In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the District described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California (the “State”) under present State law. See “TAX MATTERS” herein regarding certain other tax considerations.

Dated: Date of Delivery

The General Obligation Bonds, Election of 2014, Series 2020C (Bank Qualified) (the “Bonds”) of the Robla School District (the “District”) were authorized by an election held within the District on November 4, 2014 (the “2014 Authorization”), and are the third issuance of bonds under the 2014 Authorization, as more fully described herein under the caption “INTRODUCTION.” The proceeds of the Bonds are being used to: (i) finance the construction, acquisition, furnishing and equipping of District facilities and (ii) pay certain costs of issuance associated therewith, as more fully described herein under the caption “PLAN OF FINANCE” and “THE BONDS – Estimated Sources and Uses.” Following the issuance of the Bonds, $7,300,000 of the 2014 Authorization will remain.

The Bonds are dated the date of delivery set forth above. The Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2021. See “THE BONDS” herein.

The Bonds will be issued in denominations of $5,000 principal amount, or integral multiples thereof. The Bonds are issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds as described herein under the caption “THE BONDS – Book-Entry-Only System” and in APPENDIX E – “THE BOOK-ENTRY-ONLY SYSTEM.” Payments of the principal value of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as initial paying agent, registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC’s Direct Participants (defined herein) to the beneficial owners of the Bonds. Upon receipt of payments of principal and interest, DTC is obligated in turn to remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds, as described herein.

The Bonds may be subject to redemption prior to maturity as described herein. See “THE BONDS – Redemption” herein.

The Bonds are general obligations of the District only and are not obligations of the County, the State or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

MATURITY SCHEDULE
On Inside Cover

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued and received by Raymond James & Associates, Inc., the Underwriter subject to the approval of legality by Nixon Peabody LLP, San Francisco, California, Bond Counsel, and certain other conditions. Nixon Peabody LLP is acting as Disclosure Counsel for the issue. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP. It is anticipated that the Bonds will be available for delivery in definitive form through the facilities of DTC on or about August 19, 2020.

RAYMOND JAMES

Dated August 6, 2020.
MATURITY SCHEDULE

$6,000,000
ROBLA SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2014
SERIES 2020C
(Bank Qualified)

$6,000,000 – 3.00% Term Bonds due August 1, 2053, Yield: 2.250%\(^c\); CUSIP No.\(^d\) 771027KU2

\(^c\) Yield to par call on August 1, 2028.

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No dealer, broker, salesperson or other person has been authorized by the District to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall 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.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth herein, other than that provided by the District, has been obtained from sources which 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 opinion 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. Although certain information set forth in this Official Statement has been provided by Sacramento County (the “County”), the County has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement.

The Bonds have not been registered under the Securities Act of 1933, as amended (the “Securities Act”) or the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), in reliance upon exemptions contained in Section 3(a)2 of the Securities Act and Section 3(a)12 of the Exchange Act, and have not been registered or qualified under the securities laws of any state.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Official Statement constitutes an official statement of the District that has been deemed final by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

The following statement has been provided by the Underwriter: “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.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOC OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES LOWER OR HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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.

Statements included or incorporated by reference in the following information constitute “forward looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the Exchange Act, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “project,” “expect,” “estimate,” “budget” or other similar words. The achievement of results or other expectations contained in forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Actual results may differ from the District’s forecasts. The District is not obligated and does not plan to issue any updates or revisions to the forward looking statements in any event.

The District maintains a website and a social media presence. However, the information presented thereon is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.
ROBLA SCHOOL DISTRICT  
Sacramento County, California  

**Board of Trustees**  
Ken Barnes, President  
Dennis Boyd, Vice President  
Nuvia Cardona, Clerk  
Craig DeLuz, Member  
Kim Howard, Member  

**District Administrators**  
Ruben Reyes, Superintendent  
Gerardo Castillo, Chief Business Official  

**SPECIAL SERVICES**  

**Bond Counsel and Disclosure Counsel**  
Nixon Peabody LLP  
San Francisco, CA  

**Municipal Advisor**  
CFW Advisory Services, LLC  
Emeryville, CA  

**Underwriter**  
Raymond James & Associates, Inc.  
Los Angeles, CA  

**Paying Agent**  
The Bank of New York Mellon Trust Company, N.A.  
Dallas, TX
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INTRODUCTION

General

The Robla School District (the “District”), a school district of the State of California (the “State”), proposes to issue $6,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2014, Series 2020C (Bank Qualified) (the “Bonds”), under and pursuant to a bond authorization (the “2014 Authorization”) for the issuance and sale in the maximum principal amount of $29,800,000 of general obligation bonds, which were approved by more than 55% of voters within the District voting on the proposition at an election held on November 4, 2014 (the “2014 Election”). The Bonds are the third series of the District’s general obligation bonds issued under the 2014 Authorization.

Proceeds from the sale of the Bonds will be applied to the construction, acquisition, furnishing and equipping of certain District facilities included on the project list approved by the voters under the 2014 Authorization at the 2014 Election (the “Projects”), and the payment of costs of issuance of the Bonds as more fully described herein under the captions “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS”.

All general obligation bonds of the District, including the Bonds of this issue, are payable solely from ad valorem property taxes, which may be levied upon all taxable property in the District. See the caption “– Proposition 39” under the heading “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” herein.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED BY AND PAYABLE SOLELY FROM AD VALOREM PROPERTY TAXES ASSESSED ON TAXABLE PROPERTIES WITHIN THE DISTRICT, WITHOUT LIMITATION AS TO RATE OR AMOUNT. THE BONDS ARE NOT AN OBLIGATION OF THE GENERAL FUND OF THE DISTRICT OR OF SACRAMENTO COUNTY. SEE “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” HEREIN.

The District

The District was originally known as the Oak Grove School District and opened in 1896. The District was established as an elementary school district, and its name was changed to Robla School District, in 1916. Located in the County, the District is situated approximately ten miles north of downtown Sacramento, and encompasses approximately ten square miles. The District provides elementary school facilities for grades preschool through six grade. The District currently maintains five elementary schools and one preschool. The District serves an estimated 2,060 children. The student-to-teacher ratio in kindergarten is 24:1, grades 1-3 is 24:1 and grades 4-5 is 27:1. On November 13, 2014, the District granted a three-year charter to its first charter school, Paseo Grande Charter School which began operations in fiscal year 2015-16. On March 12, 2020, the District granted the renewal of the Paseo Grande Charter School through June 30, 2023. Another Charter School, Marconi Learning Academy was approved in fiscal year 2018-19 through June 30, 2021. The same nonprofit organization
runs both independent charters. See APPENDIX A – “THE DISTRICT – STATE FUNDING OF EDUCATION – Charter School Funding” for more information on charter school funding.

The District is governed by a Board of Trustees (the “Board”), consisting of five members who are elected at large to overlapping four year terms, at election held in staggered years.

The District has certain outstanding general obligation bonds and direct and overlapping bonded indebtedness as set forth under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Direct and Overlapping Debt.” The District’s audited financial statements for fiscal year 2018-19 are attached hereto as APPENDIX C. For further information concerning the District, see APPENDIX A – “THE DISTRICT.”

Description of the Bonds

Form and Registration. The Bonds will be issued in the form of current interest bonds, in fully registered form only, and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), who will act as securities depository for the Bonds. See “THE BONDS – Book-Entry-Only System” herein and APPENDIX E – “BOOK-ENTRY-ONLY SYSTEM” hereto. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interests in the Bonds purchased. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bondowners,” or “Holders” of the Bonds (other than under the caption “TAX MATTERS”) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. The Bonds will be issued in initial denominations of $5,000 or any integral multiple thereof.

“Principal” or “Principal Amount” means, as of any date of calculation, with respect to any Bond, the principal amount thereof.

Redemption. The Bonds are subject to redemption prior to their stated maturity as further described herein. See “THE BONDS –Redemption” herein.

Payments. The Bonds will be dated as of their initial date of delivery (the “Date of Delivery”), and interest on the Bonds will accrue from the Date of Delivery, and is payable semiannually on each February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing February 1, 2021. The principal amount of the Bonds is payable at maturity or at earlier redemption upon surrender of the applicable Bond for payment. Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the initial paying agent for the Bonds, (the “Paying Agent”) to DTC for subsequent distribution through DTC Participants (the “DTC Participants”) to the Beneficial Owners of the Bonds.

Bond Owner’s Risks

The Bonds are general obligations of the District only, payable from ad valorem property taxes which may be levied upon all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete
The outbreak of a new strain of coronavirus (“COVID-19”), a respiratory tract illness first identified in Wuhan, China, has spread to numerous countries across the globe, including the U.S. The District cannot predict the extent or duration of the outbreak or what overall impact it may have on the District’s financial condition or operations of the District, or if there will be any impact on the assessed values of property within the District or collections or delinquencies of the ad valorem property taxes securing the Bonds. Any financial information, including projections, forecasts and budgets presented herein do not yet account for the potential effects of COVID-19, unless specifically referenced. For further information concerning the potential effects of the COVID-19 outbreak (i) on the security and source of payment for the Bonds, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Appeals of Assessed Value; Proposition 8 Reductions” and “– Ad Valorem Property Taxes, Tax Rates, Levies, Collections and Delinquencies,” and (ii) on the District’s operations and finances, see APPENDIX A – “FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Risks Related to COVID-19.”

In addition, on June 29, 2020, the State adopted its budget for Fiscal Year 2020-21 (the “2020-21 State Budget”) which acknowledged the substantial impact of the COVID-19 pandemic and subsequent economic disruption on the State’s general fund, and corresponding impacts on funding of school districts and community college districts. See APPENDIX A – “FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Fiscal Year 2020-21 State Budget” for additional information on the effect of COVID-19 pandemic on the State and its funding of school districts.

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate (defined herein) relating to the Bonds, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission. The specific nature of the information to be made available and of the notices of listed events is summarized under “LEGAL MATTERS – Continuing Disclosure” herein and in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “intend,” “expect,” “estimate,” “project,” “budget,” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED FROM SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO
ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THE BONDS

Authority for Issuance

The Bonds are general obligations of the District only. The Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code commencing with Section 53506 (the “Act”) and other applicable law, and pursuant to the resolution of the Board of Trustees of the District adopted on June 25, 2020 (the “Resolution”).

Purpose of Issue

The District submitted a project list (the “Project List”) to the voters at the 2014 Election, specifying the Projects to be financed, from which a number of components will be financed with the proceeds of the Bonds. Details regarding the Project List and the proposed components to be financed are set forth under the caption “PLAN OF FINANCE – The Projects” herein.

The net proceeds of sale of the Bonds, after payment of costs of issuance of the Bonds, shall be deposited into a Building Fund established with the Director of Finance under the Resolution (a “Building Fund”). The District shall, from time to time, disburse or cause to be disbursed amounts from the Building Fund to pay project costs; provided, however, that the proceeds of sale of the Bonds shall be applied only to the financing of the Projects.

Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued may be transferred to the “Robla School District 2014 Election General Obligation Bonds, Series 2020C Debt Service Fund” (a “Debt Service Fund”), as appropriate and as directed by the District, and applied to the payment of the principal of and interest on the Bonds of the related series. The Debt Service Fund and any accounts established therein are held and administered by the Director of Finance. Moneys in the Debt Service Fund are expected to be invested through the Sacramento County Investment Pool. See “SACRAMENTO COUNTY TREASURY POOL” herein.

Permitted Investments

Under State law, the District is generally required to pay all moneys received from any source into the County treasury to be held on behalf of the District. The proceeds from the sale of the Bonds to the extent of the principal amount thereof, will be deposited in the Sacramento County Treasury to the credit of the appropriate Building Fund and shall be accounted for, together with the proceeds of other bonds of the District separately from all other District and County funds. Such proceeds shall be applied solely for the purposes for which the Bonds were authorized. Any premium or accrued interest received by the District will be deposited in the appropriate Debt Service Fund of the District in the County treasury. Interest and earnings on each fund will accrue to that fund.

All funds held by the Sacramento County Director of Finance (the “Director of Finance”) in the Building Funds and the Debt Service Funds are expected to be invested at the sole discretion of the Director of Finance, on behalf of the District, in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of Sacramento County, as either may be amended or supplemented from time to time.
Description of the Bonds

The Bonds will be dated their Date of Delivery. The Bonds will be issued in initial denominations of $5,000 or any integral multiple thereof. The Bonds will be issued with principal amount payable at the maturity dates of the respective Bonds or upon their earlier redemption. The Bonds are not subject to acceleration.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners (as defined herein) or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer by The Bank of New York Mellon Trust Company, N.A., acting as initial Paying Agent for the Bonds (the “Paying Agent”), to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (the “DTC Participants”) for subsequent disbursement to the Beneficial Owners. Payments of principal of, and premium, if any, on any Bonds shall be made only upon the surrender of such Bonds to the Paying Agent. See APPENDIX E – “BOOK-ENTRY-ONLY SYSTEM” herein.

