View Whisman School District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<b>1% Decrease (1.79%)</b>	<b>Valuation Discount Rate (2.79%)</b>	<b>1% Increase (3.79%)</b>
Total OPEB liability	\$ 11,926,248	\$ 11,033,092	\$ 10,220,967

**H. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The following presents the total OPEB liability of the Mountain View Whisman School District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<b>1% Decrease (4.00%)</b>	<b>Valuation Trend Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Total OPEB liability	\$ 10,068,038	\$ 11,033,092	\$ 12,139,538

**I. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2020, the Mountain View Whisman School District recognized OPEB expense of \$1,800,510. At June 30, 2020, the Mountain View Whisman School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 481,487
Changes in assumptions	354,789	213,853
District contributions subsequent to the measurement date	304,916	-
<b>Total</b>	<b>\$ 659,705</b>	<b>\$ 695,340</b>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

**I. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)**

The \$304,916 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 41,834	\$ 81,989
2022	41,834	81,989
2023	41,834	81,989
2024	41,834	81,989
2025	41,834	81,989
Thereafter	145,619	285,395
<b>Total</b>	<b>\$ 354,789</b>	<b>\$ 695,340</b>

**NOTE 11 – PENSION PLANS**

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
STRS Pension	\$ 52,521,825	\$ 21,038,618	\$ 3,890,392	\$ 8,532,320
PERS Pension	26,917,352	7,508,034	786,612	5,247,267
<b>Total</b>	<b>\$ 79,439,177</b>	<b>\$ 28,546,652</b>	<b>\$ 4,677,004</b>	<b>\$ 13,779,587</b>

**A. California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Benefits Provided**

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
  
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**Contributions**

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2020, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2020 18.13% of annual payroll reduced to 17.10% pursuant to California Senate Bill 90 (SB 90). The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$5,359,046 for the year ended June 30, 2020.

**On-Behalf Payments**

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$3,996,980 to CalSTRS.

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

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

District's proportionate share of the net pension liability	\$ 52,521,825
State's proportionate share of the net pension liability associated with the District	28,654,393
<b>Total</b>	<u>\$ 81,176,218</u>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District’s proportion was 0.058 percent, which was an increase of 0.004 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$8,532,320. In addition, the District recognized pension expense and revenue of \$783,970 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 2,023,157
Differences between expected and actual experience	132,590	1,480,004
Changes in assumptions	6,642,862	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,904,120	387,231
District contributions subsequent to the measurement date	5,359,046	-
<b>Total</b>	<u>\$ 21,038,618</u>	<u>\$ 3,890,392</u>

The \$5,359,046 reported as 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 year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 3,829,079	\$ 702,926
2022	3,829,076	2,107,505
2023	3,117,733	389,215
2024	3,119,474	374,004
2025	1,269,297	163,314
2026	514,913	153,428
<b>Total</b>	<u>\$ 15,679,572</u>	<u>\$ 3,890,392</u>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

\* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 to June 30, 2015.

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

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
Global Equity	47%	4.80%
Fixed Income	12%	1.30%
Real Estate	13%	3.60%
Private Equity	13%	6.30%
Risk Mitigating Strategies	9%	1.80%
Inflation Sensitive	4%	3.30%
Cash/Liquidity	2%	-0.40%
	100%	

\*20-year geometric average

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**A. California State Teachers’ Retirement System (CalSTRS) (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’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 the total pension liability.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
District’s proportionate share of the net pension liability	\$ 78,209,345	\$ 52,521,825	\$ 31,221,979

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees' Retirement System (CalPERS)**

**Plan Description**

The District contributes to the School Employer 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. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

**Benefits Provided**

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions**

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 7.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2020 20.733% of annual payroll reduced to 19.721% pursuant to California Senate Bill 90 (SB 90). Contributions to the plan from the District were \$2,730,329 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$26,917,352 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.092 percent, which was an decrease of 0.004 percent from its proportion measured as of June 30, 2018.



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

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

For the year ended June 30, 2020, the District recognized pension expense of \$5,247,267. At June 30, 2020, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 249,663
Differences between expected and actual experience	1,955,280	-
Changes in assumptions	1,281,350	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,541,075	536,949
District contributions subsequent to the measurement date	<u>2,730,329</u>	<u>-</u>
<b>Total</b>	<b>\$ 7,508,034</b>	<b>\$ 786,612</b>

The \$2,730,329 reported as 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 year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2021	\$ 2,942,350	\$ 431,600
2022	1,488,744	(307,112)
2023	315,101	92,042
2024	31,510	570,082
<b>Total</b>	<b>\$ 4,777,705</b>	<b>\$ 786,612</b>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

**Actuarial Assumptions**

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

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. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1 – 10*</b>	<b>Real Return Years 11+**</b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	-0.92%
	100.0%		

\*An expected inflation of 2.00% used for this period.

