NEW ISSUE – FULL BOOK-ENTRY

INSURED RATING: S&P "AA"
UNDERLYING RATING: S&P "A+"
(See "MISCELLANEOUS –Ratings" herein)

Bank Qualified

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however to certain qualifications described herein, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. Bond Counsel expresses no other opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

SISKIYOU UNION HIGH SCHOOL DISTRICT

$2,110,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
General Obligation Bonds, Election of 2008, Series C

$4,635,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
2020 General Obligation Refunding Bonds

Dated: Date of Delivery

Due: August 1, as shown herein

Issuance and Authority. The $2,110,000 Siskiyou Union High School District (Siskiyou County, California) General Obligation Bonds, Election of 2008, Series C (the "Series C Bonds") are being issued by the Siskiyou Union High School District (the "District"), located in Siskiyou County (the "County"), California. The Series C Bonds were authorized at a bond election conducted on November 4, 2008, at which at least 55% of the voters of the District voting on the measure voted to approve the issuance by the District of $12,500,000 aggregate principal amount of bonds. The Series C Bonds are being issued pursuant to a resolution of the District adopted on April 8, 2020 (the "Series C Resolution") and certain provisions of the Government and Education Codes of the State of California (the "State").

The $4,635,000 Siskiyou Union High School District (Siskiyou County, California) 2020 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series C Bonds, the "Bonds") are being issued by the District pursuant to a resolution of the District adopted on April 8, 2020 (the "Refunding Resolution") and pursuant to Articles 9 and 11 (commencing with Sections 53550 and 53580, respectively) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

Purpose. The Series C Bonds are being issued (i) to finance the construction, acquisition, furnishing and equipping of District facilities, (ii) to fund capitalized interest on the Series C Bonds, and (iii) to pay certain costs of issuance of the Series C Bonds. See "THE BONDS –The Series C Project" herein. The Refunding Bonds are being issued (i) to currently refund the Refunded Bonds (defined herein) and (ii) to pay certain costs of issuance of the Refunding Bonds. See "THE BONDS –The Plan of Refinancing" herein.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* taxes to be levied within the boundaries of the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy and collect *ad valorem* taxes upon all property within the boundaries of the District subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the District's payment of principal of and interest on the Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein.

Book-Entry Only. The Bonds will be issued in book-entry only form and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of Bonds will be made in book-entry only form. Purchasers will not receive physical delivery of the Bonds purchased by them.

Payments. The Bonds are dated the date of delivery and are being issued as current interest serial bonds and current interest term bonds as set forth on the inside front cover hereof. The Bonds accrue interest from the dated date at the rates set forth on the inside front cover hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2020. Payments of principal of and interest on the Bonds will be paid by U.S. Bank National Association, San Francisco, California, as paying agent (the "Paying Agent") to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

MATURITY SCHEDULES
(See Inside Cover Pages)

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS –Redemption" herein.

Insurance. The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.

ASSURED GUARANTY MUNICIPAL

This cover page contains information for general reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, and subject to certain other conditions. Lozano Smith, LLP, Sacramento, California, is acting as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado, is serving as Underwriter's Counsel. It is anticipated that the Bonds in definitive form will be available for delivery through the facilities of DTC on or about June 25, 2020.

STIFEL

The date of this Official Statement is June 11, 2020.

MATURITY SCHEDULE

$2,110,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
GENERAL OBLIGATION BONDS, ELECTION OF 2008, SERIES C
Base CUSIP†: 829693

$240,000 Current Interest Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2022	$75,000	3.000%	0.640%	EM8
2023	15,000	4.000	0.760	FG0
2024	15,000	4.000	0.880	FH8
2025	15,000	4.000	0.990	FJ4
2026	20,000	4.000	1.130	FK1
2027	25,000	4.000	1.240	EN6
2028	25,000	3.000	1.330	EP1
2029	25,000	3.000	1.430	EQ9
2030	25,000	3.500	1.540	ER7

$1,870,000 Current Interest Term Bonds

$740,000 2.625% Term Bond maturing August 1, 2043, yield 2.800%. CUSIP†: ES5

$1,130,000 4.000% Term Bond maturing August 1, 2049, yield 2.420%[C]. CUSIP†: ET3

[C] Yield to par call date of August 1, 2030.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Copyright 2020 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.

MATURITY SCHEDULE

$4,635,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
2020 GENERAL OBLIGATION REFUNDING BONDS
Base CUSIP†: 829693

$3,565,000 Current Interest Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2020	$330,000	3.000%	0.200%	EU0
2021	280,000	4.000	0.480	EV8
2022	225,000	4.000	0.640	EW6
2023	245,000	4.000	0.760	EX4
2024	275,000	4.000	0.880	EY2
2025	300,000	4.000	0.990	EZ9
2026	325,000	4.000	1.130	FA3
2027	350,000	4.000	1.240	FB1
2028	380,000	4.000	1.330	FC9
2029	410,000	3.000	1.430	FD7
2030	445,000	3.500	1.540	FE5

$1,070,000 Current Interest Term Bonds

$1,070,000 4.000% Term Bond maturing August 1, 2033, to yield 1.870%[C]. CUSIP†: FF2

[C] Yield to par call date of August 1, 2030.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Copyright 2020 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any note or bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson, or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Involvement of Insurer. Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX H - SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover pages of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. The information presented on the website, however, is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SISKIYOU COUNTY
STATE OF CALIFORNIA

DISTRICT BOARD OF TRUSTEES

Greg Gunkel, *President*
Darin Quigley, *Clerk*
Jeff Berryman, *Vice President*
Jana Blevins, *Member*
Sunny Greene, *Member*
Lori Harch, *Member*
Kerri King, *Member*

DISTRICT ADMINISTRATION

Mike Matheson, *Superintendent*
Sarah Applegate, *Chief Business Official*

FINANCIAL ADVISOR

Dale Scott & Company Inc.
San Francisco, California

BOND COUNSEL and DISCLOSURE COUNSEL

Lozano Smith, LLP
Sacramento, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

PAYING AGENT

U.S. Bank National Association
San Francisco, California

ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

VERIFICATION AGENT

Causey Demgen & Moore P.C.
Denver, Colorado

TABLE OF CONTENTS

INTRODUCTION 1
The District 1
THE BONDS 2
Authority for Issuance 2
Purpose of Issue 2
Form and Registration 3
Payment of Principal and Interest 3
Paying Agent 3
Redemption 4
Transfer and Exchange 6
Defeasance of Bonds 7
Unclaimed Monies 7
Application and Investment of Bond Proceeds 7
Estimated Sources and Uses of Funds 8
The Series C Project 8
The Plan of Refinancing 8
Escrow Sufficiency 9
Debt Service Schedules 10
Other General Obligation Bonds 11
Aggregate Debt Service 12
BOND INSURANCE 13
Bond Insurance Policy 13
Assured Guaranty Municipal Corp. 13
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS 15
General 15
Not a County Obligation 15
Pledge of Tax Revenues and Statutory Lien 15
Property Taxation System 16
Coronavirus 16
Assessed Valuation of Property within the District 17
Bonding Capacity 24
Tax Rates 24
Tax Charges and Delinquencies 25
Teeter Plan 27
Direct and Overlapping Debt 28
SISKIYOU COUNTY INVESTMENT POOL 29
TAX MATTERS 30
CONTINUING DISCLOSURE 32
OTHER LEGAL MATTERS 33
Legal Opinions 33
Legality for Investment in California 33
Possible Limitations on Remedies 33
Absence of Material Litigation 34
Escrow Verification 34
MISCELLANEOUS 34
Ratings 34
Professionals Involved in the Offering 34
Underwriting 35
ADDITIONAL INFORMATION 36

APPENDIX A – INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET A-1
APPENDIX B – ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE DISTRICT AND SISKIYOU COUNTY B-1
APPENDIX C – ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019 ..... C-1
APPENDIX D – PROPOSED FORMS OF OPINION OF BOND COUNSEL D-1
APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE E-1
APPENDIX F – BOOK-ENTRY ONLY SYSTEM F-1
APPENDIX G – SISKIYOU COUNTY INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT G-1
APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY H-1

$2,110,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(SISKIYOU COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS,
ELECTION OF 2008, SERIES C

$4,635,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(SISKIYOU COUNTY, CALIFORNIA)
2020 GENERAL OBLIGATION REFUNDING BONDS

INTRODUCTION

This Introduction is not a summary of the Official Statement. It is only a brief description of, and guide to, and is qualified by, more complete and detailed information contained in the remainder of the Official Statement and the documents summarized or described in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, and potential investors should thoroughly review it prior to purchasing the captioned Bonds.

The purpose of this Official Statement, which includes the cover page, the inside cover pages, and all appendices hereto (the "Official Statement"), is to provide certain information concerning the issuance, sale and delivery of the Siskiyou Union High School District (Siskiyou County, California) General Obligation Bonds, Election of 2008, Series C (the "Series C Bonds") and the Siskiyou Union High School District (Siskiyou County, California) 2020 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series C Bonds, the "Bonds").

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See "CONTINUING DISCLOSURE" herein.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes, and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes, and constitutional provisions.

The information set forth herein has been obtained from official sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Copies of documents referred to herein and information concerning the Bonds are available from the District by contacting: Siskiyou Union High School District, 624 Everitt Memorial Hwy, Mt. Shasta, California 96067; attention: Superintendent. The District may impose a charge for copying, mailing, and handling.

The District

The Siskiyou Union High School District (the "District") comprises an area of approximately 347 square miles, consisting of approximately 15,800 residents. The District is located in Siskiyou County (the "County") which is centrally located in inland Northern California, adjacent to the Oregon border. Greater than 60% of the land within the County is currently managed by agencies of the federal and state governments. As the 5th largest county in the state by area, and the largest county in Northern California, the County features spectacular natural beauty and scenic communities including Happy Camp, McCloud, Mount Shasta, and Weed, each served by the District. The

District includes 4 high schools, and operates a small independent study program. The District's current enrollment is approximately 537 students. The District's future enrollment or average daily attendance ("ADA") of students may be affected due to the current COVID-19 pandemic (see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Coronavirus" and APPENDIX A – "THE DISTRICT – Impact to District Operations and Budget Due to Coronavirus Pandemic").

The District is governed by a seven-member Board of Trustees (the "District Board"), each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the District Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. For additional information about the District, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET" and APPENDIX C – "ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

THE BONDS

Authority for Issuance

The Series C Bonds are issued under the provisions of Article 4.5 (commencing with Section 53506) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and other applicable provisions of law, including Article XIIIA of the California Constitution and applicable provisions of the California Education Code (the "Bond Law").

At an election held on November 4, 2008, the District received authorization under Measure Q to issue bonds of the District in an aggregate principal amount not to exceed $12,500,000 to "renovate, reconstruct, repair, replace, acquire, construct and make improvements to school buildings and facilities, and meet fire, health, and safety standards to improve health, safety and education for students" (the "2008 Authorization"). Measure Q required approval by at least 55% of the votes cast by eligible voters within the District and received an approval vote of over 57%. The Series C Bonds represent the third series of bonds to be issued under the 2008 Authorization. After the issuance of the Series C Bonds, $890,769.50 will remain authorized to be issued by the District pursuant to the 2008 Authorization.

The issuance and sale of the Series C Bonds were authorized by the resolution adopted by the District Board on April 8, 2020 (the "Series C Resolution").

The Refunding Bonds are issued under the provisions of Articles 9 and 11 (commencing with Sections 53550 and 53580, respectively) of Chapter 3 of Part 1 of Division 3 of Title 5 of the California Government Code (the "Refunding Bond Law").

The issuance and sale of the Refunding Bonds were authorized by the resolution adopted by the District Board on April 8, 2020 (the "Refunding Resolution" and, together with the Series C Resolution, the "Resolutions").

Capitalized undefined terms used in this Official Statement have the meanings ascribed thereto in the Resolutions.

Purpose of Issue

The Series C Bonds are being issued (i) to finance the construction, acquisition, furnishing and equipping of District facilities, (ii) to fund the interest and sinking fund to pay capitalized interest on the Series C Bonds, and (iii) to pay the costs of issuance of the Series C Bonds.

The Refunding Bonds are being issued to currently refund the District's outstanding General Obligation Bonds, Election of 2008, Series 2009 (the "2009 Bonds" or the "Refunded Bonds"), and to pay costs of issuance of the Refunding Bonds. See "–The Plan of Refinancing" herein.

Form and Registration

The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 principal amount or integral multiples thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in Bonds will be recorded as entries on the books of said participants. Except in the event that the use of this book-entry system is discontinued for the Bonds, beneficial owners ("Beneficial Owners") will not receive physical certificates representing their ownership interests. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

The Bonds will be issued as current interest serial and term bonds as set forth on the inside front cover pages hereof.

Interest. The Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover pages of this Official Statement, payable on February 1 and August 1 of each year, commencing on August 1, 2020 (each, an "Interest Payment Date"), computed on the basis of a 360-day year of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (the "Record Date") and on or prior to the succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

Payment of Bonds. Principal of the Bonds is payable in lawful money of the United States of America upon the surrender thereof at the principal corporate trust office of the Paying Agent at the maturity thereof or upon redemption prior to maturity.

Interest on the Bonds is payable in lawful money of the United States of America by check mailed on each Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the registered owner thereof (the "Owner") at such Owner's address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least $1,000,000 of outstanding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on a Record Date. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

Paying Agent

U.S. Bank National Association, San Francisco, California, will act as the registrar, transfer agent, and paying agent for the Bonds (the "Paying Agent"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial

Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action covered by such notice.

The Paying Agent, the District, the County, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising, or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption

Optional Redemption of Bonds. The Bonds maturing on or before August 1, 2030, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 2031, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2030, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of Series C Bonds. The Series C Bonds which are term bonds maturing on August 1 in the years 2043, and 2049, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedules, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Series C Term Bonds Maturing August 1, 2043

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2031	$ 30,000
2032	30,000
2033	35,000
2034	15,000
2035	25,000
2036	35,000
2037	45,000
2038	50,000
2039	65,000
2040	80,000
2041	95,000
2042	110,000
2043†	125,000

† Maturity.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Series C Term Bonds Maturing August 1, 2049

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2044	$140,000
2045	155,000
2046	175,000
2047	195,000
2048	220,000
2049†	245,000

† Maturity.

Mandatory Sinking Fund Redemption of Refunding Bonds. The Refunding Bonds which are term bonds maturing on August 1, 2033, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedules, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Refunding Term Bonds Maturing August 1, 2033

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2031	$ 475,000
2032	515,000
2033†	80,000

† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000, by any portion of such term Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds for Redemption. If less than all of the Bonds of a series are called for redemption, such Bonds will be redeemed as directed by the District. Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Bonds of such maturity to be redeemed by lot in any manner determined by the District. For purposes of such selection, each Bond will be deemed to consist of individual Bonds of denominations of $5,000 principal amount, which may be separately redeemed.

Notice of Redemption. Notice of redemption of any Bond will be mailed by the Paying Agent, postage prepaid, (i) not less than 20 nor more than 60 days prior to the redemption date by first class mail to the Auditor-Controller/Treasurer-Tax Collector of the County and the respective Owners thereof at the addresses appearing on the bond registration books, (ii) not less than 35 days prior to the redemption date by registered or certified mail or overnight delivery service to DTC, and (iii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the date of such notice; (ii) the name of the Bonds and the date of issue of the Bonds; (iii) the redemption date; (iv) the redemption price; (v) the Bonds and

the dates of maturity or maturities of Bonds to be redeemed; (vi) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. Neither the failure of the Owners of any Bonds or by any securities depository or information service to receive notice of redemption, nor any defect in such notice will affect the sufficiency of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. When notice of redemption has been given substantially as described above and when the redemption price of the Bonds called for redemption is set aside, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to monies on deposit for that purpose in the respective subaccount of the interest and sinking fund of the District within the Siskiyou County treasury (the "Interest and Sinking Fund") or the trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption monies are not available in the Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given, except with respect to timing requirements. The actual receipt by the owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Transfer and Exchange

Any Bond may be exchanged for Bonds of like tenor, series, maturity, and principal amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and series and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Defeasance of Bonds

The District may pay and discharge any or all of the Bonds of a series by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money and/or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Unclaimed Monies

Any money held in any fund or by the Paying Agent in trust for the payment of the principal of, redemption premium, if any, or interest on any of the Bonds and remaining unclaimed for one year after the principal of all of such Bonds has become due and payable (whether by maturity or upon prior redemption) will be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said monies shall be transferred to the general fund of the District as provided and permitted by law.

Application and Investment of Bond Proceeds

The net proceeds from the sale of the Series C Bonds will be deposited in the Siskiyou County treasury (a) to the credit of the building fund of the District (the "Building Fund"), and (b) to the credit of the Interest and Sinking Fund of the District. The net proceeds of the Refunding Bonds will be deposited with an escrow agent for the defeasance of the Refunded Bonds (defined herein). See "– Estimated Sources and Uses of Funds" and "– The Plan of Refinancing," below.

All funds held by the Siskiyou County Treasurer-Tax Collector (the "County Treasurer") in the Building Fund and the Interest and Sinking Fund shall be invested on behalf of the District by the County Treasurer at the County Treasurer's discretion in such investments pursuant to law and the investment policy of the County, as such policies exist at the time of investment. See "SISKIYOU COUNTY INVESTMENT POOL" below.

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Estimated Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied as follows:

TABLE No. 1
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
General Obligation Bonds, Election of 2008, Series C, and
2020 General Obligation Refunding Bonds
Estimated Sources and Uses of Funds

	Series C Bonds	Refunding Bonds	Total
Sources of Funds:			
Principal Amount of Bonds	$2,110,000.00	$4,635,000.00	$6,745,000.00
Plus Net Original Issue Premium	165,611.30	673,823.95	839,435.25
Total Sources of Funds	**$2,275,611.30**	**$5,308,823.95**	**$7,584,435.25**
Uses of Funds:			
Deposit to Building Fund	$2,003,000.00	--	$2,003,000.00
Deposit to Interest and Sinking Fund	141,548.43	--	141,548.43
Deposit to Escrow Fund	--	$5,116,398.82	5,116,398.82
Costs of Issuance [1]	131,062.87	192,425.13	323,488.00
Total Uses of Funds	**$2,275,611.30**	**$5,308,823.95**	**$7,584,435.25**

[1] Includes underwriter's discount, bond counsel fees, disclosure counsel fees, rating agency fees, financial advisory fees, verification agent fees, paying agent fees, escrow agent fees, printing fees, municipal bond insurance premium, and other miscellaneous expenses.

The Series C Project

Pursuant to the 2008 Authorization, the District intends to apply the net proceeds of sale of the Series C Bonds for capital improvements included on the project list ("Project List") submitted to voters for Measure Q. The District Board retains the ability to set priorities among the improvements included on the Project List in order to meet the needs of the District and its students.

Each item on the Project List is assumed to include, if applicable, its share of furniture, equipment, architectural, engineering, and similar planning costs and program/project management. Completion of the items on the Project List is subject to the District's priorities and needs and the availability of adequate funding.

The Plan of Refinancing

The Refunding Bonds are being issued to currently refund the outstanding maturities of the Siskiyou Union High School District General Obligation Bonds, Election of 2008, Series 2009, issued by the District on May 7, 2009, in the initial principal amount of $5,999,341.20 (the "Series 2009 Bonds"). The outstanding maturities of the Series 2009 Bonds to be refunded are referred to herein as the "Refunded Bonds" and are detailed in the following table:

TABLE No. 2
SISKIYOU UNION HIGH SCHOOL DISTRICT
REFUNDED BONDS

Maturity Date (August 1)	CUSIP †	Principal Amount	Redemption Date	Redemption Price (% of Par Amount)
2020	829693 CZ1	$ 230,000	July 27, 2020	100%
2021	829693 DA5	245,000	July 27, 2020	100
2022	829693 DB3	270,000	July 27, 2020	100
2023	829693 DC1	290,000	July 27, 2020	100
2024	829693 DD9	315,000	July 27, 2020	100
2025	829693 DE7	340,000	July 27, 2020	100
2026	829693 DF4	365,000	July 27, 2020	100
2027	829693 DG2	390,000	July 27, 2020	100
2028	829693 DH0	420,000	July 27, 2020	100
2031	829693 DJ6	1,460,000	July 27, 2020	100
2033	829693 DK3	675,000	July 27, 2020	100

† *CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.*

Escrow Sufficiency

The net proceeds from the sale of the Refunding Bonds shall be transferred to The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the "Escrow Agent"), to the credit of the escrow fund (the "Escrow Fund") held under an escrow agreement (the "Escrow Agreement") by and between the District and the Escrow Agent. The amounts deposited in the Escrow Fund will be held in cash, uninvested, and/or invested in permitted securities, and will be sufficient to enable the Escrow Agent to pay the principal, redemption premium (if any), and interest due on the Refunded Bonds on the first optional redemption date therefor.

The sufficiency of the cash or securities on deposit in the Escrow Fund to pay the redemption price of and the accrued interest due on the Refunded Bonds, on the above-referenced date, will be verified by Causey Demgen & Moore P.C. (the "Verification Agent"). As a result of the deposit and the application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Underwriter's and Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the County to levy and collect *ad valorem* taxes for payment thereof will terminate.

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments and interest to retire the Refunded Bonds will be verified by the Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

Debt Service Schedules

Debt service on the Series C Bonds, assuming no early optional redemptions, is shown in the following table.

TABLE No. 3
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
General Obligation Bonds, Election of 2008, Series C

Annual Debt Service

Period Ending (August 1)	Principal	Interest	Total Annual Debt Service
2020	--	$ 7,285.00	$ 7,285.00
2021	--	72,850.00	72,850.00
2022	$ 75,000.00	72,850.00	147,850.00
2023	15,000.00	70,600.00	85,600.00
2024	15,000.00	70,000.00	85,000.00
2025	15,000.00	69,400.00	84,400.00
2026	20,000.00	68,800.00	88,800.00
2027	25,000.00	68,000.00	93,000.00
2028	25,000.00	67,000.00	92,000.00
2029	25,000.00	66,250.00	91,250.00
2030	25,000.00	65,500.00	90,500.00
2031	30,000.00	64,625.00	94,625.00
2032	30,000.00	63,837.50	93,837.50
2033	35,000.00	63,050.00	98,050.00
2034	15,000.00	62,131.26	77,131.26
2035	25,000.00	61,737.50	86,737.50
2036	35,000.00	61,081.26	96,081.26
2037	45,000.00	60,162.50	105,162.50
2038	50,000.00	58,981.26	108,981.26
2039	65,000.00	57,668.76	122,668.76
2040	80,000.00	55,962.50	135,962.50
2041	95,000.00	53,862.50	148,862.50
2042	110,000.00	51,368.76	161,368.76
2043	125,000.00	48,481.26	173,481.26
2044	140,000.00	45,200.00	185,200.00
2045	155,000.00	39,600.00	194,600.00
2046	175,000.00	33,400.00	208,400.00
2047	195,000.00	26,400.00	221,400.00
2048	220,000.00	18,600.00	238,600.00
2049	245,000.00	9,800.00	254,800.00
Totals	**$2,110,000.00**	**$1,634,485.06**	**$3,744,485.06**

Debt service on the Refunding Bonds, assuming no early optional redemptions, is shown in the following table.

TABLE No. 4
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
2020 General Obligation Refunding Bonds

Annual Debt Service

Period Ending (August 1)	Principal	Interest	Total Annual Debt Service
2020	$ 330,000.00	$ 17,577.50	$ 347,577.50
2021	280,000.00	165,875.00	445,875.00
2022	225,000.00	154,675.00	379,675.00
2023	245,000.00	145,675.00	390,675.00
2024	275,000.00	135,875.00	410,875.00
2025	300,000.00	124,875.00	424,875.00
2026	325,000.00	112,875.00	437,875.00
2027	350,000.00	99,875.00	449,875.00
2028	380,000.00	85,875.00	465,875.00
2029	410,000.00	70,675.00	480,675.00
2030	445,000.00	58,375.00	503,375.00
2031	475,000.00	42,800.00	517,800.00
2032	515,000.00	23,800.00	538,800.00
2033	80,000.00	3,200.00	83,200.00
Totals	**$4,635,000.00**	**$1,242,027.50**	**$5,877,027.50**

Other General Obligation Bonds

In addition to the Bonds, the District has issued the following series of outstanding general obligation bonds secured by *ad valorem* taxes levied upon all property subject to taxation by the District:

2008 Authorization. At an election held on November 4, 2008, the qualified voters in the District authorized the issuance of $12,500,000 in general obligation bonds pursuant to the 2008 Authorization.

On May 7, 2009, the District issued its first series of bonds under the 2008 Authorization, designated Siskiyou Union High School District General Obligation Bonds, Election of 2008, Series 2009, in the aggregate principal amount of $5,999,341.20 (the "Series 2009 Bonds"). The Series 2009 Bonds remain outstanding in the principal amount of $5,000,000.00. The Refunding Bonds described herein are being issued to refund the outstanding maturities of the Series 2009 Bonds.

On December 22, 2009, the District caused a second series of the 2008 Authorization to be issued, and sold its General Obligation Bonds, Election of 2008, Series 2009B in the aggregate principal amount of $3,499,889.30 (the "Series 2009B Bonds"). The Series 2009B Bonds remain outstanding in the denominational amount of $2,595,635.10.

Aggregate Debt Service

Debt service on all of the District's outstanding general obligation bonds, including the Bonds, after giving effect to the planned refunding of the Refunded Bonds, and assuming no other early optional redemptions, is shown in the following table.

TABLE No. 5
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
General Obligation Bonds – Aggregate Debt Service

Period Ending (August 1)	Series 2009 Bonds [1]	Series 2009B Bonds	Series C Bonds	Refunding Bonds	Aggregate Total Debt Service
2020[2]	--	$ 180,000.00	$ 7,285.00	$ 347,577.50	$ 534,862.50
2021	--	185,000.00	72,850.00	445,875.00	703,725.00
2022	--	190,000.00	147,850.00	379,675.00	717,525.00
2023	--	195,000.00	85,600.00	390,675.00	671,275.00
2024	--	195,000.00	85,000.00	410,875.00	690,875.00
2025	--	200,000.00	84,400.00	424,875.00	709,275.00
2026	--	205,000.00	88,800.00	437,875.00	731,675.00
2027	--	210,000.00	93,000.00	449,875.00	752,875.00
2028	--	215,000.00	92,000.00	465,875.00	772,875.00
2029	--	220,000.00	91,250.00	480,675.00	791,925.00
2030	--	220,000.00	90,500.00	503,375.00	813,875.00
2031	--	225,000.00	94,625.00	517,800.00	837,425.00
2032	--	230,000.00	93,837.50	538,800.00	862,637.50
2033	--	705,000.00	98,050.00	83,200.00	886,250.00
2034	--	835,000.00	77,131.26	--	912,131.26
2035	--	850,000.00	86,737.50	--	936,737.50
2036	--	864,811.60	96,081.26	--	960,892.86
2037	--	886,216.80	105,162.50	--	991,379.30
2038	--	906,377.70	108,981.26	--	1,015,358.96
2039	--	925,000.00	122,668.76	--	1,047,668.76
2040	--	938,754.25	135,962.50	--	1,074,716.75
2041	--	957,712.20	148,862.50	--	1,106,574.70
2042	--	976,031.20	161,368.76	--	1,137,399.96
2043	--	996,786.00	173,481.26	--	1,170,267.26
2044	--	1,017,434.25	185,200.00	--	1,202,634.25
2045	--	1,038,107.70	194,600.00	--	1,232,707.70
2046	--	1,058,953.50	208,400.00	--	1,267,353.50
2047	--	1,080,185.80	221,400.00	--	1,301,585.80
2048	--	1,102,076.80	238,600.00	--	1,340,676.80
2049	--	1,125,000.00	254,800.00	--	1,379,800.00
Totals	--	**$18,933,447.80**	**$3,744,485.06**	**$5,877,027.50**	**$28,554,960.36**

[1] After giving effect to the planned refunding of the Refunded Bonds as described herein, no Series 2009 Bonds remain outstanding.

[2] This row includes only August 1 payments for all series except the Series 2009B Bonds, which includes the entire period.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On December 19, 2019, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On November 7, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM. At March 31, 2020:

- The policyholders' surplus of AGM was approximately $2,573 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $997 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $1,997 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or

disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for the District's repayment of principal of and interest on the Bonds when due, the Board of Supervisors of the County of Siskiyou (the "County") is empowered and obligated to levy and collect *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When so collected by the County, the tax revenues will be deposited by the County in the Interest and Sinking Fund of the District, which is required to be maintained by the County and used solely for the District's payment of general obligation bonds of the District. The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of (or a pledge of the full faith and credit of) the County. No funds or account of the County are pledged or obligated to repayment of the Bonds.

Not a County Obligation

No funds of the County are pledged or obligated to repayment of the Bonds. The Bonds are payable solely from the proceeds of *ad valorem* taxes to be levied and collected by the County within the District pursuant to the California Constitution and other State law, for the payment by the District of principal of and interest on the Bonds, and are not a debt or obligation of the County. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

Pledge of Tax Revenues and Statutory Lien

Under State law, school districts may levy *ad valorem* taxes to pay principal and interest on general obligation bond debt that, like the Bonds, are approved at an election to finance specified projects or are bonds issued to refund such voter-approved general obligation bonds. Moreover, State law provides that the *ad valorem* taxes may be levied to pay the principal and interest on bonds and for no other purpose. Consequently, under State law, the District is not authorized to divert revenue from *ad valorem* taxes levied to pay the Bonds to a purpose other than payment of the Bonds.

Pursuant to the Resolutions, the District has pledged revenues from the *ad valorem* taxes collected from the levy by the Board of Supervisors to the payment of the Bonds, and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal of or redemption price of and interest on the Bonds (the "Pledge"). This Pledge is valid and binding from the date of adoption of the Resolutions for the benefit of the owners of the Bonds and successors thereto. The Pledge provides security for the Bonds in addition to the statutory lien described below. The Refunding Bonds, secured by the Pledge, are being issued to refinance one or more of the bonds which provided funds for projects under the 2008 Authorization. The Series C Bonds, secured by the Pledge, are being issued to provide funds for the projects authorized by the voters under Measure Q and the 2008 Authorization. The amounts held in the Interest and Sinking Fund of the District are immediately subject to this Pledge, and the Pledge constitutes a lien and security interest, pursuant to Section 5451 of the California Government Code, which immediately attaches to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the Pledge and without the need of any physical delivery, recordation, filing, or further act.

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the District's payment

thereof. Such lien automatically attaches, without further actions or authorization by the District's Board, and is valid and binding from the time the Bonds are delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successors, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

On March 26, 2019, the United States Court of Appeals for the First Circuit ("First Circuit") issued an opinion regarding the treatment and scope of special revenues in the insolvency proceedings of Puerto Rico. The First Circuit ruled that Sections 928(a) and 922(d) of the United States Bankruptcy Code permit, but do not require, continued payment during the pendency of bankruptcy proceedings, reasoning those provisions stand for the premise that any consensual prepetition lien (as evidenced here by the Pledge) secured by special revenues will survive the period of municipal bankruptcy, and, accordingly, municipalities can elect to voluntary continue payment on these debts during the course of the bankruptcy proceedings so as to not fall behind and thus be at risk of being unable to secure financing in the future. To the extent the decisions in these appeals affect the treatment or scope of special revenues in bankruptcy cases, they may also affect the creditworthiness of the Bonds. See also, "OTHER LEGAL MATTERS – Possible Limitation on Remedies," herein.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary for the school district to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds school district funds, including taxes collected for the school district's payment of school bonds, and is charged with the school district's payment of principal and interest on the bonds when due.

Coronavirus

The recent outbreak of a novel strain of coronavirus which causes a respiratory illness known as COVID-19, has been designated a global pandemic by the World Health Organization, and is impacting local and global economies as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock market, in the United States and globally have seen significant recent volatility and decline that have been attributed to coronavirus concerns. The California Department of Public Health and the United States Centers for Disease Control and Prevention have been providing regular updates and guidelines to the public and to State and local governments. On March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. Both the United States and the State of California have passed relief legislation, providing funding to combat the outbreak, stimulate the economy, and address certain funding concerns of school districts, among others.

The District cannot predict the extent or duration of the outbreak, or what impact the outbreak and any resulting economic situation might have on the District's financial condition or operations, including potential impacts on the assessed values of property within the District or tax collections within the District. See "SECURITY AND SOURCE OF PAYMENT OF THE BONDS – Assessed Valuation of Property within the District" and " – Teeter

Plan" herein. The District also cannot predict what future impacts the outbreak may have on its operations and budget. Notwithstanding the impacts the COVID-19 emergency may have on the economy in the State, the County and the District or on the District's general fund, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District.

For a discussion regarding other impacts the District may face in connection with the coronavirus pandemic, see APPENDIX A – "THE DISTRICT – Impact to District Operations and Budget Due to Coronavirus Pandemic" and "STATE BUDGET – *Coronavirus – Potential Effects on Assumptions and State Budget Process*."

Assessed Valuation of Property within the District

Taxable property located in the District has a 2019-20 assessed value of $2,076,815,013. All property (real, personal and intangible) is taxable unless an exemption is granted by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described under the heading, "– *State-Assessed Property"* below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See "–*Adjustments of Assessed Valuation*" below.

State-Assessed Property. Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Assembly Bill 102. In 2017, the Legislature passed Assembly Bill 102 ("AB 102"). AB 102 restructured the State Board of Equalization and shifted certain of its duties to two new agencies: the California Department of Tax and Fee Administration ("CDTFA"), and the Office of Tax Appeals. The CDTFA took over certain programs previously

handled by the State Board of Equalization, including the Tax Area Services Section, which is responsible for maintaining tax-rate area maps and special district boundary maps. The Office of Tax Appeals took over certain types of appeals on tax and fee matters, such as sales and use tax and other special taxes and fees; however, appeals related to programs under the State Board of Equalization's authority pursuant to the State Constitution will remain with the State Board of Equalization. Pursuant to the State Constitution, and unaffected by AB 102, the State Board of Equalization remains responsible for the review, equalization, or adjustment of property tax assessment, and the measurement of county assessment levels and adjustment of secured local assessment rolls.

Classification of Locally Taxed Property. Locally taxed property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

Under California law, a city or county could, and did, prior to recent California legislation dissolving redevelopment agencies, create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, most property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of general fund tax revenues (relating to the 1% countywide general fund levy) to other local taxing agencies, including school districts, from that time forward. However, special *ad valorem* property taxes (in excess of the 1% general fund levy) collected for payment of debt service on school bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area. The application of such revenues diverted by redevelopment agencies is now substantially limited to meeting existing debt service of the redevelopment agencies.

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Shown in the following table is the assessed valuation of property in the District in fiscal years 2005-06 through 2019-20.

TABLE No. 6
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Assessed Valuations
Fiscal Years 2009-10 through 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual Change
2005-06	$1,332,136,484	$6,2227,066	$83,495,340	$1,421,858,890	--
2006-07	1,490,183,546	4,958,679	90,416,036	1,585,558,261	11.51%
2007-08	1,621,162,737	1,999,933	86,859,781	1,710,022,451	7.85
2008-09	1,736,939,893	1,999,933	89,229,398	1,828,169,224	6.91
2009-10	1,775,295,309	2,279,320	88,821,538	1,866,396,167	2.09
2010-11	1,767,349,669	1,980,934	81,656,178	1,850,986,781	-0.83
2011-12	1,739,293,849	1,980,934	78,083,485	1,819,358,268	-1.71
2012-13	1,680,601,969	1,715,941	79,087,618	1,761,405,528	-3.19
2013-14	1,685,112,931	1,715,941	78,222,175	1,765,051,047	0.21
2014-15	1,685,547,525	1,715,941	75,408,509	1,762,671,975	-0.13
2015-16	1,721,023,768	1,715,941	75,268,296	1,798,008,005	2.00
2016-17	1,814,592,090	1,212,776	75,308,009	1,891,112,875	5.18
2017-18	1,874,439,343	1,212,776	70,739,746	1,946,391,865	2.92
2018-19	1,941,545,862	1,212,776	71,602,745	2,014,361,383	3.49
2019-20	2,004,378,369	1,143,291	71,293,353	2,076,815,013	3.10

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, fire, toxic dumping, etc. In addition, the COVID-19 emergency and its effects could result in general marked declines in property values. It is not possible for the District to make any representation regarding the extent to which such conditions could impact the ability or willingness of property owners within the District to pay property taxes in the future. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also "*–Adjustments of Assessed Valuation*" below.

Initiative for Split-Roll Approach to Property Taxation. A State constitutional amendment designated as the California Schools and Local Community Funding Act of 2020, has qualified by initiative for the November 3, 2020 ballot which, if approved by State voters by majority vote, would amend the State Constitution to change to a split roll approach to determine non-residential property values for purposes of property taxation. If approved, the State Constitution will be amended to provide for the reassessment to fair market value of certain commercial and industrial real properties every three years, overriding the current two percent limitation on annual assessment increases until a property changes ownership. (See APPENDIX A – "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS - Article XIIIA of the California Constitution" and " – Split Roll Property Tax Ballot Measure.") The resulting increases in property tax revenues

would be allocated among local public agencies. The District cannot predict if such initiative will be successful or the impact it might have on aggregate assessed value of taxable property in the District.