Payment of the Bonds

Interest on each Bond shall accrue from its dated date. Interest on the Bonds shall be computed using a year of three hundred and sixty (360) days comprised of twelve (12) 30-day months and shall be payable on each Interest Payment Date, commencing February 1, 2021, to the registered owner (each, an “Owner”) thereof as of the close of business on the fifteenth (15th) calendar day of the month preceding any Interest Payment Date (whether or not such day is a business day) (a “Record Date”). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond, interest thereon is in default, interest thereon shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of one million USD ($1,000,000) aggregate principal amount or more of such Bonds, to the bank account in the United States specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent, which shall not be more than fifteen (15) days and not less than ten (10) days prior to the date of the proposed payment of defaulted interest.

Redemption

Optional Redemption. The Bonds may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after August 1, 2028, at par, together with interest accrued thereon to the date of redemption, without premium.
**Mandatory Sinking Fund Redemption of the Bonds.** The Bonds are subject to mandatory sinking fund redemption prior to their stated maturity in part (by lot) on any August 1 on or after August 1, 2049, at a redemption price equal to 100% of their principal amount, together with accrued interest thereon to the date fixed for redemption, without premium, on the dates and in the aggregate principal amounts listed below:

<table>
<thead>
<tr>
<th>Mandatory Sinking Fund Payment Date (August 1)</th>
<th>Mandatory Sinking Fund Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2049</td>
<td>$1,035,000</td>
</tr>
<tr>
<td>2050</td>
<td>1,110,000</td>
</tr>
<tr>
<td>2051</td>
<td>1,195,000</td>
</tr>
<tr>
<td>2052</td>
<td>1,285,000</td>
</tr>
<tr>
<td>2053(1)</td>
<td>1,375,000</td>
</tr>
</tbody>
</table>

(1) Maturity.

**Selection of Bonds for Redemption**

Whenever provision is made for the redemption of Bonds of a series and less than all outstanding Bonds of that series are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds of that series for redemption in such order as the District may direct, or, in the absence of such direction, by lot. Within a maturity, the Paying Agent shall select Bonds for redemption in such order as the District may direct, or in the absence of such direction, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of five thousand US dollars ($5,000) or any integral multiple thereof.

**Notice of Redemption**

When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, shall give notice (each, a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds and series or designated portions thereof (in the case of any Bond to be redeemed in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest on such Bonds shall cease to accrue and become payable.

The Paying Agent shall take the following actions with respect to each such Redemption Notice: (i) at least 20 but not more than forty-five (45) days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the Bond Register and the Municipal Securities Rulemaking Board (the “MSRB”); and (ii) in the event that the Bonds are no longer held in book-entry-only form, at least twenty (20) but not more than forty-five (45) days before the redemption date, such Redemption Notice...
Notice shall be given by (1) first-class mail, postage prepaid, (2) telephonically confirmed facsimile transmission or, (3) overnight delivery service, to each of the Securities Depositories and to the MSRB.

“Securities Depositories” means DTC and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a certificate delivered to the Paying Agent.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

**Conditional Notice of Redemption**

Any Redemption Notice may be made conditional upon the satisfaction of certain conditions and/or the receipt of sufficient moneys to pay the redemption price of the designated Bonds and may be rescinded by the District at any time prior to the scheduled date of redemption by so notifying the Paying Agent, who shall notify the Owners of the affected Bonds and the MSRB in the event such conditions are not met or are not expected to be met and/or such funds are not received or expected to be received, in the same manner in which the Redemption Notice was originally given.

**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, maturity and interest rates and of authorized denominations equal in principal amount 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**

Notice having been given as required in the Resolution, and the moneys for redemption (including the interest to the applicable date of redemption) having been set aside in the District’s Debt Service Fund or deposited with a duly appointed escrow agent, in trust, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, shall be held by the Paying Agent, or deposited with a duly appointed escrow agent, in trust, so as to be available therefor on such redemption date, and any conditions to such redemption described in the Redemption Notice shall be met, and if notice of redemption thereof shall have been given, then from and after such redemption date, interest on the Bonds of that series to be redeemed shall cease to accrue and become payable.

**Transfer and Exchange**

Any Bond may be exchanged for Bonds of like series, tenor, maturity and principal amount upon presentation and surrender at the principal office of 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 series and tenor and of any authorized denomination or denominations equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Discharge and Defeasance

All or any portion of the outstanding maturities of the Bonds of a series may be defeased prior to maturity in the following ways:

(a) by paying or causing to be paid the principal of and premium, if any, and interest on such Bonds, and when the same become due and payable;

(b) by depositing with the Paying Agent or with a duly appointed escrow agent, in trust, at or before maturity, cash which together with the amounts transferred from or then on deposit in the Debt Service Fund (and the accounts therein other than amounts that are not available to pay debt service) together with the interest to accrue thereon without the need for further investment, is fully sufficient to pay such Bonds at maturity or earlier redemption thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(c) by depositing with an escrow agent selected by the District in accordance with the Resolution, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series) or obligations which are unconditionally guaranteed by the United States of America, or “prerefunded” municipal obligations rated in the highest category by Moody’s or S&P Global Rating, and with respect to any Bonds designated in the Resolution as tax-exempt, permitted under Section 149(b) of the Code (defined below) and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, as fully verified by the report of an independent certified public accountant, to pay and discharge such Bonds at maturity or earlier redemption thereof, for which notice has been given or provided for, including any premium and all interest thereon.

Notwithstanding that any Bonds of the affected series have not been surrendered for payment, all obligations of the District and the Paying Agent with respect to all such Bonds of that series will cease and terminate. However, the obligation of the Paying Agent to pay or cause to be paid all sums due thereon and the obligation of the District to pay the Paying Agent certain amounts due under the Resolution, shall not terminate.

Book-Entry-Only System

The Bonds will be issued under a book-entry system, evidencing ownership of the Bonds in principal amounts of five thousand US dollars ($5,000) or integral multiples thereof, with no physical distribution of Bonds made to the public. DTC will act as depository for the Bonds, which will be immobilized in their custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC. For further information regarding DTC and the book-entry system, see APPENDIX E hereto.

PLAN OF FINANCE

The District intends to apply the net proceeds of sale of the Bonds to finance or refinance various capital improvements included on the Project List approved by the voters at the 2014 Election. The
The Governing Board retains the ability to set priorities among listed Projects, in order to meet the needs of the District and its students.

The net proceeds from the sale of the Bonds will be deposited into the Building Fund and used to finance or refinance the construction, acquisition, furnishing and equipping of District facilities as described on the Project List approved by the voters at the 2014 Election. The Governing Board retains the ability to set priorities among listed Projects, in order to meet the needs of the District and its students. The District will be responsible for the use of proceeds of the Bonds deposited in the Building Fund. Such net proceeds and interest earnings on the investment of moneys held in the Building Fund, except as required to be rebated to the U.S. Treasury Department, will be retained in the Building Fund and used only for expenditures eligible under the 2014 Election.

**ESTIMATED SOURCES AND USES OF FUNDS**

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

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Amount (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Amount</td>
<td>$6,000,000.00</td>
</tr>
<tr>
<td>Original Issue Premium</td>
<td>325,860.00</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$6,325,860.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Amount (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Building Fund</td>
<td>$5,825,000.00</td>
</tr>
<tr>
<td>Deposit to Debt Service Fund</td>
<td>301,860.00</td>
</tr>
<tr>
<td>Costs of Issuance&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>199,000.00</td>
</tr>
<tr>
<td>Total Uses</td>
<td>$6,325,860.00</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Includes Underwriter’s discount, payment of Bond and Disclosure Counsel fees, Municipal Advisor fees, Paying Agent fees, rating agency fees, Preliminary Official Statement and Official Statement printing and other costs of issuance.
DEBT SERVICE SCHEDULE

The following table summarizes the debt service requirements for the District’s outstanding bonds and the Bonds of this issue, assuming no optional redemption:

<table>
<thead>
<tr>
<th>Year Ending August 1</th>
<th>Total Outstanding Debt Service</th>
<th>The Bonds</th>
<th>Total Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2021</td>
<td>$7,039,444.58</td>
<td>$–</td>
<td>$171,000.00</td>
</tr>
<tr>
<td>2022</td>
<td>5,998,988.98</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2023</td>
<td>5,258,374.58</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2024</td>
<td>6,694,289.48</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2025</td>
<td>5,747,925.12</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2026</td>
<td>6,007,360.52</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2027</td>
<td>6,276,795.92</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2028</td>
<td>6,566,881.32</td>
<td>–</td>
<td>180,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$169,247,574.13</td>
<td>$6,000,000.00</td>
<td>$5,596,650.00</td>
</tr>
</tbody>
</table>

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the District only, and the Board of Supervisors of each County has the power and is obligated to levy and collect *ad valorem* property taxes upon all property within the District subject to taxation by Sacramento County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and
interest on the Bonds. Subsequent to the issuance of the Bonds, $7,300,000 will remain for issuance of additional general obligation bonds under the 2014 Authorization.

**Assessed Valuations**

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the California Constitution. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” herein.

The State-reimbursed exemption currently provides a credit of seven thousand US dollars ($7,000) of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

In addition, certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

Economic and other factors beyond the District’s control, such as a decline in general economic conditions or a general market decline in land values, changes in supply and demand for real property in the area, 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 other government regulations such as zoning, or the complete or partial destruction, or the complete or partial destruction of taxable property caused by natural or manmade disaster such as earthquake, fire or wildfire, flood, outbreaks of infectious disease (including the current COVID-19 pandemic), 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 District’s outstanding general obligation bonds, including the Bonds. See “– Effect of Natural Disasters on Assessed Valuations” herein.

For fiscal year 2019-20, the total assessed valuation of property within the District’s boundaries was $2,864,896,453. Shown in the following tables are the assessed valuations of property in the District during the past five fiscal years, the assessed valuation and parcels by land use of property in the District for the 2019-20 fiscal year, per parcel assessed valuation of single-family homes in the District for the 2019-20 fiscal year and the twenty largest secured taxpayers in the District for fiscal year 2019-20.

[Remainder of Page Intentionally Left Blank]
### ROBLA SCHOOL DISTRICT
**SUMMARY OF ASSESSED VALUATIONS**
**FISCAL YEARS 2014-15 THROUGH 2019-20**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Secured</th>
<th>Utility</th>
<th>Unsecured</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>$1,641,945,222</td>
<td>$53,144</td>
<td>$617,186,927</td>
<td>$2,259,185,293</td>
</tr>
<tr>
<td>2015-16</td>
<td>1,739,283,033</td>
<td>66,430</td>
<td>624,212,543</td>
<td>2,363,562,006</td>
</tr>
<tr>
<td>2016-17</td>
<td>1,798,934,741</td>
<td>66,430</td>
<td>588,269,426</td>
<td>2,387,270,597</td>
</tr>
<tr>
<td>2017-18</td>
<td>1,889,478,578</td>
<td>66,430</td>
<td>521,005,416</td>
<td>2,410,550,424</td>
</tr>
<tr>
<td>2018-19</td>
<td>2,109,716,354</td>
<td>66,430</td>
<td>499,190,309</td>
<td>2,608,973,093</td>
</tr>
<tr>
<td>2019-20</td>
<td>2,242,155,489</td>
<td>66,430</td>
<td>662,674,534</td>
<td>2,864,896,453</td>
</tr>
</tbody>
</table>

Source: California Municipal Statistics, Inc.