\*\*An expected inflation of 2.92% used for this period.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 JUNE 30, 2020**

---

**NOTE 11 – PENSION PLANS (continued)**

**B. California Public Employees’ Retirement System (CalPERS) (continued)**

**Actuarial Assumptions (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	<b>1% Decrease (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>1% Increase (8.15%)</b>
District’s proportionate share of the net pension liability	\$ 38,799,593	\$ 26,917,352	\$ 17,060,212

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**C. Construction Commitments**

As of June 30, 2020, the District had commitments with respect to unfinished capital projects of \$2,932,450.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
JUNE 30, 2020**

---

**NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District participates in two joint ventures under joint powers authorities (JPAs), the Santa Clara County School District Insurance Group and the South Bay Area Schools Insurance Authority. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs 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 JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

**NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**A. Refunded Debt**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2020, the deferred amount on refunding was \$2,688,940.

**B. Pension Plans**

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2020, total deferred outflows related to pensions was \$28,546,652 and total deferred inflows related to pensions was \$4,677,004.

**C. Other Postemployment Benefits**

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2020, total deferred outflows related to other postemployment benefits was \$659,705 and total deferred inflows related to other postemployment benefits was \$695,340.

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
LCFF sources	\$ 58,850,639	\$ 60,200,207	\$ 60,298,964	\$ 98,757
Federal sources	2,393,939	2,574,157	2,326,885	(247,272)
Other state sources	4,334,573	6,464,844	6,471,656	6,812
Other local sources	10,104,400	12,231,763	12,444,553	212,790
<b>Total Revenues</b>	<b>75,683,551</b>	<b>81,470,971</b>	<b>81,542,058</b>	<b>71,087</b>
<b>EXPENDITURES</b>				
Certificated salaries	31,028,495	32,684,668	32,354,837	329,831
Classified salaries	12,995,633	13,560,525	13,293,688	266,837
Employee benefits	19,519,844	20,875,286	20,773,843	101,443
Books and supplies	2,769,136	5,355,913	4,002,192	1,353,721
Services and other operating expenditures	11,459,811	13,041,038	11,981,862	1,059,176
Capital outlay	10,000	24,286	24,286	-
Other outgo				
Transfers of indirect costs	(51,823)	(51,699)	(52,709)	1,010
<b>Total Expenditures</b>	<b>77,731,096</b>	<b>85,490,017</b>	<b>82,377,999</b>	<b>3,112,018</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,047,545)</b>	<b>(4,019,046)</b>	<b>(835,941)</b>	<b>3,183,105</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	2,087,578	1,878,648	(208,930)
Transfers out	(949,566)	(1,223,880)	(1,236,125)	(12,245)
<b>Net Financing Sources (Uses)</b>	<b>(949,566)</b>	<b>863,698</b>	<b>642,523</b>	<b>(221,175)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,997,111)</b>	<b>(3,155,348)</b>	<b>(193,418)</b>	<b>2,961,930</b>
<b>Fund Balance - Beginning</b>	<b>24,432,527</b>	<b>24,432,527</b>	<b>24,432,527</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 21,435,416</b>	<b>\$ 21,277,179</b>	<b>\$ 24,239,109</b>	<b>\$ 2,961,930</b>

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

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54. In addition, the revenues for Medi-Cal and Medi-Cal Administrative Activities have been reclassified from federal revenues to local revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 460,155	\$ 436,180	\$ 452,828
Interest on total OPEB liability	287,784	290,167	249,315
Changes of benefit terms	1,092,726	-	-
Difference between expected and actual experience	(530,122)	-	-
Changes of assumptions	296,584	105,753	(300,550)
Benefits payments	<u>(462,449)</u>	<u>(428,404)</u>	<u>(233,400)</u>
Net change in total OPEB liability	1,144,678	403,696	168,193
Total OPEB liability - beginning	<u>9,888,414</u>	<u>9,484,718</u>	<u>9,316,525</u>
Total OPEB liability - ending	<u>\$ 11,033,092</u>	<u>\$ 9,888,414</u>	<u>\$ 9,484,718</u>
Covered-employee payroll	\$ 42,731,864	\$ 41,984,112	\$ 31,356,258
District's total OPEB liability as a percentage of covered-employee payroll	25.8%	23.6%	30.2%