Adjustments of Assessed Valuation. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the County assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the County assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office (the "Assessor"), the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measurement is computed on a calendar year basis.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

Assessed Valuation by Jurisdiction. The following table shows the District's fiscal year 2019-20 assessed valuation of property by amount and percentage within the political jurisdictions in the County.

TABLE No. 7
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Fiscal Year 2019-20 Assessed Valuations by Jurisdiction

Jurisdiction	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Dunsmuir	$ 755,479	0.04%	$129,107,780	0.59%
City of Mount Shasta	396,270,858	19.08	$396,270,858	100.00%
City of Weed	230,088,534	11.08	$230,088,534	100.00%
Unincorporated Siskiyou County	1,449,700,142	69.80	$3,251,115,310	44.59%
Total District	$2,076,815,013	100.00%		
Siskiyou County	$2,076,815,013	100.00%	$4,862,519,989	42.71%

Source: California Municipal Statistics, Inc.

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Assessed Valuation by Land Use. The following table gives a distribution of taxable property located in the District for the fiscal year 2019-20 tax roll by principal purpose for which the land is used, as measured by assessed valuation and number of parcels.

TABLE No. 8
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
2019-20 Assessed Valuation and Parcels by Land Use

Non-Residential:	2019-20 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Agricultural/Timber	$110,644,085	5.52%	1,394	8.04%
Commercial	198,488,035	9.90	721	4.16
Vacant Commercial	18,166,310	0.91	318	1.83
Industrial	152,501,194	7.61	75	0.43
Vacant Industrial	6,544,772	0.33	91	0.53
Hotel/Motel	30,667,558	1.53	26	0.15
Government/Social/Institutional	2,112,010	0.11	3,584	20.68
Subtotal Non-Residential	$519,123,964	25.90%	6,209	35.82%
Residential:				
Single Family Residence	$1,277,613,894	63.74%	6,522	37.63%
Mobile Home	38,352,218	1.91	705	4.07
Mobile Home Park	12,694,833	0.63	24	0.14
2+ Residential Units/Apartments	58,361,510	2.91	343	1.98
Miscellaneous Residential	7,621,833	0.38	19	0.11
Vacant Residential	90,610,114	4.52	3,510	20.25
Subtotal Residential	$1,485,254,402	74.10%	11,123	64.18%
Total	$2,004,378,366	100.00%	17,332	100.00%

[1] Local secured assessed valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single-Family Homes. The following table shows the distribution of assessed valuation of single-family homes in the District among various categories of value for fiscal year 2019-20, including mean and median value per parcel.

TABLE No. 9
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Per Parcel 2019-20 Assessed Valuation of Single Family Homes

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential:	6,522	$1,277,613,894	$195,893	$169,000

2019-20 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	221	3.389%	3.389%	$ 3,499,184	0.274%	0.274%
$25,000 - $49,999	567	8.694	12.082	21,953,168	1.718	1.992
$50,000 - $74,999	550	8.433	20.515	34,156,501	2.673	4.666
$75,000 - $99,999	522	8.004	28.519	45,878,221	3.591	8.257
$100,000 - $124,999	484	7.421	35.940	54,408,547	4.259	12.515
$125,000 - $149,999	538	8.249	44.189	74,165,858	5.805	18.320
$150,000 - $174,999	484	7.421	51.610	78,198,323	6.121	24.441
$175,000 - $199,999	513	7.866	59.476	95,841,248	7.502	31.942
$200,000 - $224,999	427	6.547	66.023	90,618,553	7.093	39.035
$225,000 - $249,999	385	5.903	71.926	91,261,706	7.143	46.178
$250,000 - $274,999	351	5.382	77.308	91,973,711	7.199	53.377
$275,000 - $299,999	273	4.186	81.493	78,185,844	6.120	59.497
$300,000 - $324,999	201	3.082	84.575	62,633,791	4.902	64.399
$325,000 - $349,999	188	2.883	87.458	63,081,708	4.937	69.337
$350,000 - $374,999	129	1.978	89.436	46,493,552	3.639	72.976
$375,000 - $399,999	120	1.840	91.276	46,420,327	3.633	76.609
$400,000 - $424,999	97	1.487	92.763	39,951,484	3.127	79.736
$425,000 - $449,999	98	1.503	94.266	42,781,753	3.349	83.085
$450,000 - $474,999	69	1.058	95.324	31,741,649	2.484	85.569
$475,000 - $499,999	53	0.813	96.136	25,853,082	2.024	87.593
$500,000 and greater	252	3.864	100.000	158,515,684	12.407	100.000
	6,522	100.000%		$1,277,613,894	100.000%	

[1] Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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Largest Taxpayers in District. The twenty taxpayers with the greatest combined ownership of taxable property in the District on the 2019-20 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are shown below.

TABLE No. 10
SISKIYOU UNION HIGH SCHOOL DISTRICT
(SISKIYOU COUNTY, CALIFORNIA)
Largest 2019-20 Local Secured Taxpayers

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total [(1)]
1.	CG Roxane LLC	Water Bottling	$ 61,005,178	3.04%
2.	Roseburg Forest Products Co.	Forest Products	39,805,810	1.99
3.	Crystal Geyser Water Company	Water Bottling	38,266,237	1.91
4.	Wyntoon Estate LLC	Private Estate	18,777,691	0.94
5.	Shastahoof LLC	Shopping Center	9,741,041	0.49
6.	Pilot Travel Centers LLC	Gas Station/Truck Stop	9,171,927	0.46
7.	Six CS Enterprises Inc.	Hotel/Motel	7,889,451	0.39
8.	Robert I. and Sheila A. Weyhe, Trust	Shopping Center	5,865,000	0.29
9.	Sierra Pacific Land & Timber Company	Timber	4,930,804	0.25
10.	Bellingham Fersher LLC	Residential	4,426,800	0.22
11.	Valtinjos LLC	Commercial Properties	4,411,302	0.22
12.	Schroll Timberlands LLC	Rural	3,717,249	0.19
13.	GHS JI LLC	Hotel/Motel	3,618,441	0.18
14.	Outpost MR LLC	Rural	3,183,530	0.16
15.	Shasta Cascade Timberlands LLC	Timber	3,159,420	0.16
16.	McCloud Meadow Ranch Inc.	Rural	3,092,529	0.15
17.	Shadow Mountain MHP LLC	Mobile Home Park	2,855,600	0.14
18.	Mount Shasta Hospitality LLC	Hotel/Motel	2,814,620	0.14
19.	Lake Shastina Golf LLC	Golf Course	2,577,714	0.13
20.	Todd Christopher Anthis, Trustee	Hotel/Motel	2,521,650	0.13
			$231,831,994	11.57%

[(1)] 2019-20 local secured assessed valuation: $2,004,378,369
Source: California Municipal Statistics, Inc.

Bonding Capacity

As a non-unified school district, the District may issue bonds in an amount up to 1.25% of the assessed valuation of taxable property within its boundaries. The District's fiscal year 2019-20 gross bonding capacity (also commonly referred to as the "bonding limit" or "debt limit") is approximately $25,960,187, and its net bonding capacity is approximately $18,364,551 (taking into account current outstanding bond debt before issuance of the Bonds of $7,595,635.15 and the 2019-20 assessed valuation of taxable property within the District of $2,076,815,013).

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

Typical Tax Rate Area. The following table shows *ad valorem* property tax rates in a typical Tax Rate Area in the District (TRA 98-003) over the five year period from 2015-16 through 2019-20. The 2019-20 assessed valuation of the property within TRA 98-003 is $627,216,659, which is approximately 30.20% of the total assessed value of the District.

TABLE No. 11
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Typical Total Tax Rates as Percentage of Assessed Valuation
(TRA 98-003)
Fiscal Years 2015-16 through 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20
General Tax Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Mount Shasta Union School District	0.0175	0.0175	0.0175	0.0095	0.00950
Siskiyou Community College District	0.0340	0.0340	0.0340	0.0330	0.0330
Siskiyou Union High School District	**0.0325**	**0.0310**	**0.0310**	**0.0295**	**0.0295**
Total All Property Tax Rate	1.0840%	1.0825%	1.0825%	1.0720%	1.0720%

Source: California Municipal Statistics, Inc.

In accordance with the law which permitted the Series C Bonds to be approved by at least 55% popular vote, bonds may not be issued pursuant to the 2008 Authorization unless the District projects that repayment of all outstanding bonds approved at such election will require a tax rate no greater than $30.00 per $100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Bonds, the District projects that the maximum tax rate required to repay the Series C Bonds and all other outstanding bonds approved under the 2008 Authorization, which, after the issuance of the Refunding Bonds, consists of the Refunding Bonds, the Series 2009B Bonds, and the Series C Bonds, will be within that legal limit. The tax rate test applies only when new bonds are issued, and is not a legal limitation upon the authority of the County Board of Supervisors to levy taxes at such rate as may be necessary to pay debt service on the Bonds in each year.

Tax Charges and Delinquencies

A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory scheme enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

County treasurers prepare the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10.

The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a $20 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a $15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurers.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty and fees attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the clerk of the local court specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression can be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping or outbreak of disease such as the current COVID-19 pandemic. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future, or the or the ability or willingness of the County to maintain the Teeter Plan as now in effect. For more information on the impact of the ongoing coronavirus pandemic, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Coronavirus" and APPENDIX A – "THE DISTRICT– Impact to District Operations and Budget Due to COVID-19 Pandemic." If delinquencies increase substantially as a result of the unprecedented events of the coronavirus pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

In connection with the recent outbreak of COVID-19, the California Association of County Treasurers and Tax Collectors issued a statement reminding its membership that county tax collectors have the authority to handle specific scenarios where a taxpayer cannot physically pay their taxes on April 10 due to quarantine, illness or closure of the tax collector's office as a result of COVID-19 and, in such cases, a county tax collector may utilize that authority pursuant to Revenue and Taxation Code section 4985.2, to waive interest or penalties that would otherwise be imposed or collected with respect to a delinquent second installment of property taxes levied for the 2019-2020 fiscal year on residential real property. The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District's financial condition or operations.

In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed Executive Order N-61-20. Under Executive Order N-61-20, certain provisions of the State Revenue and Taxation Code are suspended until May 6, 2021, to the extent said provisions require a tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. Said penalties, costs and interest shall be cancelled under the conditions provided for in Executive Order N-61-20, including if the property is residential real property occupied by the taxpayer or the real property qualifies as a small business under certain State laws, the taxes were not delinquent prior to March 4, 2020, the taxpayer files a claim for relief with the tax collector, and the taxpayer demonstrates economic hardship or other circumstances that have arisen due to the COVID-19 pandemic or due to a local, state, or federal governmental response to COVID-19. The impacts the waiver of penalties, costs

or interest on delinquent property taxes under the circumstances described in Executive Order N-61-20 have on property tax revenues are unknown at this time.

For information about the County's current distribution of property taxes, see below under the heading "– Teeter Plan." The property tax collection procedures described above are subject to amendment based on legislation or executive order, including Executive Order N-61-20 described above, which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict changes in law or orders of State officials that might occur in the future, particularly with regard to actions that might be taken in an attempt to mitigate the impacts of the COVID-19 pandemic.

Teeter Plan

The Board of Supervisors of Siskiyou County implemented an alternative method for the distribution of secured property taxes to local agencies, known as the "Teeter Plan." The Teeter Plan provisions are now set forth in Sections 4701 to 4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county acts as depository and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk, which in turn makes it more certain that sufficient funds will be available for the District's repayment of the Bonds.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then-accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of assessments (if a county has elected to include assessments), 100% of the assessment delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the assessment. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a pro rata adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by Siskiyou County as an interest-free offset against future advances of tax levies under the Teeter Plan.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

The Teeter Plan applies to the 1% general purpose tax levy. Whether or not the Teeter Plan also is applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of local agencies, varies by county. Siskiyou County includes the District's general obligation bond levy under the Teeter Plan. Therefore, District's receipt of property taxes within Siskiyou County with respect to the District's general obligation bonds,

including the Bonds, are not subject to delinquencies. If the Teeter Plan for Siskiyou County was terminated, the amount of the levy of *ad valorem* secured property taxes in the District would depend upon the collections of the *ad valorem* secured property taxes and delinquency rates experienced with respect to the parcels within the Siskiyou County portion of the District. The Teeter Plan, as implemented by the County, does not apply to the supplemental secured property tax roll.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections in the County to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, See "—Tax Charges and Delinquencies" herein. Notwithstanding any possible future change to or discontinuation of the Teeter Plan in the County, however, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

Direct and Overlapping Debt

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics, Inc., effective April 13, 2020, for debt as of April 1, 2020. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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TABLE No. 12
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Statement of Direct and Overlapping Bonded Debt

2019-20 Assessed Valuation: $2,076,815,013

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 4/1/20**
Siskiyou Community College District	42.218%	$ 9,213,525
Siskiyou Union High School District	**100.000**	**7,595,636** (1)
Mount Shasta Union School District	100.000	163,408
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$16,972,569
OVERLAPPING GENERAL FUND DEBT:		
Siskiyou County Pension Obligations	42.711%	$5,725,410
Siskiyou Community College District General Fund Obligations	42.218	1,491,041
TOTAL OVERLAPPING GENERAL FUND DEBT		$7,216,451
COMBINED TOTAL DEBT		$24,189,020 (2)

(1) Excludes the Bonds, and includes the Refunded Bonds, each as described herein.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Direct Debt ($7,595,636)	**0.37%**
Total Direct and Overlapping Tax and Assessment Debt	0.82%
Combined Total Debt	1.16%

Source: California Municipal Statistics, Inc.

SISKIYOU COUNTY INVESTMENT POOL

The following information concerning the Siskiyou County Investment Pool (the "Investment Pool" or "Pool") has been obtained from the Siskiyou County Treasurer-Tax Collector and has not been confirmed or verified by the District, the Financial Advisor, or the Underwriter. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

The Siskiyou County Board of Supervisors approved the current Siskiyou County Treasury Investment Policy (the "Investment Policy") on May 7, 2019 (See APPENDIX G – "SISKIYOU COUNTY INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT"). The Investment Policy applies to all financial assets deposited and retained in the Investment Pool. The County's cash management system is designed to accurately monitor and forecast revenues and expenditures enabling the County Treasurer to invest funds to the fullest extent possible. The main investing objectives, in order of priority are: safety, liquidity, and yield.

Oversight of the investments is conducted in several ways. The County's Treasury Oversight Committee may annually review and monitor the Investment Policy. An independent audit may also be conducted annually as prescribed by Sections 27130 through 27137 of California Government Code and the Investment Policy. All audit reports, and the monthly Treasurer's Investment Reports are available at the office of the Siskiyou County Treasurer-Tax Collector.

The District's funds held by the Siskiyou County Treasurer are invested in the Investment Pool. As of the County's monthly Investment Report dated as of May 29, 2020, the market value of the Pool was $164,507,734.43, with an average days to maturity of for investments in the Pool of 901 days. The Pool has seen an effective rate of return of 1.88% so far for the current fiscal year. For the month ending May 29, 2020, the effective rate of return of was 1.45%. The effective rate of return (See APPENDIX G– "SISKIYOU COUNTY INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT").

Neither the District, the Financial Advisor, nor the Underwriter have made an independent investigation of the investments in the Pool nor have they made any assessment of the current Investment Policy. The value of the various investments in the Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the Treasury Oversight Committee and the Siskiyou County Board of Supervisors, may change the Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pool will not vary significantly from the values described herein.

TAX MATTERS

In the opinion of Lozano Smith, LLP, Sacramento, California, Bond Counsel to the District, subject, however, to certain qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

The proposed forms of opinion of Bond Counsel are set forth in APPENDIX D hereto.

Bank Qualified. The Tax Code generally prohibits the deduction of interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the Bonds. Banks and financial institutions, however, are permitted an 80% deduction for their interest expense allocable to "qualified tax-exempt obligations" of small governmental units (a) that together with their subordinate entities or entities issuing on their behalf and entities on whose behalf they issue do not reasonably expect to issue in the aggregate more than $10,000,000 of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) in a calendar year, and (b) that designate such obligations as "qualified tax-exempt obligations."

Pursuant to the District's approving Resolutions, the District reasonably expects that it (and all subordinate entities) will not issue more than $10,000,000 of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) during calendar year 2020, and consequently the District has designated each series of the Bonds a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Tax Code.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium"

for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof, subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bonds on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, prepayment, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of such Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

Other Tax Considerations. The Tax Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, future legislative proposals could limit the

exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarifications of the Tax Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Tax Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Tax Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

CONTINUING DISCLOSURE

Neither the County nor any other entity other than the District shall have any obligation or incur any liability whatsoever with respect to the performance of the District's duties regarding continuing disclosure.

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system or such other electronic system designated by the MSRB (the "EMMA System") certain annual financial information and operating data relating to the District (the "Annual Report") by not later than the March 31 following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2019-20 fiscal year (which is due no later than March 31, 2021) and notice of the occurrence of certain enumerated events ("Listed Events") within ten (10) business days after the occurrence of such a Listed Event. The specific nature of the information to be contained in the Annual Report and the notices of Listed Events is set forth in APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC").

In the five years preceding the date of this Official Statement, the District timely filed all of its required Annual Reports and notices of Listed Events, in all material respects, required under its previous continuing disclosure undertakings pursuant to the Rule. The District has developed appropriate written policies and procedures and established periodic training regarding continuing disclosure obligations pursuant to the Rule. Dale Scott & Company Inc. has been retained as dissemination agent in connection with all continuing disclosure undertakings, including with respect to the Bonds and the District's outstanding debt issuances.

OTHER LEGAL MATTERS

Legal Opinions

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Lozano Smith, LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to each series of the Bonds at the time of issuance substantially in the forms set forth in APPENDIX D hereto. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Lozano Smith, LLP, as counsel to the District and as Disclosure Counsel to the District. Certain matters will be passed upon for the Underwriter by Kutak Rock LLP.

Legality for Investment in California

Under the provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the California Government Code, the Bonds are eligible securities for deposit of public monies in the State.

Possible Limitations on Remedies

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition for relief under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the district for the adjustment of its debts. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, then the application of *ad valorem* taxes to pay the Bonds could be stayed during the proceeding (unless they are determined to be "special revenues" within the meaning of the Bankruptcy Code and not derived from District projects), and it is possible that the terms of the Bonds and the Resolutions (including amount, rate, security, and tax-related covenants) could be altered by a plan of adjustment, if the bankruptcy court determines that the alterations are fair and equitable and otherwise comply with the requirements of the Bankruptcy Code. Bankruptcy courts are courts of equity with broad discretionary powers, and their decisions can be heavily influenced by the facts in a case, including whether commingled *ad valorem* tax revenues can be identified, and the overall goal of the Bankruptcy Code to facilitate an adjustment of debts. A bankruptcy proceeding, if initiated on behalf of the District, could have an adverse effect on the liquidity and value of the Bonds. See also, "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS –Pledge of Tax Revenues and Statutory Lien," herein.

The County, on behalf of the District, is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County investment portfolio, as described in "SISKIYOU COUNTY INVESTMENT POOL" herein and APPENDIX G – "SISKIYOU COUNTY INVESTMENT POLICY AND MONTHLY INVESTMENT REPORT" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Absence of Material Litigation

No litigation is pending or threatened concerning or contesting the validity of the Bonds or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Bonds or District officials who will sign certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Escrow Verification

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments of principal and interest to retire the Refunded Bonds will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the "Verification Agent"). Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

MISCELLANEOUS

Ratings

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), is expected to assign the rating of "AA" (stable outlook) to the Bonds, with the understanding that a municipal bond insurance policy insuring the payment, when due, of principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds. S&P has also assigned an underlying rating of "A+" (stable outlook) to the Bonds. Such ratings, which appear on the front cover of this Official Statement, reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained only from S&P. Such ratings are not a recommendation to buy, sell, or hold any of the Bonds. There is no assurance that such ratings will continue for any given period of time or will not be revised downward or withdrawn entirely by S&P if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the District has undertaken any responsibility after the offering of the Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

Professionals Involved in the Offering

Lozano Smith, LLP is acting as Bond Counsel, Disclosure Counsel and District Counsel with respect to the Bonds, and will receive compensation contingent upon the sale and delivery of the Bonds.

Kutak Rock LLP, is acting as counsel to the Underwriter.

Dale Scott & Company Inc. (the "Financial Advisor") has been employed by the District to perform financial services in relation to the sale and delivery of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The Financial Advisor is not contractually obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Fees charged by the Financial Advisor are contingent upon the sale of the Bonds.

Underwriting

The Bonds are being purchased for reoffering to the public by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") pursuant to the terms of two bond purchase agreements, one for the Series C Bonds (the "Series C Bond Purchase Agreement") and one for the Refunding Bonds (the "Refunding Bond Purchase Agreement"), each by and between the Underwriter and the District (together, the "Purchase Agreements").

The Underwriter has agreed to purchase the Series C Bonds at a price of $2,259,786.30 (equal to the principal amount of Series C Bonds plus net original issue premium thereon of $165,611.30 and less underwriter's discount of $15,825.00).

The Underwriter has agreed to purchase the Refunding Bonds at a price of $5,274,061.45 (equal to the principal amount of Refunding Bonds plus original issue premium thereon of $673,823.95 and less underwriter's discount of $34,762.50).

The Purchase Agreements provide that the Underwriter will purchase all of the Bonds, subject to certain terms and conditions set forth in the Purchase Agreements, including the approval of certain legal matters by counsel.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices shown on the inside front cover pages of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

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ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District and the Resolution may be obtained by contacting: Siskiyou Union High School District, 624 Everitt Memorial Hwy, Mt. Shasta, California 96067, Attention: Superintendent. The District may impose a fee for copying, shipping and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The District has duly authorized the delivery of this Official Statement.

SISKIYOU UNION HIGH SCHOOL DISTRICT

By: /s/ Mike Matheson,
Superintendent

APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

The information in this appendix concerning the operations of the Siskiyou Union High School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. The Bonds are payable from the proceeds of an ad valorem property tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and the ad valorem tax pledged by the District to repayment of the Bonds is required to be levied and collected by the County of Siskiyou on property within the District in an amount sufficient for the District's timely payment of principal of and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.

THE DISTRICT

Introduction

The Siskiyou Union High School District (the "District") comprises an area of approximately 347 square miles, with approximately 15,800 residents. The District is located in Siskiyou County (the "County") which is centrally located in inland Northern California, adjacent to the Oregon border. Greater than 60% of the land within the County is currently managed by agencies of the federal and state governments. As the 5th largest county in the state by area, and the largest county in Northern California, the County features spectacular natural beauty and scenic communities including Happy Camp, McCloud, Mount Shasta, and Weed that the District serves. The District includes 4 high schools, and operates a small independent study program. The District's current enrollment is approximately 537 students.

Governing Board

The District is governed by a seven-member Board of Trustees (the "District Board"), each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between three and four available positions. The management and policies of the District are administered by a Superintendent appointed by the District Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Mike Matheson is the District Superintendent and Sarah Applegate is the Chief Business Official. See "THE DISTRICT - Superintendent and Financial and Fiscal Administrative Personnel." Current voting members of the District Board, together with their office and the date their term expires, are listed below:

SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Board of Trustees

Name	Office	Term Expires
Greg Gunkel	President	December, 2020
Darin Quigley	Clerk	December, 2020
Jeff Berryman	Vice President	December, 2022
Jana Blevins	Member	December, 2022
Sunny Greene	Member	December, 2020
Lori Harch	Member	December, 2022
Kerri King	Member	December, 2020

Superintendent and Financial and Fiscal Administrative Personnel

The day-to-day operations of the District are managed by a District Board-appointed Superintendent. Information concerning the Superintendent and certain other key administrative personnel is set forth below.

Mike Matheson, Superintendent. Mr. Matheson was hired by the District as Superintendent in 2008. Prior to his Superintendent role, Mr. Matheson served as Principal of Weed High School, one of the District's high schools, for four years. He has been with the District for 16 years. Mr. Matheson received his Bachelor's Degree in Industrial Arts and Technology from California State University, Long Beach, and his Master's Degree in Educational Leadership from the University of LaVerne.

Sarah Applegate, Chief Business Official. Mrs. Applegate was hired by the District as Chief Business Official in 2010. Prior to her Chief Business Official role, Mrs. Applegate served as an Account Technician for Siskiyou County Office of Education for 3 years. During that time she completed her Chief Business Official training and certification.

Impact to District Operations and Budget Due to Coronavirus Pandemic

The recent outbreak of a novel strain of coronavirus which causes a respiratory illness known as COVID-19 has and continues to impact the operations of federal, state, and local governments, as these entities join in a widespread effort to slow the transmission of the virus. Health officials and experts are recommending, and some governments and officials are mandating, a variety of responses ranging from travel bans and social distancing practices, to complete shut-downs of certain services and facilities. On March 4, the Governor proclaimed a State of Emergency to make additional resources available, formalize emergency actions already underway, and help the State prepare for broader spread of COVID-19.

On March 16, 2020, in its own response to COVID-19, and out of concern for the health and safety of its students, staff, and community, the District closed its schools for the remainder of the academic year, and began implementing a distance learning plan for its students. Under the District's existing one-to-one computing initiative, the District had already issued Chromebooks to its students. The District has, and continues to, address its student's home-internet access issues through procuring hotspots and/or assisting families by offsetting the cost of internet service. For especially remote students who have been unable to gain internet access, the District has implemented a delivery system for distance-learning packets.

To date there have been a number of confirmed cases of COVID-19 in the County, and the number of confirmed cases may grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities, and schools. The U.S. is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

This situation, and the guidance from federal, State, and local officials in response to the outbreak, is rapidly developing, and although the Bonds are payable solely from *ad valorem* property taxes and not payable from the general fund of the District, the District cannot predict what future impacts the outbreak may have on its operations and budget. The District cannot predict future costs associated with a potential infectious disease outbreak such as operational costs to clean, sanitize, and maintain its facilities either before or after an outbreak of an infectious disease, or costs to hire substitute certificated or classified employees. The District also cannot predict what long-term impact the COVID-19 pandemic and the school closures and shelter-in place orders by State and local officials in response to the pandemic, might have on the District's ADA, which is the primary factor in determining the amount of funding the District receives from the State. See "DISTRICT FINANCIAL INFORMATION - State Funding of Education" in this APPENDIX A. Under existing law, in the event the District experiences ADA loss, the District may apply for a State waiver, known as a J-13A

waiver, to minimize the fiscal impact of ADA loss due to emergency, however no representation can be made that such an application would be granted.

In connection with short-term impacts, however, on March 13, the Governor issued Executive Order N-26-20, providing that school districts in the State that initiate a school closure to address COVID-19 shall continue to receive state funding to support all of the following during the period of closure: (1) continued delivery of high-quality educational opportunities to students through, among other options, distance learning and/or independent study; (2) the provision of school meals in noncongregate settings; (3) arrangement for supervision for students during ordinary school hours; and (4) continued payment of school district employees. Executive Order N-26-20 also provides that statutory mandated maintenance of schools for a minimum of 175 days is waived for school districts that initiate a school closure to address COVID-19.

On March 16, 2020, the Governor remarked that residents in the State should prepare for most schools to be closed for the remainder of the 2019-20 school year. On March 19, 2020, the Governor issued Executive Order N-33-20, a mandatory Statewide shelter-in-place order applicable to all non-essential services and activity. On April 1, 2020, the Governor and State Superintendent of Public Instruction indicated that public school students will not be able to return to school campuses before the end of the school year and, rather, that curriculum be carried out through a distance learning model. To date, the State has begun easing certain of the restrictions. Pursuant to the Governor's Executive Order N-60-20 of May 4, 2020, on May 7, 2020, the State's Public Health Officer released an order supporting the gradual movement of the State from Stage 1 to Stage 2 of "California's Pandemic Resilience Roadmap." Effective as of May 8, 2020, the order allows for the reopening of certain kinds of retail, manufacturing and other "low risk" businesses if physical distancing measures are implemented, and identifies criteria and procedures for reducing restrictions by local officers that might be less restrictive than statewide measures. Local jurisdictions within the State have also issued their own shelter-in-place orders. Local orders can impose greater restrictions than are contained in the State order. There are certain factors that will be monitored which could result in modifying the order. Although the Statewide shelter-in-place order remains in effect as of the date hereof, businesses in certain regions of the State have been allowed to re-open, provided certain social distancing and sanitation guidelines are met, among others.

On March 16, 2020, and at the request of the Governor, the California Legislature presented two bills to the Governor for his signature addressing economic impacts to public school districts resulting from the outbreak, including school closures implemented by school districts in order to slow the spread of the outbreak. On March 17, 2020, both bills, Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117") were signed by the Governor. Each bill took effect immediately.

SB 89 amends the Budget Act of 2019 by appropriating $500,000,000 from the State General Fund for any purpose related to the Governor's March 4 Emergency Proclamation. The second bill, SB 117, addresses economic impacts to school districts directly. Among other things, SB 117 provides that, for all school districts that comply with Executive Order N-26-20, attendance during only full school months from July 1, 2019, to February 29, 2020, inclusive, will be reported for apportionment purposes. SB 117 will also hold harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak. SB 117 will also hold harmless grantees operating After School Education and Safety Programs that are prevented from operating such programs due to COVID-19, and credit such Program grantees with the ADA that the grantee would have received had it been able to operate but for COVID-19. SB 117 also appropriates $100 million from the State general fund to the State Superintendent to be apportioned to certain local educational agencies for purposes of purchasing personal protective equipment, or paying for supplies and labor related to cleaning school sites, or both.

On March 22, 2020, President Trump approved the Major Disaster Declaration for the State of California's COVID-19 pandemic, authorizing federal emergency aid related to COVID-19. Local educational agencies may submit a request for public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "Cares Act"). The Cares Act appropriates approximately $2 trillion in COVID-19 related relief, including $30 billion to education, specifically $3 billion allocated to state governors to be used at their discretion to address the emergency, $13.5 billion for K-12 education, and $14.25 billion for postsecondary institutions. School districts will be able to use their share of the $13.5 billion K-12 education allocation under the Cares Act, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses.

The District expects to receive approximately $93,000 under the CARES Act and SB 117. While SB 117, the CARES Act, and the federal emergency aid will provide some immediate relief to school districts, including the District, the long-term impacts of the COVID-19 outbreak are unknown as the situation continues to progress and evolve. In the short-term, the District has thus-far avoided incurring significant costs as a result of the pandemic, largely because it had previously acquired, or received via donation, the technology and other resources it needed to implement a distance learning model. At this time, the District does not expect to apply for or receive significant federal or State reimbursements for its pandemic-related expenditures to date. The District also does not expect actual results for fiscal year 2019-20 to vary significantly from the District's fiscal year 2019-20 second interim report. Nonetheless, the situation continues to evolve, and the District cannot predict the full impact of COVID-19 on its actual results for fiscal year 2019-20 or future fiscal years. The District's leadership team is currently working on plans to reopen schools for its academic year 2020-21 at different levels of capacity, with the ability to adjust such capacity depending upon the evolving impacts of COVID-19. With respect to its pension costs, the District cannot currently predict whether or to what extent its required employer contributions will be affected by the COVID-19 emergency, which could occur if the unfunded actuarial accrued liabilities of CalPERS and CalSTRS materially increase.

The District cannot predict whether the State will access its reserves and whether any of such funds will be provided to school districts, including the District. The District also cannot predict whether additional legislation will be enacted in the event the outbreak of COVID-19 continues into fiscal year 2020-21 or beyond or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

Because the District is funded primarily pursuant to the State's education funding formula known as LCFF, the District's main operating revenues will be impacted by the State's financial position in the current and future fiscal years. As a result of the COVID-19 emergency, the State's revenues are predicted to decline sharply from the original budget for the current fiscal year, and in the near future. A corresponding decline in education funding is expected, but the extent is not fully known at this time. See below under the heading "STATE BUDGET" for information on the State's fiscal year 2020-21 proposed budget.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (https://covid19.ca.gov/). The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.

Notwithstanding the impacts the coronavirus outbreak may have on the global and national economy, the economy in the State, in the District, or on the District's revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District.

Employment

Pursuant to its Second Interim Report, the District budgeted to employ 67 FTE (full-time equivalent employees), consisting of 38.6 certificated employees, 22.4 classified non-management employees, and 6 management or confidential employees. For the fiscal year ended June 30, 2019, the total certificated and classified payrolls were approximately $3.3 million and $1.2 million, respectively. For Fiscal Year 2019-20, the District has budgeted, pursuant to its Second Interim

Report, approximately $3.4 million and $1.3 million for certificated and classified payrolls, respectively. District employees, other than management, confidential, and certain part-time employees, are represented by employee bargaining units as follows:

TABLE No. A-1
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Employee Bargaining Units and Current Collective Bargaining Agreements

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date [1]
Siskiyou Union High School Teachers Association	33	June 30, 2020
California School Employees Associate	17	June 30, 2020

[1] By law, each contract is in effect until a new contract is approved.
Source: Siskiyou Union High School District.

Retirement Benefits

The information set forth below regarding the CalSTRS and CalPERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.

The District participates in retirement plans with the State Teachers' Retirement System ("CalSTRS"), which covers all full-time District faculty members, and the State Public Employees' Retirement System ("CalPERS"), which covers classified employees. Classified District personnel who are employed more than half of full-time service may participate in CalPERS.

Each of CalSTRS and CalPERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of CalSTRS and CalPERS as follows: (i) CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) CalPERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of CalSTRS and CalPERS maintains a website, as follows: (i) CalSTRS: www.calstrs.com; (ii) CalPERS: www.calpers.ca.gov. *The information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.*

District Contributions. The following table sets forth the District's total contributions to CalSTRS and CalPERS for fiscal years 2015-16 through 2018-19, the District's budgeted/projected contributions for fiscal year 2019-20, and the percentage of the District's total general fund expenditures represented by such aggregated contributions. For more information regarding the District's retirement benefits obligations, see APPENDIX C – "ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019, Note 6, PENSION PLANS" herein.

TABLE No. A-2
SISKIYOU UNION HIGH SCHOOL DISTRICT
Aggregate Employer Contributions to CalSTRS and CalPERS
Fiscal Years 2015-16 through 2019-20

Fiscal Year	District CalSTRS Contributions [1]	District CalPERS Contributions [1]	District Contribution (CalSTRS and CalPERS Combined) as Percentage of Total General Fund Expenditures
2015-16	$ 273,778	$ 107,010	4.62%
2016-17	331,022	101,259	4.83%
2017-18	418,492	122,837	6.08%
2018-19	462,515	146,971	6.70%
2019-20 [2]	595,532	261,492	9.85%

[1] Reflects data for all District funds, including the District's general fund. Does not include on-behalf payments from the State.
[2] Projected.
Source: The District's Audit Reports for fiscal years 2015-16 through 2018-19; the District's 2019-20 Budget.

CalSTRS. All full-time certificated employees, as well as certain classified employees, are members of CalSTRS. CalSTRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "CalSTRS Defined Benefit Program"). The CalSTRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, CalSTRS contribution rates did not vary annually to make up funding shortfalls or assess credits for actuarial surpluses, although the State did, and does pay a surcharge when the member and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as "pre-enhancement benefits") within a 30-year period. This surcharge, however, does not apply to systemwide unfunded liability resulting from recent benefit enhancements.

As part of the 2014-15 State Budget, the then-Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for CalSTRS and increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate then increased by 1.85% beginning in Fiscal Year 2015-16 until the employer contribution rate is 19.10% of covered payroll as further described below. AB 1469 increased member contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013, effective July 1, 2016. On July 1, 2018, however, for members hired on or after January 1, 2013, the rate increased from 9.205% of pay to 10.250% of pay, and remains at that level for the 2019-20 fiscal year. The State's total contribution also increased from approximately 3% in Fiscal Year 2013-14 to 7.828% of payroll in Fiscal Year 2019-20, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program for a total of 10.328%. In addition, AB 1469 provided the State Teachers Retirement Board (the "STRS Board") with authority to modify the percentages paid by employers and employees for Fiscal Year 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded actuarial obligation with respect to service credited to members before July 1, 2014, by June 30, 2046. The STRS Board also has authority to reduce employer and State contributions if they are no longer necessary. CalSTRS currently expects that its board will exercise its authority to increase the State contribution rate by the maximum of 0.5% for the three years following the 2019-20 fiscal year.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the CalSTRS Board is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining unfunded liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to CalSTRS are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the CalSTRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the CalSTRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the unfunded liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for CalSTRS to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the CalSTRS Board upon recommendation from its actuary.

Pursuant to AB 1469, increases in school districts' contribution rates were phased-in over a seven year period starting July 1, 2014, through July 1, 2020. Starting in 2021-22, the funding plan provides the CalSTRS Board limited authority to adjust the employer contribution rate, if necessary, to fully fund the remaining unfunded liability by 2046. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. The phased-in rate increases from fiscal year 2014-15 through 2020-21 are shown in the following schedule:

TABLE No. A-3
K-14 SCHOOL DISTRICT CONTRIBUTION RATES
CalSTRS (Defined Benefit Program)

Effective Date	Employer Contribution Rate [1]
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	17.10 [2]
July 1, 2020	18.40 [2] [3]

[1] Expressed as a percentage of covered payroll.
[2] The 2019-20 State Budget provided supplemental payments to CalSTRS to reduce the unfunded actuarial obligation of the system and reduce contribution rates for employers and the State. Based on the additional amounts paid to CalSTRS, the employer contribution rate has been adjusted from 18.13% to 17.10% for fiscal year 2019-20 and from 19.10% to 18.40% for fiscal year 2020-21.
[3] The 2020-21 May Revision proposes redirecting funds paid to CalSTRS towards long-term unfunded liabilities to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. This reallocation, if adopted, will reduce the CalSTRS employer contribution rate to approximately 16.15% in fiscal year 2020-21 and to 16.02% in fiscal year 2021-22.
Source: AB 1469, and the 2019-20 State Budget.