### ROBLA SCHOOL DISTRICT
**PER-PARCEL 2019-20 ASSESSED VALUATION OF SINGLE-FAMILY HOMES**

<table>
<thead>
<tr>
<th>Single-Family Residential</th>
<th>No. of Parcels</th>
<th>2019-20 Assessed Valuation</th>
<th>Average Assessed Valuation</th>
<th>Median Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,657</td>
<td>$854,329,359</td>
<td>$183,451</td>
<td>$174,721</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2019-20 Assessed Valuation</th>
<th>No. of Parcels&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>% of Total</th>
<th>Cumulative % of Total</th>
<th>Total Valuation</th>
<th>% of Total</th>
<th>Cumulative % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $24,999</td>
<td>46</td>
<td>0.98%</td>
<td>0.98%</td>
<td>$850,160</td>
<td>0.10%</td>
<td>0.10%</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
<td>185</td>
<td>3.97%</td>
<td>4.96%</td>
<td>6,990,470</td>
<td>0.81%</td>
<td>0.91%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>249</td>
<td>5.34%</td>
<td>10.30%</td>
<td>15,948,476</td>
<td>1.87%</td>
<td>2.78%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>363</td>
<td>7.79%</td>
<td>18.10%</td>
<td>32,172,951</td>
<td>3.76%</td>
<td>6.55%</td>
</tr>
<tr>
<td>$100,000 - $124,999</td>
<td>462</td>
<td>9.92%</td>
<td>28.02%</td>
<td>51,886,784</td>
<td>6.07%</td>
<td>12.62%</td>
</tr>
<tr>
<td>$125,000 - $149,999</td>
<td>499</td>
<td>10.71%</td>
<td>38.73%</td>
<td>68,655,695</td>
<td>8.03%</td>
<td>20.66%</td>
</tr>
<tr>
<td>$150,000 - $174,999</td>
<td>533</td>
<td>11.44%</td>
<td>50.18%</td>
<td>86,538,458</td>
<td>10.12%</td>
<td>30.78%</td>
</tr>
<tr>
<td>$175,000 - $199,999</td>
<td>485</td>
<td>10.41%</td>
<td>60.59%</td>
<td>90,781,408</td>
<td>10.62%</td>
<td>41.41%</td>
</tr>
<tr>
<td>$200,000 - $224,999</td>
<td>433</td>
<td>9.29%</td>
<td>69.89%</td>
<td>91,873,265</td>
<td>10.75%</td>
<td>52.16%</td>
</tr>
<tr>
<td>$225,000 - $249,999</td>
<td>349</td>
<td>7.49%</td>
<td>77.38%</td>
<td>82,670,198</td>
<td>9.67%</td>
<td>61.84%</td>
</tr>
<tr>
<td>$250,000 - $274,999</td>
<td>331</td>
<td>7.10%</td>
<td>84.46%</td>
<td>86,772,016</td>
<td>10.15%</td>
<td>72.00%</td>
</tr>
<tr>
<td>$275,000 - $299,999</td>
<td>263</td>
<td>5.64%</td>
<td>90.14%</td>
<td>75,377,306</td>
<td>8.82%</td>
<td>80.82%</td>
</tr>
<tr>
<td>$300,000 - $324,999</td>
<td>197</td>
<td>4.23%</td>
<td>94.37%</td>
<td>61,220,800</td>
<td>7.16%</td>
<td>87.99%</td>
</tr>
<tr>
<td>$325,000 - $349,999</td>
<td>96</td>
<td>2.06%</td>
<td>96.43%</td>
<td>32,386,047</td>
<td>3.79%</td>
<td>91.78%</td>
</tr>
<tr>
<td>$350,000 - $374,999</td>
<td>62</td>
<td>1.33%</td>
<td>97.76%</td>
<td>22,381,948</td>
<td>2.62%</td>
<td>94.02%</td>
</tr>
<tr>
<td>$375,000 - $399,999</td>
<td>30</td>
<td>0.64%</td>
<td>98.41%</td>
<td>11,656,211</td>
<td>1.36%</td>
<td>95.76%</td>
</tr>
<tr>
<td>$400,000 - $424,999</td>
<td>20</td>
<td>0.42%</td>
<td>98.84%</td>
<td>8,290,129</td>
<td>0.97%</td>
<td>96.73%</td>
</tr>
<tr>
<td>$425,000 - $449,999</td>
<td>14</td>
<td>0.30%</td>
<td>99.14%</td>
<td>6,095,810</td>
<td>0.71%</td>
<td>97.45%</td>
</tr>
<tr>
<td>$450,000 - $474,999</td>
<td>10</td>
<td>0.21%</td>
<td>99.35%</td>
<td>4,630,409</td>
<td>0.54%</td>
<td>97.99%</td>
</tr>
<tr>
<td>$475,000 - $499,999</td>
<td>7</td>
<td>0.10%</td>
<td>99.55%</td>
<td>3,388,134</td>
<td>0.39%</td>
<td>98.38%</td>
</tr>
<tr>
<td>$500,000 and greater</td>
<td>23</td>
<td>0.49%</td>
<td>100.00%</td>
<td>13,762,684</td>
<td>1.61%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Total: 4,657 (100.000%)

$854,329,359 100.000%

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.
### ROBLA SCHOOL DISTRICT
#### 2019-20 ASSESSED VALUATION AND PARCELS BY LAND USE

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Assessed Valuation&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>% of Total</th>
<th>No. of Parcels</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Residential:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural</td>
<td>$933,320</td>
<td>0.04%</td>
<td>2</td>
<td>0.03%</td>
</tr>
<tr>
<td>Commercial</td>
<td>65,953,762</td>
<td>2.94%</td>
<td>42</td>
<td>0.62%</td>
</tr>
<tr>
<td>Vacant Commercial</td>
<td>2,348,745</td>
<td>0.10%</td>
<td>21</td>
<td>0.31%</td>
</tr>
<tr>
<td>Office Building</td>
<td>50,313,745</td>
<td>2.24%</td>
<td>26</td>
<td>0.39%</td>
</tr>
<tr>
<td>Industrial</td>
<td>1,084,942,758</td>
<td>48.39%</td>
<td>402</td>
<td>5.96%</td>
</tr>
<tr>
<td>Vacant Industrial</td>
<td>32,336,264</td>
<td>1.44%</td>
<td>146</td>
<td>2.18%</td>
</tr>
<tr>
<td>Recreational</td>
<td>1,152,127</td>
<td>0.05%</td>
<td>12</td>
<td>0.18%</td>
</tr>
<tr>
<td>Government/Social/Institutional</td>
<td>11,362,725</td>
<td>0.51%</td>
<td>200</td>
<td>2.97%</td>
</tr>
<tr>
<td>Miscellaneous/Water Company</td>
<td>45,696</td>
<td>0.00%</td>
<td>63</td>
<td>0.93%</td>
</tr>
<tr>
<td><strong>Subtotal Non-Residential</strong></td>
<td>$1,249,388,574</td>
<td>55.72%</td>
<td>914</td>
<td>13.55%</td>
</tr>
<tr>
<td><strong>Residential:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family Residence</td>
<td>$854,329,359</td>
<td>38.10%</td>
<td>4,657</td>
<td>69.05%</td>
</tr>
<tr>
<td>Condominium/Townhouse</td>
<td>4,473,435</td>
<td>0.20%</td>
<td>60</td>
<td>0.89%</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>7,130,416</td>
<td>0.32%</td>
<td>199</td>
<td>2.95%</td>
</tr>
<tr>
<td>Mobile Home Park</td>
<td>4,849,976</td>
<td>0.22%</td>
<td>6</td>
<td>0.09%</td>
</tr>
<tr>
<td>2-4 Residential Units</td>
<td>32,232,625</td>
<td>1.44%</td>
<td>425</td>
<td>6.30%</td>
</tr>
<tr>
<td>5+ Residential Units/Apartments</td>
<td>59,246,416</td>
<td>2.64%</td>
<td>14</td>
<td>0.21%</td>
</tr>
<tr>
<td>Vacant Residential</td>
<td>30,504,688</td>
<td>1.38%</td>
<td>469</td>
<td>6.95%</td>
</tr>
<tr>
<td><strong>Subtotal Residential</strong></td>
<td>$992,766,915</td>
<td>44.28%</td>
<td>5,830</td>
<td>86.45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,242,155,489</td>
<td>100.00%</td>
<td>6,744</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.
<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Primary Land Use</th>
<th>2019-20 Assessed Valuation</th>
<th>% of Total (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BRE Delta Industrial Sacramento LP</td>
<td>Industrial</td>
<td>$241,606,800</td>
<td>10.78%</td>
</tr>
<tr>
<td>2. MP Holdings LLC</td>
<td>Industrial</td>
<td>79,474,988</td>
<td>3.54</td>
</tr>
<tr>
<td>3. Harsch Investment Properties LLC</td>
<td>Industrial</td>
<td>56,279,630</td>
<td>2.51</td>
</tr>
<tr>
<td>4. United States Cold Storage Inc.</td>
<td>Industrial</td>
<td>48,917,433</td>
<td>2.18</td>
</tr>
<tr>
<td>5. Quality Investment Properties Sacramento</td>
<td>Industrial</td>
<td>48,752,500</td>
<td>2.17</td>
</tr>
<tr>
<td>6. Ragingwire Enterprise Solutions Inc.</td>
<td>Industrial</td>
<td>42,173,789</td>
<td>1.88</td>
</tr>
<tr>
<td>7. Amerisourcebergen Drug Corporation</td>
<td>Industrial</td>
<td>29,734,090</td>
<td>1.33</td>
</tr>
<tr>
<td>8. Red Branch Partners LLC</td>
<td>Apartments</td>
<td>26,877,000</td>
<td>1.20</td>
</tr>
<tr>
<td>9. Pathfinder Sacramento Holdings I LLC</td>
<td>Apartments</td>
<td>22,873,500</td>
<td>1.02</td>
</tr>
<tr>
<td>10. SVO Building One LLC</td>
<td>Industrial</td>
<td>17,018,185</td>
<td>0.76</td>
</tr>
<tr>
<td>11. PW Fund B LP</td>
<td>Industrial</td>
<td>16,049,072</td>
<td>0.72</td>
</tr>
<tr>
<td>12. Sutters Claim LP</td>
<td>Commercial</td>
<td>15,072,579</td>
<td>0.67</td>
</tr>
<tr>
<td>13. Markstein Properties LLC</td>
<td>Industrial</td>
<td>13,707,901</td>
<td>0.61</td>
</tr>
<tr>
<td>14. Ethan Conrad</td>
<td>Office Building</td>
<td>13,607,865</td>
<td>0.61</td>
</tr>
<tr>
<td>15. MP 8401 LLC</td>
<td>Industrial</td>
<td>13,319,435</td>
<td>0.59</td>
</tr>
<tr>
<td>16. SLF Properties LLC</td>
<td>Commercial</td>
<td>12,544,297</td>
<td>0.56</td>
</tr>
<tr>
<td>17. Northgate GPRV Partners 18 LLC</td>
<td>Industrial</td>
<td>11,600,000</td>
<td>0.52</td>
</tr>
<tr>
<td>18. Cintas Sales Corporation</td>
<td>Industrial</td>
<td>11,587,561</td>
<td>0.52</td>
</tr>
<tr>
<td>19. Life Storage LP</td>
<td>Industrial</td>
<td>10,353,750</td>
<td>0.46</td>
</tr>
<tr>
<td>20. Ebara Technologies Inc.</td>
<td>Industrial</td>
<td>9,959,866</td>
<td>0.44</td>
</tr>
</tbody>
</table>

$741,510,241 33.07%

(1) 2019-20 Local Secured Assessed Valuation: $2,242,155,489.
Source: California Municipal Statistics, Inc.

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer’s financial situation and ability or willingness to pay property taxes. Each taxpayer listed above is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table above.

**Tax Rates**

The following table sets forth typical tax rates levied in Tax Rate Area 3-252 for fiscal years 2015-16 through 2019-20.
## ROBLA SCHOOL DISTRICT
### TYPICAL TAX RATES PER $100 OF ASSESSED VALUATION (TRA 3-252<sup>(1)</sup>)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Levy</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
</tr>
<tr>
<td>Los Rios Community College District</td>
<td>.0091</td>
<td>.0141</td>
<td>.0130</td>
<td>.0131</td>
<td>.0232</td>
</tr>
<tr>
<td>Twin Rivers Unified School District (former Grant Joint Union High School bonds)</td>
<td>.0622</td>
<td>.0481</td>
<td>.0867</td>
<td>.0816</td>
<td>.0810</td>
</tr>
<tr>
<td>Robla School District</td>
<td>.0770</td>
<td>.1167</td>
<td>.0814</td>
<td>.0979</td>
<td>.1634</td>
</tr>
<tr>
<td><strong>Total All Property</strong></td>
<td><strong>1.1483</strong></td>
<td><strong>1.1789</strong></td>
<td><strong>1.1811</strong></td>
<td><strong>1.1926</strong></td>
<td><strong>1.2676</strong></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> 2019-20 Assessed Valuation of TRA 3-252 is $378,281,575, which is 13.2% of the District’s total assessed valuation.

Source: California Municipal Statistics, Inc.

### Appeals of Assessed Value; Proposition 8 Reductions

A property owner may appeal a county assessor’s determination of assessed value based on Proposition 8, passed by the voters in November 1978 (“Proposition 8”), or based on a challenge to the base year value.

Proposition 8 requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Property owners may apply for a Proposition 8 reduction of their property tax assessment with the County board of equalization or assessment appeals board. In most cases, an appeal is based on the property owner’s belief that market conditions cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the county assessor.

Any reduction in the assessed value granted as a result of a Proposition 8 appeal, or unilateral reassessment by the county assessor, applies to the year for which the application or reassessment is made. These reductions are subject to annual review and the assessed values are adjusted back to the original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it becomes subject to the annual inflationary factor growth rate allowed under Article XIIIA.

Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is made and thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four (4) years of change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters, such as earthquakes, floods, fire, wildfire, drought or other toxic contamination pursuant to relevant provisions of the State Constitution. Such reductions are subject to yearly reappraisals by the County Assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under the State Constitution.

The COVID-19 pandemic may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District.
For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Risks Related to COVID-19”.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or from the COVID-19 pandemic. Any reduction in aggregate assessed valuation of property within the District due to appeals or from the COVID-19 pandemic, as with any reduction in assessed valuation due to other causes, will result in an increase of the tax rate levied upon all property subject to taxation within the District for the payment of principal of and interest on the Bonds, when due.