See accompanying note to required supplementary information.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.058%	0.054%	0.047%	0.046%	0.047%	0.044%
District's proportionate share of the net pension liability	\$ 52,521,825	\$ 49,447,133	\$ 43,626,074	\$ 37,098,758	\$ 31,718,119	\$ 24,078,216
State's proportionate share of the net pension liability associated with the District	28,654,393	28,310,935	25,809,026	21,122,770	16,775,344	15,691,855
<b>Total</b>	<b>\$ 81,176,218</b>	<b>\$ 77,758,068</b>	<b>\$ 69,435,100</b>	<b>\$ 58,221,528</b>	<b>\$ 48,493,463</b>	<b>\$ 39,770,071</b>
District's covered payroll	\$ 31,440,838	\$ 28,744,156	\$ 25,944,406	\$ 23,030,716	\$ 22,093,840	\$ 19,806,836
District's proportionate share of the net pension liability as a percentage of its covered payroll	167.0%	172.0%	168.2%	161.1%	143.6%	121.6%
Plan fiduciary net position as a percentage of the total pension liability	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.092%	0.096%	0.093%	0.082%	0.080%	0.072%
District's proportionate share of the net pension liability	\$ 26,917,352	\$ 25,499,668	\$ 22,157,000	\$ 16,247,860	\$ 11,751,207	\$ 8,116,991
District's covered payroll	\$ 12,885,250	\$ 12,611,619	\$ 11,839,285	\$ 9,871,396	\$ 7,453,056	\$ 7,506,109
District's proportionate share of the net pension liability as a percentage of its covered payroll	208.9%	202.2%	187.1%	164.6%	157.7%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 5,359,046	\$ 5,115,182	\$ 4,162,395	\$ 3,225,298	\$ 2,461,735	\$ 1,634,064
Contributions in relation to the contractually required contribution*	(5,359,046)	(5,115,182)	(4,162,395)	(3,225,298)	(2,461,735)	(1,634,064)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 31,923,301	\$ 31,440,838	\$ 28,744,156	\$ 25,944,406	\$ 23,030,716	\$ 22,093,840
Contributions as a percentage of covered payroll	16.79%	16.27%	14.48%	12.43%	10.69%	7.40%

\*Amounts do not include on-behalf contributions

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,730,329	\$ 2,310,644	\$ 1,960,977	\$ 1,646,687	\$ 1,169,814	\$ 1,038,983
Contributions in relation to the contractually required contribution*	(2,730,329)	(2,310,644)	(1,960,977)	(1,646,687)	(1,169,814)	(1,038,983)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,914,008	\$ 12,885,250	\$ 12,611,619	\$ 11,839,285	\$ 9,871,396	\$ 7,453,056
Contributions as a percentage of covered payroll	19.62%	17.93%	15.55%	13.91%	11.85%	13.94%

\*Amounts do not include on-behalf contributions

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Budgetary Comparison Schedule**

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

**Schedule of Changes in Total OPEB Liability and Related Ratios**

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

**Changes in Benefit Terms**

In previous valuations for OPEB, no benefits were paid to retired classified employees if the employee was hired after 1-31-2010. This rule has been eliminated.

**Changes in Assumptions**

The discount rate used in the most recent valuation for OPEB was 2.79%, while the previous valuation used a discount rate of 2.98%. There were no other changes in economic assumptions since the previous valuation for OPEB.

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

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

**Changes in Benefit Terms**

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

**Changes in Assumptions**

There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

**Schedule of District Contributions**

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2020, the District incurred no excess of expenditures over appropriations in individual major fund presented in the Budgetary Comparison Schedule by major object code.