The District's total employer contributions to CalSTRS for fiscal years 2015-16 through 2018-19 were equal to 100% of the required contributions for each year (see Table No.A-2 above). Due to the expected increase in employer

contribution rates under AB 1469, the District anticipates that its contributions to CalSTRS will increase in future fiscal years as compared to prior fiscal years. The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to CalSTRS in future fiscal years.

CalPERS. The District contributes to the School Employer Pool under the 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 survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws.

All qualifying classified employees of K-12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability. Accordingly, the District cannot provide any assurances that its required contributions to CalPERS in future years will not significantly vary from any current projected levels.

Active plan members hired before January 1, 2013 are required to contribute 7.0 % of their salary, members hired after January 1, 2013 contribute at an actuarially determined rate, which was 6% of their respective salaries in Fiscal Years 2015-16 and 2016-17, 6.50% in Fiscal Year 2017-18 and 7.00% in Fiscal Year 2018-19. (See discussion of rates in *California Public Employees' Pension Reform Act of 2013* below.) The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration (the "CalPERS Board").

School districts are required to contribute to CalPERS at an actuarially determined rate, which was 13.888%, 15.531%, and 18.062% of eligible salary expenditures for Fiscal Years 2016-17, 2017-18, and 2018-19 respectively, and 19.721% of eligible salary expenditures for Fiscal Year 2019-20.

On April 17, 2013, the CalPERS Board approved new actuarial policies aimed at returning CalPERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year amortization period for gains and losses and a five-year ramp-up of rates at the start and a five year ramp-down of rates at the end. The CalPERS Board delayed the implementation of the new policies until Fiscal Year 2015-16 for the State, schools and all other public agencies. In December 2016, the CalPERS Board voted to lower the discount rate from 7.5% to 7.375% for Fiscal Year 2017-18, 7.25% for Fiscal Year 2018-19 and 7.0% beginning in Fiscal Year 2019-20. The new discount rate for the State went into effect beginning July 1, 2017, and the new discount rate for school districts went into effect July 1, 2018. With regard to districts that contract with CalPERS to administer their pension plans, the change in the assumed rate of return is expected to result in increases in such districts' normal costs and unfunded actuarial liabilities.

Also, on February 20, 2014, the CalPERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the CalPERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The cost of the revised assumptions shall be amortized over a 20 year period and related increases in public agency contribution rates shall be affected over a three year period, beginning in Fiscal Year 2014-15. The new demographic assumptions affect the State, school districts and all other public agencies.

The CalPERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the CalPERS Board approved new actuarial assumptions, including (i) lowering the inflation assumption rate from 2.75% to 2.625% for the June 30, 2019 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2019 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, (iii) and certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the mortality, retirement, and disability retirement rates.

On February 14, 2018, the CalPERS Board approved modifying the CalPERS amortization policy for investment gains/losses from 30 years to 20 years, requiring that the amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, and eliminating the 5-year ramp-up/ramp-down policy for all gains/losses except for the ramp-up policy for investment gains/losses. Such policy changes will be reflected in actuarial valuations beginning June 30, 2019, and will be implemented starting with Fiscal Year 2021-22 contributions. Such policy applies only to prospective accumulation of amortization and will not affect current accrued unfunded liabilities, with the exception that, with regards to the CalPERS Schools Pool Actuarial Valuation, the impact of the discount rate change from 7.25% to 7.00% in the June 30, 2019 valuation will be amortized under the old policy. Shortening the amortization period will increase employer contributions and help pay down the pension fund's unfunded liability faster, which may result in interest cost savings.

On April 16, 2019, the CalPERS Board established the employer contribution rates for fiscal year 2019-20 and released certain information from the CalPERS Schools Pool Actuarial Valuation as of June 30, 2019, ahead of its summer 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected employer contribution for fiscal year 2020-21 was projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, the addition of $904 million contributed by the State in July 2019, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to January 1, 2013, to those hired after such date, the projected employer contribution (as a percentage of payroll) is 22.8% and 24.9% for fiscal year 2020-21 and fiscal year 2021-22, respectively. The 2020-21 May Revision proposes redirecting State funding paid to CalPERS in fiscal year 2019-20 towards long-term unfunded liabilities to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. As a result, the 2020-21 May Revision projects that the CalPERS employer contribution rate will be reduced to 20.7% in fiscal year 2020-21 and to 22.84% in fiscal year 2021-22.

The District's contributions to CalPERS for fiscal years 2015-16 through 2018-19 equaled 100% of the required contributions for each year (see Table No. A-2 above). With the change in actuarial assumptions described above, the District anticipates that its contributions to CalPERS will increase in future fiscal years as the increased costs are phased in. The implementation of PEPRA (see "– California Public Employees' Pension Reform Act of 2013" below), however, is expected to help reduce certain future pension obligations of public employers with respect to employees hired on or after January 1, 2013. The District cannot predict the impact these changes will have on its contributions to CalPERS in future years.

Potential Impact of COVID-19 on Pension Liabilities. The economic consequences and the declines in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase either or both CalSTRS' and CalPERS' unfunded pension liabilities, which, in turn, could result in material changes to the required employer contribution rates in future fiscal years. As to CalSTRS, however, under existing law, the CalSTRS Board may not increase the employer contribution rate by more than 1% in any fiscal year, up to a maximum employer contribution rate of 20.25%.

The District is unable to predict whether or to what extent its required employer contribution rates, or its proportionate share of net pension liability, in connection with CalSTRS or CalPERS, may be affected by the COVID-19 pandemic.

California Public Employees' Pension Reform Act of 2013. The Governor signed the California Public Employee's Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. PEPRA affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to

CalSTRS participants hired after the Implementation Date, PEPRA changes the normal retirement age, increasing the eligibility for the 2% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, PEPRA changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

PEPRA also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in Social Security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB 67 and 68. In June 2012, GASB approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("Statement Number 67"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("Statement Number 68"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements will change how governments calculate and report the costs and obligations associated with pensions. Statement Number 67 replaces the current requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 27 replaces the current requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replace the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs would be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates would be required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities would be required to be used for certain purposes of the financial statements, which generally would increase pension expenses. Statement Number 67 took effect for fiscal years beginning after June 15, 2013, and Statement Number 68 took effect for fiscal years beginning after June 15, 2014.

As of June 30, 2019, the District's proportionate share of net CalSTRS pension liability was $5,428,947, and the District's proportionate share of net CalPERS pension liability was $1,911,036. The District's proportionate share of net pension liability for each plan is based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. For further information regarding the District's net pension liability, see APPENDIX C –"ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2019 - Note 6, Pension Plans."

Other Post-Employment Benefits

In addition to the retirement plan benefits with CalSTRS and CalPERS discussed above, the District provides certain post-retirement healthcare benefits ("OPEB"), in accordance with District employment contracts. The District's Other Post Employment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. As of June 30, 2019, membership in the Plan consisted of 11 retirees currently receiving benefits and 24 participating active employees.

The Plan benefits, and the contribution requirements of plan members and the District, are established by labor agreements and may be amended by the District and the employee labor groups. The benefit payment is based on projected pay-as-you-go financing requirements, as determined annually through the labor agreements. For Fiscal Year 2018-19, the District recognized an OPEB expense of $35,538.

Beginning in fiscal year 2017-18, the District was required to implement GASB Statement Number 75, which replaced GASB Statement Number 45 as the accounting standard for OPEB plans. The District currently finances benefits on a pay-as-you-go basis. Actuarially determined contribution amounts have not been calculated for the District and the District is not currently funding the Plan on an actuarial basis. The District is not funding the Plan via a GASB 75-compliant irrevocable trust, however, the District has established a special reserve fund for the purpose of paying future OPEB expenses. Such special reserve fund has a 2018-19 balance of $1,121,313. The special reserve fund for OPEB can be used for purposes other than paying OPEB expenses upon action by the District Board.

OPEB Liability. The District's total OPEB liability was $623,389, measured as of June 30, 2018, using an actuarial valuation as of that same date.

The following table illustrates the changes in the District's net OPEB liability as shown in the District's audited financial statements as of June 30, 2019:

TABLE No. A-4
SISKIYOU UNION HIGH SCHOOL DISTRICT
Changes in the Total and Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2018	$646,842	--	$646,842
Changes recognized for measurement period:			
Service Cost	$ 11,404	--	$ 11,404
Interest	21,687	--	21,687
Employer Contributions	--	$ 65,839	(65,839)
Assumption Changes	9,295	---	9,295
Benefit Payments	(65,839)	(65,839)	--
Net Changes	$ (23,453)	--	$ (23,453)
Balance as of June 30, 2019	**$623,389**	**--**	**$623,389**

Source: District Annual Financial Report for fiscal year 2018-19.

For a description of the District's actuarial methods and assumptions, see APPENDIX C –"ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2019 - Note 7, Post-Employment Benefits Other than Pension Benefits" herein.

Public Entity Risk Pools and Joint Powers Authorities

The District is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. In order to manage these risks, during the fiscal year ended June 30, 2019, the District participated in joint ventures under joint powers agreements ("JPAs") with the Northern California Schools Insurance Group (NCSIG), Northeastern Joint Powers Authority (NEJPA), Schools Excess Liability Fund (SELF), and California Valued Trust (CVT). The relationship between the District and the JPAs is such that none of the JPAs are a component unit of the District for financial reporting purposes. Settled claims have not exceeded coverage in any of the past three years.

The JPAs arrange for and provide property, liability, workers' compensation, medical, dental, and vision insurance and excess liability coverage for its members. Each joint venture is governed by a board consisting of representatives from various member districts. Each board controls the operations of the JPA, including selection of management, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. The District's share of year-end assets, liabilities, or fund equity is not calculated by the JPAs. Separately issued financial statements can be requested from each JPA.

DISTRICT FINANCIAL MATTERS

State Funding of Education

The following information concerning the State's funding of education and the State budget process has been compiled from publicly-available information provided by the State. Neither the District, the Financial Advisor, nor the Underwriter is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

Revenue Limit Funding. Prior to fiscal year 2013-14, school districts operated under general purpose revenue limits established by the California Department of Education. In general, revenue limits were calculated for each school district by multiplying the average daily attendance ("ADA") for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Beginning in fiscal year 2013-14, school districts are funded based on uniform funding grants assigned to certain grade spans.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("A.B. 97"), enacted as part of the 2013-14 State budget, established a new system for funding school districts, charter schools and county offices of education. Certain provisions of A.B. 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("S.B. 91").

The primary component of A.B. 97 is the implementation of the Local Control Funding Formula ("LCFF"). Beginning in fiscal year 2013-14, the bulk of funding for school districts is being provided on the basis of target base funding grants per unit of ADA (each, a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments, as further described herein. According to a report published by the State Legislative Analyst's Office, the State general fund cost of fully implementing the LCFF in fiscal year 2013-14 would have been approximately $18 billion more than what was spent on education in the prior fiscal year (assuming current levels of property tax revenue, ADA and enrollment). Given this cost, the LCFF was projected to be implemented over a span of eight fiscal years, during which time school districts would receive annual funding increases based on the gap between their respective prior-year funding level and the target LCFF allocation following full implementation. In each year, each school district was expected to see the same proportion of their funding gap closed, with dollar amounts varying depending on the size of

district's funding gap. The State cost to fund the LCFF in each fiscal year fluctuated depending on a number of factors, including the provision of COLAs, fluctuations in ADA and student demographics, and growth in property tax revenues. The LCFF achieved full implementation ahead of schedule in fiscal year 2018-19.

The specific Base Grants, per unit of ADA for fiscal year 2019-20, are as follows: (a) a Target Base Grant for each LEA equivalent to $8,503 per ADA for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to $7,818 per ADA for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to $8,050 per ADA for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to $9,572 per ADA for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and support college and career readiness programs in high schools.

School districts that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI. Foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately. A.B. 97 authorizes a supplemental grant add-on (each, a "Supplemental Grant") for school districts that serve EL/LI students, equal to 20% of the applicable adjusted Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. In addition, school districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable adjusted Base Grant multiplied the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

For certain school districts that would have received greater funding levels under the prior revenue limit system, A.B. 97 provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, A.B. 97 assumes the discontinuance of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the eight-year implementing period of the LCFF. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Certain schools districts, known as "basic aid" districts, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District is not a basic aid school district and formerly was a revenue limit district.

Accountability. The SBE has adopted regulations regarding the expenditure of supplemental and concentration funding. These regulations include a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such

EL/LI students, as well as the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by A.B. 97. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted every three years, beginning in fiscal year 2014-15, and updated annually thereafter. The SBE has adopted a template LCAP for use by school districts.

Support and Intervention. A.B. 97 establishes a new system of support and intervention to assist school districts to meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (a) the LCAP or annual update adheres to the SBE template, and (b) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priorities, or the assignment of an academic expert to assist the district to identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by A.B. 97 and charged with assisting school districts to achieve the goals set forth in their LCAPs. In late 2015, the SBE developed rubrics to assess school district performance and the need for support and intervention.

A.B. 97 also authorizes the State Superintendent of Public Instruction (the "State Superintendent"), with the approval of the SBE, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (a) modify a district's LCAP, (b) impose budget revisions designed to improve student outcomes, and (c) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized under A.B. 97 to rescind an action required by a local collective bargaining agreement.

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for 14 programs was excluded from the LCFF—including, among others, child nutrition, after school education and safety, special education, and State preschool—and school districts will continue to receive restricted State revenues to fund these programs.

Enrollment

The District experienced a declining enrollment trend for the current and past three years, due primarily to economic and demographic factors in the District which affect incoming class sizes from feeder schools. There are two K-12 charter schools serving some students within the District's boundaries. Northern United Charter School operates County-wide

with a 2018-19 enrollment of approximately 131 students, and is authorized and provided oversight by the Siskiyou County Office of Education. Golden Eagle Charter School has a 2018-19 enrollment of approximately 509 students, also County-wide, and also authorized by the Siskiyou County Office of Education.

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment for fiscal years 2014-15 through 2019-20.

TABLE No. A-5
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
ADA [(1)] and Enrollment by Grade Span
Fiscal Years 2014-15 through 2019-20

Year	Grades 9-12 (Total ADA)	Total Enrollment	% of EL/LI Enrollment [(2)]
2014-15	535	579	46.58
2015-16	553	599	46.77
2016-17	511	555	43.99
2017-18	510	542	47.66
2018-19	519	569	49.56
2019-20	495	537	63.69

[(1)] Reflects P-2 reporting period.
[(2)] For purposes of calculating Supplemental and Concentration Grants, for fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students will be based on a rolling average of such district's EL/LI enrollment for the then current fiscal year and the two immediately preceding fiscal years.
Source: Siskiyou Union High School District.

Impact to Average Daily Attendance Due to COVID-19 Pandemic. SB 117 provides that, for all school districts that comply with Executive Order N-26-20, 2019-20 ADA will be calculated for the purpose of LCFF funding based only on attendance through February 29, 2020. The intended effect of SB 117 is that the abrupt closure of District school campuses, beginning in March 2020 in response to the pandemic, will have little to no impact on the District's ADA for purposes of LCFF funding for the 2019-20 fiscal year. Should the ongoing pandemic continue into the next academic year or beyond, the District cannot predict what impact such events may have on its ADA in such future years, or the resulting effect on the funding it receives from the State. See also, "THE DISTRICT - Impact to District Operations and Budget Due to COVID-19 Pandemic" in this APPENDIX A. The District's ADA, which is the primary determinant of State funding through the LCFF, has remained relatively stable in the past three years.

Revenue Sources

Major revenue sources of the District are described below.

LCFF Sources. State funding, under the LCFF, consists of base grants and supplemental grants, and, prior to implementation of the LCFF, the District received State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues.

For fiscal year 2016-17, the District received $6,590,402 from the LCFF, comprising approximately 74.15% of its general fund revenues. For fiscal year 2017-18, the District received $6,514,360 from the LCFF or 76.14% of its general

fund revenues. For fiscal year 2018-19, the District received $6,785,630 from the LCFF or approximately 74.92% of its general fund revenues. For fiscal year 2019-20, the District has budgeted, pursuant to its Second Interim Report, $6,972,865 from the LCFF, comprising approximately 81.93% of its general fund revenues.

Federal Revenues. The federal government provides funding for several District programs, including, Title I, Title II, Title IV, Indian Education, and other specialized programs. Most of the federal revenues received by the District are restricted. For fiscal year 2016-17, the District received $294,704 from federal revenues, comprising approximately 3.32% of general fund total revenues. For fiscal year 2017-18, the District received $174,336 from federal revenues, comprising approximately 2.04% of general fund total revenues. For fiscal year 2018-19, the District received $259,422 from federal revenues, comprising approximately 2.86% of general fund total revenues. For fiscal year 2019-20, the District has budgeted, pursuant to its Second Interim Report, $248,833 from federal revenues, comprising approximately 2.92% of its general fund revenues.

Other State Revenues. In addition to the LCFF, the District receives other State revenues, including Lottery money (discussed below), and CTE grants. These other State revenues are primarily restricted revenues funding items such as special education. For fiscal year 2016-17, the District received $780,670 from other State revenues, comprising approximately 8.78% of general fund total revenues. For fiscal year 2017-18, the District received $581,816 from other State revenues, comprising approximately 6.80% of general fund total revenues. For fiscal year 2018-19, the District received $1,030,441 from other State revenues, comprising 11.38% of general fund total revenues. For fiscal year 2019-20, the District has budgeted, pursuant to its Second Interim Report, $332,768 from other State revenues, comprising approximately 3.91% of its general fund revenues.

As a component of other State revenues received by the District, the District receives State aid from the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material. For fiscal year 2019-20, the District has budgeted, pursuant to its Second Interim Report, receipt of $81,243 in Lottery money.

Other Local Revenues. In addition to property taxes, the District receives other local revenues from items such as leasing of District facilities, event revenues, and other local sources. For fiscal year 2016-17, the District received $1,222,730 from other local revenues, comprising approximately 13.76% of general fund total revenues. For fiscal year 2017-18, the District received $1,284,722 from other local revenues, comprising approximately 15.02% of general fund total revenues. For fiscal year 2018-19, the District received $981,561 from other local revenues, comprising approximately 10.84% of general fund total revenues. For fiscal year 2019-20, the District has budgeted, pursuant to its Second Interim Report, $566,877 from other local revenues, comprising approximately 6.66% of its general fund revenues.

Audited Financial Statements

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 school districts. Financial transactions are accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial report for the fiscal year ended June 30, 2019, which are included as APPENDIX C.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30

close of each fiscal year. The following table contains data abstracted from annual financial reports prepared by the District's independent auditor, Robertson & Associates, Certified Public Accountants, Lakeport, California.

The District's auditor has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has not audited or reviewed this Official Statement.

The District is required by law to review its audited financial report after a public meeting to be conducted no later than January 31 following the close of each fiscal year. On March 11, 2020, the District's Board of Trustees adopted the audited financial report for the fiscal year ended June 30, 2019.

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The following table shows the statement of revenues, expenditures and changes in fund balances for the District's general fund for the fiscal years 2016-17 through 2018-19.

TABLE No. A-6
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2016-17 through 2018-19

	FY 2016-17	FY 2017-18	FY 2018-19
REVENUES*			
LCFF sources	$6,590,402	$6,514,360	$6,785,630
Federal sources	294,704	174,336	259,422
Other State sources	780,670	581,816	1,030,441
Other local sources	1,222,730	1,284,722	981,561
Total Revenues	$8,888,506	$8,555,234	$9,057,054
EXPENDITURES			
Certificated Salaries	$3,395,501	$3,340,303	$3,269,639
Classified Salaries	1,038,682	1,137,376	1,187,256
Employee Benefits	1,693,223	1,575,021	2,046,138
Books and Supplies	946,199	873,058	935,425
Services and Operating Expenses	1,338,735	1,223,108	1,306,589
Other Outgo	179,608	196,626	208,113
Capital Outlay	348,522	551,388	137,432
Total Expenditures	$8,940,470	$8,896,880	$9,090,592
Excess (Deficiency) of Revenues Over Expenditures	$ (51,964)	$ (341,646)	$ (33,538)
Other Financing Sources (Uses)			
Transfers in	165,859	149,000	136,000
Transfers out	$ (55,376)	$ (55,065)	$ (62,760)
Net Financing Sources (Uses)	$ 110,483	$ 93,935	$ 73,240
NET CHANGE IN FUND BALANCES	$ 58,519	$ (247,711)	$ 39,702
Fund Balances, July 1, beginning	$ 3,854,251	$ 3,912,770	$3,665,058
Fund Balances, June 30, ending	$ 3,912,770	$ 3,665,059	$3,704,760

* Restricted and Unrestricted General Fund Revenues.

Source: Siskiyou Union High School District Audited Financial Reports for fiscal years 2016-17 through 2018-19.

District Budget Process and County Review

The District is required by State law to adopt a final budget by July 1 in each year. The 2019-20 original budget was adopted by the District's Board on June 26, 2019, and is subject to future adjustment by the District during the 2019-20 fiscal year. Throughout the fiscal year, all revenues and appropriations are subject to review and since the budget must remain in balance, any shortfall in revenues could require a reduction in appropriations.

The District is under the jurisdiction of the County of Siskiyou Superintendent of Schools (the "County Superintendent"). The County Superintendent is independent from, and is not an officer of, the County. A county superintendent must review and approve, conditionally approve or disapprove a school district's budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Trustees and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the district with recommendations for revision. The district is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the county superintendent no later than October 8. Pursuant to State law, the county superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval. By December 31 of each year, every school district must have an adopted budget, or the county superintendent may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If, after taking various remedial actions, a county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent, and the president of the State Board of Trustees (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State Board of Trustees or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

Reports and Certifications. A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et seq.*), each school district is required to file two interim certifications, known as the "First Interim Report" and "Second Interim Report," with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations

for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. In the last five years, the District has not received a negative or qualified certification for an interim financial report.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. The county superintendent, however, is not authorized to approve any diversion of revenue from ad valorem property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State Board of Trustees or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State General Fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State General Fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State General Fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State General Fund will be based upon the availability of funds within the State General Fund.

The following table sets forth a summary of the District's estimated and budgeted general fund revenues and expenditures for fiscal year 2019-20 per its Second Interim Report.

TABLE No. A-7
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
General Fund Budget for Fiscal Year 2019-20

	2019-20 Original Adopted Budget	2019-20 Second Interim Report
REVENUES*		
LCFF Sources	$ 6,875,579	$ 6,972,865
Federal Revenue	254,749	248,833
Other State Revenue	108,324	332,768
Other Local Revenue	190,431	566,877
TOTAL REVENUES[1]	$ 7,429,083	$ 8,121,344
EXPENDITURES*		
Certificated Salaries	$ 3,375,965	$ 3,437,070
Classified Salaries	1,233,176	1,283,859
Employee Benefits	1,634,530	1,688,810
Books and Supplies	957,290	826,396
Services, Other Operating Expenses	1,177,125	1,202,393
Capital Outlay	0	0
Other Outgo (Excl. Trf. of Indirect Costs)	202,068	263,449
Other Outgo (Transfers of Indirect Costs)	0	0
TOTAL EXPENDITURES[1]	$ 8,580,153	$ 8,701,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$(1,151,070)	$ (580,634)
OTHER FINANCING SOURCES (USES)		
Transfers In	$ 389,164	$ 389,164
Transfers Out	80,663	80,663
Contributions	0	0
TOTAL, OTHER FINANCING SOURCES (USES)[1]	$ 308,501	$ 308,501
NET CHANGE IN FUND BALANCES	$ (842,569)	$ (272,133)
FUND BALANCE BEGINNING	$ 2,419,923	$ 2,450,726
FUND BALANCE ENDING	$ 1,577,353	$ 2,178,594

(1) Totals may not sum due to rounding.

* Restricted and Unrestricted General Fund Revenues and expenses.

Source: Siskiyou Union High School District adopted General Fund Budget and Second Interim Report for fiscal year ending 2019-20.

District Debt Structure

Long-Term Debt Summary. A schedule of changes in the District's long-term obligations for the year ended June 30, 2019, consisted of the following:

TABLE No. A-8
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
Summary of Long-Term Debt
for Fiscal Year 2018-19

Long-Term Debt	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Amounts Due Within One Year
General Obligation Bonds	$10,338,368	$327,343	$146,208	$10,295,711	$249,148
Bond Premium	232,718	--	8,926	223,792	103,200
Net Pension Liability	7,287,170	$52,813	--	7,339,983	--
Net OPEB Liability	646,842	-	23,453	623,389	-
Compensated Absences	9,393	-	116	9,277	-
Total	**$18,514,491**	**$380,156**	**$178,703**	**$18,492,152**	**$352,348**

Source: Siskiyou Union High School District Audited Financial Report for fiscal year 2018-19.

General Obligation Bonds. In addition to the Bonds discussed herein, the District has additional outstanding general obligation bonds, all of which are secured by *ad valorem* taxes levied upon all property subject to taxation by the District. For a detailed summary of the District's outstanding general obligation bonds, including annual debt service requirements for the Bonds and the District's outstanding general obligation bonds, see "THE BONDS – General Obligation Bonds" and "–Aggregate Debt Service" in the front portion of this Official Statement.

STATE BUDGET

The following information concerning the State's budget has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantees the accuracy or completeness of this information and have not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof.

The State Budget Process. According to the State Constitution, the Governor of the State (the "Governor") must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State's voters on November 2, 2010 as "Proposition 25", a final budget must be adopted by a majority vote (rather than a supermajority, as was the case prior to the passage of Proposition 25) of each house of the Legislature no later than June 15, although this deadline has been breached in the past. Any tax increase provision of such final budget shall continue to require approval by a two-thirds majority vote of each house of the State Legislature. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. As discussed below, the Governor signed the 2019-20 State Budget ("2019-20 State Budget") into law on June 27, 2019.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each district's State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State

Controller until that time unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. The State Controller has posted guidance as to what can and cannot be paid during a budget impasse at its website: www.sco.ca.gov. Should the Legislature fail to pass the budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues.

State Budget Process and Proposition 98 Education Funding. The Proposition 98 funding amount for education in a given year varies throughout the stages of the budget and appropriation process, from the Governor's January budget proposal to the final adopted budget, and may continue to evolve even through actual expenditures and post-year-end revisions to the prior year budget.

If, at year-end, the guaranteed amount is calculated to be higher than the amount of Proposition 98 funding appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over $4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal years 2004-05 and 2010-11 through 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The following information concerning State's budgets has been obtained from the State Department of Finance. The District believes the information to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of (or accrued value as applicable) or interest on the Bonds is necessarily payable from the General Fund of the District. The Bonds are payable solely from the proceeds of an ad valorem tax required to be levied and collected by the County on all property subject to taxation by the District.

2019-20 State Budget. On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 State Budget"). The 2019-20 State Budget preceded the COVID-19 pandemic, and therefore did not take into account the significant adverse impacts it will have on the State's financial condition beginning in fiscal year 2019-20. In March 2020, following the outbreak of the COVID-19 pandemic, the Governor declared a state of emergency, and the legislature subsequently authorized an amendment to the 2019-20 State Budget providing for an appropriation of up to $1 billion from the State's general fund to be used for any purpose related to such emergency declaration. The 2020-21 May Revision (as defined herein) significantly revises the projections of revenues and expenditures in the 2019-20 State Budget. Further, the 2020-21 May Revision (as defined herein) proposes to defer $1.9 billion of LCFF apportionments due in fiscal year 2019-20 to fiscal year 2020-21. Certain limited information from the 2019-20 State Budget relating to the funding of education is provided herein as a historical baseline solely for context and reference. The following information is drawn from the State Department of Finance's summary which is believed to be reliable as of the date such information was released, but not guaranteed by the District as to accuracy or completeness.

For fiscal year 2019-20, the 2019-20 State Budget authorizes $214.8 billion in total spending, including $147.8 billion from the State general fund. The 2019-20 State Budget projects that the State will end the current fiscal year with total reserves of $19.2 billion, including $1.4 billion in the traditional general fund reserve, $16.5 billion in the Budget Stabilization Account ("BSA"), $900 million in the Safety Net Reserve and $400 million in the Public School System Stabilization Account ("PSSSA"). The PSSSA deposit in 2019-20 did not initiate school district reserve caps under SB 858 and SB 751 (defined herein), as the amount deposited does not equal or exceed 3% of the total K-12 share of the Proposition 98 school funding guarantee. See discussions regarding Proposition 98, Proposition 2, SB 858, and SB 751 under "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" in this APPENDIX A.

The 2019-20 State Budget sets forth a balanced budget for fiscal year 2019-20 that projects approximately $143.8 billion in revenues, and $91.9 billion in non-Proposition 98 expenditures and $55.9 billion in Proposition 98 expenditures. With respect to education funding, the 2019-20 State Budget includes total funding of $103.4 billion ($58.8 billion General Fund and $44.6 billion other funds) for all K-12 education programs. The 2019-20 State Budget includes a $1.4 billion reserve in the Special Fund for Economic Uncertainties ("SFEU").

Features of the 2019-20 State Budget with respect to adjustments for K-12 education include the following:

- *Local Control Funding Formula.* The 2019-20 State Budget provides $1.9 billion in new Proposition 98 funding for the LCFF, reflecting a 3.26% COLA to the adjusted Base Grants the prior year.

- *Special Education.* Noting a need for support from county office of education, the 2019-20 State Budget provides $152.6 million to provide all Special Education Local Plan Areas (SELPAs) with at least the statewide target rate for base special education funding (approximately $557 per ADA), and also includes $492.7 million for special education allocated based on the number of children ages 3 to 5 years with exceptional needs that the school district is serving. The 2019-20 State Budget further conditions these increases upon the adoption of special education funding formula and special education accountability system reforms as part of the 2020 Budget Act.

- *CalLSTRS and CalPERS Employer Contribution Rates.* In anticipation of a need for relief for employers in order to meet expected increases from 18.1 percent in 2018-19 to 23.6 percent by 2020-21, the 2019-20 State Budget includes a $3.15 billion non-Proposition 98 General Fund payment on their behalf to CalSTRS and the CalPERS Schools Pool. Of this amount, an estimated $850 million will buy down the employer contribution rates in 2019-20 and 2020-21. With these payments, the CalSTRS employer contribution rate will decrease from 18.13 percent to 17.1 percent in 2019-20 and from 19.1 percent to 18.4 percent in 2020-21. The payments will decrease the CalPERS Schools Pool employer contribution rate from 20.7 percent to 19.7 percent in 2019-20 and from 23.6

percent to 22.9 percent in 2020-21. The remaining $2.3 billion will be paid toward the employers' long-term unfunded liability for both systems.

- *After School Programs.* The 2019-20 State Budget includes $50 million in ongoing Proposition 98 General Fund to provide an increase of approximately 8.3 percent to the per-pupil daily rate for ASES (increasing this rate from $8.19 to $8.87 per day).

- *Longitudinal Data System.* The 2019-20 State Budget provides $10 million in one-time non-Proposition 98 General Fund to plan for and develop a longitudinal data system, intended to connect information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies.

- *Retaining And Supporting Well-Prepared Educators.* The 2019-20 State Budget provides $89.8 million in one-time non-Proposition 98 General Fund to provide up to 4,487 grants of $20,000 for students enrolled in a professional teacher preparation program who commit to working in a high-need field at a priority school for at least four years, and also provides an additional $43.8 million in one-time non-Proposition 98 General Fund to provide training and resources for classroom educators, including teachers and paraprofessionals. Finally, the Budget includes $13.8 million in ongoing federal funds to establish the 21st Century California Leadership Academy.

- *Computer Science.* The 2019-20 State Budget provides $7.5 million in one-time non-Proposition 98 General Fund for broadband infrastructure and $1 million in one-time non-Proposition 98 General Fund, available over four years, to the Department of Education to establish a state Computer Science Coordinator.

- *Charter Schools.* The 2019-20 State Budget includes accountability proposals to better align the governance, transparency, and accountability requirements of school districts and charter schools.

- *School Facilities Bond Funds.* The 2019-20 State Budget assumes $1.5 billion Proposition 51 bond funds, an increase of $906 million over the prior year, to support school construction projects, and includes an additional $1.2 million in ongoing Proposition 51 bond funds and State School Site Utilization Funds, and 10 positions for the Office of Public School Construction to support the increased processing of applications and program workload.

- *Full-Day Kindergarten.* The 2019-20 State Budget includes $300 million in one-time non-Proposition 98 General Fund to construct new or retrofit existing facilities to support full-day kindergarten programs

- *Proposition 98 Settle-Up.* An increase of $686.6 million for K-12 schools and community colleges to pay the balance of past year Proposition 98 funding owed through 2017-18.

- *Classified School Employees Summer Assistance Program.* An increase of $36 million one-time Proposition 98 General Fund to provide an additional year of funding for this program, which provides a state match for classified employee savings used to provide income during summer months.

- *Wildfire-Related Cost Adjustments.* An increase of $2 million one-time Proposition 98 General Fund to reflect adjustments in the estimate for property tax backfill for basic aid school districts impacted by 2017 and 2018 wildfires. Additionally, an increase of $727,000 one-time Proposition 98 General Fund to reflect adjustments to the state's student nutrition programs resulting from wildfire-related losses. Further, the Budget holds both school districts and charter schools impacted by the 2018 wildfires harmless for state funding for two years.

- *Breakfast After the Bell.* An increase of $500,000 one-time Proposition 98 General Fund to increase participation in the Breakfast After the Bell school nutrition program.

On March 17, 2020, the Governor signed SB 89, which took effect immediately and amended the 2019-20 State Budget. See "APPENDIX A – THE DISTRICT – Impact to District Operations and Budget Due to Coronavirus Pandemic" for further discussion regarding SB 89.

For additional information regarding the 2019-20 State Budget, see the State Department of Finance website at www.dof.ca.gov. The District takes no responsibility for the continued accuracy of this internet address or for the accuracy, completeness, or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Governor's Proposed 2020-2021 Budget. On January 10, 2020, the Governor presented the proposed State budget for fiscal year 2020-21 (the "2020-21 Proposed State Budget"). The 2020-21 Proposed State Budget preceded the COVID-19 pandemic, and therefore did not take into account the significant adverse impacts it will have on the State's financial condition. The 2020-21 May Revision (as defined herein) significantly revises the projections of revenues and expenditures and cuts substantial educational funding and programs from the 2021-21 Proposed State Budget.

Certain limited information from the 2020-21 Proposed State Budget relating to the funding of education is provided herein solely for context and reference. The following information is drawn from publicly-available documentation published by the State, which is believed by the District to be reliable as of the date such information was released. The District does not guarantee the information with respect to accuracy or completeness.

The 2020-21 Proposed State Budget projected $151.6 billion in general fund revenues and $153 billion in total spending. The 2020-21 Proposed State Budget estimated the State will end 2020-21 fiscal year with $20.5 billion in total reserves, including $18 billion in the BSA, $900 million in the Safety Net Reserve, and $1.6 billion in the SFEU.

With respect to education funding, the 2020-21 Proposed State Budget contains $3.3 billion in new Proposition 98 funding, which is comprised of $1.4 billion for ongoing purposes and $1.9 billion for one-time initiatives. Proposition 98 funding for K-12 is projected to total $74.3 billion, inclusive of both general fund and local property tax funding.

Significant features of the 2020-21 Proposed State Budget with respect to adjustments for K-12 education include the following:

- *Local Control Funding Formula*. The 2020-21 Proposed State Budget estimates $64.2 billion in K-12 funding, reflecting a 2% growth over the 2019-20 fiscal year. Augmentation to the LCFF includes an additional $1.2 billion in Proposition 98 funding over the prior year from a 2.29% COLA adjustment, an increase of roughly $900 million for special education, $300 million for expanding support services for schools in need, and $70 million for the improvement of school meal programs.

- *Proposition 98 Funding*. The proposal includes approximately $3 billion in increased Proposition 98 funding compared to the 2019-20 fiscal year.

- *Educator Workforce Investment Grants*. The 2020-21 Proposed State Budget includes an increase of $350 million of one-time Proposition 98 general fund resources to augment the funding provided in the 2019-20 State Budget for the Educator Workforce Investment Grants, which support competitive grants for professional learning opportunities for teachers and paraprofessionals across the State.

- *California Collaborative for Educational Excellence*. The 2020-21 Proposed State Budget includes an increase of $18 million of one-time Proposition 98 general fund resources for the California Collaborative for Educational Excellence to bolster awareness of available services and supports for all local educational agencies to strengthen the capacity of local educational agencies to improve student outcomes in State priority areas.

- *Workforce Development Grant Program*. The 2020-21 Proposed State Budget includes an increase of $193 million of one-time Proposition 98 general fund resources for the Workforce Development Grant Program to address workforce shortages in high-need subjects and areas.

- *Teacher Residency Program*. The 2020-21 Proposed State Budget includes an increase of $175 million of one-time Proposition 98 general fund resources to expand the Teacher Residency Program, which supports locally sponsored, one-year intensive, mentored, clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need subject areas in high-need communities.