Ad Valorem Property Taxes, Tax Rates, Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a “floating lien date”). For assessment and collection purposes, 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 real property having a tax secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of “situs” growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two (2) installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, then a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five (5) years or more, the tax-defaulted property is subject to sale by the Director of Finance.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four (4) 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 County specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation 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, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries.
On May 6, 2020, Governor Newsom issued Executive Order N-61-20 ("Executive Order N-61-20"), suspending penalties, costs or interest for the failure to pay taxes on property on the secured or unsecured roll, or to pay a supplemental bill, before the date and time such taxes became delinquent, and cancelling penalties, costs, and interest, through May 6, 2021. Executive Order N-61-20 applies to residential real property occupied by the taxpayer, or real property owned and operated by certain qualified small business, and requires that taxes owed on the property in question not be delinquent prior to March 4, 2020 and the taxpayer demonstrate economic hardship or that the failure to pay taxes was due to the COVID-19 pandemic.

The District cannot predict the level of delinquent property tax payments due to the COVID-19 pandemic or the effect that Executive Order N-61-20 will have on such level of delinquencies, or whether any further action will be taken by the State with respect to property tax payment or deadlines or delinquent payment of property taxes. The District cannot anticipate how the County will proceed with requests to cancel penalties on late property tax payments or any potential future adjustments to property tax payments related to COVID-19, and cannot predict whether future property tax deadlines will remain in effect, the extent of delinquencies and delayed tax collections, or the impact of any such delay or delinquencies on the District’s financial conditions or operations. The County has adopted the Teeter Plan, according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. The District cannot confirm 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 levies to the District. See “– Teeter Plan” herein. However, State law requires the County to levy ad valorem property taxes sufficient to pay debt service on the Bonds when due. If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 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.

The County’s secured roll tax charges and corresponding delinquencies with respect to property located in the District for the five (5) year period from fiscal years 2014-15 through 2018-19 are set forth in the following tables:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Secured Tax Charge(1)</th>
<th>Amt. Del. June 30</th>
<th>% Del. June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>$1,379,142</td>
<td>$31,400</td>
<td>2.28</td>
</tr>
<tr>
<td>2015-16</td>
<td>1,321,864</td>
<td>15,626</td>
<td>1.18</td>
</tr>
<tr>
<td>2016-17</td>
<td>2,078,638</td>
<td>18,448</td>
<td>0.89</td>
</tr>
<tr>
<td>2017-18</td>
<td>1,524,404</td>
<td>15,117</td>
<td>0.99</td>
</tr>
<tr>
<td>2018-19</td>
<td>2,059,891</td>
<td>22,197</td>
<td>1.08</td>
</tr>
</tbody>
</table>

(1) Levy for District’s general obligation debt service only. Sacramento County portion only.
Source: California Municipal Statistics, Inc.

Teeter Plan

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds found in Section 4701 et seq. of the California Revenue and Taxation Code (also known as the “Teeter Plan”). Under the Teeter Plan, local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or
penalties on delinquent taxes collected by the county. The County Board of Supervisors has approved the implementation of the Teeter Plan, as provided for in Section 4701 et seq. of the State Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

Under the Teeter Plan, the County is responsible for determining the amount of the *ad valorem* tax levy on each parcel in the District, which is entered onto the secured real property tax roll. Upon completion of the secured real property tax roll, the County auditor determines the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apports 100 percent of the tax and assessment levies to that fund’s credit. Such monies may thereafter be drawn against by the taxing agency in the same manner as if the amount credited had been collected.

Under the Teeter Plan, the County establishes the tax losses reserve fund. The County determines which monies in the County treasury (including those credited to the tax losses reserve fund) shall be available to be drawn onto the extent of the amount of uncollected taxes credited to each fund for which a levy has been included. When amounts are received on the secured tax roll for the current year, or for redemption of tax-defaulted property, Teeter Plan monies are distributed to the apportioned tax resources accounts. The tax losses reserve fund is used exclusively to cover lost income occurring as a result of tax-defaulted property. Monies in this fund are derived from several sources. While amounts collected as costs are distributed to the County’s general fund, delinquent penalty collections are distributed to the tax losses reserve fund.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the County Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors are to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency. Economic and other factors beyond the District’s control, such as a general market decline in land 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, 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 District’s outstanding general obligation bonds.

**Effect of Natural Disaster on Assessed Valuations**

As referenced under “– Assessed Valuations” herein, assessed valuations are subject to change in each year and such changes may result from a variety of factors, including natural disasters. In recent years, there have been several notable natural disasters in the State. These include drought conditions throughout the State, which led to a “State-wide Drought” State of Emergency issued in January 2014, and certain executive orders issued by the Governor in 2015 and 2016, aiming to reduce the water usage in local communities. The State-wide Drought was declared as ended in 2017 in most of the State due to record-level precipitation in late 2016 and early 2017. In addition, major wildfires have occurred in recent years in different regions of the State. The District did not sustain any serious property loss as a result of these recent fires. However, serious and significant property damage has resulted in areas of the State due to wildfires. On September 21, 2018, the Governor signed a number of measures into law,
addressing issues related to increased wildfire risk in the State, including forest management, mutual aid for fire departments, emergency alerts and safety mandates.

On August 27, 2018, the California Natural Resources Agency released its Fourth Climate Change Assessment, which included as key findings that the frequency of drought and the amount of acreage consumed by wildfire in the State would both increase in the future. This report details significant economic impacts to the State as a result of these and other natural disasters. The report is publicly available at http://www.climateassessment.ca.gov. The reference to this website is included for convenience only; the information contained within the website may not be current, has not been reviewed by the District and is not incorporated herein by this reference.

The District cannot predict or make any representation regarding the effects that natural disasters, such as fire, wildfire, drought or extended drought conditions, earthquakes or other natural or man-made conditions have or may have on the value of taxable property within the District, or to what extent the effects of such natural disasters might have on economic activity within the District or throughout the State. See below under the heading “– Appeals and Potential Reduction of Assessed Valuations.”

California Senate Bill 222

On July 13, 2015, the Governor of the State (the “Governor”) signed Senate Bill 222 (“SB 222”) into law, effective January 1, 2016, to clarify the process of lien perfection for general obligation bonds issued by or on behalf of California school and community college districts. By clarifying that the lien created with each general obligation bond issuance is a “statutory” lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance. See “LEGAL MATTERS – Limitations on Remedies; – California Senate Bill SB 222; and – Special Revenues” herein for more information on SB 222.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five (5) years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four (4) years of assessments when the owner fails to file a claim within four (4) years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the
Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three (3) years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three (3) years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two (2) years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three (3) years of the destruction.

**Certain Existing Obligations**

Voters authorized the District to issue $32,000,000 at the 1992 Election, $29,800,000 at the 2014 Election, and $46,200,000 at the 2018 Election.

A schedule of the District’s changes in long-term debt for the year ended June 30, 2019, is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2018</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance June 30, 2019</th>
<th>Amounts Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Balance</td>
<td>$37,798,951</td>
<td>$48,040,000</td>
<td>$506,323</td>
<td>$85,332,628</td>
<td>$1,039,713</td>
</tr>
<tr>
<td>Bond premium, net of discount</td>
<td>1,223,694</td>
<td>5,503,339</td>
<td>9,070</td>
<td>6,727,963</td>
<td>26,080</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>14,466,578</td>
<td>1,717,172</td>
<td>823,677</td>
<td>15,360,073</td>
<td>860,287</td>
</tr>
<tr>
<td>Total GO Bonds</td>
<td>53,499,223</td>
<td>55,260,511</td>
<td>1,339,070</td>
<td>107,420,664</td>
<td>1,926,080</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>264,699</td>
<td></td>
<td>40,614</td>
<td>224,085</td>
<td>41,955</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>28,876,527</td>
<td>864,903</td>
<td></td>
<td>29,741,430</td>
<td>–</td>
</tr>
<tr>
<td>Total OPEB Liability</td>
<td>3,922,769</td>
<td>391,561</td>
<td></td>
<td>4,314,330</td>
<td>–</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>312,670</td>
<td></td>
<td>14,170</td>
<td>298,500</td>
<td>298,500</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$86,875,888</td>
<td>$56,516,975</td>
<td>$1,393,854</td>
<td>$141,999,009</td>
<td>$2,266,535</td>
</tr>
</tbody>
</table>

Source: The District.

The 2020-21 State Budget has indicated that there will be significant reductions and deferrals in State funding of school districts and community college districts throughout the State due to the
COVID-19 pandemic, as further described under the caption “Fiscal Year 2020-21 State Budget” herein. The 2020-21 State Budget describes reductions in and deferrals of payments from the State, some of which will be dependent on whether the federal government provides any additional financial support to State and local governments. Should such reductions and deferrals materialize and be significant, the District may need to rely on interfund borrowing, its existing reserves, or the issuance of tax and revenue anticipation notes to manage cash flow during the 2020-21 fiscal year or in the future.

**Direct and Overlapping Debt**

The following table is a statement of the District’s direct and estimated overlapping bonded debt as of June 1, 2020. The debt report is included for general information purposes only. Neither the District nor the Underwriter has reviewed the debt report for completeness or accuracy and make no representation in connection therewith.

The debt report below generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. 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.

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 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 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

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### ROBLA SCHOOL DISTRICT

#### DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

2019-20 Assessed Valuation: $2,864,896,453

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>% Applicable</th>
<th>Debt 6/1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Rios Community College District</td>
<td>1.379%</td>
<td>$6,281,552</td>
</tr>
<tr>
<td>Twin Rivers Unified School District (formerly Grant Joint Union High School District)</td>
<td>19.057%</td>
<td>$50,820,948</td>
</tr>
<tr>
<td>Robla School District</td>
<td>100%</td>
<td>$82,987,916</td>
</tr>
<tr>
<td>Sacramento County Community Facilities District No. 2004-1</td>
<td>35.685%</td>
<td>$10,152,383</td>
</tr>
<tr>
<td>Sacramento Area Flood Control District Assessment Districts</td>
<td>various</td>
<td>$12,796,200</td>
</tr>
<tr>
<td><strong>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</strong></td>
<td></td>
<td>$163,038,999</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>% Applicable</th>
<th>Debt 6/1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sacramento County General Fund Obligations</td>
<td>1.669%</td>
<td>$2,667,854</td>
</tr>
<tr>
<td>Sacramento County Pension Obligation Bonds</td>
<td>1.669%</td>
<td>$13,212,039</td>
</tr>
<tr>
<td>Sacramento County Board of Education Certificates of Participation</td>
<td>1.669%</td>
<td>$59,166</td>
</tr>
<tr>
<td>Twin Rivers Unified School District (formerly Grant Joint Union High School District) Certificates of Participation</td>
<td>19.057%</td>
<td>$2,685,131</td>
</tr>
<tr>
<td>City of Sacramento General Fund Obligations</td>
<td>2.773%</td>
<td>$17,129,792</td>
</tr>
<tr>
<td>Sacramento Metropolitan Fire General Fund and Pension Obligation Bonds</td>
<td>0.374%</td>
<td>$199,470</td>
</tr>
<tr>
<td><strong>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</strong></td>
<td></td>
<td>$35,953,452</td>
</tr>
<tr>
<td><strong>Less: Sacramento County supported obligations</strong></td>
<td></td>
<td>$267,498</td>
</tr>
<tr>
<td><strong>City of Sacramento supported obligations</strong></td>
<td></td>
<td>$12,160,973</td>
</tr>
<tr>
<td><strong>TOTAL NET OVERLAPPING GENERAL FUND DEBT</strong></td>
<td></td>
<td>$23,524,981</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>% Applicable</th>
<th>Debt 6/1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robla School District</td>
<td>100%</td>
<td>$82,987,916</td>
</tr>
<tr>
<td><strong>GROSS COMBINED TOTAL DEBT</strong></td>
<td></td>
<td>$208,988,343</td>
</tr>
<tr>
<td><strong>NET COMBINED TOTAL DEBT</strong></td>
<td></td>
<td>$196,559,872</td>
</tr>
</tbody>
</table>

Ratios to 2019-20 Assessed Valuation:

- **Direct Debt ($82,987,916)** .......................................................... 2.90%
- Total Direct and Overlapping Tax and Assessment Debt ................................ 5.69%
- Gross Combined Total Debt ....................................................................... 7.29%
- Net Combined Total Debt ......................................................................... 6.86%

Ratios to Redevelopment Incremental Valuation ($290,412,160):

- Total Overlapping Tax Increment Debt ................................................... 3.44%

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(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

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CONSTITUTIONAL AND STATUTORY LIMITATIONS
ON TAXES AND APPROPRIATIONS

Article XIII A of the California Constitution

Article XIII A of the California Constitution limits the amount of any ad valorem tax on real property, to one percent (1%) of the full cash value thereof, except that additional ad valorem property taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” The full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent (1%) property tax is automatically levied by the 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 two percent annual adjustment 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 is shown at full market value on the tax rolls, with tax rates expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Prospective purchasers of the Bonds should be aware that, notwithstanding any decrease in assessed valuation for any fiscal year, the County is required to levy sufficient taxes to pay debt service on the Bonds. The consequence of any decrease in assessed valuation is a corresponding increase in the tax rate on taxable property so that sufficient tax revenues may be collected from taxpayers to cover debt service on the Bonds in full.