---

## **SUPPLEMENTARY INFORMATION**

---

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION:</b>			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 507,982
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	135,856
Title III			
Title III, English Learner Student Program	84.365	14346	134,753
Title III, Immigrant Education Program	84.365	15146	45,592
Subtotal Title III			<u>180,345</u>
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	48,271
Title VIII, Impact Aid	84.041	10015	74,478
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	1,124,778
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	49,797
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	67,998
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	3,993
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	515
Subtotal Special Education Cluster			<u>1,247,081</u>
<b>Total U. S. Department of Education</b>			<u>2,194,013</u>
<b>U. S. DEPARTMENT OF AGRICULTURE:</b>			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	14,463
School Breakfast Program - Needy	10.553	13526	247,726
National School Lunch Program	10.555	13391	446,100
COVID-19 Emergency Acts Funding - Unanticipated School Closures	10.555	*	362,845
Meal Supplements	10.555	*	28,152
USDA Commodities [2]	10.555	*	106,027
Summer Food Service Program for Children	10.559	13004	53,732
Subtotal Child Nutrition Cluster			<u>1,259,045</u>
CACFP Claims - Centers and Family Day Care	10.558	13393	48,680
<b>Total U. S. Department of Agriculture</b>			<u>1,307,725</u>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>Passed through California Department of Education:</i>			
Head Start	93.600	10016	11,820
<b>Total U. S. Department of Health &amp; Human Services</b>			<u>11,820</u>
<b>U. S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed through California Department of Education:</i>			
COVID-19 Emergency Acts Funding:			
Coronavirus Relief Fund (CRF): Learning Loss Mitigation [1]	21.019	10149	1,392,748
<b>Total U. S. Department of the Treasury</b>			<u>1,392,748</u>
<b>Total Federal Expenditures</b>			<u>\$ 4,906,306</u>

[1] - Major Program

[2] - In-Kind Contribution

\* - Pass-Through Entity Identifying Number not available or not applicable

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Second Period Report</b>	<b>Annual Report</b>
	<b>Certificate No. 8B5CC963</b>	<b>Certificate No. 3AFEC219</b>
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	2,373.94	2,373.94
Extended Year Special Education	3.40	3.40
Special Education - Nonpublic Schools	1.60	1.60
Extended Year Special Education - Nonpublic Schools	0.31	0.31
Total TK/K through Third	2,379.25	2,379.25
Fourth through Sixth		
Regular ADA	1,524.35	1,524.35
Extended Year Special Education	2.14	2.14
Special Education - Nonpublic Schools	1.30	1.30
Extended Year Special Education - Nonpublic Schools	0.43	0.43
Total Fourth through Sixth	1,528.22	1,528.22
Seventh through Eighth		
Regular ADA	1,004.04	1,004.04
Extended Year Special Education	0.42	0.42
Special Education - Nonpublic Schools	3.71	3.71
Extended Year Special Education - Nonpublic Schools	0.42	0.42
Total Seventh through Eighth	1,008.59	1,008.59
TOTAL SCHOOL DISTRICT	4,916.06	4,916.06



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 SCHEDULE OF INSTRUCTIONAL TIME  
 FOR THE YEAR ENDED JUNE 30, 2020**

---

<b>Grade Level</b>	<b>Minutes Requirement</b>	<b>2019-20 Planned Instructional Minutes</b>	<b>2019-20 Planned Number of Days</b>	<b>2019-20 Actual Instructional Minutes</b>	<b>2019-20 Actual Number of Days</b>	<b>Instructional Minutes Closed due to COVID-19</b>	<b>Number of Days Certified Closed due to COVID-19*</b>	<b>Status</b>
Kindergarten	36,000	48,950	180	34,780	128	14,170	52	Complied
Grade 1	50,400	53,995	180	38,330	128	15,665	52	Complied
Grade 2	50,400	53,995	180	38,330	128	15,665	52	Complied
Grade 3	50,400	53,995	180	38,330	128	15,665	52	Complied
Grade 4	54,000	54,660	180	38,800	128	15,860	52	Complied
Grade 5	54,000	54,660	180	38,800	128	15,860	52	Complied
Grade 6	54,000	62,545	180	44,487	128	18,058	52	Complied
Grade 7	54,000	62,545	180	44,487	128	18,058	52	Complied
Grade 8	54,000	62,545	180	44,487	128	18,058	52	Complied

\*On June 26, 2020, the District certified that all schools were closed from March 16, 2020 to June 5, 2020 for a total of 52 instructional days due to COVID-19.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>2021 (Budget)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 85,718,853	\$ 83,420,706	\$ 78,206,423	\$ 74,202,031
Expenditures And Other Financing Uses	85,513,670	83,614,124	80,803,957	72,301,375
Net change in Fund Balance	\$ 205,183	\$ (193,418)	\$ (2,597,534)	\$ 1,900,656
Ending Fund Balance	\$ 24,444,292	\$ 24,239,109	\$ 24,432,527	\$ 27,030,061
Available Reserves*	\$ 22,959,244	\$ 21,453,600	\$ 22,095,385	\$ 24,301,630
Available Reserves As A Percentage Of Outgo	26.85%	25.66%	27.34%	33.61%
Long-term Liabilities	\$ 398,864,361	\$ 407,748,785	\$ 356,176,647	\$ 358,555,415
Average Daily Attendance At P-2	4,890	4,916	4,940	4,969

The General Fund balance has decreased by \$2,790,952 over the past two years. The fiscal year 2020-21 budget projects an increase of \$205,183. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years but anticipates incurring an operating surplus during the 2020-21 fiscal year. Total long-term obligations have increased by \$49,193,370 over the past two years.