- *California Teacher Credential Award Program.* The 2020-21 Proposed State Budget includes an increase of $100 million of one-time Proposition 98 general fund resources for the California Teacher Credential Award Program for $20,000 stipends for fully credentialed teachers who complete four years of teaching service in a high-need subject at a high-need school.

- *California Classified School Employees Credentialing Program*. The 2020-21 Proposed State Budget includes an increase of $64.1 million of one-time Proposition 98 general fund resources to expand the California Classified School Employees Credentialing Program, which provides grants to K-12 local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.

- *Special Education*. The 2020-21 Proposed State Budget proposes a three-phase, multi-year process to improve special education finance, services and student outcomes. The 2020-21 Proposed State Budget proposes a new special education base formula that uses a three-year rolling average of local educational agency average daily attendance and includes a 15% increase in the Proposition 98 general fund contribution to the base formula funding over the amount provided in the 2019-20 State Budget. In addition to the new base rate funding formula, the 2020-21 Proposed Budget includes (i) an additional $250 million of Proposition 98 general fund resources on an ongoing basis based on the number of children ages 3 to 5 years with exceptional needs served; (ii) an increase of $500,000 of one-time Proposition 98 general fund resources for a study of the current Special Education Local Plan Area governance and accountability structure; (iii) an increase of $600,000 of one-time Proposition 98 general fund resources for two workgroups to study improved accountability for special education service delivery and student outcomes; and (iv) an increase of $4 million of one-time Proposition 98 general fund resources for dyslexia research, training, and a statewide conference.

- *Community Schools*. The 2020-21 Proposed State Budget includes an increase of $300 million of one-time Proposition 98 general fund resources to establish community school grants for local educational agencies supporting innovative community school models.

- *Opportunity Grants*. The 2020-21 Proposed State Budget includes an increase of $300 million of one-time Proposition 98 general fund resources to establish opportunity grants for the State's lowest performing schools and school districts, and to expand the capacity of the California Collaborative for Educational Excellence in its role within the statewide system of support.

- *Computer Science*. The 2020-21 Proposed State Budget includes (i) an increase of $15 million of one-time Proposition 98 general fund resources for grants to local educational agencies to support the preparation of approximately 10,000 K-12 teachers to earn a supplementary authorization on their credential to teach computer science; (ii) an increase of $2.5 million of one-time Proposition 98 general fund resources for a county office of education

within the statewide system of support to identify, compile, and share computer science resources for professional development, curriculum, and best practices; and (iii) an increase of $1.3 million of one-time Proposition 98 general fund resources to develop a new UC Subject Matter Project in computer science, and $340,000 of non-Proposition 98 general fund resources for one cohort of approximately 1,200 educators to participate in the new project.

- *School Nutrition*. The 2020-21 Proposed State Budget includes (i) an increase of $60 million of Proposition 98 general fund resources for school nutrition; (ii) an increase of $10 million of Proposition 98 general fund resources to provide training for school food service workers to promote healthier and more nutritious meals; and (iii) an increase of $10 million of non-Proposition 98 general fund resources and $1.5 million annually thereafter for the California Department of Food and Agriculture to establish a Farm to School Grant Program to support California farmers and expand healthy food access by providing grants to schools.

- *School District Average Daily Attendance*. The 2020-21 Proposed State Budget includes a decrease of $268.5 million of Proposition 98 general fund resources in fiscal year 2019-20 for school districts as a result of a decrease in projected average daily attendance from the 2019-20 State Budget, and a decrease of $175.1 million of Proposition 98 general fund resources in fiscal year 2020-21 for school districts as a result of further projected decline in average daily attendance for fiscal year 2020-21.

- *Local Property Tax Adjustments*. The 2020-21 State Budget Proposed includes an increase of $7.3 million of Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2019-20 as a result of decreased offsetting property tax revenues, and a decrease of $1.1 billion of Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2020-21 as a result of increased offsetting property taxes.

- *Cost-of-Living Adjustments*. The 2020-21 Proposed State Budget includes an increase of $122.4 million of Proposition 98 general fund resources to reflect a 2.29% cost-of-living adjustment for categorical programs that remain outside of the LCFF, including Special Education, Child Nutrition, State Preschool, Youth in Foster Care, the Mandates Block Grant, the Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.

- *Pension Contributions*. The 2020-21 Proposed State Budget includes a $3.15 billion non-Proposition 98 General Fund payment on behalf of educational agencies to CalSTRS and the CalPERS Schools Pool. Of this amount, an estimated $850 million would buy down the employer contribution rates in 2019-20 and 2020-21 and the remaining $2.3 billion is being paid toward long-term unfunded liabilities.

- *Proposition 98 Settle-up*. An increase in $819 million in settle-up payments for prior fiscal years.

- *Per-Pupil Funding*. The 2020-21 Proposed State Budget estimates a 4.1 percent growth in per-student funding over the 2019-20 fiscal year.

May Revision to the 2020-21 Proposed State Budget. The Governor released the May Revision to the 2020-21 Proposed State Budget (the "2020-21 May Revision") on May 14, 2020, which reflects the initial and profound effects of the COVID-19 pandemic on the State's economy. The 2020-21 May Revision indicates that, although the State began 2020 with a solid fiscal foundation as reflected in the 2020-21 Proposed State Budget, the COVID-19 pandemic and resulting recession have changed the fiscal landscape dramatically. Job losses and business closures and interruptions are sharply reducing State revenues. Compared to the 2020-21 Proposed State Budget, the 2020-21 May Revision projects that State general fund revenues will decline by over $41 billion. Such a decrease in State general fund revenues, combined with the increased costs in health and human services programs and other added costs to address COVID-19, leads to a projected budget deficit of approximately $54 billion before the changes proposed in the 2020-21 May Revision.

Consistent with the State's constitutional obligation to enact a balanced budget and the prohibition against issuing long-term bonds to finance deficits, the 2020-21 May Revision proposes the following actions to achieve a balanced budget for fiscal year 2020-21:

- Cancel $6.1 billion in program expansions and spending increases, including by canceling or reducing a number of one-time expenditures included in the 2019-20 State Budget. It also includes redirecting $2.4 billion in extraordinary payments to CalPERS to temporarily offset the State's obligations to CalPERS in fiscal years 2020-21 and 2021-22.

- Draw down $16.2 billion in the BSA over three years, and allocate the Safety Net Reserve to offset increased costs in health and human services programs over the next two years. The 2020-21 May Revision reflects the withdrawal of $8.3 billion, including $7.8 billion from the BSA and $450 million from the Safety Net Reserve in 2020-21.

- Borrow and transfer $4.1 billion from special funds.

- Temporarily suspend net operating losses and temporarily limit to $5 million the amount of credits a taxpayer can use in any given tax year. These short-term limitations will generate new revenue of $4.4 billion in fiscal year 2020-21, $3.3 billion in fiscal year 2021-22, and $1.5 billion in fiscal year 2022-23 to increase funding for schools and community colleges and maintain other core services.

- Reflect the nationwide request of $1 trillion in flexible federal funds to support all 50 states and local governments, and identify reductions to base programs and employee compensation that will be necessary if sufficient federal funding does not materialize.

Although the 2020-21 May Revision proposes a balanced budget for fiscal year 2020-21, a significant out-year deficit would remain, increasing to over $16 billion by fiscal year 2023-24. Without the actions described above to achieve a balanced budget for fiscal year 2020-21, the out-year structural deficit would be approximately $45 billion annually. The 2020-21 May Revision estimates that total resources available in fiscal year 2019-20 will be approximately $148.1 billion (including revenues and transfers of approximately $136.8 billion and a prior year balance of $11.3 billion) and total expenditures in fiscal year 2019-20 will be approximately $146.5 billion. The 2020-21 May Revision projects total resources available for fiscal year 2020-21 of approximately $139.0 billion, inclusive of revenues and transfers of approximately $137.4 billion and a prior year balance of approximately $1.6 billion. The 2020-21 May Revision projects total expenditures of approximately $133.9 billion, inclusive of non-Proposition 98 expenditures of $89.0 billion and Proposition 98 expenditures of $44.9 billion. The 2020-21 May Revision proposes to allocate approximately $3.2 billion of the State general fund's projected fund balance to the State's reserve for liquidation of encumbrances and approximately $2.0 billion of such fund balance to the SFEU. In addition, the 2020-21 May Revision estimates that the BSA will have a fund balance of approximately $8.4 billion.

The 2020-21 May Revision includes total funding of $99.7 billion for all K-12 education programs, including $47.7 billion from the general fund and $52.0 billion from other funds. The 2020-21 May Revision includes certain cuts and adjustments to K-12 education programs and funding (described in more detail below) that may be rescinded, in whole or in part, if the State were to receive additional federal assistance, such as through the passage of the Health and Economic Recovery Omnibus Emergency Solutions Act.

Certain adjustments and budgetary proposals for K-12 education set forth in the 2020-21 May Revision include the following:

- *Proposition 98 Minimum Guarantee*. The 2020-21 May Revision projects that due to the COVID-19 pandemic and resulting recession, Proposition 98 funding will decline by $19 billion compared to the 2020-21 Proposed State

Budget. Such decline in funding is approximately 23% of the 2019-20 Proposition 98 funding level. Due to declining ADA and declining per capita income numbers, Proposition 98 funding is projected to stay at a depressed level for the entire forecast period in the 2020-21 May Revision. The 2020-21 May Revision proposes to provide supplemental appropriations above the constitutionally required funding level beginning in fiscal year 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5% of the general fund revenues per year, up to a cumulative total of $13 billion.

- *Public School System Stabilization Account*. The 2020-21 May Revision reflects the withdrawal of all of the entire balance of the PSSSA. The 2020-21 May Revision projects that no additional deposits will be required and the entire amount is available to offset the decline in the Proposition 98 minimum guarantee.

- *Temporary Revenue Increases*. The 2020-21 May Revision proposes the temporary three-year suspension of net operating loss tax deductions and a limitation on business incentive tax credits to offset no more than $5 million of tax liability per year. These measures, along with other more minor tax changes, will generate $4.5 billion in general fund revenues and approximately $1.8 billion in benefit to the Proposition 98 minimum guarantee.

- *Learning Loss Mitigation*. The 2020-21 May Revision proposes a one-time $4.4 billion investment (comprised of $4 billion from the federal Coronavirus Relief Fund and $355 million from the federal Governor's Emergency Education Relief Fund), to local educational agencies to address learning loss related to school closures caused by the COVID-19 pandemic.

- *Revising CalPERS/CalSTRS Contributions*. The 2019-20 State Budget included $850 million to buy down local educational agency employer contribution rates for CalSTRS and CalPERS in fiscal years 2019-20 and 2020-21, as well as $2.3 billion towards the employer long-term unfunded liability. The 2020-21 May Revision proposes redirecting $2.3 billion paid to CalSTRS and CalPERS towards long-term unfunded liabilities to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22. This reallocation will reduce the CalSTRS employer contribution rate from 18.41% to approximately 16.15% in fiscal year 2020-21 and from 18.20% to 16.02% in fiscal year 2021-22. The CalPERS employer contribution rate will be reduced from 22.67% to 20.7% in fiscal year 2020-21 and from 25.0% to 22.84% in fiscal year 2021-22.

- *Elementary and Secondary School Emergency Relief Funds*. The State received $1.6 billion in federal Elementary and Secondary School Emergency Relief funds, 90% of which will be allocated to local educational agencies. The remaining 10% is available for State-level activities.

- *Aligning K-12 Appropriations with Available Resources*. The 2020-21 May Revision indicates that the decline in Proposition 98 funding creates a shortfall of $15.1 billion ($14.8 billion general fund) for K-12 schools over fiscal years 2018-19, 2019-20, and 2020-21. To address this gap, the 2020-21 May Revision withdraws several proposals from the 2020-21 Proposed State Budget, including the Educator Workforce Investment Grants, Opportunity Grants, Community Schools Grants, and Workforce Development Grants.

- *Local Control Funding Formula*. The 2020-21 May Revision proposes a 10% reduction ($6.5 billion) to the Local Control Funding Formula, including the suspension of the statutory cost-of-living adjustment of 2.31%. The 2020-21 May Revision also proposes to defer $1.9 billion of Local Control Funding Formula apportionments to fiscal year 2020-21. An additional $3.4 billion is proposed to be added to the fiscal year 2019-20 deferral in fiscal year 2020-21, for a total of $5.3 billion in Local Control Funding Formula deferrals scheduled for payment in fiscal year 2021-22. The 2020-21 May Revision also proposes exemptions for local educational agencies from apportionment deferrals that create a documented hardship.

- *Special Education*. The 2020-21 May Revision sustains the proposal to increase special education base rates from the 2020-21 Proposed State Budget, but updates the amount to $645 per pupil (reflecting the suspension of the 2.31% cost-of-living adjustment).

- *K-12 Categorical Programs*. The 2020-21 May Revision proposes, absent receipt of additional federal funds, to reduce K-12 categorical program spending by $352.9 million.

- *Local Property Tax Adjustments*. The 2020-21 May Revision proposes an increase of $84.5 million in Proposition 98 general fund resources in fiscal year 2019-20 and $727 million in Proposition 98 general fund resources in fiscal year 2020-21 for school districts, special education local plan areas, and county offices of education as a result of lower offsetting property tax revenues in each year.

- *Full-Day Kindergarten Facilities*. The 2020-21 May Revision proposes a decrease of $300 million in one-time non-Proposition 98 general fund resources for construction of new, or retrofit of existing, facilities for full-day kindergarten programs.

- *Categorical Program Growth*. The 2020-21 May Revision proposes to decrease the Proposition 98 general fund by $10.9 million for selected categorical programs, based on updated estimates of ADA.

- *Flexibilities for Local Educational Agencies*. The 2020-21 May Revision proposes to provide local educational agencies with fiscal and programmatic flexibilities, including among others: (i) exemptions from apportionment deferrals (as described above), (ii) subject to public hearing, increases in inter-fund borrowing limits and (iii) authority to use proceeds from the sale of surplus property for one-time general fund purposes.

The complete 2020-21 May Revision is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the accuracy, completeness, or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Coronavirus – Potential Effects on Assumptions and State Budget Process. The final fiscal year 2020-21 State Budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the 2020-21 May Revision. As indicated above, the 2020-21 May Revision differs dramatically from the 2020-21 Proposed State Budget due to the effects of the COVID-19 pandemic on the State. The 2020-21 May Revision reflects the initial and profound impacts of the COVID-19 pandemic and resulting recession on the State's revenues and expenditures, but such impacts are far from settled and continue to evolve. Thus, the final fiscal year 2020-21 State Budget may be affected by national and State economic conditions and other factors which the District cannot predict, including the continued and evolving effects of the COVID-19 pandemic on State revenues that may in turn impact the educational funding that the District receives from the State. The District cannot predict the impact that the final fiscal year 2020-21 State Budget, or subsequent budgets, will have on its finances and operations.

For further information regarding the coronavirus outbreak, see "APPENDIX A – THE DISTRICT – Impact to District Operations and Budget Due to Coronavirus Pandemic."

The State has not entered into any contractual commitment with the District, the County, the Underwriter, or the Owners of the Bonds to provide State budget information to the District or the Owners of the Bonds. Although they believe the State sources of information listed above are reliable, none of the District, the Municipal Advisor or the Underwriter assumes any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County on all property subject to taxation by the District within the boundaries of the District for the payment thereof as described herein, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS." Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of Bonds was approved by the voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8, approved by the voters in November of 1978, provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front part of this Official Statement.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district, or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978; or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978; or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. In addition, Article XIIIA requires the approval of two-thirds of all members of the State Legislature to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Split Roll Property Tax Ballot Measure

A proposed ballot initiative has qualified for the November 2020 Statewide ballot (the "Split Roll Measure"). If approved by a majority of voters casting a ballot at the November election, the Split Roll Measure would amend Article XIIIA such that the "full cash value" of commercial and industrial property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the Split Roll Measure would not affect the "full cash value" of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed two percent. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties, and special districts for the cost of implementing the Split Roll Measure, approximately 40% of the remaining additional tax revenues generated as a result of the Split Roll Measure would be deposited into a fund to be known as the Local School and Community College Property Tax Fund, to be used to supplement, and not replace, existing funding school districts and community college districts receive under the State's constitutional minimum funding requirement. The District cannot predict whether the Split Roll Measure will be approved by the voters. If approved, the District can-not make any assurance as to what effect the implementation of the Split Roll Measure will have on District revenues or assessed valuation of real property in the District.

State-Assessed Utility Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions. Under the State Constitution, such property is assessed by the State Board of Equalization ("SBE") as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, non-utility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any

reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL MATTERS - State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines:

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year; and

(b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance ("ADA") of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for Fiscal Year 1986-87 adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service); and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes; (b) appropriations for debt service; (c) appropriations required to comply with certain mandates of the courts or the federal government; (d) appropriations of certain special districts; (e) appropriations for all qualified capital outlay projects as defined by the State Legislature; (f) appropriations derived from certain fuel and vehicle taxes, and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies, such as school districts, from levying general taxes; prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property, related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding A.B.x1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that A.B.x1 27, a companion bill to A.B.x1 26, violated the California Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS—Proposition 1A and Proposition 22" herein. A.B.x1 27 would have permitted redevelopment agencies to continue operations provided their establishing city or county agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide.

A.B.x1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("A.B. 1484"), which, together with A.B.x1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to A.B.x1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

The priority among the various types of enforceable obligations is as follows: (1) the first priority for payment is tax allocation bonds issued by the former redevelopment agency; (2) second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; (3) third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; (4) fourth is tax revenues in the Trust Fund in excess of such amounts, if any, and will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated

to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory 2% pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (A.B. 1290, Chapter 942, Statutes of 1993) ("A.B. 1290"), are restricted to educational facilities without offset against State funding. Only 43.3% of A.B. 1290 pass-throughs are offset against State aid so long as the District uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

A.B.X1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received had the redevelopment agency existed at that time," and that the county auditor/controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of A.B.X1 26 using current assessed values and pursuant to statutory pass-through formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. A.B. 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its funding from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the Dissolution Act.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (e) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax,

that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

On November 8, 1988, voters of the State of California approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of the State general fund revenues as the percentage appropriated to such districts in 1986-87; and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budget in a different way than is proposed in the 2018-19 State Budget.

On June 5, 1990, the voters of the State of California approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

(a) *Annual Adjustments to Spending Limit.* The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

(b) *Treatment of Excess Tax Revenues.* "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Further,

reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

(c) *Exclusions from Spending Limit.* Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

(d) *Recalculation of Appropriations Limit.* The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in Fiscal Year 1990-91. It is based on the actual limit for Fiscal Year 1986-87, adjusted forward to Fiscal Year 1990-91 as if Proposition 111 had been in effect.

(e) *School Funding Guarantee.* There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (i) 40.9% of State general fund revenues (the "first test") or (ii) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (A) the first test; (B) the second test, or (C) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools (also referred to as a "maintenance factor") that will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (a) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the Bonds, and (b) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property, and property taxes could only exceed this limit to pay for (i) any local government debts approved by the voters prior to July 1, 1978, or (ii) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement applies only if the local bond measure presented to the voters includes: (a) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (b) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (c) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for a high school or elementary school district), or $25 (for a community college district), per $100,000 of

taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell (as Controller of the State of California). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (a) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (b) shift property taxes from local governments to schools or community colleges, (c) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature, or (d) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

Proposition 30

On November 6, 2012, voters of the State of California approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax is being levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending in the taxable year ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (a) 1% for taxable income over $250,000 but less than $300,001 for single filers (over $500,000 but less than $600,001 for joint filers), (b) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers), and (c) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers).

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030. Proposition 55 did not extend the temporary State Sales and Use Tax rate increase enacted under Proposition 30, which expired as of January 1, 2017.

The revenues generated from the temporary tax increases are included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS—Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA are allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as "Proposition 58").

Under Proposition 2, and beginning in Fiscal Year 2015-16 and each fiscal year thereafter, the State is generally required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98— will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which

a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15 year period ending with Fiscal Year 2029-30, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would be otherwise paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

Senate Bill 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

Senate Bill 751. Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediate after a fiscal year in which the amount of moneys in the PSSSA is equal

to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of ADA.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and the above-described Propositions were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF MT. SHASTA AND SISKIYOU COUNTY

The following information concerning the City of Mt. Shasta and the County of Siskiyou (the "County") is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of (or a pledge of the full faith and credit of) the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions are liable therefor.

Potential Effects on State and Local Economy Due to Coronavirus Outbreak. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization, a national emergency by President Trump, and a state of emergency by Governor Gavin Newsom. The outbreak of the disease has affected travel, commerce, and financial markets globally and is widely expected to affect economic growth worldwide. The abrupt halting or slowing of economic activity due to shelter-in-place orders and recommendations by health officials has impacted, and will likely continue to impact, the economy, including in the area of the District. Certain of the economic data contained in this Appendix B is provided as of past dates, and does not reflect the potential economic impacts of the COVID-19 outbreak.

Siskiyou County

Siskiyou County is located in the middle of the northern-most region of California, along the Oregon border. Surrounding counties include Del Norte, Humboldt and Trinity to the west and southwest, Shasta to the south and Modoc to the east. As one of the largest counties in the state by area, more than sixty percent of the County's land is managed by federal and state government agencies. These include the USDA Forest Service, the Bureau of Land Management, the U.S. Fish and Wildlife Service and the California Department of Fish and Game. The County has expansive peaks, wildlife, agricultural settings and lush rivers, making the County very ecologically diverse. Geographically, the County has some of the highest elevations in California, and significant hydrological resources.

City of Mt. Shasta

The City of Mount Shasta is located in the County, at an elevation of approximately 3,600 feet, adjacent to Mount Shasta, the fifth highest peak in California and the second highest in the Cascade range. The City of Mt. Shasta was incorporated in 1905.

Population

The table below shows population estimates for the City of Mt. Shasta and the County from 2015 through 2019.

POPULATION OF THE CITY OF MT. SHASTA AND SISKIYOU COUNTY

Calendar Year [1]	City of Mt. Shasta	Siskiyou County
2015	3,321	44,731
2016	3,310	44,714
2017	3,298	44,631
2018	3,287	44,605
2019	3,283	44,584

[1] Figures as of January of the year indicated.
Source: California State Department of Finance.

Employment and Industry

The District is included in the Siskiyou Metropolitan Statistical Area ("MSA"). The civilian unemployment rate in the County was 10% in March 2020, an increase from the year-prior estimate of 9.3%. This compares with an unadjusted March unemployment rate of 5.3% for California and 4.4% for the nation during the same period. April 2020 figures are not yet finalized in the County or the State, however, the United States Bureau of Labor Statistics estimates that the national unemployment rate jumped to 14.7% in April.

The table below provides annual averages for employment by industry type for the County for calendar years 2015 through 2019.

SISKIYOU METROPOLITAN STATISTICAL AREA
(SISKIYOU COUNTY)
Civilian Labor Force, Employment and Unemployment by Industry (Annual Averages)
March Benchmark

	2015	2016	2017	2018	2019
Civilian Labor Force [1]	17,880	17,890	17,800	17,380	17,230
Employment	16,200	16,370	16,510	16,210	16,110
Unemployment	1,670	1,520	1,290	1,180	1,120
Unemployment Rate	9.4%	8.5%	7.3%	6.8%	6.5%
Wage and Salary Employment: [2]					
Total Farm	820	860	920	880	810
Mining and Logging	180	140	140	160	150
Construction	330	360	390	440	460
Manufacturing	690	730	860	890	890
Wholesale Trade	240	210	200	210	230
Retail Trade	1,580	1,600	1,590	1,610	1,630
Transportation, Warehousing & Utilities	320	320	300	270	270
Information	140	140	140	130	130
Financial Activities	290	280	280	290	300
Professional and Business Services	800	790	770	710	700
Educational and Health Services	2,040	2,100	2,210	2,220	2,230
Leisure and Hospitality	1,570	1,750	1,750	1,660	1,720
Other Services	410	440	440	410	400
Federal Government	830	820	800	760	760
State Government	500	470	460	450	450
Local Government	2,940	3,010	2,990	2,960	2,930
Total All Industries [3]	13,680	14,020	14,250	14,040	14,050

[1] Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

[2] Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

[3] Columns may not add to totals due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The following table shows the major employers in the County in alphabetical order without regard to the number of employees, as of the 2020 1st edition of the ALMIS Employer Database.

MAJOR EMPLOYERS IN SISKIYOU COUNTY
MAJOR EMPLOYERS

Employer Name	Location	Industry
College of the Siskiyous	Weed	Junior-Community College-Tech Institutes
County Coroner	Yreka	Government Offices-County
Electro-Guard Inc	Mt Shasta	Manufacturers
Fairchild Medical Clinic	Yreka	Clinics
Fairchild Medical Ctr	Yreka	Hospitals
Klamath National Forest Svc	Yreka	Government Offices-Us
Mercy Medical Ctr Mt Shasta	Mt Shasta	Hospitals
Mt Shasta Resort	Mt Shasta	Resorts
Mt Shasta Ski Park	Mccloud	Resorts
Nor-Cal Products Inc	Yreka	Vacuum Equipment & Systems (whls)
Plant Science Inc	Macdoel	Nursery
Rain Rock Casino	Yreka	Casinos
Raley's	Yreka	Grocers-Retail
Roseburg Forest Products	Weed	Plywood & Veneers
Siskiyou County Alcohol & Drug	Yreka	Government Offices-County
Siskiyou County Human Svc Dept	Yreka	Government Offices-County
Siskiyou County Public Works	Yreka	Grading Contractors
Siskiyou County Road Dept	Yreka	Grading Contractors
Siskiyou County Sheriff	Mt Shasta	Government Offices-County
Siskiyou County Sheriffs Ofc	Yreka	Police Departments
Siskiyou Lake LLC	Mt Shasta	Resorts
Timber Products Co	Yreka	Lumber-Wholesale
US Forest Svc	Mccloud	Services NEC
US Forestry Dept	Happy Camp	Government Offices-Us
Walmart Supercenter	Yreka	Department Stores

Source: California Employment Development Department, Major Employers in Siskiyou County, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.

Median Household Income

The following table summarizes the median household income for the County, the State and the United States for the 2013 through 2017, which is the last year for which such information is available.

COUNTY OF SISKIYOU, THE STATE OF CALIFORNIA AND THE UNITED STATES
Median Household Income

	2013	2014	2015	2016	2017
Siskiyou County	$ 37,709	$ 37,495	$ 37,170	$ 38,524	$ 40,884
California	61,094	61,489	61,818	63,783	67,169
United States	53,056	53,482	53,889	55,322	57,652

Source: *U.S. Census Bureau, 2013-2017 American Community Survey.*

Commercial Activity

A summary of taxable sales in recent years within the County is shown in the following table. Annual figures for 2019 are not yet available.

COUNTY OF SISKIYOU
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions (shown in thousands of dollars)

	Retail & Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	1,407	$ 374,168	1,984	$ 543,838
2014	1,500	387,406	2,074	574,827
2015 [(1)]	1,498	384,308	2,313	590,013
2016	1,560	387,591	2,383	577,582
2017	1,668	412,714	2,508	593,430
2018	1,598	420,836	2,500	565,250

[(1)] Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: California Department of Tax and Fee Administration, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Building permits and valuations for the past five years in the County is shown in the following table.

COUNTY OF SISKIYOU
Total Building Permit Valuations
(Valuations in Thousands)

	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	$15,766,106	$12,250,715	$12,451,036	$12,939,404	$ 8,016,478
New Multi-family	350,000	0	0	479,982	719,973
Res. Alterations/Additions	3,911,777	4,832,912	3,293,659	2,021,660	2,194,496
Total Residential	$20,027,883	$17,083,627	$15,744,695	$15,441,046	$10,930,947
New Commercial	$ 1,608,883	$ 6,107,236	$ 832,505	$ 1,483,100	$ 5,247,606
New Industrial	2,000,000	0	0	102,085	0
New Other	8,166,616	6,272,233	5,269,701	6,831,450	10,903,613
Com. Alterations/Additions	14,020,004	2,514,979	3,545,225	1,460,580	6,585,950
Total Nonresidential	$25,795,503	$14,894,448	$ 9,647,431	$ 9,877,215	$22,737,169
New Dwelling Units					
Single Family	68	50	55	52	35
Multiple Family	2	0	0	4	6
Total New Dwelling Units	70	50	55	56	41

Source: Construction Industry Research Board, Building Permit Summary.

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APPENDIX C

ANNUAL FINANCIAL REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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SISKIYOU UNION HIGH SCHOOL DISTRICT

COUNTY OF SISKIYOU
MOUNT SHASTA, CALIFORNIA

ANNUAL FINANCIAL REPORT
JUNE 30, 2019

ROBERTSON & ASSOCIATES, CPAs
A Professional Corporation

SISKIYOU UNION HIGH SCHOOL DISTRICT
ORGANIZATION
JUNE 30, 2019

The Siskiyou Union High School District (District) was established on November 15, 1892 and comprises an area located in Siskiyou County. There were no changes in the boundaries of the District during the current year. The District currently operates four high schools. The District also maintains two continuation high schools and two community day schools.

BOARD OF TRUSTEES

Name	Area	Office	Term Expires
Mr. Gregg Gunkel	2	President	December, 2020
Mr. Darin Quigley	1	Clerk	December, 2020
Ms. Lori Harch	2	Trustee	December, 2022
Ms. Sunny Greene	1	Trustee	December, 2020
Mr. Jeff Berryman	4	Trustee	December, 2022
Ms. Kerri King	3	Trustee	December, 2020
Ms. Jana Blevins	2	Trustee	December, 2022

Area	Location
1	Weed, CA 96094
2	Mount Shasta, CA 96067
3	Happy Camp, CA 96039
4	McCloud, CA 96057

ADMINISTRATION

Name	Office	Tenure
Mr. Mike Matheson	Superintendent / Principal	12 Years
Mr. Satyendra Shah	Assistant Superintendent/Principal	1 Year
Ms. Jessica Bowman *	Assistant Superintendent/Principal	2 Years
Ms. Casey Chambers	Principal	1 Year
Ms. Sarah Applegate	Chief Business Official	8 Years
Ms. Bonnie Rodgers	Human Resources & Administrative Coordinator	6 Years

* Ms. Jessica Bowman resigned from the District June 30, 2019.
Ms. Yolanda Sanchez is the current Principal.

ADDRESS OF DISTRICT OFFICE

624 Everitt Memorial Highway
Mount Shasta, CA 96067

SISKIYOU UNION HIGH SCHOOL DISTRICT
JUNE 30, 2019

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Title Page	
Organization	
Table of Contents	
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 15
FINANCIAL SECTION	
Basic Financial Statements	
Government-Wide	
Statement of Net Position	16
Statement of Activities	17
Governmental Funds	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19 - 20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22 - 23
Notes to Financial Statements	24 - 56

SISKIYOU UNION HIGH SCHOOL DISTRICT
JUNE 30, 2019

TABLE OF CONTENTS

	Page
REQUIRED SUPPLEMENTARY INFORMATION SECTION	
Budgetary Comparison Schedule - General Fund	57
Budgetary Comparison Schedule - Deferred Maintenance Fund	58
Schedule of the District's Proportionate Share of the Net Pension Liability	59
Schedule of Contributions - Pension	60
Schedule of Changes in the Net OPEB Liability and Related Ratios	61
Schedule of Contributions - OPEB	62
Notes to Required Supplementary Information	63 - 64
SUPPLEMENTARY INFORMATION SECTION	
Other Governmental Funds Financial Statements	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
Schedule of Average Daily Attendance	67
Schedule of Instructional Time	68
Schedule of Financial Trends and Analysis	69
Reconciliation of Annual Financial and Budget Report (SACS) with Audited Financial Statements	70
Notes to Supplementary Information	71
OTHER INDEPENDENT AUDITOR'S REPORTS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	72 - 73
Independent Auditor's Report on State Compliance	74 - 76
FINDINGS AND RESPONSES SECTION	
Findings and Responses	77 - 78
Summary Schedule of Prior Audit Findings	79

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Siskiyou Union High School District
Mount Shasta, 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 Siskiyou Union High School District (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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; and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. 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 District'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 District'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 the Siskiyou Union High School District, as of June 30, 2019, and the respective changes in financial position the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, budgetary comparison schedule on page 57 and 58, schedule of the District's proportionate share of the net pension liability on page 59, the schedule of District contributions on page 60, schedule of changes in the net OPEB liability and related ratios on page 61, and schedule of contributions – OPEB on page 62, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Robertson & Associates, CPA.

Lakeport, California
February 6, 2020

INTRODUCTION

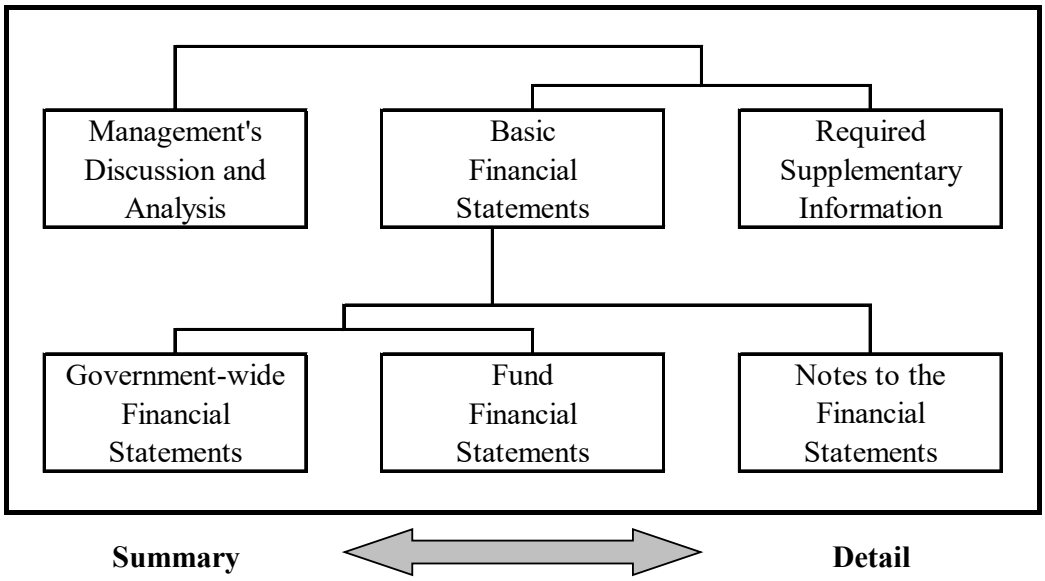
Our discussion and analysis of Siskiyou Union High School District (District's) financial performance provides an overview of the District's financial activities for the year ended June 30, 2019. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total net position was $5,154,839 at June 30, 2019. This was an increase of $176,359 from the prior year.
- Overall revenues, were $10,161,694, overall expenses were $9,985,335.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section



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

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
    - **Governmental fund** statements tell how general government services were financed in the short term as well as what remains for future spending.

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 they have changed. Net position, the difference between assets and liabilities, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating, respectively. The net position of the District has increased by 3%.

- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in enrollment, changes in the property tax base, and changes in program funding by the Federal and State governments, and condition of facilities. The District's average daily attendance has increased by 9.16 ADA in the past year.

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant governmental funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs.

- Some funds are required to be established by State law and by bond covenants.
- The governing board establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues.

The District has one type of funds:

- Governmental funds – All of the District's basic services are included in governmental funds, which generally focus on: (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources than previously to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds' statements that explains the relationship (or differences) between them.

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $6,136,317 as compared to the prior year's ending fund balance of $6,485,823.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was $5,154,839 at June 30, 2019.