Split Roll Property Tax Ballot Measures. On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the “Ballot Measure 1851”). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, Ballot Measure 1851 would amend Article XIII A such that the “full cash value” of commercial and industrial real 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, Ballot Measure 1851 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 2%. 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 Ballot Measure 1851, approximately 40% of the remaining additional tax revenues generated as a result of Ballot Measure 1851 would be deposited into a fund created pursuant to Ballot Measure 1851 called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State’s constitutional minimum funding requirement. Proponents of Ballot Measure 1851 subsequently announced a revised version of its ballot initiative which has since been circulated for signature (the “Ballot Measure 1870” and, together with Ballot Measure 1851, the “Split Roll Measures”). According to a random sample released by the Secretary of State, Ballot Measure 1870 has received sufficient signatures, if deemed valid, for Ballot Measure 1870 to become eligible for the November 2020 Statewide ballot. Like Ballot Measure 1851, Ballot Measure 1870 would similarly amend the determination of “full cash value” of commercial and industrial real property, however the Split Roll Measures differ in the threshold at which commercial and industrial properties would be taxed at market value, which small business-owned properties would continue to be taxed based on purchase price, and how revenue would be allocated for schools. The District cannot predict whether Ballot Measure 1870 will qualify for the November 2020 Statewide ballot, whether either Split Roll Measure will appear on the Statewide ballot at the November 2020 election or, if either does, whether such Split Roll Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of either Split Roll Measure will have on District revenues or the assessed valuation of real property in the District.

Property Tax Base Transfer Ballot Measure. On April 22, 2020, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (“Ballot Measure 1864”). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, Ballot Measure 1864 would: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot predict whether Ballot Measure 1864 will appear on the Statewide ballot at the November 2020 election or, if it does, whether Ballot Measure 1864 will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of Ballot Measure 1864 will have on assessed valuation of real property in the District.

Article XIIIIB of the California Constitution

Under Article XIIIIB of the California State Constitution state and local government entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIIIIB does not affect the appropriations of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIIB, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two (2) years.

Unitary Property

Assembly Bill 454 (Chapter 921, Statutes of 1986) (“AB 454”) provides that revenues derived from most utility property assessed by the State Board of Equalization (“Unitary Property”) are allocated as follows: (1) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (2)
if county-wide revenues generated from Unitary Property are less than the previous year’s revenues or
greater than 102% of the previous year’s revenues, each jurisdiction will share the burden of the shortfall
or excess revenues by a specified formula. This provision applies to all Unitary Property except railroads,
whose valuation will continue to be allocated to individual tax rate areas.

The State electric utility industry has experienced 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, nonutility 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 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 “Funding of School Districts in California” in APPENDIX A hereto.

Proposition 46

On June 3, 1986, California voters approved Proposition 46, which added an additional
exemption to the 1% tax limitation imposed by Article XIIIa. Under this amendment to Article XIIIa,
local governments and school and community college districts may increase the property tax rate above
1% for the period necessary to retire new, general obligation bonds, if two-thirds of those voting in a local
election approve the issuance of such bonds and the money raised through the sale of the bonds is used
exclusively to purchase or improve real property.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the “Smaller Classes,
Safer Schools and Financial Accountability Act” (“Proposition 39”) which amends Section 1 of
Article XIIIa, Section 18 of Article XVI of the California Constitution and Section 47614 of the
California Education Code and allows an alternative means of seeking voter approval for bonded
indebtedness by 55% of the vote, rather than the two-thirds majority required under Section 18 of
Article XVI of the Constitution. The 55% voter requirement applies only if the bond measure submitted
to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for
“the construction, reconstruction, rehabilitation, or replacement of school facilities, including the
furnishing and equipping of school facilities, or the acquisition or lease of real property for school
facilities,” (2) a list of projects to be funded and a certification that the school district board has evaluated
“safety, class size reduction, and information technology needs in developing that list” and (3) that
annual, independent performance and financial audits will be conducted regarding the expenditure and
use of the bond proceeds.

Section 1(b)(3) of Article XIIIa was added to exempt the one percent (1%) ad valorem tax
limitation that Section 1(a) of Article XIIIa of the Constitution levies, to pay bonds approved by 55% of
the voters, subject to the restrictions explained above.

The State Legislature enacted AB 1908, Chapter 44 (“AB 1908”), which became effective upon
passage of Proposition 39 and amends various sections of the Education Code. Under amendments to
Sections 15268 and 15270 of the Education Code, the following limits on ad valorem property taxes
apply in any single election: (1) for an elementary and high school district, indebtedness shall not exceed
$30 per $100,000 of taxable property, (2) for a unified school district, indebtedness shall not exceed $60
per $100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed
$25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens’ oversight committee
must be appointed who will review the use of the bond funds and inform the public about their proper usage.

**Proposition 98**

On November 8, 1988, voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (“Proposition 98”). Proposition 98 guarantees K-14 schools a minimum share of the State General Fund revenues. Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 schools are guaranteed the greater of (a) 40.9% of State General Fund revenues (the “first test”), or (b) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIIIIB by reference to per capita personal income) and enrollment (the “second test”), or (c) a “third test” which would replace the second test in any year when the percentage growth in per capita State General Fund revenues from the prior year plus 1/2 of 1% is less than the percentage growth in the State per capita personal income. Under the third test, schools would receive the amount appropriated in the prior year adjusted for changes 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 would become a “credit” to schools which would be paid in future years when State General Fund revenue growth exceeds personal income growth.

Proposition 98 permits the Legislature by two-thirds vote of both houses, with the Governor’s concurrence, to suspend this minimum funding formula for a one-year period, and any corresponding reduction in funding for that year will not be paid in subsequent years. However, in determining the funding level for the succeeding year, the formula base for the prior year will be reinstated as if such suspension had not taken place. The Legislature has suspended payment on a number of occasions since voters approved Proposition 98.

Proposition 98 also changes how tax revenues in excess of the State Appropriations Limit are distributed. “Excess” tax revenues are determined based on a two (2) year cycle, so that the State could avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year were under its limit. After any two (2) year period, if there are excess State tax revenues, 50% of the excess would be transferred to K-14 schools, with the balance returned to taxpayers. Further, any excess State tax revenues transferred to K-14 schools 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 will not be increased by this amount.

For a discussion of the recent declines in State revenues and corresponding effect on Proposition 98 funding, see APPENDIX A – “FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Fiscal Year 2020-21 State Budget.”

**Propositions 1A and 22**

Proposition 1A (SCA 4), proposed by the State Legislature in connection with the 2004-05 State budget and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature. Proposition 1A provides, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of
local government property tax revenues, which amount must be repaid, with interest, within three (3) years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Pursuant to Proposition 1A, if the State reduces the Vehicle License Fee rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A required the State, beginning March 1, 2006, to suspend mandates affecting cities, counties and special districts, schools or community colleges, excepting mandates relating to employee rights, in any year that the State does not fully reimburse local governments for their costs of compliance with such mandates.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State’s voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in fiscal year 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted fiscal year 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies. Because Proposition 22 reduces the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s General Fund.

On December 30, 2011, the California Supreme Court issued its decision in the case of California Redevelopment Association v. Matosantos, finding ABx1 26, a trailer bill to the 2011-12 State Budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and K-14 school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide. The District is unable to
predict what affect the implementation of ABx1 26 will have on the District’s future receipt of tax increment revenues.

As a result of the dissolution of State redevelopment agencies and ABx1 26, the tax increment previously paid to redevelopment agencies shall first be used to pay pass-through payments to other taxing entities and second to pay the redevelopment agencies enforceable obligations; with the remaining revenue (if any) paid to the taxing entities by the County Auditor-Controller in the same proportion as other tax revenue. The District does not expect to have any of its property tax payments deferred as a result of the dissolution of area redevelopment agencies.

**Proposition 30 and Proposition 55**

The passage of the Governor’s November Tax Initiative (“Proposition 30”) on November 6, 2012, resulted in an increase in the State sales tax by a quarter-cent for four (4) years and, for seven (7) years, raises taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately one percent of California personal income tax filers and originally were to be in effect until the conclusion of the 2018 tax year. On November 8, 2016, voters approved Proposition 55, which extended the temporary tax increases created by Proposition 30 through the 2030 tax year. The State Office of Legislative Analyst (the “LAO”) estimated that, as a result of Proposition 30, additional state tax revenues of about $6 billion annually from fiscal years 2012-13 through 2016-17 would be received by the State, with lesser amounts of additional revenue available in fiscal years 2017-18 and later. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Proposition 30 provides additional tax revenues aimed at balancing the State’s budget to help fund existing State programs, end K-14 education payment delays and pay other State debts. Future actions of the State Legislature and the Governor will determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenues projections, due to the fact that the majority of the additional revenue comes from personal income tax rate increases on upper-income taxpayers. The fluctuations in incomes of upper-income taxpayers will impact potential State revenue and could complicate State budgeting in future years. After the tax increases expire, the loss of the associated tax revenues could create additional budget pressure in subsequent years.

Revenues generated from this tax increase are included in the calculation of the Proposition 98 minimum funding guarantee for school and community college districts and are deposited into the Education Protection Account created pursuant to Proposition 30 (the “EPA”). See “—Proposition 98” herein. Pursuant to Proposition 30, funds in the EPA are allocated quarterly, with approximately 89% of such funds provided to school districts and approximately 11% to community college districts, which are then distributed to districts in the same manner as existing unrestricted per-student funding. However, no school district shall receive less than $200 per unit of Average Daily Attendance (the “ADA”) and no community college district shall 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 moneys received from the EPA are spent, provided that governing boards may not use any of such funds for salaries or benefits for administrators or any other administrative costs. District ADA and enrollment may be impacted by the ongoing outbreak of COVID-19. See APPENDIX A – “THE DISTRICT – Risks Related to COVID-19.”
The District cannot predict the effect that the loss of revenues generated from the Proposition tax increase may have on total State revenues or the effect on the Proposition 98 formula for funding schools, should the tax not be further extended.

Proposition 2

On November 4, 2014, voters approved Proposition 2, also referred to as the “Rainy Day Budget Stabilization Fund Act.” Proposition 2 changed the State’s existing requirements for the Budget Stabilization Account (“BSA”) and establishes a Public School System Stabilization Account (“PSSSA”).

Proposition 2 limits the ability of the Governor to suspend or reduce transfers to the BSA. Specifically, the Governor would have to declare a “budget emergency,” defined in Article XIIB of the State Constitution or determine that (A) there are insufficient resources to maintain general fund expenditures for the current year at the highest level of spending in the three most recent fiscal years, or (B) it is made in response to a natural or man-made emergency. Any such declaration must be followed by a legislative bill passed by a majority vote of each house. If a budget emergency exists and the State elects to make a withdrawal from the BSA, the State may withdraw the lesser of (i) the amount needed to maintain General Fund spending at the highest level of the past three enacted budget acts; and (ii) fifty percent of the balance of the BSA.

Proposition 2 also requires the State Controller to deposit annually 1.5% of general fund revenues and an amount equal to revenues derived from capital gains-related taxes in situations where such tax revenues are in excess of 8% of general fund revenues. Deposits to the BSA will be made until the BSA balance reaches an amount equal to 10% of general fund revenues. Additionally, from 2015-16 to 2029-30, half of any required transfers to the BSA must be allocated to reduce certain state liabilities, such as unfunded state-level pension plans and making certain payments owed to K-14 school districts.

The PSSSA will be funded by the capital gains-related tax revenues in excess of 8% of general fund revenues. The State may deposit amounts into the PSSSA only after certain conditions are met, including the payment of all amounts owing to school districts under the Proposition 98 maintenance factor and the existence of a “Test 1” year under Proposition 98.

State legislation (Senate Bill 858, as amended by Senate Bill 751) established certain limits on the amount that school districts are permitted to maintain in their reserve funds in any given period. These limits, often referred to as the “school district reserve cap,” can be triggered upon deposits into the PSSSA. If deposits in the PSSSA in a fiscal year equal or exceed 3% of the combined general fund revenues provided to school districts under Proposition 98, then a school district will be restricted from exceeding 10% of such funds in its general fund reserves in the immediately following fiscal year, among other provisions. While the Fiscal Year 2019-20 State Budget (described herein) includes a deposit of approximately $377 million to the PSSSA, the 3% threshold was not met and the school district reserve cap is not triggered.

The 2020-21 State Budget describes substantial draws on amounts in the BSA, PSSSA and other State reserves in the 2020-21 fiscal year, as described further under APPENDIX A – “FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Fiscal Year 2020-21 State Budget.”

Proposition 51

At the November 8, 2016 Election, voters in the State approved the California Public School Facility Bonds Initiative, (“Proposition 51”). Proposition 51 authorizes the sale and issuance of $9 billion
in State general obligation bonds to fund the construction and modernization of school facilities for both community colleges and K-12 schools within the state.

Specifically, the $9 billion will be stored between a State School Facilities Fund and a California Community College Capital Outlay Bond Fund. The funds can then be used to allocate bond revenue in the following manner:

- $3 billion for construction of new K-12 school district facilities;
- Another $3 billion for the modernization of K-12 public school sites, which includes repairs to outdated facilities to increase earthquake and fire safety, removing asbestos, technology upgrades and other health and safety improvements;
- $500 million for various charter school facilities;
- $500 million for career technical education facilities; and
- $2 billion for California community college facility construction and modernization.