Average daily attendance has experienced a decrease of 53 ADA over the past two years. A further decrease of 26 ADA is anticipated during the 2020-21 fiscal year.

\*Available reserves consist of all unassigned fund balance within the General Fund.

\*\* Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances for the following reasons:

- The amounts on that schedule include the financial activity of the Special Reserve Fund for Postemployment Benefits in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

	<b>General Fund</b>	<b>Cafeteria Fund</b>	<b>Special Reserve Fund for Postemployment Benefits</b>
June 30, 2020, annual financial and budget report fund balance	\$ 24,239,109	\$ 249,752	\$ 5,359,952
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Adjustment to inventory	-	(86,923)	-
Adjustment to accounts payable	-	52,849	-
Fund balance transfer (GASB 54)	5,359,952	-	(5,359,952)
Net adjustments and reclassifications	5,359,952	(34,074)	(5,359,952)
June 30, 2020, audited financial statement fund balance	\$ 29,599,061	\$ 215,678	\$ -

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 JUNE 30, 2020**

	<b>Child Development Fund</b>	<b>Cafeteria Fund</b>	<b>Capital Facilities Fund</b>	<b>Non-Major Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 111,804	\$ 230,289	\$ 687,968	\$ 1,030,061
Accounts receivable	99,392	330,310	2,449	432,151
Due from other funds	158,956	159,237	-	318,193
Stores inventory	-	73,847	-	73,847
<b>Total Assets</b>	<b>\$ 370,152</b>	<b>\$ 793,683</b>	<b>\$ 690,417</b>	<b>\$ 1,854,252</b>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 35,342	\$ 27,903	\$ -	\$ 63,245
Due to other funds	82,709	550,102	-	632,811
Unearned revenue	218,773	-	-	218,773
<b>Total Liabilities</b>	<b>336,824</b>	<b>578,005</b>	<b>-</b>	<b>914,829</b>
<b>FUND BALANCES</b>				
Non-spendable	-	73,847	-	73,847
Restricted	33,328	141,831	690,417	865,576
<b>Total Fund Balances</b>	<b>33,328</b>	<b>215,678</b>	<b>690,417</b>	<b>939,423</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 370,152</b>	<b>\$ 793,683</b>	<b>\$ 690,417</b>	<b>\$ 1,854,252</b>

See accompanying note to supplementary information.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Non-Major Governmental Funds
<b>REVENUES</b>				
Federal sources	\$ 11,820	\$ 1,307,725	\$ -	\$ 1,319,545
Other state sources	1,199,167	91,612	-	1,290,779
Other local sources	217,054	735,644	403,513	1,356,211
<b>Total Revenues</b>	<u>1,428,041</u>	<u>2,134,981</u>	<u>403,513</u>	<u>3,966,535</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,530,049	-	-	1,530,049
Instruction-related services				
School site administration	342,558	-	-	342,558
Pupil services				
Food services	-	2,919,891	-	2,919,891
General administration				
All other general administration	52,709	-	197	52,906
Plant services	-	-	9,200	9,200
Facilities acquisition and maintenance	11,820	-	125,389	137,209
<b>Total Expenditures</b>	<u>1,937,136</u>	<u>2,919,891</u>	<u>134,786</u>	<u>4,991,813</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(509,095)</u>	<u>(784,910)</u>	<u>268,727</u>	<u>(1,025,278)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	485,289	750,836	-	1,236,125
<b>Net Financing Sources (Uses)</b>	<u>485,289</u>	<u>750,836</u>	<u>-</u>	<u>1,236,125</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(23,806)</u>	<u>(34,074)</u>	<u>268,727</u>	<u>210,847</u>
<b>Fund Balance - Beginning</b>	57,134	249,752	421,690	728,576
<b>Fund Balance - Ending</b>	<u>\$ 33,328</u>	<u>\$ 215,678</u>	<u>\$ 690,417</u>	<u>\$ 939,423</u>

See accompanying note to supplementary information.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 JUNE 30, 2020**

---

The Mountain View Whisman School District services over 70,000 residents and over 5,000 students. The District was formed in 2001 when Mountain View School District and Whisman School District merged to form a single K-8 school district. The District is located at the southern tip of the San Francisco Bay and is comprised of eight elementary schools and two middle schools. There were no changes in boundaries during the fiscal year.