	Governmental Activities		
	2019	2018	Net Change
ASSETS			
Cash and Equivalents	$ 5,692,487	$ 5,896,713	$ (204,226)
Investments	903,343	887,634	15,709
Other Current Assets	954,120	729,864	224,256
Capital Assets,			
Net of Accumulated Depreciation	15,963,126	16,331,624	(368,498)
TOTAL ASSETS	$ 23,513,076	$ 23,845,835	$ (332,759)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow of Resources - Pensions	$ 2,912,718	$ 2,344,005	$ 568,713
Deferred Outflow of Resources - OPEB	6,848	-	6,848
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 2,919,566	$ 2,344,005	$ 575,561
LIABILITIES			
Current Liabilities	$ 1,362,490	$ 974,165	$ 388,325
Long-Term Liabilities	18,492,152	18,514,491	(22,339)
TOTAL LIABILITIES	$ 19,854,642	$ 19,488,656	$ 365,986
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Pensions	$ 1,348,622	$ 1,659,397	$ (310,775)
Deferred Inflows of Resources - OPEB	74,539	63,307	11,232
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 1,423,161	$ 1,722,704	$ (299,543)
NET POSITION			
Invested in Capital Assets,			
Net of Related Debt	$ 5,667,415	$ 6,150,723	$ (483,308)
Restricted	2,634,115	2,916,428	(282,313)
Unrestricted	(3,146,691)	(4,088,671)	941,980
TOTAL NET POSITION	$ 5,154,839	$ 4,978,480	$ 176,359

Changes in Net Position

	Governmental Activities		
	2019	2018	Net Change
REVENUES			
Program Revenues:			
Charges for Services	$ 416,198	$ 705,960	$ (289,762)
Operating Grants and Contributions	1,573,150	1,083,221	489,929
Property Taxes	4,064,554	3,954,375	110,179
Unrestricted Federal and State Aid	3,089,242	2,822,501	266,741
Miscellaneous and Other Local	1,018,550	1,233,215	(214,665)
TOTAL REVENUES	10,161,694	9,799,272	362,422
EXPENSES			
Instruction	4,825,798	4,761,803	63,995
Instruction-Related Services	1,011,121	1,041,333	(30,212)
Pupil Services	785,914	619,600	166,314
General Administration	630,685	554,825	75,860
Plant Services	1,442,497	1,438,932	3,565
Facility Acquisition and Construction	1,900	-	1,900
Ancillary Services	506,228	544,222	(37,994)
Transfers Between Agencies	208,113	196,626	11,487
Interest on Long-Term Debt	573,079	570,881	2,198
TOTAL EXPENSES	9,985,335	9,728,222	257,113
INCREASE (DECREASE) IN NET POSITION	176,359	71,050	105,309
NET POSITION - BEGINNING	4,978,480	4,907,430	71,050
NET POSITION - ENDING	$ 5,154,839	$ 4,978,480	$ 176,359

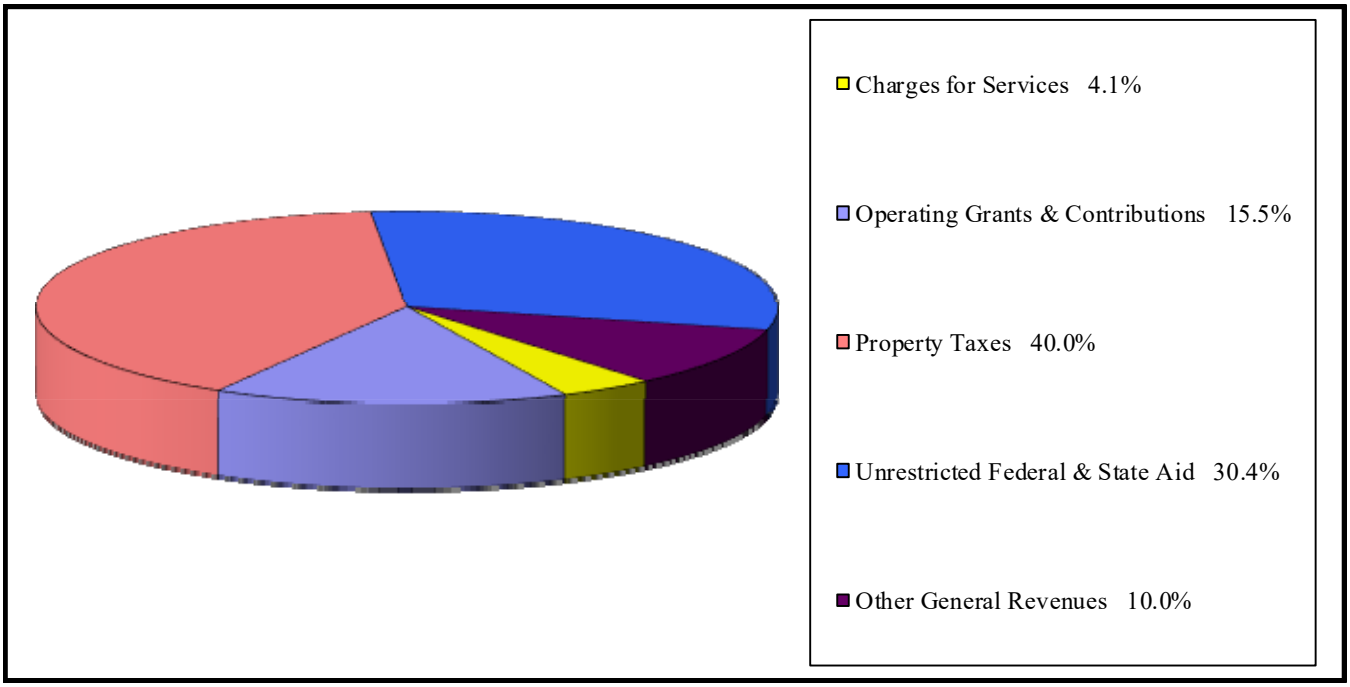
Governmental Activities

Net cost is total cost less fees generated by the related activity. The net cost reflects amounts funded by charges for services, operating grants and capital grants and contributions.

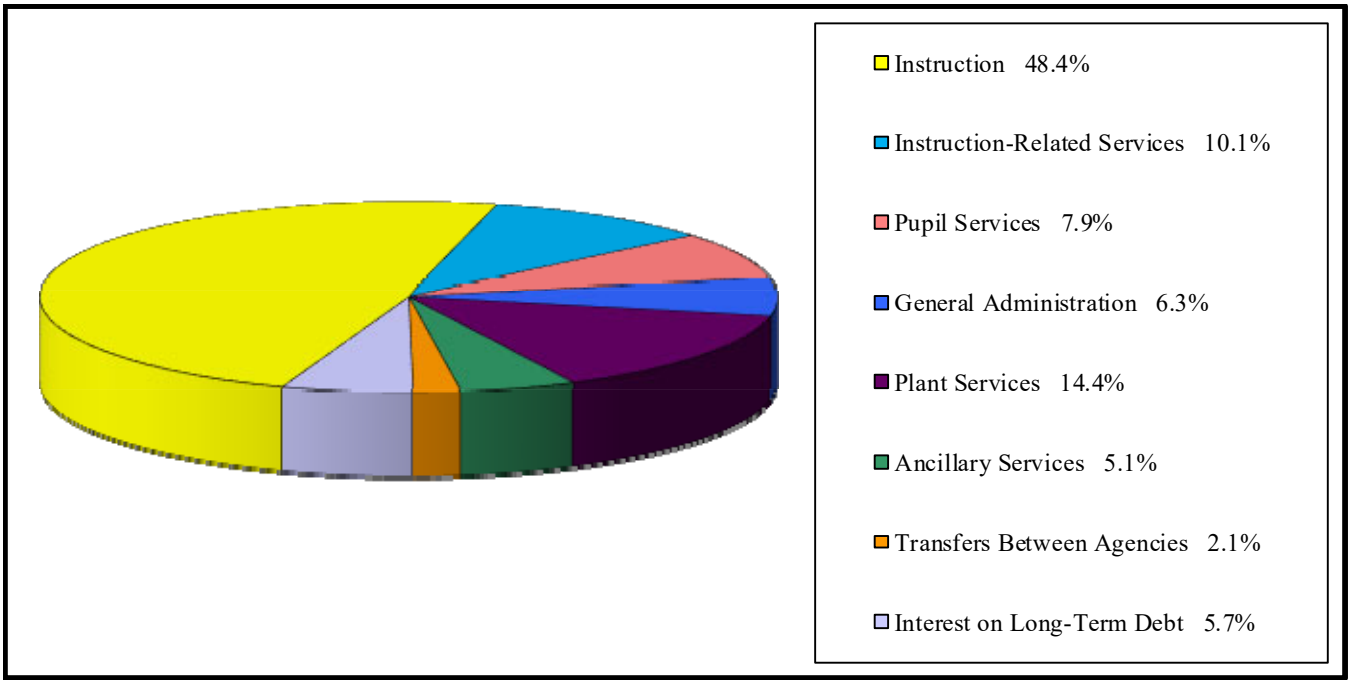
Net Cost of Services

	Net Cost of Services		
	2019	2018	Net Change
NET COST OF SERVICES			
Instruction	$ 3,532,027	$ 3,715,211	$ (183,184)
Instruction-Related Services	874,923	994,611	(119,688)
Pupil Services	599,962	441,124	158,838
General Administration	579,251	547,931	31,320
Plant Services	1,422,620	1,416,063	6,557
Facility Acquisition and Construction	1,900	(212,748)	214,648
Ancillary Services	210,071	269,342	(59,271)
Transfers Between Agencies	208,113	196,626	11,487
Interest on Long-Term Debt	573,079	570,881	2,198
Other Outgo	(5,959)	-	(5,959)
TOTAL NET COSTS OF SERVICES	$ 7,995,987	$ 7,939,041	$ 56,946

2018/2019 Summary of Revenues for Governmental Activities



2018/2019 Summary of Expenses for Governmental Activities



Fund Balance Comparison

The District currently maintains the following funds:

	Ending Fund Balance		
	2019	2018	Net Change
FUNDS			
Governmental:			
General	$ 3,704,760	$ 3,665,058	$ 39,702
Adult Education	51,725	45,923	5,802
Cafeteria Special Revenue	15,787	-	15,787
Deferred Maintenance	285,394	615,933	(330,539)
Capital Facilities	615,588	594,249	21,339
State School Building Lease-Purchase	1	1	-
County School Facilities	3,396	36,552	(33,156)
Special Reserve Fund for Capital Outlay Projects	386,431	507,739	(121,308)
Bond Interest and Redemption	1,073,235	1,020,368	52,867
Total Governmental	6,136,317	6,485,823	(349,506)
TOTAL FUNDS	$ 6,136,317	$ 6,485,823	$ (349,506)

General Fund

The General Fund has an increase over prior year due to site budget carryovers and one time revenue allocations for the next fiscal year.

Other Governmental Funds

Other governmental funds had the following activity and changes for the year ended June 30, 2019:

The Adult Education Fund decrease is due to expansion of program with salary and benefits, supply purchases, and site improvements.

The Cafeteria Special Revenue Fund has no ending fund balance due to encroachment from the general fund for operations of nutrition programs. Revenues received in this fund are from Federal, State, and Local nutrition served to students. As well as Interfund Transfers from the General Fund. Expenses include salary & benefits, food & supplies, and contract services with elementary schools.

The Deferred Maintenance Fund decrease is due to site facility projects and the Mt. Shasta High School Press Box and CTE Canopy project. Funding for this fund is from the District LCFF funding and insurance repair reimbursements.

The Capital Facilities Fund increased from developer fees collected less facility consultant fees.

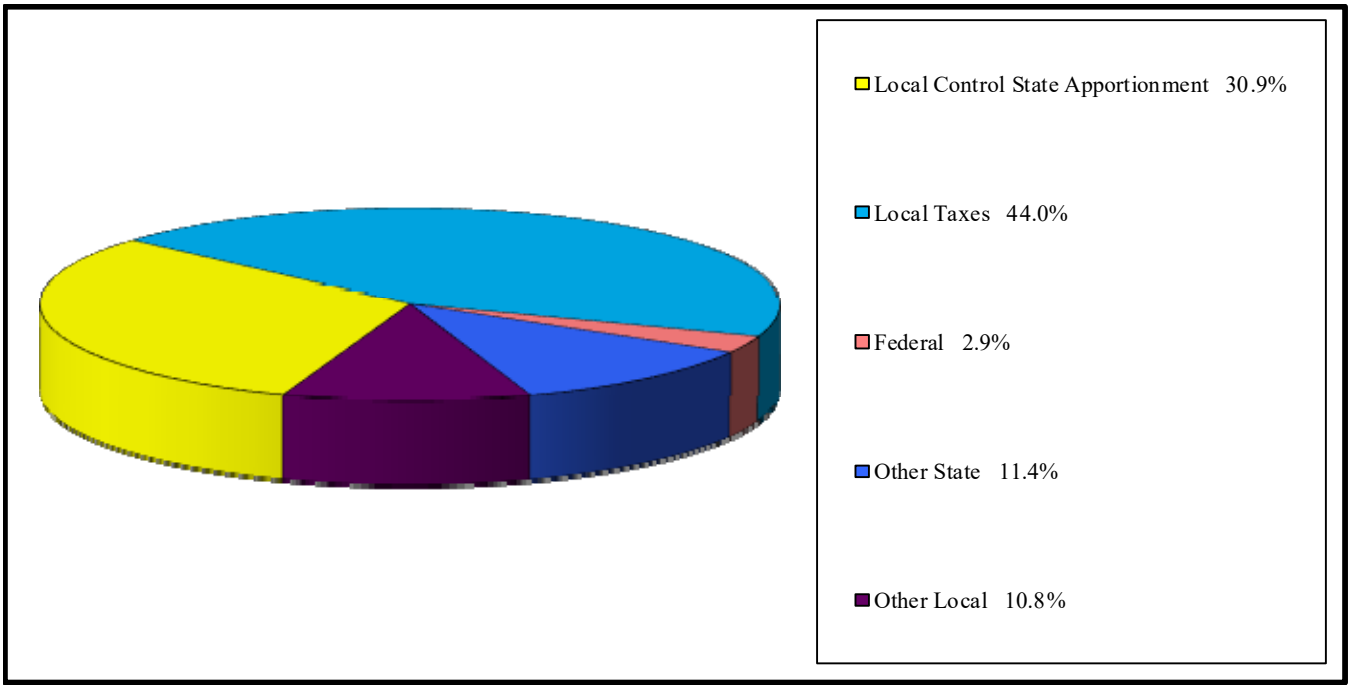
The County School Facilities Fund increase is from interest earned.

The Special Reserve Fund for Capital Outlay Projects decreased for transfer to General Fund for negotiated compensation settlement.

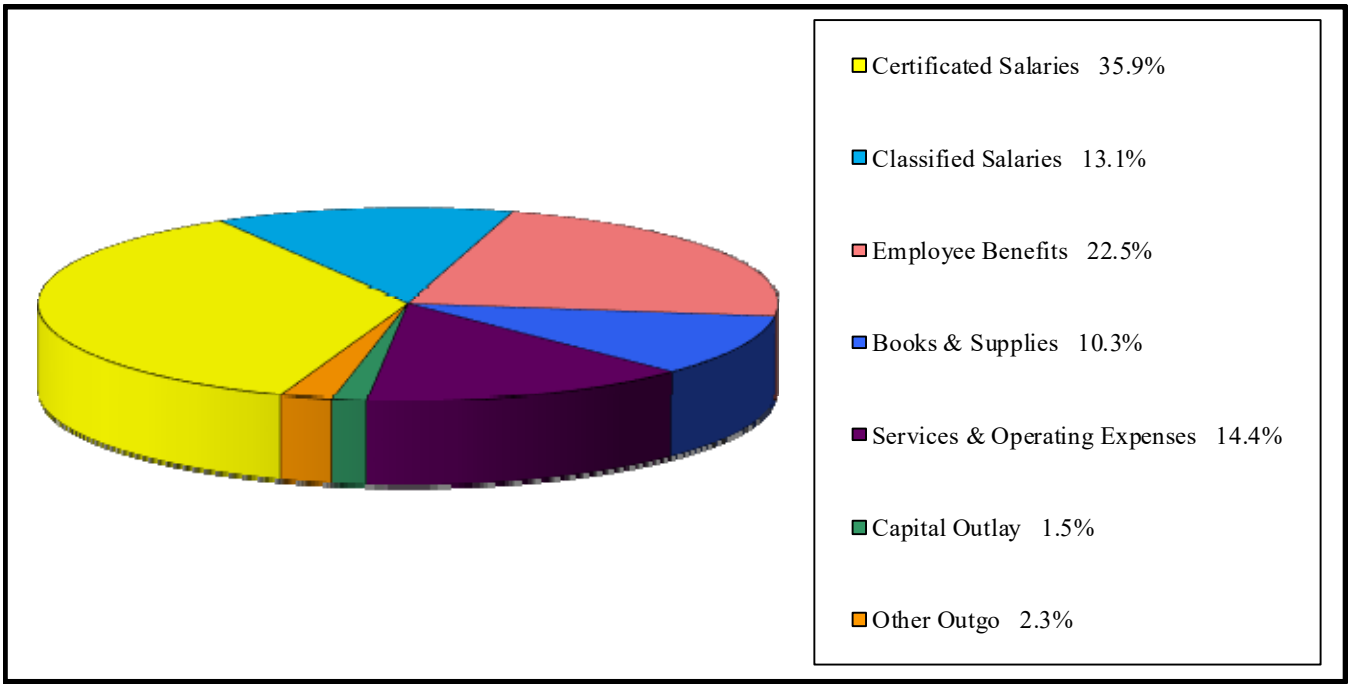
The Bond Interest and Redemption Fund increase is due to increased property taxes collected at the county.

The following charts graphically depict revenues and expenditures, both by major object as well as by function.

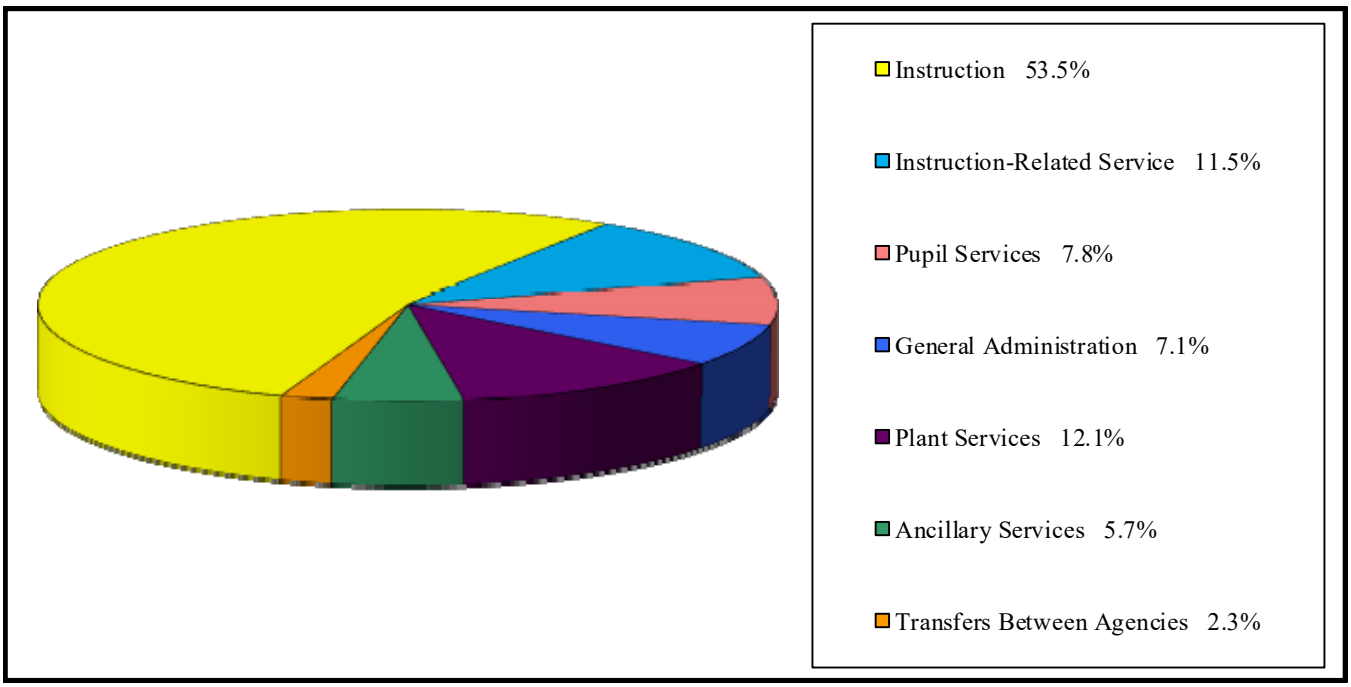
2018/2019 General Fund Revenues



2018/2019 General Fund Expenditures by Object



2018/2019 General Fund Expenditures by Function



CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2019, the District had $15,963,126 invested, net of accumulated depreciation, in capital assets. Current year depreciation expense is $590,890. The Mt. Shasta High School Press Box and CTE Canopy are still construction in progress. The District has completed many small building and improvement projects such as: Happy Camp High School baseball field drainage, McCloud High School technology cabling and windows, Mt. Shasta High School portable roof, and Weed High School interior doors, framing, painting, and breezeway roof. The District Equipment increased for the purchases of a Districtwide Scissor Lift, McCloud High School Lawnmower/Plow and Weed High School Timesaver.

	Governmental Activities		
	2019	2018	Net Change
CAPITAL ASSETS			
Land	$ 73,459	$ 73,459	$ -
Construction In Progress	188,052	98,835	89,217
Land Improvements	4,343,406	4,343,406	-
Buildings And Improvements	21,248,718	21,196,623	52,095
Equipment	1,813,765	1,732,685	81,080
Accumulated Depreciation	(11,704,274)	(11,113,384)	(590,890)
NET CAPITAL ASSETS	$ 15,963,126	$ 16,331,624	$ (368,498)

Long-Term Debt

At June 30, 2019, the District had $18,492,152 in long-term debt.

	Governmental Activities		
	2019	2018	Net Change
LONG-TERM DEBT			
General Obligation Bonds Payable	$ 10,295,711	$ 10,338,368	$ (42,657)
Premium on issuance	223,792	232,718	(8,926)
Net Pension Liability	7,339,983	7,287,170	52,813
Net OPEB Liability	623,389	646,842	(23,453)
Compensated Absences	9,277	9,393	(116)
TOTAL LONG-TERM DEBT	$ 18,492,152	$ 18,514,491	$ (22,339)

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference in the original versus final budget amounts and actual versus budget amounts is primarily due to the following:

- Awards for the K12 Strong Workforce Grant came into local revenues at EOY.
- CalSTRS and CalPERS employer contribution rates.
- Allocations for site budgets didn't get fully spent within the budgeted expenses.

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The final amendment to the budget was approved November 13, 2019. A schedule of the District's General Fund original and final budget amounts compared with actual revenues and expenditures is provided with the basic financial statements in the audited financial report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Declining property values have not allowed the District to obtain the remaining $3,000,769 of General Obligation Bond, Election of 2008.
- CalSTRS and CalPERS employer contribution rates.
- LCFF is fully funded with only continued changes to COLA for increase to revenues.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact Sarah Applegate, 624 Everitt Memorial Highway, Mount Shasta, CA 96067, phone 530-926-3006.

FINANCIAL SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS	
Cash and equivalents	$ 5,692,487
Investments	903,343
Accounts receivable	799,777
Other current assets	154,343
Capital assets:	
Non-depreciable	261,511
Depreciable, net of accumulated depreciation	15,701,615
Total Assets	$ 23,513,076
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - Pensions	$ 2,912,718
Deferred outflows of resources - OPEB	6,848
Total Deferred Outflows of Resources	$ 2,919,566
LIABILITIES	
Accounts payable	$ 1,036,005
Interest payable	103,200
Unearned revenue	223,285
Long-term debt:	
Due within one year	352,348
Due after one year	18,139,804
Total Liabilities	$ 19,854,642
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - Pensions	$ 1,348,622
Deferred inflows of resources - OPEB	74,539
Total Deferred Inflows of Resources	$ 1,423,161
NET POSITION	
Net Investment in capital assets	$ 5,667,415
Restricted for:	
Capital projects	618,985
Debt service	1,073,235
Educational programs	507,994
Other purposes (expendable)	433,901
Unrestricted	(3,146,691)
Total Net Position	$ 5,154,839

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

SISKIYOU UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	$ 4,825,798	$ 336,078	$ 957,693	$ (3,532,027)
Instruction-related services:				
Supervision of instruction	9,370	-	-	(9,370)
Instructional library, media and technology	167,255	160	1,908	(165,187)
School site administration	834,496	67,525	66,605	(700,366)
Pupil services:				
Home-to-school transportation	225,540	-	3,409	(222,131)
Food services	138,059	5,376	53,477	(79,206)
All other pupil services	422,315	564	123,126	(298,625)
General administration:				
Data processing	45,401	-	2,089	(43,312)
All other general administration	585,284	-	49,345	(535,939)
Plant services	1,442,497	599	19,278	(1,422,620)
Facility acquisition and construction	1,900	-	-	(1,900)
Ancillary services	506,228	-	296,157	(210,071)
Transfers between agencies	208,113	-	-	(208,113)
Interest on long-term debt	573,079	-	-	(573,079)
Other outgo	-	5,896	63	5,959
Total Governmental Activities	$ 9,985,335	$ 416,198	$ 1,573,150	(7,995,987)
GENERAL REVENUES				
Taxes and subventions:				
Property taxes levied for general purposes				4,064,554
Federal and state aid not restricted to specific purposes				3,089,242
Interest and investment earnings				114,709
Miscellaneous				903,841
Total General Revenues				8,172,346
Change in Net Position				176,359
Net Position - Beginning				4,978,480
Net Position - Ending				$ 5,154,839

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

SISKIYOU UNION HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	$ 2,850,671	$ 612,380	$ 1,068,333	$ 1,161,103	$ 5,692,487
Investments	903,343	-	-	-	903,343
Accounts receivable	780,644	2,110	4,902	12,121	799,777
Total Assets	$ 4,534,658	$ 614,490	$ 1,073,235	$ 1,173,224	$ 7,395,607
LIABILITIES					
Accounts payable	$ 606,613	$ 329,096	$ -	$ 100,296	$ 1,036,005
Unearned Revenue	223,285	-	-	-	223,285
Total Liabilities	829,898	329,096	-	100,296	1,259,290
FUND BALANCES					
Non spendable					
Cash in revolving fund	3,500	-	-	-	3,500
Restricted	456,269	-	-	680,723	1,136,992
Committed					
Other commitments	2,705,659	285,394	-	389,827	3,380,880
Assigned					
Other assignments	148,190	-	1,073,235	2,379	1,223,804
Unassigned					
Reserve for economic uncertainties	361,694	-	-	-	361,694
Unassigned amount	29,448	-	-	(1)	29,447
Total Fund Balance	3,704,760	285,394	1,073,235	1,072,928	6,136,317
Total Liabilities and Fund Balance	$ 4,534,658	$ 614,490	$ 1,073,235	$ 1,173,224	$ 7,395,607

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

SISKIYOU UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

	Detail	Total
Total fund balances - governmental funds		$ 6,136,317
Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in governmental funds as follows:		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Historical cost of capital assets	$ 27,667,400	
Accumulated depreciation	(11,704,274)	
		15,963,126
Debt issue costs are recorded as expenditures in the governmental funds, in the period they are incurred. In the government-wide statements, debt issue costs are amortized over the life of the debt. The unamortized debt issue costs included in deferred charges on the Statement of Net Position.		154,343
Interest on long-term debt is not reported in the governmental funds 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 liabilities for the unmatured interest owing at the end of the period are included on the Statement of Net Position.		(103,200)
Contributions to pension plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		1,264,200
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities, net of unamortized premiums, discounts, and deferred charges, are included in the Statement of Net Position.		
General obligation bonds payable	(10,295,711)	
Premium on issuance	(223,792)	
Net pension liability	(7,339,983)	
Net OPEB Liability	(623,389)	
Compensated absences	(9,277)	
		(18,492,152)

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

SISKIYOU UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

(Continued)	Detail	Total
The District' share of net OPEB differences between actual and position as deferred Inflow of resources relating to OPEB.		(67,691)
The District's share of net differences between actual and expected experience are reported in the statement of net position as deferred outflows of resources.		63,957
The District's share of changes in assumptions are reported in the statement of net position as deferred outflows of resources.		913,977
The District's Change in employer's proportion and difference between the employer's contributions and the employer's proportionate share contributions are reported in the statement of net position as deferred inflows of resources.		(249,177)
The District's share of net differences between projected and actual earnings on plan investments are reported in the statement of net position as deferred inflows and deferred outflows of resources.		(428,861)
Total net position, governmental activities		$ 5,154,839

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

SISKIYOU UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
JUNE 30, 2019

	General Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local control sources:					
State apportionments	$ 2,801,076	$ -	$ -	$ -	$ 2,801,076
Local sources	3,984,554	80,000	-	-	4,064,554
Federal	259,422	-	-	48,723	308,145
Other state	1,030,441	-	-	12,981	1,043,422
Other local	981,561	12,504	674,449	275,983	1,944,497
Total Revenues	9,057,054	92,504	674,449	337,687	10,161,694
EXPENDITURES					
Instruction	4,866,896	-	-	34,195	4,901,091
Instruction related services:					
Supervision of instruction	9,370	-	-	-	9,370
Instructional library, media, and technology	170,592	-	-	163	170,755
School site administration	862,777	-	-	73,629	936,406
Pupil services:					
Home-to-school transportation	233,563	-	-	-	233,563
Food services	2,250	-	-	99,826	102,076
All other pupil services	472,653	-	-	573	473,226
General administration:					
Data processing	50,541	-	-	-	50,541
All other general administration	591,790	-	-	14,425	606,215
Plant services	1,103,256	23,423	-	-	1,126,679
Facility acquisition and construction	-	399,620	-	153,172	552,792
Ancillary services	518,791	-	-	-	518,791
Transfers between agencies	208,113	-	-	-	208,113
Principal on long-term debt	-	-	370,000	-	370,000
Interest on long-term debt	-	-	251,582	-	251,582
Total Expenditures	9,090,592	423,043	621,582	375,983	10,511,200
Excess (deficiency) of revenues over (under) expenditures	(33,538)	(330,539)	52,867	(38,296)	(349,506)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	136,000	-	-	56,760	192,760
Operating transfers out	(62,760)	-	-	(130,000)	(192,760)
Total Other Financing Sources (Uses)	73,240	-	-	(73,240)	-
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	39,702	(330,539)	52,867	(111,536)	(349,506)
Fund Balance - Beginning	3,665,058	615,933	1,020,368	1,184,464	6,485,823
Fund Balance - Ending	$ 3,704,760	$ 285,394	$ 1,073,235	$ 1,072,928	$ 6,136,317

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

SISKIYOU UNION HIGH 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, 2019

	Detail	Total
Total change in fund balances - governmental funds		$ (349,506)
Amounts reported for governmental activities differ from amounts reported in governmental funds as follows:		
Capital Outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	$ 222,392	
Depreciation expense	(590,890)	
		(368,498)
Bond issuance costs are recorded as an expenditure in the governmental fund financials. In the government-wide financials they are recorded as deferred charges and amortized as interest expense over the life of the bond.		
Interest expense		(6,331)
Accreted interest on capital appreciation bonds is accrued as long-term debt in the government wide financials, increasing interest expense.		(327,343)
Repayment of the accreted interest on capital appreciation bonds is reported as an expenditure in Governmental funds. However the repayment reduces the long-term liabilities in the statement of net position.		58,177
Debt issued at a premium or at a discount is recognized as an Other Financing Source or Other Financing Use in the period it is incurred in the governmental funds. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt.		
Amortization Expense		8,926
Repayment of the principal of long-term debt is reported as an expenditure in governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.		
General obligation bonds payable		311,823
In governmental funds, interest on long-term debt is recognized in of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period owing from the prior period, was:		3,251

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

SISKIYOU UNION HIGH 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, 2019

(Continued)	Detail	Total
Changes in the net OPEB liability, deferred outflows of resources and deferred inflows of resources are reported as OPEB expenses in the statement of activities.		19,069
Increases in the liability for compensated absences are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. In the statement of activities, compensated absences are recognized as expenses when earned.		
Decreases to compensated absences		116
Contributions to pension plans made subsequent to the measurement date are reported as expenditures in governmental funds, however, these contributions are reported as deferred outflows of resources in the statement of net position.		1,264,200
Changes in the net pension liability, deferred outflows of and deferred inflows of resources are reported as pension expenses in the statement of activities.		(437,525)
Change in net position of governmental activities		$ 176,359

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The Siskiyou Union High School District (District) is a public educational agency operating under the applicable laws and regulations of the State of California. It is governed by a seven member Board of Trustees (Board) elected by registered voters of the District, which comprises an area in Siskiyou County. The District was established in 1892 and serves students in grades nine through twelve.

B. Accounting Policies

The District prepares its basic financial statements in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual.*

C. Reporting Entity

The Board is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. The District is therefore a financial reporting entity as defined by the GASB in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 39, *Determining Whether Certain Organizations Are Component Units*.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to: whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's general-purpose financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

D. Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued pronouncements prior to June 30, 2019, that have effective dates that may impact future financial presentations; however, the impact of the implementation of each of the statements below to the District's financial statements has not been assessed at this time.

Statement No. 84, *Fiduciary Activities*

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

This Statement is effective for reporting periods beginning after December 15, 2018.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement No. 87, *Leases*

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

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

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Statement No. 90*, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Statement No. 91*, Conduit Debt Obligations*

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

The District will analyze the impact of these new Statements prior to the effective dates listed above.

The provisions of these Statements generally are required to be applied retroactively for all periods presented. Early application, if allowable, was not adopted.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Presentation

1. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses, as appropriate.

The emphasis in fund financial statements is on the major funds in the governmental activities categories. Non-major funds by category are summarized in to a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District's accounts are organized into major and non-major governmental funds as follows:

a. Major Governmental Funds

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Deferred Maintenance Fund* is used for the purpose of major repair or replacement of the District's facilities.

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest payments and redemption of principal of the District's general obligation bond issuance as discussed later in the Notes to Financial Statements. *Debt Service Funds* are used to account for the accumulation of resources for, and the debt service payments related to, the District's debt issuances.

b. Non-major Governmental Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains the following non-major special revenue fund:

The *Adult Education Fund* is used to account for resources committed to adult education programs maintained by the District.

The *Cafeteria Fund* is used to account for revenues and expenditures associated with the District's food service program.

Capital Projects Funds are used to account for the acquisition and construction of all major governmental capital assets. The District maintains the following non-major capital projects funds:

The *Capital Facilities Fund* is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

The *County School Facilities Fund* is used to account for State apportionments provided from State School Facility Program funding and the expenditures relating to the acquisition, construction, or renovation of approved capital facilities projects.

The *Special Reserve Fund for Capital Outlay Projects* is used to account for the financial resources used for the acquisition or construction of major capital projects.

Debt Service Fund are used to account for the accumulation of resources for, and the debt service payments related to, the District's debt issuances. The District maintains the following non-major debt service fund:

The *Bond Interest and Redemption Fund* is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest payments and redemption of principal of the District's general obligation bond issuance as discussed later in the Notes to Financial Statements.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

1. Revenues - Exchange and Non-exchange Transactions

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

Non-exchange transactions are those 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 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.

2. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Expenses/Expenditures

Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

G. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated revenue and expenditures. The original and final revised budgets for the General Fund and Deferred Maintenance Fund are presented as required supplementary information in these financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

H. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated on June 30.

I. Assets, Liabilities, and Equity

1. Cash, Equivalents and Investments

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

2. Receivables

Accounts receivable in governmental fund types consist primarily of receivables from federal, state and local governments for various programs.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Assets

Capital assets are those purchased or acquired with an original cost of $20,000 or more for equipment and $50,000 or more for buildings and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis and an annual convention over the following estimated useful lives:

Land improvements	20 - 50
Buildings and improvements	25 - 50
Equipment	5 - 20
Vehicles	8 - 20

4. 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. The District reports long-term obligations of governmental funds at face value in the government-wide financial statements.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources.

5. Pensions

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

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

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurment Period	July 1, 2017 to June 30, 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Other Postemployment Benefits

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

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurment Period	July 1, 2018 to June 30, 2019

7. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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, since 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.

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Classifications

The governmental fund financial statements present fund balances based on a classification hierarchy that depicts the extent to which the District is bound by spending constraints imposed on the use of its resources. The classifications used in the governmental fund financial statements are as follows:

a. Nonspendable Fund Balance

The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory and prepaid items. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact.

b. Restricted Fund Balance

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. These are the same restrictions used to determine restricted net position as reported in the government-wide statements.

c. Committed Fund Balance

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the highest level of decision-making authority. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

d. Assigned Fund Balance

The assigned fund balance classification reflects amounts that the District intends to be used for specific purposes. Assignments may be established either by the Board of Trustees or by a designee of the Board of Trustees, and are subject to neither the restricted nor committed levels of constraint.

Constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the highest level of decision-making authority. The action may be delegated to another body or official.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Unassigned Fund Balance and Minimum Fund Balance Policy

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.

The Reserve for Economic Uncertainties maintained by the District pursuant to the Criteria and Standards for fiscal solvency adopted by the State Board of Education is a stabilization-like arrangement of the "minimum fund balance policy" type. The Reserve for Economic Uncertainties does not meet the criteria to be reported as either restricted or committed because it is not an externally enforceable legal requirement, and because even where the Reserve for Economic Uncertainties is established by formal action of the District's highest level of decision-making authority, the circumstances in which the Reserve for Economic Uncertainties might be spent are by their nature neither specific nor non-routine. For this reason, the Reserve for Economic Uncertainties is reported as unassigned fund balance.

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. Due to the recently enacted cap on school district reserves of double the state required minimum for economic uncertainties (or 8% for Siskiyou Union High School District), the District has established this would not be sufficient reserves to protect the District from volatility in funding or expenditures, managing cash flow, addressing unexpected costs, and reducing costs of borrowing The District has identified 4% will be District match, 2% for increase in CalSTRS and CalPERS employer contribution rates, and up to 5% for unanticipated/cash flow, and designated one time revenues for continuing LCAP goals/activities.

The District's policy regarding the order in which spendable fund balances are spent when more than one classification is available for a specific purpose is that they are spent in restricted, committed, assigned, and then unassigned order.

10. Local Control Funding Formula / Property Taxes

The District's local control funding formula revenue is received from a combination of local property taxes, state apportionments, and other local sources.

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula sources by the District.

The California Department of Education reduces the District's entitlement by the District local property tax revenue. The balance is paid from the state General Fund, and is known as the State Apportionment.

The District's Base Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

J. Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 2 or 3 inputs.