The State issues general obligation bonds for facility projects. Typically, K-12 schools can submit proposals for such projects to the State Office of Public School Construction for both modernization and new construction. If the project is approved, the school district will receive State grant funding and in turn the school district must contribute local funding to such projects. If sufficient local funding is unavailable, the school district may potentially receive the full project cost via State grant funding. Career technical education and charter school facilities face a similar approval process. Community college districts, on the other hand, must submit requests for facility projects to the Chancellor of the community college system. Selected projects are eventually approved and funded as part of the annual State budget. A scoring system is used to determine the State and local contributions for these community college sites.

The impact that Proposition 51 will have on school district behavior is unclear. Some school districts may spend less local funds given the greater support of state funding. However, school districts may decide to spend more local funds by proposing an increased number of facility projects with the knowledge that additional state funding could be available. It is also possible that school districts make no changes to their number of proposals for construction and modernization projects. The District does not have any projects approved under Proposition 51.

**Article XIIIC and XIIID of the California Constitution**

On November 5, 1996, an initiative to amend the State Constitution known as the “Right to Vote on Taxes Act” (“Proposition 218”) was approved by a majority of California voters. Proposition 218 added Articles XIIIC and XIIID to the State Constitution and requires majority voter approval for the imposition, extension or increase of general taxes and 2/3 voter approval for the imposition, extension or increase of special taxes by a local government, which is defined in Proposition 218 to include counties. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995, and prior to November 6, 1996 shall continue to be imposed only if approved by a majority vote in an election held within two (2) years following November 6, 1996. All local taxes and benefit assessments which may be imposed by public agencies will be defined as “general taxes” (defined as those used for general governmental purposes) or “special taxes” (defined as taxes for a specific purpose even if the revenues flow through the local government’s general fund) both of which would require a popular vote. New general taxes require a majority vote and new special taxes require a two-thirds vote. Proposition 218 also extends the initiative power to reducing or repealing local taxes, assessments, fees and charges, regardless of the date such taxes, assessments or fees or charges were imposed, and lowers the number of signatures necessary for the process. In addition, Proposition 218 limits the application of assessments, fees and charges and requires them to be submitted to property owners for approval or rejection, after notice and public hearing.
The District has no power to impose taxes except property taxes associated with a general obligation bond election, following approval by 55% or 2/3 of the District’s voters, depending upon the Article of the Constitution under which it is passed. Under previous law, the District could apply provisions of the Landscape and Lighting Act of 1972 to create an assessment district for specified purposes, based on the absence of a majority protest. Proposition 218 significantly reduces the ability of the District to create such special assessment districts.

Proposition 218 has no effect upon the District’s ability to pursue approval of a general obligation bond issue under Proposition 46 or a Mello-Roos Community Facilities District bond issue in the future, which have special Constitutional authority or are already subject to a 2/3 vote, although certain procedures and burdens of proof may be altered slightly. Any assessments, fees or charges levied or imposed by any assessment district created by the District will become subject to the election requirements of Proposition 218 as described above, a more elaborate notice and balloting process and other requirements.

The District is unable to predict the nature of any future challenges to Proposition 218 or the extent to which, if any, Proposition 218 may be held to be unconstitutional.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 98, 46 and 39 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 the District’s revenues or their ability to expend revenues.

SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS

*The Director of Finance (the “Director of Finance”) of Sacramento County (the “County”) manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Director of Finance by County school and community college districts, various special districts and some cities. State law generally requires that all moneys of the County, school districts and certain special districts be held in the County’s Treasury Pool (the “Treasury Pool”) as described below. The composition and value of investments under management in the Treasury Pool vary from time to time, depending on the cash flow needs of the County and the other public agencies invested in the Treasury Pool, the maturity or sale of investments, purchase of new securities and fluctuations in interest rates generally. The Director of Finance maintains a website, the address of which is http://ttc.lacounty.gov, on which the Director of Finance periodically places information relating to the Treasury Pool. However, the information presented there is not part of this Official Statement, is not incorporated by reference herein and should not be relied upon in making an investment decision with respect to the purchase of the Bonds.*

Sacramento County Pooled Surplus Investments

The Director of Finance of the County has the delegated authority to invest funds on deposit in the County treasury (the “Treasury Pool”). As of June 30, 2020, investments in the Treasury Pool were held for local agencies including Sacramento County, the District, and other independent and miscellaneous agencies.

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Director of Finance’s prior approval. In Sacramento County, investment decisions are governed by Chapter 4
(commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Director of Finance and adopted by the County Board of Supervisors ("Board of Supervisors") on an annual basis. The Investment Policy adopted on December 17, 2019 reaffirmed the following criteria and order of priority for selecting investments:

1. Safety of Principal
2. Liquidity
3. Public Trust
4. Maximum Rate on Return

The Director of Finance as Treasurer for the District prepares a quarterly Report of Investments (the "Investment Report") summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated June 30, 2020, the book value of the Treasury Pool was approximately $4,495,007,799, and the corresponding market value was approximately $4,551,561,645.

An internal controls system for monitoring cash accounting and investment practices is in place. The County Auditor-Controller’s Division reconciles its general ledger figures to the Director of Finance’s cash and investments on a daily basis. The County Auditor Controller’s Division performs similar cash and investment reconciliation on a quarterly basis and regularly reviews investment transactions for conformance with the approved policies. Additionally, the County’s outside independent auditor annually accounts for all investments.

The following table identifies the types of securities held by the Treasury Pool as of June 30, 2020.

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>% of Portfolio at Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Agency, Treasury &amp; Municipal Notes</td>
<td>28.98%</td>
</tr>
<tr>
<td>Washington Supranational Notes</td>
<td>14.73</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>25.24</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>22.14</td>
</tr>
<tr>
<td>LAIF</td>
<td>1.67</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>0.00</td>
</tr>
<tr>
<td>Money Market Accounts</td>
<td>7.23</td>
</tr>
</tbody>
</table>

The Board of Supervisors approved the establishment of a County Treasury Oversight Committee (the “Committee”) and subsequently confirmed all Committee members nominated by the Director of Finance. The Committee, which meets at least annually, is required to review and monitor for compliance the investment policies prepared by the Director of Finance.

None of the District, the Municipal Advisor or the Underwriter has made an independent investigation of the investments in the Treasury Pool nor have they made an assessment or investigation of the current County Investment Policy. The value of the various investments in the Treasury 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 Director of Finance, with the consent of the Treasury Oversight Committee and the Board of Supervisors, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein.
LEGAL OPINION

The legal opinion of Nixon Peabody LLP, Bond Counsel to the District (“Bond Counsel”), attesting to the validity and tax status of the Bonds, will be supplied to the Underwriter of the Bonds without charge. The form of legal opinion is attached hereto as APPENDIX B. Bond Counsel will receive compensation contingent upon the sale and delivery of the Bonds and undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the Tax and Nonarbitrage Certificate executed by the District in connection with the issuance of the Bonds (the “Tax Certificate”), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Resolution and the Tax Certificate. Bond Counsel will not independently verify the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the District described above, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

In rendering these opinions, Bond Counsel has relied upon representations and covenants of the District in the Tax Certificate concerning the property financed with Bond proceeds, the investment and use of Bond proceeds and the rebate to the federal government of certain earnings thereon. In addition, Bond Counsel has assumed that all such representations are true and correct and that the District will comply with such covenants. Bond Counsel has expressed no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such District representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on the advice or the opinion of Bond Counsel.

State Taxes

Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present State law. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than California.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have
amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX B. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest
thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

LEGAL MATTERS

Continuing Disclosure

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission, the District will enter into a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) in the form of APPENDIX D hereto, on or prior to the sale of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain information as set forth therein. The covenants contained in the Continuing Disclosure Certificate have been made to assist the Underwriter in complying with the Rule. See APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” hereto.

Within the past five years, the District has failed to comply with certain previous undertakings with regards to Rule 15c2-12(b)(5) to provide annual reports and notices of listed events. The District’s annual reports for fiscal years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 did not include information on certificated and classified employees or largest employers in the District. Such information was posted on the MSRB’s Electronic Municipal Market Access system (“EMMA”) on May 14, 2019 for fiscal years 2014-15 through 2017-18 and July 23, 2020 for fiscal year 2018-19. In addition, notices of a ratings downgrade by S&P of National Public Finance Guarantee on June 26, 2017 and of the withdrawal of such rating by S&P, provider of a financial guaranty insurance policies for certain of the District’s outstanding Bonds, were not posted on EMMA until May 14, 2019.

The District has covenanted to provide certain financial information and operating data relating to the District not later than two hundred and seventy (270) days after the end of the fiscal year, and to provide notices of the occurrence of certain enumerated events (“Event Notices”). The Annual Reports and the Event Notices will be filed by the dissemination agent on behalf of the District with the Electronic Municipal Market Access system of the MSRB. The specific nature of the information to be contained in the Annual Report or the Event Notices is summarized in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto.

Limitation on Remedies

The opinion of Bond Counsel, the proposed form of which is attached hereto as APPENDIX B, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. The rights of the Owners of the Bonds are subject to certain limitations. Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the District, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against school and community college districts in the State. Bankruptcy proceedings, if initiated, could subject the beneficial owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.
Under Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the “Bankruptcy Code”), which governs the bankruptcy proceedings for public agencies, no involuntary petitions for bankruptcy relief are permitted. While current State law precludes school districts from voluntarily seeking bankruptcy relief under Chapter 9 of the Bankruptcy Code without the concurrence of the State, such concurrence could be granted, or State law could be amended.

California Senate Bill 222

On July 13, 2015, the Governor of the State (the “Governor”) signed Senate Bill 222 (“SB 222”) into law, effective January 1, 2016. SB 222 was introduced on February 12, 2015, initially to amend Section 15251 of the California Education Code to clarify the process of lien perfection for general obligation bonds issued by or on behalf of California school and community college districts. Subsequently, on April 15, 2015, SB 222 was amended to include an addition to the California Government Code to similarly clarify the process of lien perfection for general obligation bonds issued by cities, counties, authorities and special districts, including the District.

SB 222, applicable to general obligations bonds issued after its effective date, removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future ad valorem property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a “statutory” lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance.

Special Revenues

If the District were to become a debtor in a Chapter 9 proceeding, because the Bonds are for the financing of specific capital projects and are supported by a consensual lien on ad valorem property taxes that are use-restricted under state law to the repayment of the Bonds, the District believes that those taxes are “special revenues” as defined in the Bankruptcy Code, and thus there is a special revenue lien in favor of owners of the Bonds in addition to, and separate and independent of, the statutory lien created by SB 222. In comparison to other consensual pledges and liens arising by agreement (that are all made ineffective post-bankruptcy by Section 552 of the Bankruptcy Code), special revenues acquired by a municipality during a Chapter 9 case will remain subject to the lien that arose from the security agreement entered into prior to the beginning of the case, and will survive the conclusion of the Chapter 9 proceeding. In addition, the automatic stay arising upon the filing of the bankruptcy petition has historically been understood not to stay the application of special revenues to payment of the bonds secured by such special revenues. Thus, regularly scheduled payments of principal of and interest to owners of the Bonds likely would continue under 11 U.S.C. § 922(d) throughout any bankruptcy proceeding.

Based on the foregoing, if the District were to become a debtor in a Chapter 9 proceeding, the District believes that: the ad valorem property taxes could not be used for any other purpose other than repayment of the Bonds; the ad valorem property taxes should be determined to be special revenues in a Chapter 9 proceeding, and thus owners of the Bonds would ordinarily continue to be paid post-petition; and the ad valorem property taxes are also protected by a statutory lien in favor of the bondholders. However, bankruptcy courts are courts of equity and as such have broad discretionary powers, and there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of ad valorem property tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise. If the District were to become the debtor in a proceeding
under Chapter 9 of the Bankruptcy Code, the bankruptcy court could find that the automatic stay exception for special revenues does not apply, and the parties to the proceedings may thus be prohibited from taking any action to collect any amount from the District (including ad valorem tax revenues), or to enforce any obligation of the District, without the bankruptcy court’s permission. It is also possible that the bankruptcy court may not enforce the state law use restriction imposed on ad valorem property taxes.

Even if the ad valorem property tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the ad valorem property tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds. It should also be noted that it is possible – in the context of confirming a Plan of Adjustment (the “Plan”) in a Chapter 9 case where the Plan has not received the requisite consent of the holders of the Bonds – a bankruptcy court may confirm a Plan that adjusts the timing of payments on the Bonds or the interest rate or other terms of the Bonds provided that (a) the bondholders retain their lien on the revenues subject to the statutory and/or special revenues lien, (b) the payment stream has a present value equal to the value of the revenues subject to the lien(s) and (c) the bankruptcy court finds that these and any other adjustments to the Bonds’ terms are fair and equitable.