**GOVERNING BOARD**

<b>Member</b>	<b>Office</b>	<b>Term Expires</b>
Tamara Wilson	President	2020
Devon Conley	Vice President	2022
José Gutiérrez, Jr.	Clerk	2020
Laura Blakely	Member	2020
Ellen Wheeler	Member	2022

**DISTRICT ADMINISTRATORS**

Dr. Ayindé Rudolph  
*Superintendent*

Rebecca Westover  
*Associate Superintendent*

Catherine Baur  
*Assistant Superintendent of Educational Services*

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
 NOTES TO SUPPLEMENTARY INFORMATION  
 JUNE 30, 2020**

---

**NOTE 1 – PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2020 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2020.

	CFDA Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 3,513,558
Coronavirus Relief Fund (CRF)	21.019	1,392,748
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 4,906,306</u>

The District has not elected to use the 10 percent de minimis indirect cost rate.

**Schedule of Average Daily Attendance (ADA)**

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

**Schedule of Instructional Time**

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

**Schedule of Financial Trends and Analysis**

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

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION, continued  
JUNE 30, 2020**

---

**NOTE 1 – PURPOSE OF SCHEDULES (continued)**

**Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

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

**Combining Statements – Non-Major Funds**

These statements provide information on the District's non-major funds.

**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.



---

## **OTHER INDEPENDENT AUDITORS' REPORTS**

---

**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**

Independent Auditors' Report

Governing Board  
Mountain View Whisman School District  
Mountain View, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mountain View Whisman School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Mountain View Whisman School District's basic financial statements, and have issued our report thereon dated January 15, 2021.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Christy White, Inc." in a cursive script.

San Diego, California  
January 15, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board  
Mountain View Whisman School District  
Mountain View, California

**Report on Compliance for Each Major Federal Program**

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

***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 Mountain View Whisman School 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 Mountain View Whisman School 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 Mountain View Whisman School District's compliance.

***Opinion on Each Major Federal Program***

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

## Report on Internal Control Over Compliance

Management of Mountain View Whisman School 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 Mountain View Whisman School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mountain View Whisman School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.



San Diego, California  
January 15, 2021

**REPORT ON STATE COMPLIANCE**Independent Auditors' Report

Governing Board  
Mountain View Whisman School District  
Mountain View, California

**Report on State Compliance**

We have audited Mountain View Whisman School District's compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Mountain View Whisman School District's state programs for the fiscal year ended June 30, 2020, as identified below.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Mountain View Whisman School District's state 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 *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards 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 the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Mountain View Whisman School 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 with the requirements referred to above. However, our audit does not provide a legal determination of Mountain View Whisman School District's compliance with those requirements.

***Opinion on State Compliance***

In our opinion, Mountain View Whisman School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2020.

**Procedures Performed**

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

<b>PROGRAM NAME</b>	<b>PROCEDURES PERFORMED</b>
<b>Local Education Agencies Other Than Charter Schools</b>	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Yes
<b>School Districts, County Offices of Education, and Charter Schools</b>	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
<b>Charter Schools</b>	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes – Classroom Based; for charter schools	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for independent study because total reported ADA was not material.



San Diego, California  
January 15, 2021

---

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

---



**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SUMMARY OF AUDITORS' RESULTS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>21.019</u>	<u>Coronavirus Relief Fund (CRF): Learning Loss Mitigation</u>

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

**STATE AWARDS**

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FIVE DIGIT CODE**

20000  
30000

**AB 3627 FINDING TYPE**

Inventory of Equipment  
Internal Control

There were no financial statement findings for the year ended June 30, 2020.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FIVE DIGIT CODE**

50000

**AB 3627 FINDING TYPE**

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2020.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
STATE AWARD FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**FIVE DIGIT CODE**

10000  
40000  
42000  
43000  
60000  
61000  
62000  
70000  
71000  
72000

**AB 3627 FINDING TYPE**

Attendance  
State Compliance  
Charter School Facilities Programs  
Apprenticeship: Related and Supplemental Instruction  
Miscellaneous  
Classroom Teacher Salaries  
Local Control Accountability Plan  
Instructional Materials  
Teacher Misassignments  
School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2020.

**MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

There were no findings or questioned costs for the year ended June 30, 2019.