Cash in County Treasury pools are measured at fair value using level 1 inputs. Fair market value adjustments have not been recorded as they are determined immaterial to the District.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

NOTE 2. CASH, EQUIVALENTS AND INVESTMENTS

Cash, Equivalents and Investments at June 30, 2019 are classified in the accompanying financial statements as follows:

	Governmental Activities
Cash and Equivalents	
Pooled Funds:	
Cash in county treasury	$ 5,421,866
Deposits:	
Cash on hand and in banks	267,121
Cash in revolving fund	3,500
Total Cash and Equivalents	$ 5,692,487
Investments:	
Local Agency Investment Fund	$ 903,343
Total Investments	$ 903,343

A. Cash in County Treasury

In accordance with *Education Code* 41001, the District maintains substantially all of its cash in the Siskiyou County Treasury (the Treasury). The Treasury pools these funds with those of other districts in the County and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by *California Government Code* Section 53648 et seq. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by *Government Code* Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

B. Investments Authorized by the District's Investment Policy

The table below identifies the investment types authorized for the District by the *California Government Code* Section 53601. This table also identifies certain provisions of the *California Government Code* that address interest rate risk, credit risk, and concentration of credit risk.

NOTE 2. CASH, EQUIVALENTS AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper - Pooled Funds	270 days	40% of the agency's money	Highest letter and number rating by an
Commercial Paper - Non-Pooled Funds	270 days	25% of the agency's money	Highest letter and number rating by an
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	"A" rating category or its equivalent or better
Mutual Funds\ Money Market Mutual Funds	N/A	20%	Multiple
Mortgage Pass-Through Securities	5 years	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Power Authority Pools	N/A	None	Multiple
Local Agency Investment Funds (LAIF)	N/A	None	None

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates. As of June 30, 2019, the weighted average maturity of the investments contained in the Treasury investment pool was unavailable.

D. Credit Risk

Generally, credit risk, is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

E. 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 formal policy for custodial credit risk for deposits.

Cash balances in banks and revolving funds are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2019, the District's bank balances were fully insured.

NOTE 2. CASH, EQUIVALENTS AND INVESTMENTS (Continued)

F. Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The *California Government Code* and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

NOTE 3. INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government wide financial statements.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting District are classified as interfund transfers. As of June 30, 2019, interfund transfers are as follows:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Adult Education Fund	$ 6,000	Cover payroll for late allocation payment.
General Fund	Special Reserve Fund for Capital Outlay Projects	130,000	To cover negotiation settlement transfer.
Cafeteria Fund	General Fund	56,760	Cover payroll and warrants.
Total		$ 192,760	

NOTE 4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2019, are shown below:

	Balance July 1, 2018	Additions	Decreases	Balance June 30, 2019
Capital Assets Not Being Depreciated:				
Land	$ 73,459	$ -	$ -	$ 73,459
Construction in progress	98,835	89,217	-	188,052
Total Capital Assets Not Being Depreciated	172,294	89,217	-	261,511
Capital Assets Being Depreciated:				
Land improvements	4,343,406	-	-	4,343,406
Buildings and improvements	21,196,623	52,095	-	21,248,718
Equipment	1,732,685	81,080	-	1,813,765
Total Capital Assets Being Depreciated	27,272,714	133,175	-	27,405,889
Less Accumulated Depreciation for:				
Land improvements	(1,273,530)	(119,323)	-	(1,392,853)
Buildings and improvements	(8,672,402)	(363,840)	-	(9,036,242)
Equipment	(1,167,452)	(107,727)	-	(1,275,179)
Total Accumulated Depreciation	(11,113,384)	(590,890)	-	(11,704,274)
Total Capital Assets Being Depreciated, Net	16,159,330	(457,715)	-	15,701,615
Total Governmental Activities Capital Assets, Net	$ 16,331,624	$ (368,498)	$ -	$ 15,963,126

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 479,825
Instruction related services:	
School site administration	6,814
Pupil services:	
Home-to-school transportation	52,459
Food services	38,468
General administration:	
Plant services	13,324
Total Depreciation Expense	$ 590,890

NOTE 5. GENERAL OBLIGATION BONDS

On November 4, 2008, the District's registered voters authorized, by more than 55% approval, the District to issue general obligation bonds not to exceed $12,500,000 in principal amounts; known as the Election of 2008. In April 2009, the District issued Series 2009 of the Election of 2008 in the amounts of $5,405,000 in current interest bonds and $594,341 in capital appreciation bonds. On November 18, 2009, the District issued Series 2009B of the Election of 2008 in the amount of $3,499,889 in capital appreciation bonds. The bonds were sold at a net premium. The proceeds are to be used to finance new construction and additions to modernization of school facilities for the District.

The outstanding bonded debt of District as of June 30, 2019 is as follows:

General Obligation Bonds	Date of Issuance	Interest Rate %	Maturity Date August 1	Amount of Original Issue
2009 Current Interest	2009	4.00 - 4.75	2033	$ 5,405,000
2009 Capital Appreciation	2009	10.00 - 12.00	2017	594,341
2009B Capital Appreciation	2009	2.55 - 6.82	2049	3,499,889

General Obligation Bonds	Outstanding Principal and Accreted Interest June 30, 2018	Current Year Additions	Accreted Interest Current Year	Redeemed Current Year	Balance June 30, 2019
2009 Current Interest	$ 5,405,000	$ -	$ -	$ 195,000	$ 5,210,000
2009B Capital Appreciation	2,824,136	-	-	116,823	2,707,313
Accreted Interest	2,109,232	-	327,343	58,177	2,378,398
Totals	$ 10,338,368	$ -	$ 327,343	$ 370,000	$ 10,295,711

The District's future payments on the bonds are as follows:

For the Year Ended June 30:	Principal and Accreted Interest	Future Interest	Total
2020	$ 388,533	$ 249,148	$ 637,681
2021	399,202	250,079	649,281
2022	409,192	250,889	660,081
2023	428,810	249,021	677,831
2024	443,283	246,048	689,331
2025 - 2029	2,494,302	1,164,567	3,658,869
2030 - 2034	2,834,303	1,190,697	4,025,000
2035 - 2039	1,363,548	2,978,858	4,342,406
2040 - 2044	850,751	3,943,534	4,794,285
2045 - 2049	586,412	4,710,346	5,296,758
2050	97,375	1,027,625	1,125,000
Totals	$ 10,295,711	$ 16,260,812	$ 26,556,523

NOTE 6. PENSION PLANS

Qualified employees are covered under multiple-employer defined benefit pension 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).

A. California State Teachers' Retirement System

1. Plan Description and Provisions

The District contributes to CalSTRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalSTRS website.

2. Benefits Provided

The plan provides retirement, disability, and survivor benefits to beneficiaries. Beneficiaries of a retired member who elected an option receive a continuing lifetime benefit upon the member's death.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Hire Date	After January 1, 2013	On Or Before December 31, 2012
Benefit Formula	2% @ age 62	2% @ age 60
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Payable upon retirement	Payable upon retirement
Retirement Age	Age 55 with at least 5 years service.	Age 55 with at least 5 years service, or age 50 with 30 years of service.
Monthly Benefits as a % of Eligible Compensation	Variable based on age factor 2.0% at age 62 to 2.4% maximum at age 65 or older.	Variable based on age factor 2.0% at age 60 to 2.4% maximum at age 63 or older.
Required Employee Contribution Rates	10.205%	10.250%
Required Employer Contribution Rates	16.28%	16.28%
Required State Contribution Rates	9.828%	9.828%

NOTE 6. PENSION PLANS (Continued)

3. Contributions

Active plan members are required to contribute 10.21% of their salary 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 the CalSTRS Teachers' Retirement Board.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	$	462,515
Contributions - state on behalf		224,036

4. Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 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 State Teachers Retirement Plan's (STRP) 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.

NOTE 6. PENSION PLANS (Continued)

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. Based on the model from CalSTRS consulting actuary's (Milliman) investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

	Asset Allocation	Long-Term Expected Real Rate of Return (20-year average)
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Assets	13.00%	5.20%
Private Equity	13.00%	9.30%
Risk Mitigating Strategies	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Liquidity (Cash)	2.00%	-1.00%
Total	100%	

5. On Behalf Payment

The State of California makes contributions to STRS on behalf of the District. Under accounting principles generally accepted in the United States of America, these amounts have been recorded as revenue in the government-wide financial statements. For the year ended June 30, 2019 the District has recorded $224,036 of State on behalf payments as revenue.

NOTE 6. PENSION PLANS (Continued)

B. California Public Employees' Retirement System

1. Plan Description and Provisions

The District contributes to the School Employer Pool under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

2. Benefits Provided

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 Law. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Hire Date	After January 1, 2013	On Or Before December 31, 2012
Benefit Formula	2% @ age 62	2% @ age or 55
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly	Monthly
Retirement Age	Age 52 with at least 5 years service	Age 50 with at least 5 years service
Monthly Benefits as a % of Eligible Compensation	Variable based on age factor 2.0% at age 62 to 2.4% maximum	Variable based on age factor 2.0% at age 55 to 2.5% maximum
Required Employee Contribution Rates	6.50%	7.00%
Required Employer Contribution Rates	15.53%	15.53%

NOTE 6. PENSION PLANS (Continued)

3. Contributions

Active plan members are required to contribute 6.50% of their salary 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 the CalPERS Board of Administration.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

Contributions - employer	$	146,971

4. 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.

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.

NOTE 6. PENSION PLANS (Continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. 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 rounded down to the nearest one quarter of one percent.

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.

	Asset Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Entity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100%		

(a) an expected inflation of 2.00% used for this period
(b) an expected inflation of 2.92% used for this period

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use Social Security.

NOTE 6. PENSION PLANS (Continued)

D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

1. Pension Liability

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

CalSTRS	$	5,428,947
CalPERS		1,911,036
Total District net pension liability		7,339,983
State's proportionate share of the CalSTRS net pension liability associated with the District		3,108,326
Total	$	10,448,309

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018 was as follows:

	CalSTRS	CalPERS
District Proportion - June 30, 2017	0.0061%	0.0069%
District Proportion - June 30, 2018	0.0059%	0.0072%
Change - Increase (Decrease)	-0.0002%	0.0002%

NOTE 6. PENSION PLANS (Continued)

2. Pension Expenses and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2019, the District recognized pension expense of $437,525. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,264,200	$ -
Differences between actual and expected experience	172,217	(108,260)
Changes in assumptions	923,730	(9,753)
Change in employer's proportion and difference between the employer's contributions and the employer's proportionate share contributions	342,440	(591,616)
Net differences between projected and actual earnings on plan investments	210,131	(638,993)
Total	$ 2,912,718	$ (1,348,622)

The $1,264,200 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

For the Year Ended June 30:	
2020	$ 171,638
2021	275,324
2022	162,359
2023	(93,471)
2024	(54,796)
Thereafter	(161,158)
Totals	$ 299,896

NOTE 6. PENSION PLANS (Continued)

3. Actuarial Assumptions.

Total pension liabilities were determined by applying update procedures to a financing actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018.

	CalSTRS	CalPERS
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Measurement Period	July 1, 2017 through June 30, 2018	July 1, 2017 through June 30, 2018
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation Rate	2.75%	2.50%
Payroll Growth	3.50%	Varies by Entry Age and Service
Investment Rate of Return	7.10%	7.15%
Experience Study / Period Upon Which Actuarial Experience Survey Assumptions Were Based	2010-2015	1997-2015
Mortality Rate	(Custom CalSTRS rates) See June 30, 2016 DB Program funding valuation for details.	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	2.00% simple for DB (Annually) Maintain 85% purchasing power level DB, Not applicable for DBS/CBB	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

NOTE 6. PENSION PLANS (Continued)

4. Sensitivity of the 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 for each Plan, calculated using the discount rate for each Plan, 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 or 1-percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	$ 7,952,772	$ 2,782,377
Current Discount Rate	7.10%	7.15%
Net Pension Liability	$ 5,428,947	$ 1,911,036
1% Increase	8.10%	8.15%
Net Pension Liability	$ 3,336,451	$ 1,188,134

5. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued financial reports.

NOTE 7. POSTEMPLOYMENT BENEFIT PLAN

A. Plan Description

The Postemployment Benefit Plan (Plan) is a single-employer defined benefit healthcare plan administered by the District.

B. Benefits Provided

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. The following table outlines the retiree benefits provided:

	Certificated	Classified	Management
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	To age 65	To age 65	To age 65
Required Service	12 Years	12 Years	12 Years
Minimum Age	50	50	50
Maximum Retirement Age	61	61	61
Dependent Coverage	Yes	Yes	Yes
District Contribution %	100.00%	100.00%	100.00%
District Cap	$596 per month	$596 per month	$596 per month

C. Employees Covered

The following current and former employees were covered by the benefit terms provided under the Plan:

Inactive plan members or beneficiaries currently receiving benefit payments	11
Active plan members	24
Total plan members	35

D. Contribution Information

The District currently finances benefits on a pay-as-you-go basis. Actuarially determined contribution amounts have not been calculated for the District and the District is not currently funding the plan on an actuarial basis. Under the transitional approach provided in GASB 75, Paragraph 244, a preliminary OPEB expense of $35,538 was calculated for fiscal year ending June 30, 2019. The District paid $65,839 in premium payments during the current fiscal year.

Currently, the District is not funding the Plan in an irrevocable trust fund; however the District has committed $1,121,313 for the Plan in the General Fund.

NOTE 7. POSTEMPLOYMENT BENEFIT PLAN (Continued)

E. Net OPEB Liability

The District 's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date, based on the following actuarial methods and assumptions:

The total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	3.50%
Inflation Rate	2.75%
Salary Increases	2.75%
Investment Rate of Return	3.50%
Healthcare Cost Trend Rate	4.00%
Pre-Retirment Turnover	2009 CalSTRS Termination Rate for Certificated 2009 CalPRES Termination Rate for Classified
Mortality Rates	2009 CalSTRS Retirement Plans for Certificated 2014 CalPERS Active Mortality for Miscellaneous Employees
Retirement Rates	2009 CalSTRS Retirement Rates for Certificated 2009 CalPRS Retirment Rates for School Employees for Classified Management: Hired Before 2013: 2009 CalPERS Retirement Rates for School Employees Hired after 2012: 2009 CalPERS Retirment Rates for Miscellaneous Employees 2%@60 adjusted to minimum retirement age of 52

F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.5% per year net of expenses. This is based on the Bond Buyer 20 Bond Index. Based on the actuarial assumptions, contributions would be sufficient to fully fund the liability over a period not to exceed 30 years.

NOTE 7. POSTEMPLOYMENT BENEFIT PLAN (Continued)

G. Changes in the Net OPEB Liability

The changes in the net OPEB liability of the District at June 30, 2019 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Positon	Net OPEB Liability (Asset)
Balance at June 30, 2018	$ 646,842	$ -	$ 646,842
Changes recognized for the measurement period:			
Service Cost	11,404	-	11,404
Interest on Total OPEB Liability	21,687	-	21,687
Employer Contributions	-	65,839	(65,839)
Assumption Changes	9,295	-	9,295
Benefit Payments	(65,839)	(65,839)	-
Net Changes	(23,453)	-	(23,453)
Balance June 30, 2019	$ 623,389	$ -	$ 623,389

H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District if it were calculated using discount rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

1% Decrease		2.50%
Net OPEB Liability	$	629,623
Current Discount Rate		3.50%
Net OPEB Liability	$	623,389
1% Increase		4.50%
Net OPEB Liability	$	617,155

NOTE 7. POSTEMPLOYMENT BENEFIT PLAN (Continued)

I. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

1% Decrease		3.00%
Net OPEB Liability	$	617,155
Current Discount Rate		4.00%
Net OPEB Liability	$	623,389
1% Increase		5.00%
Net OPEB Liability	$	629,623

J. OPEB Plan Fiduciary Net Position

The District has no OPEB Plan Fiduciary Net Position.

K. Recognition of Deferred Outflow and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first 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 relate to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to measurment date are reported as Deferred Outflows of resources under GASB 75.	$ 6,848	
Changes in Assumptions are reported as Deferred Inflows of resources under GASB 75.		$ 74,539

L. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $35,538. The District did not have any deferred outflows or inflows of resources related to OPEB as the Measurement Date is the same as the Reporting Date.

NOTE 7. POSTEMPLOYMENT BENEFIT PLAN (Continued)

M. Actuarial Methods and Assumptions

Actuarial Cost Method: GASB 74/75 require use of the entry age actuarial cost method. Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The Actuarial Present Value of Projected Benefit Payments (APVPBP) and present value of future service costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

As required under GASB 74 and 75, the valuation is based on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Siskiyou Union High School District regarding practices with respect to employer and employee contributions and other relevant factors.

NOTE 8. COMPENSATED ABSENCES

Accumulated vacation is not accrued in governmental funds. It must be paid to an employee upon termination, but it is generally applied in the year earned or a succeeding year. The District has reported an estimated liability in the amount of $9,277 relative to compensated absences earned but not used at June 30, 2019. Expenditures related to this liability are accounted for in the fund in which the related salaries are recorded.

NOTE 9. GENERAL LONG-TERM DEBT – SCHEDULE OF CHANGES

A schedule of changes in long-term debt for the year ended June 30, 2019 is shown below:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within One Year
General obligation bonds payable	$ 10,338,368	$ 327,343	$ 146,208	$ 10,295,711	$ 249,148
Premium on issuance	232,718	-	8,926	223,792	103,200
Net Pension Liability	7,287,170	52,813	-	7,339,983	-
Net OPEB Liability	646,842	-	23,453	623,389	-
Compensated absences	9,393	-	116	9,277	-
Totals	$ 18,514,491	$ 380,156	$ 178,703	$ 18,492,152	$ 352,348

General obligation bonds issued for governmental activity purposes are liquidated by the Bond Interest and Redemption Fund. The net pension liability is liquidated from the funds for which the related employees are compensated. Other postemployment benefit premiums and compensated absences are paid from the General Fund.

NOTE 10. RESTRICTED NET POSITION

The government-wide statement of net position reports $2,634,115 of restricted net position; of which $1,073,235 is restricted by enabling legislation.

NOTE 11. ASSOCIATED STUDENT BODY

The activities of the District's Associated Student Body (ASB) are reported within the General Fund as ancillary services and in the restricted ending fund balance. A standalone accounting system is maintained at the school site level and monitored by the District's business office. The high schools operate on an organized basis.

NOTE 12. JOINT POWERS AGREEMENTS

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year ending June 30, 2019, the District participated in several joint powers agreements (JPAs) to manage these risks. There were no significant reductions in coverage during the year. Settled claims have not exceeded coverage in any of the past three years.

The various JPAs and the services they provide the District are as follows:

- Northern California Schools Insurance Group (NCSIG)
- Northeastern Joint Powers Authority (NEJPA)
- Schools Excess Liability Fund (SELF)
- California Valued Trust (CVT)

The JPAs arrange for and provide property, liability, workers' compensation, medical, dental, and vision insurance and excess liability coverage for its members. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. Each joint venture is governed by a board consisting of representatives from various member Districts. Each board controls the operations of the JPA, including selection of management, independent of any influence by the member Districts beyond their representation on the board. Each member District pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. The District's share of year-end assets, liabilities, or fund equity is not calculated by the JPAs. Separately issued financial statements can be requested from each JPA.

NOTE 13. STATE TEACHERS' RETIREMENT SYSTEM EARLY RETIREMENT INCENTIVE PROGRAM

The District did not enter into any early retirement incentive agreements during 2018/2019, pursuant to California Education Code, Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years.

NOTE 14. 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 require 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, 2019.

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, 2019.

C. Commitments

As of June 30, 2019 the District had commitments with respect to unfinished capital projects of $142,308 for the Mount Shasta High School Press Box Project.

NOTE 15. SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the District through February 6, 2020 and concluded that no subsequent event(s) have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
Local control sources:				
State apportionments	$ 3,173,041	$ 2,801,076	$ 2,801,076	$ -
Local sources	3,443,485	3,984,554	3,984,554	-
Federal	287,655	271,332	259,422	(11,910)
Other state	286,850	1,049,098	1,030,441	(18,657)
Other local	94,001	488,083	981,561	493,478
Contributions	(1)	-	-	-
Total Revenues	7,285,031	8,594,143	9,057,054	462,911
EXPENDITURES				
Certificated salaries	3,301,599	3,306,072	3,269,639	36,433
Classified salaries	1,201,711	1,242,999	1,187,256	55,743
Employee benefits	1,629,694	2,188,907	2,046,138	142,769
Books and supplies	534,160	1,122,937	935,425	187,512
Services and other operating expenditures	1,119,718	1,463,910	1,306,589	157,321
Capital outlay	27,424	137,434	137,432	2
Transfers of indirect/direct support costs	-	25,419	-	25,419
Other outgo	206,554	206,553	208,113	(1,560)
Total Expenditures	8,020,860	9,694,231	9,090,592	603,639
Excess (deficiency) of revenues over expenditures before other financing Sources (uses)	(735,829)	(1,100,088)	(33,538)	1,066,550
OTHER FINANCING SOURCES (USES)				
Transfers in	130,000	200,587	136,000	(64,587)
Transfers out	(31,582)	(71,199)	(62,760)	8,439
Total Other Financing Sources (Uses)	98,418	129,388	73,240	(56,148)
Net Increase (Decrease) in Fund Balance	(637,411)	(970,700)	39,702	1,010,402
Fund Balance - Beginning	3,665,058	3,665,058	3,665,058	-
Fund Balance - Ending	$ 3,027,647	$ 2,694,358	$ 3,704,760	$ 1,010,402

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEFERRED MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Local control sources:				
Local sources	$ 80,000	$ 80,000	$ 80,000	$ -
Other local	-	-	12,504	12,504
Total Revenues	80,000	80,000	92,504	12,504
EXPENDITURES				
Books and supplies	-	3,119	3,119	-
Services and other operating expenditures	-	20,304	20,304	-
Capital outlay	-	402,720	399,620	3,100
Total Expenditures	-	426,143	423,043	3,100
Excess (deficiency) of revenues over expenditures before other financing Sources (uses)	80,000	(346,143)	(330,539)	15,604
Total Other Financing Sources (Uses)	-	-	-	-
Net Increase (Decrease) in Fund Balance	80,000	(346,143)	(330,539)	15,604
Fund Balance - Beginning	615,933	615,933	615,933	-
Fund Balance - Ending	$ 695,933	$ 269,790	$ 285,394	$ 15,604

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

	2015	2016	2017	2018	2019
CalSTRS					
District's proportion as a percentage of the net pension liability	0.0066%	0.0066%	0.0061%	0.0061%	0.0059%
District's proportionate share of the net pension liability	$ 3,856,842	$ 4,443,384	$ 4,933,740	$ 5,630,409	$ 5,428,947
State's proportionate share of the net pension liability associated with the District	2,328,951	2,349,850	2,808,691	3,330,903	3,108,326
Total	$ 6,185,793	$ 6,793,234	$ 7,742,431	$ 8,961,312	$ 8,537,273
District's covered employee payroll	$ 1,838,492	$ 2,138,891	$ 1,982,168	$ 2,146,113	$ 2,092,828
District's proportionate share of the net pension liability as a percentage of covered payroll.	210%	208%	249%	262%	259%
Plan's fiduciary net position	$ 190,474,000,000	$ 191,822,000,000	$ 189,113,000,000	$ 210,289,000,000	$ 224,869,000,000
Plan fiduciary net position as a percentage of the total pension liability	76.5%	74.0%	70.0%	69.5%	71.0%
CalPERS					
District's proportion as a percentage of the net pension liability	0.0074%	0.0082%	0.0071%	0.0069%	0.0072%
District's proportionate share of the net pension liability	$ 840,080	$ 1,208,688	$ 1,402,254	$ 1,656,761	$ 1,911,036
District's covered employee payroll	$ 786,941	$ 899,244	$ 836,851	$ 877,407	$ 948,200
District's proportionate share of the net pension liability as a percentage of covered payroll.	107%	134%	168%	189%	202%
Plan's fiduciary net position	$ 49,650,677,000	$ 57,011,696,000	$ 56,911,066,000	$ 55,912,965,000	$ 60,998,387,000
Plan fiduciary net position as a percentage of the total pension liability	83.5%	79.4%	73.9%	71.9%	70.8%

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - PENSION
FOR THE YEAR ENDED JUNE 30, 2019

	2015	2016	2017	2018	2019
CalSTRS					
Contractually required contribution (actuarially determined)	$ 240,914	$ 273,367	$ 325,796	$ 405,837	$ 453,734
Contributions in relation to the actuarially determined contributions	242,681	273,778	331,022	418,492	462,515
Contribution deficiency (excess)	$ (1,767)	$ (411)	$ (5,226)	$ (12,655)	$ (8,781)
Covered-employee payroll	$ 1,838,492	$ 2,138,891	$ 1,982,168	$ 2,146,113	$ 2,092,828
Contributions as a percentage of covered payroll*	13.2%	12.8%	16.7%	19.5%	22.1%
CalPERS					
Contractually required contribution (actuarially determined)	$ 89,301	$ 107,009	$ 100,913	$ 122,838	$ 146,825
Contributions in relation to the actuarially determined contributions	92,859	107,010	101,259	122,837	146,971
Contribution deficiency (excess)	$ (3,558)	$ (1)	$ (346)	$ 1	$ (146)
Covered-employee payroll	$ 786,941	$ 899,244	$ 836,851	$ 877,407	$ 948,200
Contributions as a percentage of covered payroll*	11.8%	11.9%	12.1%	14.0%	15.5%

* Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use the measure in schedules of required supplementary information. Statement No. 82 amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2019

Measurement Period	2018	2019
Total OPEB Liability		
Service Cost	$ 11,099	$ 11,404
Interest on Total OPEB Liability	24,630	21,687
Actual and expected experience difference	-	-
Changes in assumptions	-	9,295
Changes in benefit terms	-	-
Benefit Payments	(63,307)	(65,839)
Net Change in Total OPEB liability	(27,578)	(23,453)
Total OPEB liability - beginning	674,420	646,842
Total OPEB liability - ending	$ 646,842	$ 623,389
Plan Fiduciary Net Position		
Contribution - employer	$ 63,307	$ 65,839
Net investment income	-	-
Benefit payments	(63,307)	(65,839)
Administrative expenses	-	-
Net Change in Total OPEB liability	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	$ -	$ -
Net OPEB Liability	$ 646,842	$ 623,389
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered-employee payroll	$ 3,086,945	$ 3,952,630
Net OPEB liability as a percentage of covered-employee payroll	20.95%	15.77%

See accompanying notes to required supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS - OPEB
JUNE 30, 2019

Fiscal Year Ended June 30:	2018	2019
Actuarially Determined Contribution (ADC)	$ 65,839	$ 73,615
Contributions in relation to ADC	63,307	65,839
Contribution deficiency (excess)	$ 2,532	$ 7,776
Covered-employee payroll	$ 3,086,945	$ 3,952,630
Contributions as a percentage of covered-emplyee payroll	0.08%	0.20%

See accompanying notes to required supplementary information.

NOTE 1. PURPOSE OF REQUIRED SUPPLEMENTARY INFORMATION

A. Budgetary Comparison Schedule

Budgetary comparison schedules are required to be presented for the General Fund and each major special revenue fund that has a legally adopted budget. The originally adopted and final revised budgets are presented for such funds. The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code.

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

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

C. Schedule of the District's Plan Contributions

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

D. Changes in Benefits Terms

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

E. Changes in Assumptions

The discount rate for Public Employer's Retirement Fund B was 7.50, 7.65, 7.65, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017 actuarial reports, respectively.

The following are the assumptions for State Teachers Retirement Plan:

	Measurement Period			
Assumptions	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Consumer price inflation	2.75%	3.00%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.75%	3.75%

NOTE 1. PURPOSE OF REQUIRED SUPPLEMENTARY INFORMATION (Continued)

F. Schedule of Changes in the Net OPEB Liability and Related Ratios

The Schedule of Changes in Net OPEB Liability presents multi-year information which illustrates the changes in the net OPEB liability for each year presented. In the future, as data becomes available, ten years of information will be presented.

G. Schedule of Contributions - OPEB

The Schedule of District Contributions is presented to illustrate the District's recommended pay-as-you-go contributions relating to the OPEB. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

H. Schedule of Money-Weighted Rate of Return on OPEB Plan Investments

This Schedule has not been included since the District has no plan investments. The District has elected to make contributions on a Pay-As-You-Go basis.

NOTE 2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2019, expenditures exceeded appropriations by the following amounts:

Appropriations Category	Excess Expenditures
General Fund:	
Other outgo	$ 1,560

These excess expenditures were offset by unexpended appropriations in other categories.

SUPPLEMENTARY INFORMATION SECTION

SISKIYOU UNION HIGH SCHOOL DISTRICT
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT
COMBINING BALANCE SHEET
JUNE 30, 2019

	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	State School Building Lease-Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Other Governmental Funds
ASSETS							
Cash and equivalents	$ 52,325	$ 14,023	$ 706,554	$ 1	$ 3,527	$ 384,673	$ 1,161,103
Accounts receivable	222	7,365	2,658	-	8	1,868	12,121
Total Assets	$ 52,547	$ 21,388	$ 709,212	$ 1	$ 3,535	$ 386,541	$ 1,173,224
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	$ 822	$ 5,601	$ 93,624	$ -	$ 139	$ 110	$ 100,296
Total Liabilities	822	5,601	93,624	-	139	110	100,296
Fund Balance:							
Non spendable							
Restricted	49,348	15,787	615,588	-	-	-	680,723
Committed							
Other commitments	-	-	-	-	3,396	386,431	389,827
Assigned							
Other assignments	2,378	-	-	1	-	-	2,379
Unassigned							
Unassigned amount	(1)	-	-	-	-	-	(1)
Total Fund Balance	51,725	15,787	615,588	1	3,396	386,431	1,072,928
Total Liabilities and Fund Balance	$ 52,547	$ 21,388	$ 709,212	$ 1	$ 3,535	$ 386,541	$ 1,173,224

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
OTHER GOVERNMENTAL FUNDS FINANCIAL STATEMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Adult Education Fund	Cafeteria Fund	Capital Facilities Fund	State School Building Lease-Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Other Governmental Funds
REVENUES							
Federal	$ -	$ 48,723	$ -	$ -	$ -	$ -	$ 48,723
Other state	8,327	4,654	-	-	-	-	12,981
Other local	106,035	5,476	155,344	-	436	8,692	275,983
Total Revenues	114,362	58,853	155,344	-	436	8,692	337,687
EXPENDITURES							
Certificated salaries	46,415	-	-	-	-	-	46,415
Classified salaries	18,218	16,337	-	-	-	-	34,555
Employee benefits	28,990	12,096	-	-	-	-	41,086
Books and supplies	373	14,406	25	-	-	-	14,804
Services and other operating expenditures	14,564	56,987	14,400	-	-	-	85,951
Capital outlay	-	-	119,580	-	33,592	-	153,172
Total Expenditures	108,560	99,826	134,005	-	33,592	-	375,983
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	5,802	(40,973)	21,339	-	(33,156)	8,692	(38,296)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	56,760	-	-	-	-	56,760
Transfers out	-	-	-	-	-	(130,000)	(130,000)
Total Other Financing Sources (Uses)	-	56,760	-	-	-	(130,000)	(73,240)
Net Increase (Decrease) in Fund Balance	5,802	15,787	21,339	-	(33,156)	(121,308)	(111,536)
Fund Balance - Beginning	45,923	-	594,249	1	36,552	507,739	1,184,464
Fund Balance - Ending	$ 51,725	$ 15,787	$ 615,588	$ 1	$ 3,396	$ 386,431	$ 1,072,928

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Certification Numbers	B4C697CF		994723EA	
Grades 9 - 12:				
Regular Average Daily Attendance	518.87	N/A	515.06	N/A
Grades 9 - 12 Totals	518.87	N/A	515.06	N/A
Total ADA	518.87	N/A	515.06	N/A

N/A - There were no audit findings resulted in necessary revisions to attendance.

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019

Grade Level	Minutes Requirement	2018/2019 Actual Minutes	Traditional Number of Instructional Days Offered [1]	Status
Grade nine	64,800	65,410	180	In Compliance
Grade ten	64,800	65,410	180	In Compliance
Grade eleven	64,800	65,410	180	In Compliance
Grade twelve	64,800	65,410	180	In Compliance

[1] The District did not utilize a multitrack calendar during the 2018/2019 year.

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

General Fund:	(Budgeted) * 2019/2020	2018/2019	2017/2018	2016/2017
Revenues and Other Financing Sources	$ 7,818,245	$ 9,193,054	$ 8,704,233	$ 9,054,365
Expenditures	8,639,048	9,090,592	8,896,880	8,940,470
Other Uses and Transfers Out	216,715	62,760	55,065	55,376
Total Outgo	8,855,763	9,153,352	8,951,945	8,995,846
Change in Fund Balance	(1,037,518)	39,702	(247,712)	58,519
Ending Fund Balance	$ 2,667,242	$ 3,704,760	$ 3,665,058	$ 3,912,770
Available Reserves [1]	$ 346,433	$ 391,142	$ 512,152	$ 359,115
Reserve for Economic Uncertainties	$ 346,433	$ 361,694	$ 354,638	$ 357,619
Unassigned Fund Balance	$ -	$ 29,448	$ 157,514	$ 1,496
Available Reserves as a percentage of Total Outgo	3.9%	4.3%	5.7%	4.0%
Total Long-Term Debt [2]	$ 18,139,804	$ 18,492,152	$ 18,514,491	$ 17,042,255
Average Daily Attendance at P-2	507	519	510	511

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

The General Fund balance has decreased by $208,010 over the past two years. The District has incurred an operating deficit in one of the past three years. 2019/2020 General Fund budget projects a decrease of $1,037,518 (-28.0%).

For a District of this size, the state recommends available reserves of at least 4% of total General Fund expenditures, transfers out, and other uses (other outgo).

Total long-term debt has increased by $1,449,897 over the past two years.

Average daily attendance has increased by 8 ADA over the past two years. The ADA is anticipated to decrease 12 ADA during the fiscal year 2019/2020.

* The 2019/2020 budget is included for analytical purposes only and has not been subjected to audit.

[1] Available reserves consists of all unassigned fund balances and reserves for economic uncertainty that are contained within the governmental funds. Unassigned fund balances are typically only reported in the General Fund. However, other governmental funds may report negative unassigned fund balances and are included in the reported available reserves.

[2] Total long-term debt for the year ending June 30, 2018 has been restated.

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND
BUDGET REPORT (SACS) WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Special Reserve Fund for Postemployment Benefits *	Pupil Transportation Equipment Fund *
June 30, 2019 Annual Financial and Budget Report (SACS) Fund Balance	$ 2,450,727	$ 1,121,313	$ 132,720
Adjustments and Reclassifications:			
Reclassification for financial statement presentation	1,254,033	(1,121,313)	(132,720)
June 30, 2019 Audited Financial Statement Fund Balance	$ 3,704,760	$ -	$ -

* This audit reclassification is made for financial presentation purposes only, pursuant to GASB 54 which, when applied, does not recognize these funds as special revenue fund types. Therefore, the fund balances are consolidated with the General Fund. However, the District is permitted under current State law to account for these funds as a special revenue fund type for interim reporting and budgeting purposes.

See accompanying notes to supplementary information.

SISKIYOU UNION HIGH SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1. PURPOSE OF SUPPLEMENTARY INFORMATION

A. Other Governmental Funds Financial Statements

These statements provide information on the Siskiyou Union High School District's (District) Governmental non-major funds, by object.

B. Schedule of Average Daily Attendance

Average daily attendance 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 the District. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

C. Schedule of Instructional Time

This schedule presents information on the amount of instructional time and number of days offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46208. The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day and has met its local control funding formula target.

D. 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.

E. Reconciliation of Annual Financial and Budget Report (SACS) with Audited Financial Statements

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

F. Schedule of Charter School

This schedule represents a complete listing of all charter schools authorized by the District and indicates whether their financial activities and balances have been included in the District's annual audited financial statements for the year ended June 30, 2019. The District has not authorized any Charter Schools; therefore this schedule has not been included for 2018/2019.

OTHER INDEPENDENT AUDITOR'S REPORTS

ROBERTSON & ASSOCIATES, CPAs
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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 AUDITOR'S REPORT

Board of Trustees
Siskiyou Union High School District
Mount Shasta, 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 Siskiyou Union High School District (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 6, 2020.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying findings and responses that we consider to be a significant deficiency, as item 2019-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Robertson & Associates, CPA.

Lakeport, California
February 6, 2020

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INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Siskiyou Union High School District
Mount Shasta, California

Compliance

We have audited Siskiyou Union High School District (District)'s compliance with the types of compliance requirements described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, that could have a material effect on each of the District's state programs for the year ended June 30, 2019.

Management's Responsibility

Compliance with the applicable compliance requirements is the responsibility of the District's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with the applicable compliance requirements based on our compliance audit.

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 *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Not Applicable
Independent Study	Yes
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Not Applicable
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
School Districts, County Office of Education and Charter Schools	
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Not Applicable
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
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study For Charter Schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term "Not Applicable" used above is to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

The District does not have any Continuation Education Schools; therefore, we did not perform any procedures related to this program.

The District did not offer an Early Retirement Incentive Program; therefore, we did not perform any procedures related to this program.

The District did not apply to be a District of Choice; therefore, we did not perform any procedures related to this program.

Opinion on State Programs

In our opinion, the Siskiyou Union High School District complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2019.