The County Resolution and the Act require the County annually to levy ad valorem property 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), for the payment of the principal of, premium, if any, and interest on the Bonds. The County on behalf of the District is thus 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’s Investment Pool, as described in “SACRAMENTO COUNTY TREASURY POOL” herein. In the event the District or the County were to file for bankruptcy relief, a bankruptcy court might hold that the Owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, which might include taxes that have been collected and deposited in the Debt Service Funds, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Owners of the Bonds can “trace” those funds. There can be no assurance that the Owners could successfully so “trace” such taxes on deposit in the Debt Service Funds where such amounts are invested in the County Treasury Pool. Further, 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, or what amount of time would be required for such procedures to be completed. Under any such circumstances, there could be delays or reductions in the payments on the Bonds.

LEGALITY FOR INVESTMENT

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the State Government Code, the Bonds are eligible to secure deposits of public moneys in the State.

RATING

The Bonds have been assigned a rating of “Aa3” by Moody’s Investor Services (“Moody’s”). Such rating reflects only the views of Moody’s. An explanation of the significance and status of such rating may be obtained from Moody’s, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-1653. The information provided by any rating agency is not incorporated
herein by reference. Generally, a rating agency bases its ratings on information and material so furnished and on investigations, studies and assumptions made by the rating agency. The District furnished Moody’s with certain information and materials relating to the Bonds that have not been included in this Official Statement. The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. The District does not undertake any responsibility to bring to the attention of the Owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds, or to oppose any such downward revision or withdrawal. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

Raymond James & Associates, Inc., as Underwriter (the “Underwriter”), has agreed to purchase the Bonds from the District at the purchase price of $6,301,860.00 (being the initial principal amount of the Bonds, plus original issue premium of $325,860.00, less an Underwriter’s discount of $24,000.00, at the rates and yields shown on the inside cover hereof.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may, however, offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

BANK QUALIFIED

The District has not issued, and does not expect to issue, any tax-exempt obligations in the calendar year commencing January 1, 2020, that exceed the aggregate of $10,000,000. On the basis of this expectation, the District had designated the Bonds as qualified tax-exempt obligations under and for the purposes of Section 265(b)(3) of the Code.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District’s ability to receive ad valorem taxes or to collect other revenues or contesting the District’s ability to issue the Bonds.

The District is subject to lawsuits and claims in the ordinary course of its operations. 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 finances of the District.

MUNICIPAL ADVISOR

CFW Advisory Services, LLC (the “Municipal Advisor”) is engaged as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Municipal Advisor does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income status of the Bond, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.
An affiliate of the Municipal Advisor, Caldwell Flores Winters, Inc. (“Caldwell Flores Winters”) is currently contracted with the District, as approved by the Board under separate agreements, for the provision of program implementation services for facilities and educational programs and professional consultant services for procuring State aid grants for the modernization and construction of school facilities. Caldwell Flores Winters receives a monthly program implementation services fee based on the projected project costs for scheduled projects, which can include projects funded with the proceeds of the Bonds. Caldwell Flores Winters has also previously provided and currently provides professional consultant services for the provision of planning services; these services may influence the amount and frequency of bonds to be sold by the District.

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OTHER INFORMATION

References are made herein to certain documents, reports, statutes, and constitutional provisions which are brief summaries thereof, and which do not purport to be complete, comprehensive or definitive, and are qualified in their entireties by reference each such document, report, statute and constitutional provision. Reference is made to such documents, reports, statutes, and constitutional provisions for full and complete statements of the contents thereof. 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: Robla School District, 5248 Rose Street, Sacramento, California 95838, 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 be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the District.

ROBLA SCHOOL DISTRICT

By: /s/ Ruben Reyes
Superintendent
Prospective purchasers of the Bonds should be aware that the following discussion of the financial condition of the Robla School District (the “District”), its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal or interest on the Bonds is dependent in any way upon the District’s financial condition. The District neither receives nor accounts for ad valorem property tax revenues collected by Sacramento County (the “County”) to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the California Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the debt service funds of the District. The Bonds are and will continue to be payable solely from ad valorem taxes levied and collected by the County within the boundaries of the District.

See the body of this Official Statement under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

This Appendix A provides information concerning the operations and finances of the District. The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District. Any financial information, including projections, forecasts and budgets presented herein, does not yet account for potential effects for COVID-19, unless specifically discussed. The Bonds are not an obligation of the County, the State of California (the “State”) or any of its other political subdivisions or of the general fund of the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the forepart of this Official Statement.

District General Information

The District was originally known as the Oak Grove School District and opened in 1896. The District’s was established as an elementary school district, and its name was changed to Robla School District, in 1916. Located in the County, the District is situated approximately ten miles north of downtown Sacramento, and encompasses approximately ten square miles. The District provides elementary school facilities for grades preschool through six. The District currently maintains five elementary schools and one preschool. The District serves an estimated 2,060 children. The student to teacher ratio in kindergarten is 24:1, grades 1-3 is 24:1, and grades 4-6 is 27:1. On November 13, 2014, the District granted a three-year charter to its first charter school, Paseo Grande Charter School which began operations in fiscal year 2015-16. On March 12, 2020, the District granted the renewal of the Paseo Grande Charter School through June 30, 2023. Another Charter School, Marconi Learning Academy was approved in fiscal year 2018-19 through June 30, 2021. The same nonprofit organization runs both independent charters.

District Organization

The District is governed by a five-member Board of Trustees (the “District Board”) elected by voters of the District to serve alternating four-year terms. The members are elected to four-year terms in alternate slates of two and three and elections are held every two years. Each December, the District Board elects a President, Vice-President and Clerk to serve one-year terms. Current members of the District Board, together with their office and the date their term expires, are listed below:
ROBLA SCHOOL DISTRICT
BOARD OF TRUSTEES

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Barnes</td>
<td>President</td>
<td>December 2020</td>
</tr>
<tr>
<td>Dennis Boyd</td>
<td>Vice-President</td>
<td>December 2022</td>
</tr>
<tr>
<td>Nuvia Cardona</td>
<td>Clerk</td>
<td>December 2022</td>
</tr>
<tr>
<td>Craig DeLuz</td>
<td>Member</td>
<td>December 2022</td>
</tr>
<tr>
<td>Kim Howard</td>
<td>Member</td>
<td>December 2020</td>
</tr>
</tbody>
</table>

Key Personnel

The following is a listing of the key administrative personnel of the District:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ruben Reyes</td>
<td>Superintendent</td>
</tr>
<tr>
<td>Gerardo Castillo</td>
<td>Chief Business Official</td>
</tr>
</tbody>
</table>

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Governing Board.

Brief biographies of the Superintendent and the Assistant Superintendent of Business Services follow:

**Ruben Reyes, Superintendent.** Mr. Reyes has worked in various teaching and administrative capacities since joining the District in 1997. Prior to becoming the Superintendent of the School District in July 2010, Mr. Reyes had the opportunity to serve as a Program Improvement Coach, Principal of Main Avenue Elementary, English Learner Coordinator, and Reading Specialist. Before joining the District, Mr. Reyes served as the Principal of Westfield Village Elementary and Alyce Norman Elementary schools from 1992 to 1997. Mr. Reyes’s educational achievements include a B.A. in Psychology and a Clear Multiple Subject Teaching Credential from the University of California, Davis, as well as a Clear Professional Administrative Services Credential from California State University, Sacramento.

**Gerardo Castillo, Chief Business Official.** Mr. Castillo obtained his Certificated Public Accountant (CPA) license auditing school districts and has worked in several capacities in small and large districts, as an accountant for two years, as Supervisor of Budget/Fiscal Services for four years, as Director of Fiscal Services for seven years, and Chief Business Official for five years. He obtained his Bachelor of Sciences in Business Administration, Accounting from California State University, Sacramento. He believes in continuous improvement and has earned a CBO Certification from the University of California at Riverside, a CFO Certificate from the Council City of Great Schools, and an Innovation and Technology Certificate.

Changes in District Enrollment and ADA

The table below sets forth the enrollment and Average Daily Attendance (“ADA”) for the District for the fiscal years 2014-15 through 2018-19 and projections for fiscal year 2019-20 through 2020-21. The District has been experiencing enrollment declines due to impact from two (2) new charter schools which have opened in the area, both within the District’s boundaries and nearby outside its boundaries. However, the District believes that enrollment will level out within the next two years, due to birth rates...
and modernization of schools with a significant public presence designed to encourage families to return to the District. District ADA and enrollment may be impacted by the ongoing outbreak of COVID-19. See “– FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA – Risks Related to COVID-19” below.

ROBLA SCHOOL DISTRICT
ENROLLMENT AND AVERAGE DAILY ATTENDANCE
FISCAL YEARS 2014-15 THROUGH 2018-19 AND
PROJECTIONS FOR 2019-20 AND 2020-21

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Enrollment</th>
<th>ADA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>2,231</td>
<td>2,128</td>
</tr>
<tr>
<td>2015-16</td>
<td>2,162</td>
<td>2,073</td>
</tr>
<tr>
<td>2016-17</td>
<td>2,188</td>
<td>2,083</td>
</tr>
<tr>
<td>2017-18</td>
<td>2,160</td>
<td>2,046</td>
</tr>
<tr>
<td>2018-19</td>
<td>2,047</td>
<td>1,951</td>
</tr>
<tr>
<td>2019-20(1)</td>
<td>2,080</td>
<td>1,965</td>
</tr>
<tr>
<td>2020-21(2)</td>
<td>2,080</td>
<td>1,965</td>
</tr>
</tbody>
</table>

(1) Estimates.
(2) Projected.
Source: The District.

Population
The populations of the City of Sacramento, the County and the State are set forth in the following table.

POPULATION FIGURES
2013 through 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>City of Sacramento</th>
<th>County of Sacramento</th>
<th>State of California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>475,108</td>
<td>1,452,994</td>
<td>31,828,012</td>
</tr>
<tr>
<td>2014</td>
<td>478,153</td>
<td>1,466,309</td>
<td>32,117,666</td>
</tr>
<tr>
<td>2015</td>
<td>482,714</td>
<td>1,482,542</td>
<td>32,419,601</td>
</tr>
<tr>
<td>2016</td>
<td>486,111</td>
<td>1,496,619</td>
<td>32,669,326</td>
</tr>
<tr>
<td>2017</td>
<td>494,266</td>
<td>1,513,415</td>
<td>39,500,973</td>
</tr>
<tr>
<td>2018</td>
<td>500,724</td>
<td>1,530,242</td>
<td>39,740,508</td>
</tr>
<tr>
<td>2019</td>
<td>505,230</td>
<td>1,541,301</td>
<td>39,695,376</td>
</tr>
<tr>
<td>2020</td>
<td>510,931</td>
<td>1,555,365</td>
<td>39,782,870</td>
</tr>
</tbody>
</table>

Data as of January 1 of each year.
Source: California State Department of Finance.
**District Employees**

As of June 17, 2020, the District employed 139 full-time certificated employees and 5 part-time certificated employees, and 58 classified full-time employees and 73 classified part-time employees. The following table sets forth the number of employees represented by and expiration dates of the labor agreements with each of the District’s employee bargaining units. Negotiations with the California School Employees Association (“CSEA”) settled in May 2020. The District has granted requests from its bargaining units for accommodations and additional pay due to the COVID-19 pandemic, which such additional amounts expired on June 12, 2020. The District cannot predict the impact of any potential forthcoming requests for hazard payments for essential employees or any other additional labor costs resulting from the COVID-19 pandemic.

### ROBLA SCHOOL DISTRICT Employee Bargaining Units

<table>
<thead>
<tr>
<th>Employee Bargaining Unit</th>
<th>No. of Employees</th>
<th>Contract Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robla Teachers Association</td>
<td>144</td>
<td>June 30, 2020</td>
</tr>
<tr>
<td>California School Employees Association</td>
<td>131</td>
<td>June 30, 2020</td>
</tr>
</tbody>
</table>

Source: Robla School District.

**Pension Plans**

The District participates in the State Teachers’ Retirement System (“STRS”) which provides retirement benefits to certificated personnel. The District contributed $3,784,992 to STRS in fiscal year 2018-19 and estimates a contribution of $3,168,641 in fiscal year 2019-20.

The District also participates in the State Public Employees’ Retirement System (“PERS”) which provides retirement benefits to classified personnel who work four (4) or more hours per day. The District contributed $917,378 to PERS in fiscal year 2018-19 and estimates a contribution of $992,496 in fiscal year 2019-20.

Declines in investment earnings as a result of COVID-19 may lead to increases in District contributions to each of these retirement systems. The District is unable to predict the likelihood or the amount of such increases on its contributions to STRS or PERS.

The information set forth below regarding STRS and PERS has been obtained from publicly available sources and has not been independently verified by the District, the Underwriter or the Municipal Advisor, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District, the Underwriter or the Municipal Advisor. Furthermore, the summary data below should not be read as current or definitive, as recent gains or losses on investments made by the retirement systems generally may have changed the unfunded actuarial accrued liabilities.