Robertson & Associates, CPA.

Lakeport, California
February 6, 2020

FINDINGS AND RESPONSES SECTION

Financial Statement Findings

2019-001 Associated Student Body Accounting / State Code 30000 Internal Control

Criteria

Various California Education Codes. Fiscal Crisis & Management Assistance Team *Associated Student Body Accounting Manual, Fraud Prevention Guide and Desk Reference.*

Condition

During our review of ASB funds at Happy Camp High School, we noted the following:

1. The high school is filling out PO's after purchasing the items with ASB funds. The actual purchase date is prior to the purchase order date.
2. One selection was missing the authorization from the Principal. Purchase Order (PO) forms have 3 signature lines (Student Body Rep, Advisor, Activities Director) the appropriate approval by all parties need to be obtained.
3. There were several expenditures that had no verification of receipt of goods.

During our review of ASB funds at McCloud High School, we noted the following:

1. ASB checks are only being signed by one authorized signer on the account
2. Several were missing all three forms of authorization. Purchase Order (PO) forms have 3 signature lines (Student Body Rep, Advisor, Activities Director) the appropriate approval by all parties need to be obtained.
3. Cash deposits lacked proper documentation in the following areas:
    a. Cash count sheets were not maintained in order to verify to the deposit.
    b. Unable to verify the timely deposit.

Effect

Potential misuse of ASB Funds.

Cause

Not familiar with California Education Codes regarding ASB funds.

Questioned Cost

None.

2019-001 Associated Student Body Accounting / State Code 30000 Internal Control (Continued)

Recommendation

Good business practices over associated student body funds include the following:

Expenditures are approved in advance and paid only with appropriate documentation. Documentation should include but not be limited to preapproved purchase orders, invoices, packing slips, and student council minutes.

It is recommended that when the ASB bookkeeper is ready to pay bills, usually once a week, the bookkeeper matches the original purchase order to the invoice and the receiving copy of the purchase order. When all three documents are matched, the ASB bookkeeper will prepare a check to pay the invoice.

The Fiscal Crisis & Management Assistance Team, *Associated Student Body Accounting Manual, Fraud Prevention Guide and Desk Reference* can be downloaded at no charge from www.fcmat.org or bound copies can be purchased from FCMAT.

District Response and Action Plan

The Chief Business Official will continue to work with site to set good business practices and procedures for handling of associated student body funds. In addition, the site will implement the following:

- Review all current year financial documents for appropriate processing.
- Review all procedures to ensure alignment with proper accounting regulations and procedures.
- Conduct a weekly meeting with the principal, site accountant, activities director and athletic director to ensure all procedures are being followed and effective communication is in place regarding upcoming events and financial expenses.
- Principal, site accountant, activities director, and athletic director will attend a ASB training.

Federal Award Findings and Questioned Costs

There were no findings or questioned costs relative to federal awards or programs.

State Award Findings and Questioned Costs

There were no findings or questioned costs relative to state awards or programs.

SISKIYOU UNION HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Finding/Recommendation		Current Status	District Explanation, If Not Implemented
2018-001	During our review of ASB funds at Weed High School, we noted the following: 1.The high school is filling out PO's after purchasing the items with ASB funds. The actual purchase date is prior to the purchase order date. 2.There were several expenditures that had no verification of receipt of goods. 3.There was one expenditure that was paid late, which incurred late fees. 4.The ASB fund had purchased a book rental / instructional material for a student attending the junior college. 5.The ASB is also collecting funds, and then passing through to the PTO. 6.The ASB fund had purchased and financed a pitching machine for four years, in which the District has only accounted for the expense of the payment. Good business practices over associated student body funds include the following: Expenditures are approved in advance and paid only with appropriate documentation. Documentation should include but not be limited to preapproved purchase orders, invoices, packing slips, and student council It is recommended that when the ASB bookkeeper is ready to pay bills, usually once a week, the bookkeeper matches the original purchase order to the invoice and the receiving copy of the purchase order. When all three documents are matched, the ASB bookkeeper will prepare a check to pay the invoice. ASB accounts are not clearing accounts and should not be used as pass-through or clearing accounts. Money should only be deposited into ASB accounts if it is ASB funds (raised or donated to ASB) and will be used for appropriate ASB purposes. Charges for textbooks and workbooks are prohibited expenses from the ASB funds. The Fiscal Crisis & Management Assistance Team, Associated Student Body Accounting Manual, Fraud Prevention Guide and Desk Reference can be downloaded at no charge from www.fcmat.org or bound copies can be purchased from FCMAT.	Partially Implemented	See recommendation 2019-001.

APPENDIX D

PROPOSED FORMS OF OPINION OF BOND COUNSEL

Upon the delivery of the Bonds, Lozano Smith, LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Series C Bonds in substantially the following form:

[LETTERHEAD OF LOZANO SMITH]

_____, 2020

Board of Trustees
Siskiyou Union High School District
624 Everitt Memorial Hwy
Mt. Shasta, CA 96067

$2,110,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(SISKIYOU COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2008, SERIES C

FINAL OPINION OF BOND COUNSEL

Ladies and Gentlemen:

We have acted as bond counsel to the Siskiyou Union High School District (the "District") in connection with the issuance by the District of its Siskiyou Union High School District (Siskiyou County, California) General Obligation Bonds, Election of 2008, Series C in the aggregate principal amount of $2,110,000 (the "Bonds"), issued under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof (the "Bond Law") and under a Resolution adopted by the Board of Trustees of the District on April 8, 2020 (the "Bond Resolution"). The Bonds were sold to Stifel, Nicolaus & Company, Incorporated, as Underwriter (the "Underwriter") pursuant to a Bond Purchase Agreement, dated June 11, 2020 (the "Bond Purchase Agreement"), between the District and the Underwriter.

In such connection, we have examined the Bond Resolution, the Bond Law, the tax certificate, dated the date hereof and executed by the District (the "Tax Certificate"), the Bond Purchase Agreement, the Continuing Disclosure Certificate, dated the date hereof and executed by the District (the "Continuing Disclosure Certificate"), certificates of the District and others, and such other law, documents, opinions and matters to the extent we deemed necessary to render the opinions or conclusions set forth herein.

The opinions and conclusions herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or

events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Bond Resolution, the Tax Certificate, the Continuing Disclosure Certificate and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the Bonds, dated June 11, 2020.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bond Resolution has been duly adopted by the Board of Trustees of the District and the Bond Resolution constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

2. The Bonds have been duly authorized, issued and sold by the District and are valid and binding general obligations of the District and the Board of Supervisors of the County of Siskiyou is obligated and authorized under the laws of the State of California to levy and collect *ad valorem* taxes, without limit as to rate or amount (except with respect to certain personal property which is taxable at limited rates), upon the taxable property in the District for the payment when due of the principal of and interest on the Bonds.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Bond Resolution and the Tax Certificate and other instruments relating to the Bonds to comply with each of such requirements under the Code. Failure to comply with certain of such requirements under the Code may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Except as stated in the preceding paragraphs, we express no opinion as to any federal or state tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. The opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any fact or circumstance that may hereafter come to our attention or to reflect any change in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

Lozano Smith, LLP

Upon the delivery of the Bonds, Lozano Smith, LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:

[LETTERHEAD OF LOZANO SMITH]

_____, 2020

Board of Trustees
Siskiyou Union High School District
624 Everitt Memorial Hwy
Mt. Shasta, CA 96067

$4,635,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(SISKIYOU COUNTY, CALIFORNIA)
2020 GENERAL OBLIGATION REFUNDING BONDS

FINAL OPINION OF BOND COUNSEL

Ladies and Gentlemen:

We have acted as bond counsel to the Siskiyou Union High School District (the "District") in connection with the issuance by the District of its Siskiyou Union High School District (Siskiyou County, California) 2020 General Obligation Refunding Bonds, in the aggregate principal amount of $4,635,000 (the "Refunding Bonds"), issued under the provisions of Articles 9 and 11 (commencing with Sections 53550 and 53580, respectively) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law") and under a Resolution adopted by the Board of Trustees of the District on April 8, 2020 (the "Bond Resolution"). The Refunding Bonds were sold to Stifel, Nicolaus & Company, Incorporated, as Underwriter (the "Underwriter") pursuant to a Bond Purchase Agreement, dated June 11, 2020 (the "Bond Purchase Agreement"), between the District and the Underwriter.

In such connection, we have examined the Bond Resolution, the Refunding Bond Law, the tax certificate, dated the date hereof and executed by the District (the "Tax Certificate"), the Bond Purchase Agreement, the Continuing Disclosure Certificate, dated the date hereof and executed by the District (the "Continuing Disclosure Certificate"), certificates of the District and others, and such other law, documents, opinions and matters to the extent we deemed necessary to render the opinions or conclusions set forth herein.

The opinions and conclusions herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented,

warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Refunding Bonds, the Bond Resolution, the Tax Certificate, the Continuing Disclosure Certificate and the Bond Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against school districts in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents. We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the Refunding Bonds, dated June 11, 2020.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bond Resolution has been duly adopted by the Board of Trustees of the District and the Bond Resolution constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

2. The Refunding Bonds have been duly authorized, issued and sold by the District and are valid and binding general obligations of the District and the Board of Supervisors of the County of Siskiyou is obligated and authorized under the laws of the State of California to levy and collect *ad valorem* taxes, without limit as to rate or amount (except with respect to certain personal property which is taxable at limited rates), upon the taxable property in the District for the payment when due of the principal of and interest on the Refunding Bonds.

3. Interest on the Refunding Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Bond Resolution and the Tax Certificate and other instruments relating to the Refunding Bonds to comply with each of such requirements under the Code. Failure to comply with certain of such requirements under the Code may cause the inclusion of interest on the Refunding Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Refunding Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Refunding Bonds.

4. The Refunding Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

5. The interest on the Refunding Bonds is exempt from personal income taxation imposed by the State of California.

Except as stated in the preceding paragraphs, we express no opinion as to any federal or state tax consequences of the receipt of interest on, or the ownership or disposition of, the Refunding Bonds.

Our opinions are based on existing law, which is subject to change. The opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any fact or circumstance that may hereafter come to our attention or to reflect any change in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

Lozano Smith, LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$2,110,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
GENERAL OBLIGATION BONDS,
ELECTION OF 2008, SERIES C

$4,635,000
SISKIYOU UNION HIGH SCHOOL DISTRICT
(Siskiyou County, California)
2020 GENERAL OBLIGATION REFUNDING BONDS

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated _____, 2020, is executed and delivered by the Siskiyou Union High School District (the "District") in connection with the issuance of $2,110,000 aggregate principal amount of Siskiyou Union High School District General Obligation Bonds, Election of 2008, Series C (the "Series C Bonds") and the $4,635,000 aggregate principal amount of Siskiyou Union High School District 2020 General Obligation Refunding Bonds (the "Refunding Bonds" and, together with the Series C Bonds, the "Bonds"). The District covenants and agrees as follows:

1. ***Purpose of the Disclosure Certificate.*** This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5). The Bonds are issued pursuant to two Resolutions, one for the Series C Bonds and one for the Refunding Bonds, each adopted by the Board of Trustees of the District on April 8, 2020 (the "District Resolutions").

2. ***Definitions.*** In addition to the definitions set forth in the District Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Beneficial Owner*" means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Dissemination Agent*" means, initially, Dale Scott & Company Inc., and any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent.

"*Financial Obligation*" means (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of either of the foregoing (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Listed Events*" means any of the events listed in Section 5(a) or (b) hereof.

"*MSRB*" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made in electronic format through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org, accompanied by such identifying information as is prescribed by the MSRB.

"*Official Statement*" means the Official Statement, dated June 11, 2020 (including all exhibits or appendices thereto), relating to the offering and sale of Bonds.

"*Owner*" means the person in whose name any Bond shall be registered.

"*Participating Underwriter*" means the original Underwriter of the Bonds, Stifel, Nicolaus & Company, Incorporated, required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934.

3. *Provision of Annual Reports.*

(a) The District shall cause the Dissemination Agent to provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof, not later than the Annual Report Date, commencing with the report for the 2019-20 fiscal year, which shall be filed by no later than March 31, 2021. The Annual Report may include by reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) If the District is unable to file, or cause the Dissemination Agent to file, an Annual Report with the MSRB by the date required in subsection (a) of this Section, the District shall, in a timely manner, file or cause the Dissemination Agent to file with the MSRB through the EMMA System, a notice in substantially the form attached as ***Exhibit A.***

(c) The Dissemination Agent shall determine each year prior to the Annual Report Date the electronic filing requirements of the MSRB for the Annual Reports. If the Dissemination Agent is other than the District or an official of the District, then the Dissemination Agent shall file a report with the District certifying that the Annual Report has been filed with the MSRB pursuant to this Disclosure Certificate, stating the date it was so filed and confirming it was filed with the MSRB through the EMMA System.

4. ***Content of Annual Reports.*** The Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 4(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(1) The District's most recent approved annual budget;

(2) The most recent assessed value of taxable property in the District; and

(3) If Siskiyou County no longer includes the tax levy for payment of the Bonds in its Teeter Plan, then the most recent property tax levies, collections and delinquencies of the District.

(4) The most recent list of top twenty property owners in the District, as measured by secure assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b), above, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the EMMA System or the SEC. If the document incorporated by reference is a final official statement, it must be available to the public on the MSRB website. The District shall clearly identify each such other document so included by reference.

5. ***Reporting of Listed Events.***

(a) Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

(1) Principal and interest payment delinquencies;

(2) Unscheduled draws on debt service reserves reflecting financial difficulties;

(3) Unscheduled draws on credit enhancements reflecting financial difficulties;

(4) Substitution of or failure to perform by any credit provider;

(5) Issuance by the Internal Revenue Service of an adverse tax opinion, a proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(6) Tender offers;

(7) Defeasances;

(8) Rating changes;

(9) Bankruptcy, insolvency, receivership or similar event of the District; and

(10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District or obligated person, any of which reflect financial difficulties.

(b) For purposes of the events identified in paragraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(c) Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(1) Unless described in paragraph (5) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(2) Modifications to rights of Owners;

(3) Optional, unscheduled or contingent bond calls;

(4) Release, substitution or sale of property securing repayment of the Bonds;

(5) Non-payment related defaults;

(6) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the

entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(7) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; and

(8) Incurrence of a Financial Obligation of the District or obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District or obligated person, any of which affect security holders.

(d) The District shall give, or cause the Dissemination Agent to give, in a timely manner, notice of a failure to provide the Annual Report or parts thereof on or before the Annual Report Date, as provided in Section 3(b) hereof.

(e) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (c) of this Section, the District shall determine if such event would be material under applicable Federal securities laws.

(f) Whenever the District obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (c) of this Section would be material under applicable Federal securities laws, the District shall file, or shall cause the Dissemination Agent to file, within ten (10) business days of such occurrence, a notice of such occurrence with the MSRB. Notwithstanding the foregoing, a notice of Listed Event described in paragraph (3) of subsection (c) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the District Resolution.

6. ***Termination of Reporting Obligation.*** The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give, or cause the Dissemination Agent to give, notice of such termination in a filing with the MSRB.

7. ***Dissemination Agent.***

(a) The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate.

(b) The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the District Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the Dissemination Agent specifically set forth in this Disclosure Certificate, and no implied duties, covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent.

(c) The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Disclosure Certificate, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

(d) The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Disclosure Certificate shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Disclosure Certificate upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Disclosure Certificate in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Disclosure Certificate and the Bonds.

8. ***Amendment; Waiver.*** Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate under the following conditions, provided no amendment to this Disclosure Certificate shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the District, or type of business conducted;

(b) This Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

9. ***Additional Information.***

(a) Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice

required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate.

(b) If the District chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or to include it in any future disclosure or notice of occurrence of a Listed Event.

10. ***Default.*** The District shall give notice to the MSRB through the EMMA System of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Siskiyou or in U.S. District Court in or nearest to the County of Siskiyou. A default under this Disclosure Certificate shall not be deemed an event of default under the District Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

11. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

12. ***Notices***. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer:	Siskiyou Union High School District 624 Everitt Memorial Hwy Mt. Shasta, CA 96067
To the Participating Underwriter:	Stifel, Nicolaus & Company, Incorporated One Montgomery Street San Francisco, CA 94104

Dated as of _____, 2020

SISKIYOU UNION HIGH SCHOOL DISTRICT

By: _____
Superintendent

ACCEPTED AND AGREED TO AS DISSEMINATION AGENT:
DALE SCOTT & COMPANY INC.

By: _____
Authorized Signatory

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	SISKIYOU UNION HIGH SCHOOL DISTRICT (Siskiyou County, California)
Name of Issue:	$2,110,000 aggregate principal amount of Siskiyou Union High School District General Obligation Bonds, Election of 2008, Series C / $4,635,000 aggregate principal amount of Siskiyou Union High School District 2020 General Obligation Refunding Bonds
Date of Issuance:	_____, 2020

NOTICE IS HEREBY GIVEN that the Siskiyou Union High School District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated _____, 2020, executed and delivered by the District. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

[ISSUER OR DISSEMINATION AGENT]

By: [Form Only – no signature required]_____
Authorized Officer

cc: Siskiyou Union High School District
Stifel, Nicolaus & Company, Incorporated

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities

are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC,

and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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APPENDIX G

SISKIYOU COUNTY INVESTMENT POLICY STATEMENT
AND MONTHLY INVESTMENT REPORT

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Siskiyou County

TREASURY INVESTMENT POLICY

2019

Wayne Hammar
Siskiyou County Treasurer-Tax Collector

Reviewed by Treasurer 4-29-19

STATEMENT OF COUNTY TREASURER'S INVESTMENT POLICY

FOR THE COUNTY OF SISKIYOU

TABLE OF CONTENTS

April 2019

SECTION		TITLE
1.0	PREFACE	
	1.1	TREASURY MANAGEMENT
		1.1 (a) BANKING
		1.1 (b) LOANS TO DISTRICTS
		1.1 (c) INVESTMENTS-CASH FLOW PREDICTABILITY
2.0	INTRODUCTION	
3.0	SCOPE	
4.0	OBJECTIVES	
	4.1	SAFETY
	4.2	LIQUIDITY
	4.3	YIELD
5.0	DELEGATION OF AUTHORITY	
	5.1	COUNTY SUPERVISORS
	5.2	COUNTY TREASURER
	5.3	AMEND POLICY
6.0	ETHICS AND CONFLICTS OF INTEREST CODES	
	6.1	GIFTS RECEIVED BY TREASURY OVERSIGHT COMMITTEE
7.0	AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS	
8.0	AUTHORIZED AND SUITABLE INVESTMENTS	
		U.S. GOVERNMENT
		U.S. AGENCIES
		BANKERS ACCEPTANCES
		COMMERCIAL PAPER
		NEGOTIABLE CERTIFICATES OF DEPOSIT &
		CERTIFICATES OF DEPOSIT
		REPURCHASE AGREEMENTS
		MEDIUM TERM NOTES
		MONEY MARKET FUNDS
		SUPRANATIONALS
		LOCAL AGENCY INVESTMENT FUND (LAIF)
		MANAGED FUNDS
		INELIGIBLE INVESTMENTS

9.0 AUTHORIZED AND SUITABLE INVESTMENTS FOR SURPLUS BOND PROCEEDS

10.0 COLLATERAL

11.0 SAFEKEEPING AND CUSTODY

12.0 DIVERSIFICATION
- **12.1 SECURITY TYPE AND INSTITUTION**
- **12.2 MAXIMUM MATURITIES**

13.0 INTERNAL CONTROLS
- **13.1 OVERSIGHT COMMITTEE**
- **13.2 ANNUAL AUDIT**
- **13.3 COUNTY OVERSIGHT EMPLOYMENT RESTRICTIONS**

14.0 PERFORMANCE STANDARDS

15.0 REPORTING
- **15.1 MONTHLY REPORTS**
- **15.2 ANNUAL REPORT**
- **15.3 QUARTERLY REPORTS**

16.0 COSTS

17.0 CONDITIONS FOR AGENCIES FOR DEPOSIT WITH VOLUNTARY FUNDS

18.0 REQUESTS FOR WITHDRAWALS – ALL POOL PARTICIPANTS - VOLUNTARY AND INVOLUNTARY

19.0 BROKER AND DEALER SECTION CRITERIA
- **19.1 CRITERIA FOR SELECTION**
- **19.2 BROKER QUALIFICATIONS**

Reviewed by Treasurer 4-29-19
Board of Supervisors Review & Approval 5-7-19

STATEMENT OF COUNTY TREASURER'S INVESTMENT POLICY

FOR THE COUNTY OF SISKIYOU

1.0 PREFACE

1.1 TREASURY MANAGEMENT: Treasurers consolidate the banking, cash management and investment activities of most local governments in their jurisdiction into one operation. Numerous school districts, special districts, and trustees, as well as county government, pool their funds into one account. Thus, instead of many part-time local officials attempting to invest public monies in a volatile and difficult market, county treasurers provide a singular concerted effort, increasing efficiency and reducing expense. The bond market, once considered safe for orphans and widows, is now even difficult to understand by professionals.

Our County Treasury uses a credit review process covering all institutions in which we consider investing and brokerages with whom we do business. We use competitive bidding procedures before placing investments, employ safekeeping agents to guarantee that the terms of each investment decision are carried out before any money changes hands, and maintain an accounts receivable function to ensure timely payment of interest and principal. Additionally, the County Treasury performs all investment accounting and reporting. Duplication of these functions on a district by district level would be cost prohibitive.

1.1 (a) Banking: The economies of scale and lack of duplication found in the investment operation carry over to banking. Again, instead of making individual deposits daily into many commercial accounts, only one is required. The same holds true for check disbursements. Furthermore, it is only necessary to ensure that a sufficient balance is maintained in one checking account, to honor outstanding checks, instead of many. This practice greatly minimizes the amount of public funds on deposit in poorly yielding checking accounts. Finally, all receipting, wire transfer of funds, check reconciliation, banking relations, accounting, reporting and auditing responsibilities are consolidated.

1.1 (b) Loans to Districts: The pooling of all district monies also allows loans to those districts that are temporarily short of funds, thereby avoiding overdraft charges and the embarrassment and inconvenience of returned checks. As an aside, the ability of the pool to make short term loans, as required by Section 6 of Article XVI of the State Constitution, removes the rationale for individual districts issuing debt to meet seasonal cash flow needs. However, as we have seen, this process is not risk free. "Borrowing does not include Bank Overdrafts."

1.1 (c) Investments-Cash Flow Predictability: From an investment perspective, the pooling of funds provides for a far more predictable balance of monies available for investment than would be the case with individual districts. The cash position of individual districts varies significantly from week to week, month to month, and year to year. The pooled concept works because the receipt and disbursement cycles for different entities vary. County receipts and disbursements follow a different pattern

than those of special districts and trustee cycles vary depending on the activity. So when school cash positions are low, the county's cash position may be high, and vice versa, thereby providing a more constant amount available for investment. Furthermore, while an individual district's cash position may be difficult to predict, in aggregate, the pooled treasury cash position follows definite patterns that are largely driven by property tax and state budget cycles. This predictability allows county treasuries to invest large blocks of monies for terms greater than a few days or months. Generally, the larger the amount, and the longer the term (within reason), the greater the return. These greater returns can be earned without compromising safety.

2.0 INTRODUCTION

This statement is intended to provide guidelines for the prudent investment of surplus funds of the County and to outline the policies for maximizing the efficiency of the County's cash management system. The ultimate goal is to enhance the economic status of the County while protecting its funds. The Treasurer manages the overall portfolio under the prudent person standard which states that:

"Prudent Investors"
Government Code Section 53600.3. Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

3.0 SCOPE

This investment policy applies to the County's pooled investment fund which encompasses all monies under the direct oversight of the Treasurer. The laws that allow investments in this fund are numerous and the criteria changes often. Although most laws are found in Government Code Sections 53601, 53635 and 16429, these code sections are not fully inclusive. The Treasurer reserves the right to invest under the new and changing laws as passed. This allows for the Treasurer to be in compliance at all times with the laws and the policy. The investment policy is approved by the Board of Supervisors once a year and reviewed and monitored by the Treasury Oversight Committee. The Treasury Oversight Committee may cause an annual audit to be performed on the investment policy to ensure compliance with the policy and investments at all times.

4.0 OBJECTIVES

The county's cash management system is designed to accurately monitor and forecast revenues and expenditures enabling the Treasurer to invest funds to the fullest extent possible. The Treasurer maintains a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in

that order of priority).

4.1 SAFETY: The safety/risk associated with an investment refers to the potential loss of principal, accrued interest or a combination of these. The County seeks to mitigate credit risk by pre-qualifying and continual monitoring of financial institutions with which it will do business, and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as Moody's Investor or Standard & Poor's rating services are utilized for this review. The County seeks to mitigate rate risk through diversification of instruments as well as maturities.

4.2 LIQUIDITY: The portfolio will be structured with sufficient liquidity to allow the Treasurer to meet anticipated cash requirements. This will be accomplished through diversity of instruments to include those with active secondary markets, those which can match maturities to expected cash needs, State Local Agency Investment Fund (LAIF), Money Market Funds and Repurchase agreements.

4.3 YIELD: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

5.0 DELEGATION OF AUTHORITY

California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate the full responsibility to the treasurer of the local agency. This provision includes reporting criteria.

5.1 COUNTY SUPERVISORS: By adopting this policy, the County Supervisors authorize the Treasurer to invest County surplus funds in accordance with California Government Code Section 53600, et. seq. and to invest County bond or COP proceeds in accordance with California Government Code Sections 53601 and 5922.

5.2 COUNTY TREASURER: The execution of investment transactions on a daily basis will be conducted by the Treasurer. The Assistant Treasurer in accordance with the Employee Investment Manual will execute transactions, only as directed by the Treasurer, in the absence of the Treasurer. In addition, in the absence of the Treasurer, the Treasury/Tax Collection Specialists are allowed to invest short-term funds in Treasurer approved pooled investments and money markets in accordance with the Employee Investment Manual. The Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function.

5.3 AMEND POLICY: The Treasurer retains the authority to amend the Investment Policy, Guidelines, and Procedures at any time in order to carry out the duties as chief investment officer for the County. Notice of any such required amendment will be given to the Treasury Oversight Committee and the County Supervisors.

6.0 ETHICS AND CONFLICTS OF INTEREST CODES

The County Treasurer and those designated employees shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability

to make impartial investment decisions. The Treasurer is governed by The Political Reform Act of 1974 regarding disclosure of material financial interests.

6.1 GIFTS RECEIVED BY MEMBERS OF OVERSIGHT COMMITTEE: There are limits on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business by any member of the county treasury oversight committee. These limits may be in addition to the limits established by a committee member's own agency, by state law, or by the Fair Political Practices Commission.

Currently, the Board of Supervisors has not set any limits other than those set by current state law, and as such, the members of the Treasury Oversight Committee are subject to the state laws. It is each committee person's responsibility to stay abreast of those laws and limits. Our local election clerk has those laws and the limits subject to this committee available upon request.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

At least once each year the Treasurer will review all investment brokers and brokerage firms with which the County conducts business. A list of authorized brokers and brokerage firms will be prepared and maintained. This list will include all brokers, brokerage firms, and investment advisory firms eligible to conduct business with the County under criteria established by the Treasurer.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

Government Code Section 53601:

The legislative body of a local agency having money in a sinking fund or money in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or non-registered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds on any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6(commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

- **(1) The entity meets the following criteria:**
- **(A) Is organized and operating in the United States as a general corporation.**
- **(B) Has total assets in excess of five hundred million dollars ($500,000,000).**
- **(C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).**
- **(2) The entity meets the following criteria:**
- **(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.**
- **(B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.**
- **(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally**

recognized statistical-rating organization (NRSRO).
Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.
Government Code Section 53635(a). This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens of managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (g) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(1) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(2) No more than 10 percent of the local agency's money that may be invested pursuant to this section may be invested in the outstanding commercial paper of any single issuer.

(3) No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased by the local agency.

<u>Government Code Section 53601 continued</u>

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a

maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, or subdivisions (m) to (o), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars ($500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section.
However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) Any mortgage pass through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment advisor that meets all of the following criteria:

- **(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.**
- **(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o), inclusive.**
- **(3) The adviser has assets under management in excess of five hundred million dollars ($500,000.00).**

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

Government Code Section 53601.2. As used in this article, "corporation" includes a limited liability company.

LOCAL AGENCY INVESTMENT FUND (LAIF): Government Code Section 16429. The local Agency Investment Fund has been established by the State Treasurer for the benefit of local agencies. The County may invest up to the maximum dollar limit permitted in the fund by LAIF.

MANAGED FUNDS: By virtue of a J.P.A. or other legal authority.

INELIGIBLE INVESTMENTS: Government Code Section 53601.6. (a) A local agency shall not invest any funds pursuant to this article in inverse floaters, range notes, or mortgage derived interest-only strips. (b) A local agency shall not invest any funds pursuant to this article in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited

instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, and following) that are authorized for investment pursuant to subdivision (k) of Section 53601.

9.0 AUTHORIZED AND SUITABLE INVESTMENTS FOR SURPLUS BOND PROCEEDS

California Government Code Sections 5922 and others authorize "Investment Securities," "Permitted Investments," or "Qualified Investments" defined in the bond or COP documentation for each issuance. This Code Section was enacted in recognition of the unique needs inherent in the investment of these proceeds. In addition to the investments authorized for the County's surplus funds in Section 8 above, the bond indenture can expand the investments in accordance with the documents to include investment instruments such as Investment Agreements as defined in the documentation.

This policy recognizes that Section 5922(d) is not limited by Section 53601(1) as does Section 5923.

10.0 COLLATERAL

The issue of collateral requirements is addressed in California Government Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

- **government securities, at least 10 percent in excess**
- **mortgage backed securities, at least 50 percent in excess**
- **letters of credit, at least 5 percent in excess**

11.0 SAFEKEEPING AND CUSTODY

Security transactions entered into by the County shall be conducted on a deliver-versus-payment (DVP) basis. Any securities purchased in a negotiable bearer, registered or non-registered format shall be in the County's name by book entry, physical delivery or by third party custodian agreement.

12.0 DIVERSIFICATION

In an effort to reduce portfolio risk while attaining market average rates, the County's portfolio will be suitably diversified by type and institution.

12.1 SECURITY TYPE AND INSTITUTION: With the exception of U.S. Treasury securities, federal agency securities, and authorized pools, no more than 50 percent of the total portfolio will be invested in a single security type and no more than 15 percent with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

12.2 MAXIMUM MATURITIES: To the extent possible, the Treasurer will attempt to match investments with anticipated cash flow requirements. The County's surplus portfolio

will not be directly invested in securities which mature more than five years from the date of purchase without the express authority of the County Board of Supervisors either specifically or as part of an investment program approved by the County Board of Supervisors no less than three months prior to the investment. Reserve funds of bond or COP issues may be invested in instruments exceeding the five years (maturity of such investments should coincide as nearly as practicable with expected use of funds). The Treasurer may not invest funds set aside for the repayment of any notes issued by the County for a term that exceeds the term of the notes.

13.0 INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations and prudent cash management procedures.

13.1 OVERSIGHT COMMITTEE: The committee may meet once a year on the second Monday of May to review procedures, elect officers, and monitor adherence to this Investment Policy. Any member of the committee, however, may request an additional meeting, if deemed necessary, as long as all Brown Act requirements are satisfied. The Committee was appointed in accordance with California Government Code Section 27132.

13.2 ANNUAL AUDIT: The County's Treasury Oversight Committee may cause an annual audit to be conducted to ensure treasurer compliance with Government Code Section 27133.

13.2 OVERSIGHT MEMBER EMPLOYMENT AND POLITICAL ACTIVITY RESTRICTIONS: Government Code Section 27132.1. A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the committee.
Government Code Section 27132.2. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the committee.
Government Code Section 27132.3. A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the committee or for one year after leaving the committee.

14.0 PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the County's investment risk constraints and cash flow needs.

15.0 REPORTING

15.1 MONTHLY REPORTS: The Treasurer will provide detailed reports of the investments in the portfolio on a monthly basis to each of the Supervisors on the Board of Supervisors,

Treasury Oversight Committee members, County Administrator and the County Auditor within 30 days of the end of the reporting month.

15.2 ANNUAL REPORT: This Investment Policy will be presented annually to the Board of Supervisors for their review and approval.

15.3 QUARTERLY REPORTS: The Treasurer shall send reports to the California Debt and Investment Advisory Commission no later than 60 days after the close of the 2nd and 4th quarters if required by law. (Government Code Section 53646)

16.0 COSTS The Treasurer will calculate and apportion the costs of the overall management of the pool to such agencies as follows:

- **The actual cost of providing treasury investment services will be charged against the unapportioned interest, per Government Code Sections 53684 and 27013.**
- **Interest earned on the pooled fund, net of the actual Treasury costs, is apportioned by the Auditor quarterly based on the average daily cash balance in each fund.**

17.0 CONDITIONS FOR AGENCIES FOR DEPOSIT WITH VOLUNTARY FUNDS
Government Code Section 27133 (g). The terms and conditions under which local agencies and other entities that are not required to deposit their funds in the county treasury may deposit funds for investment purposes are as follows:

- **Written notification of intent to deposit**
- **Written notification of the amount to be deposited**
- **Requesting agency's cash flow requirements in writing**
- **Provide a copy of requesting agency's most recent investment report**

18.0 REQUESTS FOR WITHDRAWAL – ALL POOL PARTICIPANTS –VOLUNTARY& INVOLUNTARY The criteria for the Treasurer to consider requests for withdrawals from the pool are as follows:

- **Written notification of the intent to withdraw $1,000,000.00 or more for investment purposes must be delivered to the Treasurer in writing at least one week prior to the actual date of withdrawal**
- **Written notification of the amount to be withdrawn**
- **Written notification of the fund destination of transfer/resolution**
- **Written indication of the reason for withdrawal of funds**

19.0 BROKER AND DEALER SELECTION CRITERIA

Below is the criteria for selecting security brokers and dealers from, to, or through whom the county treasury may purchase or sell securities or other instruments from. The criteria shall prohibit the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations

contained in Rule G-37 of the Municipal Securities Rule Making Board, to the local treasurer, any member of the governing board of the local agency, or any candidate for those offices.

19.1 CRITERIA FOR SELECTION: The Treasurer shall maintain a list of financial institutions authorized to provide investments services. Institutions shall provide their most recent "Consolidated Report of Conditions" at the request of the treasurer's office. At a minimum, the treasurer shall conduct an annual evaluation of each institutions credit worthiness to determine whether it should be on the qualified institution listing.

19.2 BROKER QUALIFICATIONS:

- **Be a member of the National Association of Security Dealers, with a registered Series 7 license.**
- **Have expertise and experience in institutional sales.**
- **Shall submit at least three names of other counties or cities they have done business with previously.**

This policy is subject to change as the laws change. This provision will keep the Treasurer in compliance with the law at all times. The policy will still only be reviewed and approved by the Board of Supervisors annually.

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SISKIYOU COUNTY

TREASURY INVESTMENT REPORT

by

Wayne Hammar
Siskiyou County Treasurer-Tax Collector

May 29, 2020

Distribution:

Treasury Oversight Committee Members
Board of Supervisors Members
Clerk of the Board
County Administrator

Audits:

Monthly: County Auditor

Annually: Private Audit Firm

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Summary
May 29, 2020

SISKIYOU COUNTY
311 4TH STREET
Yreka, Yreka, CA 96097
(530)842-8347

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Managed Pool Investments	28,046,721.13	28,170,157.87	28,046,721.13	17.20	1	1	0.992	1.005
Certificates of Deposit - Bank	30,408,000.00	31,188,892.32	30,408,000.00	18.65	1,603	997	1.705	1.729
Money Markets	3,906,612.06	3,906,612.06	3,906,612.06	2.40	1	1	0.098	0.100
Negotiable CD's - Bank	2,976,000.00	2,985,699.28	2,976,000.00	1.83	1,522	1,478	1.183	1.200
Federal Agency Issues - Coupon	94,510,000.00	95,007,168.40	94,531,090.69	57.99	1,294	1,159	1.434	1.454
Medium and Corporate Notes	3,150,000.00	3,249,204.50	3,150,000.00	1.93	1,560	810	2.665	2.702
Investments	**162,997,333.19**	**164,507,734.43**	**163,018,423.88**	**100.00%**	**1,108**	**901**	**1.396**	**1.415**

Total Earnings	May 29 Month Ending	Fiscal Year To Date
Current Year	187,856.85	2,497,401.00
Average Daily Balance	**163,374,048.72**	**145,164,829.01**
Effective Rate of Return	**1.45%**	**1.88%**

The Siskiyou County Treasurer's portfolio, with an "Average Days to Maturity" of 901 days, has an effective rate of return of 1.88%. In comparison, LAIF, with an average maturity of 191 days has a daily yield of 1.31% before administrative costs.

The securities held in this portfolio are in direct compliance with the Siskiyou County Investment Policy. It is the opinion of the Treasurer that the next six (6) months of expenditures can be met. We have one hundred and fifty seven (157) investments that are in excess of one year. Copies of the report are filed with the Board of Supervisors Clerk, Board Members, County Administrative Officer, and the Treasury Oversight Committee. The market values are obtained from MUFG Union Bank Custody Services.

Wayne Hammar 6-1-20

WAYNE HAMMAR, TREASURER-TAX COLLECTOR

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Details - Investments
May 29, 2020

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Managed Pool Investments												
SYS1240	1240	California Asset Mgmt Program			11,546,721.13	11,546,721.13	11,546,721.13	0.570		0.570	1	
SYS1002	1002	Local Agency Investment Fund			15,926,815.09	16,045,963.83	15,926,815.09	1.310		1.310	1	
SYS1002A	1002A	L A I F Solid Waste			573,184.91	577,472.91	573,184.91	1.310		1.310	1	
		Subtotal and Average	**25,067,410.79**		**28,046,721.13**	**28,170,157.87**	**28,046,721.13**			**1.005**	**1**	
Certificates of Deposit - Bank												
319141HR1	1935	First Bank of Highland Park		09/14/2017	248,000.00	258,589.60	248,000.00	2.150		2.150	837	09/14/2022
33610RRF2	1936	First Premier Bank		09/15/2017	248,000.00	257,746.40	248,000.00	2.000		2.000	838	09/15/2022
33646CJX3	1972	1st Source BK South Bend Ind		05/18/2018	248,000.00	267,857.36	248,000.00	3.100		3.100	1,083	05/18/2023
01748DAW6	1939	Allegiance Bank Texas		09/29/2017	248,000.00	258,145.68	248,000.00	2.050		2.050	852	09/29/2022
02006L6M0	1951	Ally Bank		11/09/2017	248,000.00	250,117.92	248,000.00	2.000		2.000	163	11/09/2020
020080BL0	2023	Alma Bk Astoria New York		09/11/2019	248,000.00	259,383.20	248,000.00	1.750		1.750	1,565	09/11/2024
02600ACY1	1745	American Federal Bank		09/30/2015	200,000.00	200,282.00	200,000.00	1.750		1.750	31	06/30/2020
03065AAP8	2104	America's Credit Union		03/31/2020	248,000.00	250,068.32	248,000.00	1.100		1.100	1,766	03/31/2025
02554BCW9	1937	American Eagle Bank		09/15/2017	248,000.00	258,014.24	248,000.00	2.050		2.050	838	09/15/2022
02589AB27	2083	AMERICAN EXPR NATL BK		03/24/2020	248,000.00	250,165.04	248,000.00	1.100		1.100	1,759	03/24/2025
034577AQ9	2084	Aneca Federal Credit Union		03/25/2020	248,000.00	252,647.52	248,000.00	1.000		1.000	1,395	03/25/2024
03753XBM1	2154	APEX BANK		05/08/2020	248,000.00	250,971.04	248,000.00	0.800		0.800	1,073	05/08/2023
06653LAK6	2081	BANK3		03/20/2020	248,000.00	250,224.56	248,000.00	1.100		1.100	1,755	03/20/2025
06062Q3D4	1931	Bank Baroda New York Brh		04/17/2017	248,000.00	257,694.32	248,000.00	2.300		2.300	688	04/18/2022
07815ABE6	2086	Bell Bank		03/26/2020	248,000.00	250,140.24	248,000.00	1.100		1.100	1,761	03/26/2025
07833EAD9	2101	Bellco Credit Union		03/30/2020	248,000.00	252,865.76	248,000.00	1.300		1.300	669	03/30/2022
084601GS6	1915	Berkshire Bank		12/30/2016	248,000.00	255,814.48	248,000.00	2.200		2.200	579	12/30/2021
063907AB5	2118	BANK OF BOTETOURT		04/15/2020	248,000.00	252,220.96	248,000.00	1.300		1.300	1,781	04/15/2025
06251AK25	1754	Bank Hapoalim B M NY BRH		10/09/2015	248,000.00	249,718.64	248,000.00	2.000		2.000	132	10/09/2020
063248KR8	2105	Bank Leumi USA New York NY		03/31/2020	248,000.00	255,544.16	248,000.00	1.450		1.450	1,035	03/31/2023
063615BC1	1751	Bank Midwest Spirit Lake Iowa		10/14/2015	248,000.00	248,853.12	248,000.00	1.750		1.750	76	08/14/2020
063847AK3	1870	Bank New Eng Salem N H		06/30/2016	248,000.00	248,267.84	248,000.00	1.250		1.250	31	06/30/2020
065847EM3	2159	Bank of Wisconsin Dells		05/15/2020	248,000.00	250,646.16	248,000.00	0.750		0.750	1,446	05/15/2024
05581W6J9	2112	BMO HARRIS BANK NA		04/08/2020	248,000.00	248,332.32	248,000.00	1.350		1.350	1,774	04/08/2025
06610QEE7	2102	Bankers Bk Okla City		03/31/2020	248,000.00	248,895.28	248,000.00	1.000		1.000	1,766	03/31/2025
06417NUZ4	2143	BANK OZK		04/29/2020	248,000.00	250,931.36	248,000.00	0.850		0.850	699	04/29/2022
06740KJK4	1732	Barclays Bk Del		09/16/2015	248,000.00	249,612.00	248,000.00	2.200		2.200	109	09/16/2020
099703GF1	2087	BORDER STATE BANK		03/27/2020	248,000.00	250,125.36	248,000.00	1.100		1.100	1,762	03/27/2025
14042E4Y3	1710	Capital One, National Assoc		07/22/2015	248,000.00	248,773.76	248,000.00	2.250		2.250	53	07/22/2020
14042TDB0	2106	CAPITAL ONE BANK		04/01/2020	248,000.00	255,556.56	248,000.00	1.450		1.450	1,038	04/03/2023

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Details - Investments
May 29, 2020

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
17312QJ26	1968	Citibank, National Association		04/11/2018	248,000.00	265,860.96	248,000.00	2.900		2.900	1,046	04/11/2023
15118RTV9	2088	Celtic Bank		03/27/2020	248,000.00	254,058.64	248,000.00	1.150		1.150	1,397	03/27/2024
20416TAM4	1940	CommunityWide Fed Credit Union		09/29/2017	248,000.00	253,966.88	248,000.00	2.000		2.000	487	09/29/2021
20786ADB8	2153	ConnectOneBank		05/08/2020	248,000.00	250,001.36	248,000.00	0.650		0.650	709	05/09/2022
15201QCJ4	2100	CENTERSTATE BANK NA		03/30/2020	248,000.00	248,892.80	248,000.00	1.000		1.000	1,766	03/31/2025
15347EAM1	2125	CENTRAL SAVINGS F.S.B.		04/17/2020	248,000.00	251,010.72	248,000.00	1.200		1.200	1,783	04/17/2025
20033AM86	1975	Comenity Cap Bk Salt Lake City		10/30/2018	248,000.00	273,226.56	248,000.00	3.450		3.450	1,248	10/30/2023
20726ABT4	2095	CONGRESSIONAL BANK		03/27/2020	248,000.00	248,944.88	248,000.00	1.250		1.250	1,762	03/27/2025
211163JZ4	2157	CONTINENTAL BANK		05/15/2020	248,000.00	250,608.96	248,000.00	0.750		0.750	1,080	05/15/2023
225645DN7	2082	CRESCENT BANK & TRUST		03/20/2020	248,000.00	250,224.56	248,000.00	1.100		1.100	1,755	03/20/2025
22239MAL2	1898	Countryside Federal Credit Uni		10/28/2016	248,000.00	252,372.24	248,000.00	1.650		1.650	516	10/28/2021
23020PAE2	1918	Cullman Svgs Bk Cullman AL		01/31/2017	248,000.00	255,387.92	248,000.00	2.000		2.000	611	01/31/2022
254673A22	2108	DISCOVER BK GREENWOOD DEL		04/02/2020	248,000.00	255,318.48	248,000.00	1.450		1.450	1,768	04/02/2025
29260MAV7	2096	Encore Bk Little Rock Ark		03/25/2020	248,000.00	250,737.92	248,000.00	1.150		1.150	1,760	03/25/2025
29266NP84	1716	Enerbank USA Salt Lake City		08/14/2015	248,000.00	249,009.36	248,000.00	2.050		2.050	76	08/14/2020
29367RKT2	2011	Enterprise Bank		05/16/2019	248,000.00	268,231.84	248,000.00	2.600		2.600	1,447	05/16/2024
29367QCV8	2158	Enterprise Bank		05/15/2020	248,000.00	246,415.28	248,000.00	0.850		0.850	1,811	05/15/2025
29976DYV6	1703	Everbank Jacksonville FLA		06/30/2015	248,000.00	248,404.24	248,000.00	1.950		1.950	31	06/30/2020
300185JF3	2085	Evergreen Bank Group		03/26/2020	248,000.00	248,969.68	248,000.00	1.000		1.000	1,761	03/26/2025
301074CD0	1749	Exchange BK Gibbon Neb		10/09/2015	248,000.00	249,378.88	248,000.00	1.650		1.650	132	10/09/2020
33847E3B1	2148	FLAGSTAR BANK FSB		04/30/2020	248,000.00	253,505.60	248,000.00	1.150		1.150	1,066	05/01/2023
32110YJR7	1916	First Natl Bk Amer E Lansing M		01/20/2017	248,000.00	255,464.80	248,000.00	2.050		2.050	600	01/20/2022
34969RCS5	2089	Fortune Bank		03/27/2020	248,000.00	252,647.52	248,000.00	1.000		1.000	1,397	03/27/2024
35471TCV2	1919	Franklin Synergy Bank		01/31/2017	248,000.00	255,375.52	248,000.00	2.000		2.000	611	01/31/2022
319428AD0	1921	First Century Bank		02/10/2017	248,000.00	248,783.68	248,000.00	1.700		1.700	72	08/10/2020
33715LAE0	1869	First Technology Fed Credit Un		06/30/2016	248,000.00	248,275.28	248,000.00	1.400		1.400	31	06/30/2020
32021MFP9	2163	FIRST FINANCIAL BANK		05/18/2020	248,000.00	248,734.08	248,000.00	0.600		0.600	1,451	05/20/2024
32027BAL1	2144	FIRST FREEDOM BANK		04/29/2020	248,000.00	250,844.56	248,000.00	1.200		1.200	1,795	04/29/2025
32112UDQ1	2140	THE FIRST NB OF MCGREGOR		04/28/2020	248,000.00	255,526.80	248,000.00	1.300		1.300	1,429	04/28/2024
32056GDK3	2155	FIRST INTERNET BANK OF INDIANA		05/11/2020	248,000.00	250,241.92	248,000.00	0.700		0.700	1,076	05/11/2023
31938QN26	1708	First Business Bank		07/17/2015	248,000.00	248,652.24	248,000.00	2.050		2.050	48	07/17/2020
32024JAC7	1946	First Federal Credit Union		10/20/2017	248,000.00	254,214.88	248,000.00	2.000		2.000	508	10/20/2021
43719LAC9	2099	HOME LOAN INVESTMENT BANK FSB		03/30/2020	248,000.00	248,939.92	248,000.00	1.000		1.000	1,763	03/28/2025
44042WCA3	1969	Horizon Bank		05/04/2018	248,000.00	266,523.12	248,000.00	2.950		2.950	1,069	05/04/2023
42724JEG6	1974	Heritage Bank USA Inc		06/19/2018	248,000.00	255,432.56	248,000.00	3.000		3.000	387	06/21/2021
45083ANS7	2080	IBERIABANK		03/20/2020	248,000.00	249,054.00	248,000.00	1.000		1.000	1,755	03/20/2025

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Details - Investments
May 29, 2020

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
45157PAJ9	1958	Ideal Credit Union		01/11/2018	248,000.00	256,360.08	248,000.00	2.300		2.300	591	01/11/2022
45581EAK7	1938	Industrial & Coml Bk China USA		09/20/2017	248,000.00	259,489.84	248,000.00	2.300		2.300	843	09/20/2022
45780PAL9	1715	Institution for Savings		07/31/2015	248,000.00	248,907.68	248,000.00	2.050		2.050	62	07/31/2020
46176PEJ0	1726	Investors Bank		08/25/2015	248,000.00	249,321.84	248,000.00	2.000		2.000	87	08/25/2020
474067AF2	1949	Jefferson Financial Fed Cr Un		11/10/2017	248,000.00	260,980.32	248,000.00	2.450		2.450	894	11/10/2022
49254FAN6	1988	Keesler Federal Credit Union		02/28/2019	248,000.00	253,279.92	248,000.00	3.000		3.000	272	02/26/2021
499724AH5	1987	Knoxville Tva Employees Cr Un		02/14/2019	248,000.00	273,608.48	248,000.00	3.300		3.300	1,355	02/14/2024
49228XAB6	1989	Kern School Federal Credit Un		03/13/2019	248,000.00	259,435.28	248,000.00	2.800		2.800	653	03/14/2022
50116CCD9	2012	KS STATEBANK		05/29/2019	248,000.00	263,542.16	248,000.00	2.500		2.500	1,094	05/29/2023
51210SQL4	1994	Lakeside Bank		03/22/2019	248,000.00	269,987.68	248,000.00	2.850		2.850	1,392	03/22/2024
501798PF3	2091	LCA Bank Corporation		03/27/2020	248,000.00	250,122.88	248,000.00	1.100		1.100	1,762	03/27/2025
538036DN1	1964	Live Oak Banking Company		03/09/2018	248,000.00	252,637.60	248,000.00	2.550		2.550	283	03/09/2021
55316CAT3	2107	M1 Bank		04/02/2020	248,000.00	248,865.52	248,000.00	1.000		1.000	1,768	04/02/2025
598315BH1	1707	Midwest Cmnty Bk Freeport Ill		07/02/2015	248,000.00	248,466.24	248,000.00	1.900		1.900	33	07/02/2020
583626AE6	1961	Mechanics Coop Bk Tauntonmass		02/05/2018	248,000.00	262,597.28	248,000.00	2.550		2.550	982	02/06/2023
58404DDG3	1986	Medallion BK Utah		02/11/2019	248,000.00	270,845.76	248,000.00	3.000		3.000	1,353	02/12/2024
58587PAB9	1962	Members Cooperative Credit Un		02/23/2018	248,000.00	263,812.48	248,000.00	2.700		2.700	999	02/23/2023
58733ADN6	1908	Mercantil CommerceBank Natl		12/09/2016	248,000.00	254,973.76	248,000.00	2.050		2.050	558	12/09/2021
59013JJP5	1748	Merrick Bk South Jordan Utah		09/30/2015	248,000.00	249,775.68	248,000.00	1.800		1.800	123	09/30/2020
56034WAN1	1830	Main Str Bk Corp Wheeling WV		03/17/2016	248,000.00	249,339.20	248,000.00	1.400		1.400	110	09/17/2020
61760ARV3	1976	Morgan Stanley Pvt Bank		11/15/2018	248,000.00	274,369.84	248,000.00	3.550		3.550	1,264	11/15/2023
61690UTE0	2073	Morgan Stanley Pvt Bank		02/06/2020	248,000.00	259,331.12	248,000.00	1.850		1.850	1,713	02/06/2025
57116APV4	1945	Marlin Business Bank		10/13/2017	248,000.00	254,130.56	248,000.00	2.000		2.000	501	10/13/2021
62384RAB2	1943	Mountain America Credit Union		10/12/2017	248,000.00	259,732.88	248,000.00	2.300		2.300	865	10/12/2022
63970QFX9	2134	NEBRASKALAND NATIONAL BANK		04/24/2020	248,000.00	250,914.00	248,000.00	1.200		1.200	1,790	04/24/2025
654062JH2	2090	Nicolet National Bank		03/27/2020	248,000.00	252,161.44	248,000.00	0.950		0.950	1,215	09/27/2023
635573AC2	1763	National Cooperative Bank NA		10/30/2015	248,000.00	250,259.28	248,000.00	1.750		1.750	153	10/30/2020
666613GP3	1966	Northpointe Bank		03/19/2018	248,000.00	249,812.88	248,000.00	2.450		2.450	114	09/21/2020
67054NAD5	1933	Numerica Credit Union		05/31/2017	248,000.00	258,225.04	248,000.00	2.300		2.300	731	05/31/2022
68002LBV9	2161	OLD MISSOURI BANK		05/15/2020	248,000.00	245,815.12	248,000.00	0.800		0.800	1,811	05/15/2025
69413CEZ8	1867	Pacific Contl Bk Eugene Ore		06/17/2016	248,000.00	248,166.16	248,000.00	1.250		1.250	18	06/17/2020
694231AC5	2103	PACIFIC ENTERPRISE BANK		03/31/2020	248,000.00	250,656.08	248,000.00	1.150		1.150	1,766	03/31/2025
69506YRG6	2120	PACIFIC WESTERN BANK		04/16/2020	248,000.00	252,793.84	248,000.00	1.350		1.350	1,782	04/16/2025
72345SKR1	2150	PINNACLE BANK		05/06/2020	248,000.00	251,687.76	248,000.00	1.000		1.000	706	05/06/2022
73319FAK5	2093	POPPY BANK		03/27/2020	248,000.00	250,125.36	248,000.00	1.100		1.100	1,762	03/27/2025
747133CE4	1922	Pyramax Bk FSB Greenfield Wis		02/17/2017	248,000.00	251,038.00	248,000.00	1.850		1.850	263	02/17/2021

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Details - Investments
May 29, 2020

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Certificates of Deposit - Bank												
749622AL0	2018	RIA Federal Credit Union		06/24/2019	248,000.00	265,821.28	248,000.00	2.500		2.500	1,305	12/26/2023
7954505G6	2045	SALLIE MAE BANK SALT LAKE UT		11/06/2019	248,000.00	261,151.44	248,000.00	1.950		1.950	1,621	11/06/2024
79772FAF3	2094	San Francisco Fed Credit Union		03/27/2020	248,000.00	250,125.36	248,000.00	1.100		1.100	1,762	03/27/2025
819866AA2	1934	Sharonview Fedl Credit Union		08/11/2017	248,000.00	252,317.68	248,000.00	2.000		2.000	346	05/11/2021
81632NAL9	2146	SELF-HELP		04/30/2020	248,000.00	250,003.84	248,000.00	0.650		0.650	699	04/29/2022
83172HGM6	2151	SMARTBANK		05/08/2020	248,000.00	249,882.32	248,000.00	0.650		0.650	1,073	05/08/2023
835104BZ2	2079	SOMERSET TRUST CO		03/19/2020	248,000.00	249,071.36	248,000.00	1.000		1.000	1,754	03/19/2025
856283G59	1978	State Bank of India		11/29/2018	248,000.00	275,049.36	248,000.00	3.600		3.600	1,278	11/29/2023
845182AT1	1884	Southwest National Bank		09/09/2016	248,000.00	252,015.12	248,000.00	1.500		1.500	467	09/09/2021
87165FZA5	2109	Synchrony Bank		04/03/2020	248,000.00	255,556.56	248,000.00	1.450		1.450	1,038	04/03/2023
88213SAR7	2119	TEXAS ADVANTAGE COMMUNITY BK		04/14/2020	248,000.00	251,638.16	248,000.00	1.250		1.250	1,780	04/14/2025
88457PAR8	2130	THOMASTON SAVINGS BANK		04/23/2020	248,000.00	255,040.72	248,000.00	1.250		1.250	1,424	04/23/2024
88413QCK2	2051	THIRD FED SAV&LN CLEVLND		11/25/2019	248,000.00	261,029.92	248,000.00	1.950		1.950	1,640	11/25/2024
89268YBD6	2152	Traditional Bank, Inc.		05/08/2020	248,000.00	249,793.04	248,000.00	0.600		0.600	739	06/08/2022
89214PCJ6	2092	Towne Bank		03/27/2020	248,000.00	250,122.88	248,000.00	1.100		1.100	1,762	03/27/2025
90348JCW8	1973	UBS Bank USA		06/13/2018	248,000.00	269,323.04	248,000.00	3.250		3.250	1,109	06/13/2023
91435LAG2	1970	University of Iowa Com Cred Un		05/14/2018	248,000.00	267,408.48	248,000.00	3.050		3.050	1,080	05/15/2023
949763LR5	1952	Wells Fargo Bank NA		12/08/2017	248,000.00	261,585.44	248,000.00	2.500		2.500	922	12/08/2022
92937CJY5	2115	WEX Bank		04/09/2020	248,000.00	253,421.28	248,000.00	1.400		1.400	678	04/08/2022
981571BL5	1700	Worlds Foremost BK Sydney NEB		06/11/2015	200,000.00	200,132.00	200,000.00	2.100		2.100	12	06/11/2020
954444BV6	2132	WEST MICHIGAN COM BANK		04/24/2020	248,000.00	251,390.16	248,000.00	0.950		0.950	695	04/25/2022
		Subtotal and Average	**29,920,551.72**		**30,408,000.00**	**31,188,892.32**	**30,408,000.00**			**1.729**	**997**	
Money Markets												
SYS1385	1385	Union High Yield Sweep Account			3,756,612.06	3,756,612.06	3,756,612.06	0.100		0.100	1	
SYS1893	1893	UBS Select Gov't Institutional			150,000.00	150,000.00	150,000.00	0.090		0.090	1	
		Subtotal and Average	**3,921,271.39**		**3,906,612.06**	**3,906,612.06**	**3,906,612.06**			**0.100**	**1**	
Negotiable CD's - Bank												
32022MBX5	2117	First Financial Northwest Bank		04/15/2020	248,000.00	248,448.88	248,000.00	1.500		1.501	1,781	04/15/2025
108622JX0	2166	BRIDGEWATER BANK		05/22/2020	248,000.00	247,511.44	248,000.00	0.950		0.951	1,818	05/22/2025
33885WAE0	2170	FLATWATER BANK		05/27/2020	248,000.00	248,781.20	248,000.00	0.750		0.736	1,459	05/28/2024
35909FAA2	2133	FRONTIER BANK		04/24/2020	248,000.00	248,548.08	248,000.00	1.450		1.451	1,790	04/24/2025
319461CU1	2160	FIRST CHOICE BANK		05/15/2020	248,000.00	248,362.08	248,000.00	0.800		0.801	1,446	05/15/2024
335857BW7	2162	FIRST OKLAHOMA BANK		05/15/2020	248,000.00	247,022.88	248,000.00	0.900		0.901	1,811	05/15/2025
334342CQ3	2145	The First Natl Bk of Syracuse		04/29/2020	248,000.00	251,117.36	248,000.00	1.500		1.501	1,795	04/29/2025

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Details - Investments
May 29, 2020

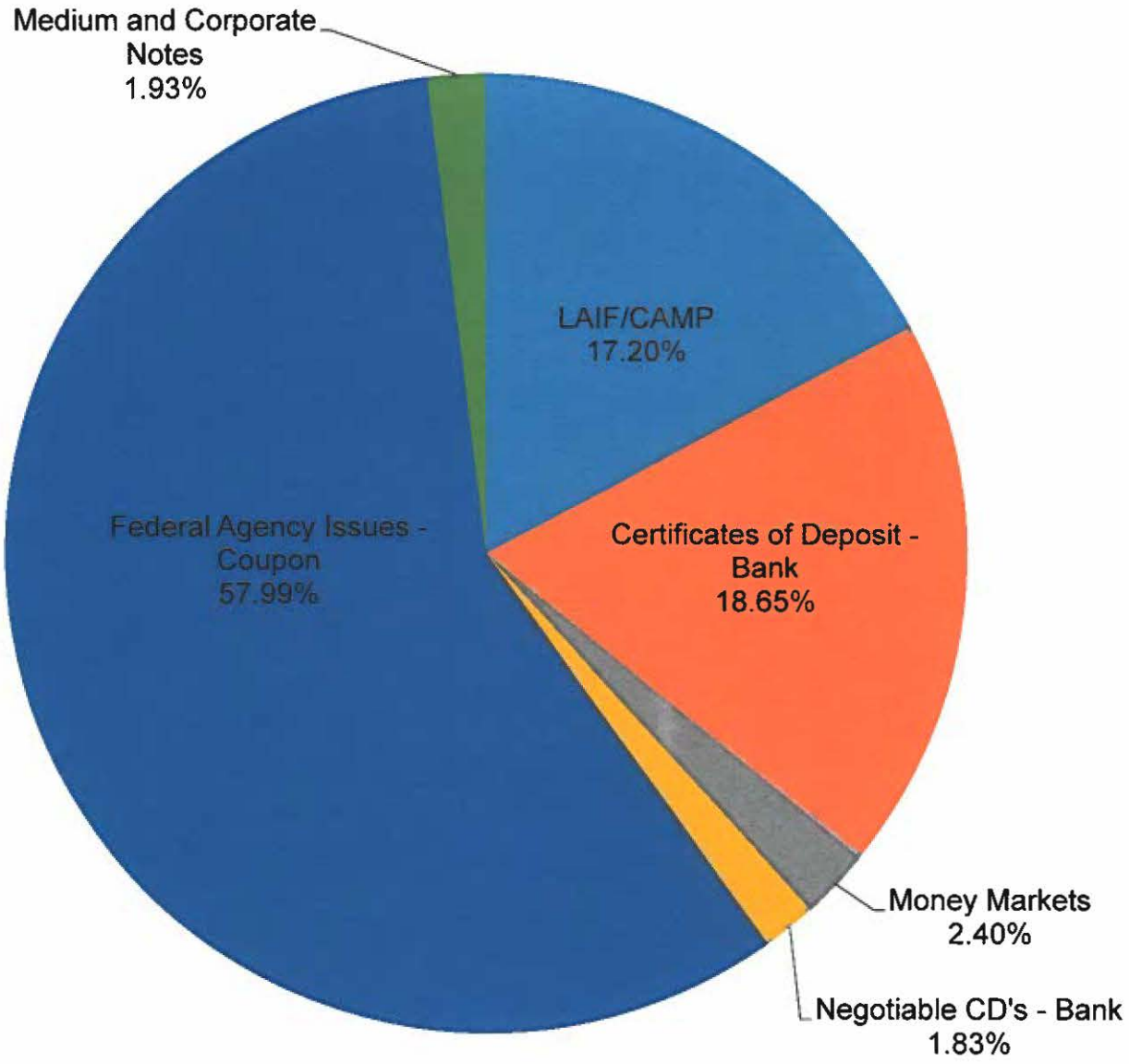
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Negotiable CD's - Bank												
38149MTB9	2128	GOLDMAN SACHS BK USA NEW YORK		04/22/2020	248,000.00	249,249.92	248,000.00	1.400		1.400	692	04/22/2022
402194FX7	2113	Gulf Coast Bank & Trust Co.		04/08/2020	248,000.00	250,487.44	248,000.00	1.300		1.301	1,774	04/08/2025
55406JBH4	2165	M.Y. SAFRA BANK FSB		05/22/2020	248,000.00	248,570.40	248,000.00	0.600		0.600	1,087	05/22/2023
947547LE3	2024	WebBank		09/23/2019	248,000.00	248,280.24	248,000.00	1.750		1.904	481	09/23/2021
956310AT3	2147	West Town Bank & Trust		04/30/2020	248,000.00	249,319.36	248,000.00	1.350		1.351	1,796	04/30/2025
		Subtotal and Average	**2,232,000.00**		**2,976,000.00**	**2,985,699.28**	**2,976,000.00**			**1.200**	**1,478**	
Federal Agency Issues - Coupon												
3133EKC61	2053	Federal Farm Credit Bank Calla		12/05/2019	2,000,000.00	2,007,220.00	2,000,000.00	2.100		2.047	1,543	08/20/2024
3133EKC20	2054	Federal Farm Credit Bank Calla		12/05/2019	500,000.00	501,300.00	500,000.00	1.820		1.812	811	08/19/2022
3133EKSN7	2057	Federal Farm Credit Bank Calla		12/06/2019	2,000,000.00	2,090,580.00	2,000,000.00	1.770		1.610	1,122	06/26/2023
3133ELTC8	2078	Federal Farm Credit Bank Calla		03/17/2020	2,000,000.00	2,004,800.00	2,000,000.00	1.125		1.125	1,752	03/17/2025
3133ELWC4	2116	Federal Farm Credit Bank Calla		04/09/2020	2,000,000.00	1,997,960.00	2,000,000.00	1.150		1.150	1,775	04/09/2025
3133ELWF7	2124	Federal Farm Credit Bank Calla		04/14/2020	2,000,000.00	2,000,020.00	2,000,027.78	0.500		0.500	409	07/13/2021
3133ELWK6	2126	Federal Farm Credit Bank Calla		04/20/2020	2,000,000.00	1,999,940.00	2,000,000.00	0.550		0.550	508	10/20/2021
3133ELXV1	2142	Federal Farm Credit Bank Calla		04/29/2020	2,000,000.00	2,000,020.00	2,000,056.11	1.010		1.010	1,794	04/28/2025
3133ELYU2	2156	Federal Farm Credit Bank Calla		05/11/2020	2,000,000.00	1,997,240.00	2,000,000.00	0.350		0.350	803	08/11/2022
313383MB4	2004	Fed. Home Loan Bank		04/26/2019	510,000.00	510,260.10	510,000.00	1.875		2.368	13	06/12/2020
313383HU8	2005	Fed. Home Loan Bank		04/26/2019	640,000.00	640,320.00	640,000.00	1.750		2.373	13	06/12/2020
313379Q69	2014	Fed. Home Loan Bank		05/29/2019	2,000,000.00	2,075,780.00	2,000,000.00	2.125		2.130	741	06/10/2022
3130A1W95	2019	Fed. Home Loan Bank		07/10/2019	2,000,000.00	2,041,760.00	2,000,000.00	2.250		1.970	377	06/11/2021
3130AHD67	2033	Fed. Home Loan Bank		10/16/2019	2,000,000.00	2,010,760.00	2,000,000.00	2.000		2.000	1,600	10/16/2024
3130A3DL5	2044	Fed. Home Loan Bank		11/04/2019	2,000,000.00	2,132,700.00	2,000,000.00	2.375		1.600	1,196	09/08/2023
3130AHM34	2052	Fed. Home Loan Bank		12/05/2019	2,000,000.00	2,000,300.00	2,000,000.00	2.000		2.000	1,650	12/05/2024
3130A8QS5	2067	Fed. Home Loan Bank		01/03/2020	2,000,000.00	2,021,140.00	2,000,000.00	1.125		1.556	410	07/14/2021
3130AHU92	2070	Fed. Home Loan Bank		01/09/2020	2,000,000.00	2,002,740.00	2,002,241.67	2.050		2.030	1,682	01/06/2025
3130AHXL2	2072	Fed. Home Loan Bank		01/28/2020	2,000,000.00	2,015,900.00	2,000,000.00	1.940		1.940	1,704	01/28/2025
3130AHZZ9	2077	Fed. Home Loan Bank		03/06/2020	2,000,000.00	2,013,200.00	2,014,466.67	1.820		1.692	1,719	02/12/2025
3130AJDQ9	2111	Fed. Home Loan Bank		04/06/2020	325,000.00	325,016.25	325,039.72	1.100		1.100	1,768	04/02/2025
3130AJHC6	2129	Fed. Home Loan Bank		04/23/2020	2,000,000.00	2,000,840.00	2,000,000.00	1.180		1.180	1,789	04/23/2025
3134GBAG7	2003	Fed. Home Loan Mtg.		04/26/2019	595,000.00	595,708.05	595,000.00	1.750		2.390	30	06/29/2020
3134GUCE8	2025	Fed. Home Loan Mtg.		09/23/2019	2,000,000.00	2,009,060.00	2,000,000.00	2.020		2.020	1,571	09/17/2024
3134GUNA4	2041	Fed. Home Loan Mtg.		10/28/2019	2,000,000.00	2,004,240.00	2,000,000.00	1.900		1.900	1,154	07/28/2023
3134GUMG2	2042	Fed. Home Loan Mtg.		10/30/2019	2,000,000.00	2,004,780.00	2,000,000.00	2.000		2.000	1,522	07/30/2024
3134GULS7	2043	Fed. Home Loan Mtg.		11/01/2019	2,000,000.00	2,011,300.00	2,000,000.00	1.875		1.875	1,612	10/28/2024
3134GUPT1	2046	Fed. Home Loan Mtg.		11/08/2019	2,000,000.00	2,005,340.00	2,000,000.00	1.800		1.800	1,167	08/10/2023

SISKIYOU COUNTY TREASURY
Portfolio Management
Portfolio Details - Investments
May 29, 2020

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3134GURP7	2050	Fed. Home Loan Mtg.		11/18/2019	2,000,000.00	2,013,280.00	2,000,000.00	2.000		2.000	1,633	11/18/2024
3134GUXZ8	2061	Fed. Home Loan Mtg.		12/16/2019	2,000,000.00	2,001,260.00	2,000,000.00	1.750		1.750	747	06/16/2022
3134GUC40	2062	Fed. Home Loan Mtg.		12/23/2019	2,000,000.00	2,001,900.00	2,000,000.00	1.875		1.875	1,119	06/23/2023
3134GUZY9	2063	Fed. Home Loan Mtg.		12/23/2019	2,000,000.00	2,001,860.00	2,000,000.00	1.750		1.750	754	06/23/2022
3134GUC40	2064	Fed. Home Loan Mtg.		12/30/2019	415,000.00	415,394.25	415,255.05	1.875		1.868	1,119	06/23/2023
3134GUQ86	2069	Fed. Home Loan Mtg.		01/06/2020	2,000,000.00	2,002,820.00	2,000,000.00	1.850		1.850	1,132	07/06/2023
3134GUS50	2071	Fed. Home Loan Mtg.		01/13/2020	2,000,000.00	2,002,620.00	2,000,000.00	1.700		1.700	774	07/13/2022
3134GVAJ7	2074	Fed. Home Loan Mtg.		02/10/2020	2,000,000.00	2,004,280.00	1,996,000.00	1.700		1.742	1,717	02/10/2025
3134GVAV0	2075	Fed. Home Loan Mtg.		02/12/2020	2,025,000.00	2,029,839.75	2,025,185.63	1.650		1.650	802	08/10/2022
3134GVKJ6	2121	Fed. Home Loan Mtg.		04/17/2020	2,000,000.00	2,000,220.00	2,000,000.00	1.150		1.150	1,600	10/16/2024
3134GVKQ0	2122	Fed. Home Loan Mtg.		04/17/2020	2,000,000.00	2,000,580.00	2,000,000.00	1.200		1.200	1,782	04/16/2025
3134GVKK3	2123	Fed. Home Loan Mtg.		04/17/2020	2,000,000.00	2,000,220.00	2,000,000.00	1.300		1.300	1,783	04/17/2025
3134GVLT3	2131	Fed. Home Loan Mtg.		04/24/2020	2,000,000.00	2,000,020.00	2,000,000.00	0.600		0.600	879	10/26/2022
3134GVMH8	2135	Fed. Home Loan Mtg.		04/27/2020	2,000,000.00	2,000,140.00	2,001,000.00	0.550		0.594	788	07/27/2022
3134GVLV8	2136	Fed. Home Loan Mtg.		04/27/2020	2,000,000.00	2,000,380.00	2,001,000.00	0.650		0.632	972	01/27/2023
3134GVMG0	2138	Fed. Home Loan Mtg.		04/27/2020	2,000,000.00	2,000,600.00	2,000,000.00	0.750		0.813	1,153	07/27/2023
3134GVNW4	2141	Fed. Home Loan Mtg.		04/28/2020	2,000,000.00	2,000,320.00	2,000,000.00	0.900		1.300	1,612	10/28/2024
3134GVRN0	2149	Fed. Home Loan Mtg.		05/05/2020	2,000,000.00	2,000,000.00	2,000,000.00	0.500		0.500	1,070	05/05/2023
3135G0T60	2006	Fed Natl Mtge Assoc (Callable)		04/26/2019	2,000,000.00	2,004,400.00	2,000,000.00	1.500		2.348	61	07/30/2020
3135G0T60	2009	Fed Natl Mtge Assoc (Callable)		05/03/2019	2,000,000.00	2,004,400.00	2,000,000.00	1.500		2.334	61	07/30/2020
3135G03P6	2139	Fed Natl Mtge Assoc (Callable)		04/27/2020	2,000,000.00	2,000,220.00	2,002,000.00	0.800		0.766	1,062	04/27/2023
3136G4VA8	2127	Fed. Nat. Mtg. Asstn.		04/21/2020	3,500,000.00	3,500,770.00	3,501,818.06	0.700		0.683	1,055	04/20/2023
3136G4VE0	2137	Fed. Nat. Mtg. Asstn.		04/27/2020	2,000,000.00	2,001,420.00	2,002,000.00	0.550		0.516	1,062	04/27/2023
		Subtotal and Average	**99,082,814.83**		**94,510,000.00**	**95,007,168.40**	**94,531,090.69**			**1.454**	**1,159**	
Medium and Corporate Notes												
89236TEC5	1955	Toyota Mtr Cred		12/19/2017	2,000,000.00	2,054,780.00	2,000,000.00	2.150	AA	2.470	831	09/08/2022
89236TCQ6	1983	Toyota Mtr Cred		01/16/2019	1,150,000.00	1,194,424.50	1,150,000.00	2.800	AA	3.104	774	07/13/2022
		Subtotal and Average	**3,150,000.00**		**3,150,000.00**	**3,249,204.50**	**3,150,000.00**			**2.702**	**810**	
		Total and Average	**163,374,048.72**		**162,997,333.19**	**164,507,734.43**	**163,018,423.88**			**1.415**	**901**	

SISKIYOU COUNTY
311 4TH STREET
Yreka, CA 96097
(530)842-8347

Book Value as of May 29, 2020



APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

SPECIMEN

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

SPECIMEN

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100