Both PERS and STRS are operated on a statewide basis. The PERS and STRS defined benefit programs are funded through a combination of investment earnings and contributions by members, employees and the State. Both PERS and STRS have substantial State unfunded actuarial liabilities. PERS may issue certain pension obligation bonds to reach funded status. Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. The amounts of the pension/award benefit obligation
(PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions which the District may be required to make.

District contribution rates to PERS can vary annually depending on changes in actuarial assumption and other factors, such as liability. Unlike typical defined benefit programs, prior to fiscal year 2014-15, neither the STRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. As a result, in recent years, the combined employer, employee and State contributions to STRS have not been sufficient to pay actuarially required amounts. As a result, and due to significant investments losses, the unfunded actuarial liability of STRS increased significantly. The District is unable to predict what the STRS program liabilities will be in the future.

In order to address STRS funding inadequacies, the 2014-15 State Budget set forth a plan of shared responsibility among the State, school districts and teachers to shore up STRS. The first year’s increased contributions from all three (3) entities were approximately $275 million. The contributions would increase in subsequent years, reaching more than $5 billion annually. Then Governor Brown expected that this will eliminate the unfunded liability in approximately 30 years. The 2018-19 State Budget included $3.1 billion for state contributions to STRS, which reflects action by the STRS board to increase state contributions by 0.5% of teacher payroll. The 2019-20 State Budget includes approximately $3.3 billion for State contributions to STRS. However, the 2020-21 State Budget redirected approximately $2.3 billion of this amount to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22, reducing the STRS employer rate from 18.41% to approximately 16.15% in fiscal year 2020-21, and from 17.9% to approximately 16.02% in fiscal year 2021-22, and reducing the PERS employer rate from 22.67% to approximately 20.7% in fiscal year 2020-21, and from 24.6% to approximately 22.84% in fiscal year 2021-22. See “– Fiscal Year 2020-21 State Budget” herein.

[Remainder of Page Intentionally Left Blank]
### State of California

#### Actuarial Value of State Retirement Systems

<table>
<thead>
<tr>
<th>Name of Plan</th>
<th>Market Value of Assets</th>
<th>Actuarial Value of Assets&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>Actuarial Obligation</th>
<th>Unfunded Actuarial Accrued Liability</th>
<th>Funded Ratio (Market Value)</th>
<th>Funded Ratio (Actuarial Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Employees’ Retirement Fund Schools Pool</td>
<td>$64.177 billion</td>
<td>—</td>
<td>$99.528 billion</td>
<td>$31.351 billion</td>
<td>68.5%</td>
<td>—</td>
</tr>
<tr>
<td>(PERS)&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Teachers’ Retirement Fund Defined Benefit</td>
<td>$211.367 billion</td>
<td>$190.451 billion</td>
<td>$297.603 billion</td>
<td>$107.152 billion</td>
<td>65.7%</td>
<td>64.0%</td>
</tr>
<tr>
<td>Program (STRS)&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> As of June 30, 2019, the PERS provided pension benefits to 1,296,053 active and inactive program members and 714,504 retirees, beneficiaries, and survivors.

<sup>(2)</sup> As of June 30, 2018, the STRS Defined Benefit Program had approximately 647,653 active and inactive program members and 301,859 retirees and benefit recipients.

<sup>(3)</sup> PERS no longer uses an actuarial value of assets and only uses the market value of assets.


**California State Teachers’ Retirement System.** STRS is a defined benefit program and member benefits are determined pursuant to the Education Code and are generally determined based on a member’s age, final compensation, and years of credited service. As a result of the California Public Employees’ Pension Reform Act of 2013 (Chapter 296, Statutes of 2012), there are two (2) benefit structures for members that apply according to the members’ first date of hire to perform STRS creditable activities. Members first hired on or before December 31, 2012 are 100% vested in retirement benefits after five (5) years of credited service and are eligible for “normal” retirement at age 60 and for early retirement at age 55 or at age 50 with 30 years of credited service. The normal retirement benefit is 2% of final compensation (as defined in the Education Code) for each year of credited service (up to 2.4% of final compensation for members retiring after age 60), and members who retire on or after January 1, 2011 with 30 or more years of service by December 31, 2010 receive monthly bonus payments of up to four hundred US dollars ($400) per month. Members first hired on or after January 1, 2013 who retire at age 62 are eligible for a benefit equal to 2% of final compensation for each year of credited service (up to 2.4% of final compensation for members retiring after age 62). Additional benefits under both benefit structures include a 2% cost of living increase (computed on a simple, non-compounded, basis based on the initial allowance) on each September 1 following the first anniversary of the effective date of the benefit.

Prior to fiscal year 2014-15, neither the STRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. As a result, the combined employer, employee, and State contributions to STRS were not sufficient to pay actuarially required amounts. Assembly Bill 1469 (“A.B. 1469”), enacted in connection with the adoption of the 2014-15 State budget authorizes shared contribution increases among the program’s three (3) contributors – STRS members, employers, and the State. Defined Benefit Program contribution rate increases for all contributing parties will be incrementally phased-in over the next several years, with the first increases having taken effect July 1, 2014. The rate increases authorized by A.B. 1469 are projected to fund the unfunded actuarial obligation with respect to service credited to the members of the STRS Defined Benefit Program before July 1, 2014 fully in 32 years.
Employer contribution rates, including those of the District, will increase through fiscal year 2020-21 as shown in the following table. Beginning fiscal year 2021-22, employer contribution rates will be set each year by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Prior Rate</th>
<th>Increase</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2017</td>
<td>8.25%</td>
<td>6.18%</td>
<td>14.43%</td>
</tr>
<tr>
<td>July 1, 2018</td>
<td>8.25</td>
<td>8.03</td>
<td>16.28</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>8.25</td>
<td>8.85</td>
<td>17.10</td>
</tr>
<tr>
<td>July 1, 2020</td>
<td>8.25</td>
<td>10.15</td>
<td>18.40</td>
</tr>
</tbody>
</table>

The State contributions are set pursuant to the Education Code. As of July 1, 2019, the State will contribute 7.828% of members’ annual earnings to the defined benefit plan. The employee contribution rate for STRS members first hired on or before December 31, 2012 to perform STRS creditable activities (i.e., STRS 2% at 60 members) is 10.25% for fiscal year 2019-20. The employee contribution rate for STRS members first hired on or after January 1, 2013 to perform STRS creditable activities (i.e., STRS 2% at 62 members) is 10.205% for fiscal year 2019-20. However, the 2020-21 State Budget redirected approximately $2.3 billion of this amount to further reduce employer contribution rates in fiscal years 2020-21 and 2021-22, reducing the STRS employer rate from 18.41% to approximately 16.15% in fiscal year 2020-21, and from 17.9% to approximately 16.02% in fiscal year 2021-22. See “– Fiscal Year 2020-21 State Budget” herein.

The State Teachers’ Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the defined benefit plan. STRS actuarial consultant determines the actuarial value of the defined benefit plan’s assets by using a one-third smoothed recognition method of the difference between the actual market value of assets to the expected actuarial value of assets. Accordingly, the actuarial value of assets will not reflect the entire impact of certain investment gains or losses on an actuarial basis as of the date of the valuation or legislation enacted subsequent to the date of the valuation.

In February 2017, the State Teacher’s Retirement Board voted to revise the actuarial methods and assumptions beginning with the STRS Defined Benefit Program for fiscal year 2016. The actuarial assumptions set forth in the 2016 STRS actuarial valuation use a 7.25% investment rate of return for measurements as of June 30, 2016 and an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% wage growth, and 2.75% inflation. The STRS unfunded liability will vary based on actuarial assumptions, actual returns on investments and contribution rates.

The Defined Benefit Program of the California State Teachers’ Retirement System, June 30, 2018 Actuarial Valuation (the “2018 STRS Actuarial Valuation”) states that for fiscal year 2017-18 the funded ratio increased by 1.4% over the previous year, mainly due to the return on the Actuarial Value of Assets (8.3%) that exceeded the assumed return (7.0%). However, the funded ratio as a whole has decreased by approximately 23% over the past 10 years primarily due to a combination of returns that have, on a smoothed basis, been less than the actuarial assumption, contributions less than the actuarially calculated amount, and changes in the actuarial assumptions that have increased the Actuarial Obligation. The alternate funded ratio using the Fair Market Value of assets has increased since the last valuation. This increase is due to the greater than expected return on assets during the 2017-18 fiscal year.
California Public Employees’ Retirement System. PERS is a defined benefit program and member benefits are determined pursuant to the Public Employees’ Retirement Law and are generally determined based on a member’s age, final compensation and years of credited service.

Member contribution rates are determined by the Public Employees’ Retirement Law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by statute. For fiscal year 2019-20, the employee contribution rate for classic plan members is 7.0% of monthly salary and the estimated employee contribution rate for PEPRA members is 7.0% of monthly salary. The employer contribution rate increased from 18.062% of covered payroll for fiscal year 2018-19 to 20.733% of covered payroll for fiscal year 2019-20.

At its April 17, 2013 meeting, the PERS Board of Administration approved a recommendation to change the PERS amortization and smoothing policies. Prior to this change, PERS employed an amortization and smoothing policy which spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. After this change, PERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. The new amortization and smoothing policy were used for the first time in the June 30, 2014 actuarial valuations. These valuations were performed in early 2015 and set employer contribution rates for the fiscal year 2015-16.

The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of PERS. At its December 21, 2016 meeting, the PERS Board of Administration approved a discount rate assumption decrease from its current rate of 7.50% to 7.00% over the next three (3) years. For the School Pool, the discount rate was lowered for the first time to 7.375% effective with the June 30, 2017 actuarial valuation (the “2017 PERS Schools Pool Actuarial Valuation”), impacting the Schools Pool employer contribution rates beginning in fiscal year 2018-19. The discount rate was lowered further to 7.25% for the June 30, 2018 actuarial valuation, and will be lowered again to 7.00% for the June 30, 2019 actuarial valuation. Lowering the discount rate will result in increases in both the normal cost and the accrued liabilities which will result in higher required employer contributions. The District cannot predict how these changes will affect its contribution levels.

On December 20, 2017, the PERS Board of Administration adopted new actuarial demographic assumptions to update various assumptions including mortality, retirement rates and inflation. These new assumptions were applied beginning with the June 30, 2018 valuation for the schools’ pool, setting employer contribution rates for fiscal year 2019-20. As a result, the June 30, 2018 actuarial valuation assumes a reduced inflation rate of 2.625% per year and reduced payroll growth of 2.875% per year. The actuarial funding method used in the PERS Schools Pool Actuarial Valuation as of June 30, 2018 (the “2018 PERS Actuarial Valuation”) is the “Individual Entry Age Normal Cost Method.” The PERS Schools Pool Actuarial Valuation as of June 30, 2018 assumes, among other things, a 7.25% discount rate, projected 2.625% inflation per year, and projected payroll growth of 2.875% per year. The prescribed discount rate will reduce to 7.00% per year, projected 2.50% inflation per year, and projected payroll growth of 2.75% per year as of the June 30, 2019 actuarial valuation. At its February 12, 2018 meeting, the PERS Board of Administration approved a recommendation to change the PERS amortization policy once again. Prior to this change, PERS employed an amortization and smoothing policy which spread investment returns over a 30-year period with the increases or decreases in the rate spread directly over a 5-year period. After this change, PERS will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 20-year period rather than a 30-year period. The new amortization policy will be used for the first time in the June 30, 2019 actuarial valuations.

On April 17, 2019, subsequent to the release of the 2017 PERS Schools Pool Actuarial Valuation, the PERS Board adopted updated projections for future employer contribution rates of 23.6%, 24.9%,
25.7%, and 26.4% in Fiscal Years 2020-21, 2021-22, 2022-23 and 2023-24, respectively. The PERS Board did not adjust the employer contribution rate for Fiscal Year 2019-20.

On June 27, 2019, PERS released an Actuarial Circular Letter, which reflected a modified employer contribution rate of 19.7% (reduced from 20.7%) for Fiscal Year 2019-20 as a result of contributions to PERS included in the 2019-20 State Budget. However, the 2020-21 State Budget reduced the PERS employer rate from 22.67% to approximately 20.7% in fiscal year 2020-21, and from 24.6% to approximately 22.84% in fiscal year 2021-22. See “– Fiscal Year 2020-21 State Budget” herein.

Both PERS and STRS are operated on a statewide basis and, based on available information, STRS and PERS both have unfunded liabilities. PERS may issue certain pension obligation bonds to reach funded status. Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282. The amounts of the pension/award benefit obligation (PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

STRS and PERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from www.calstrs.com or by written request mailed to STRS, P.O. Box 15275, Sacramento, California 95851-0275, and copies of the PERS annual financial report may be obtained from www.calpers.ca.gov or by written request mailed to the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in those reports is not incorporated by reference in this Official Statement.

The District is unable to predict what the amount of liabilities will be in the future, or the amount of future contributions that the District may be required to pay. See APPENDIX C for additional information concerning STRS and PERS contained in the notes to said financial statements.

Pension Reform Act of 2013 (Assembly Bill 340)

On September 12, 2012, Governor Brown signed AB 340, a bill that enacted the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”), amending various sections of the California Education and Government Codes. AB 340 (i) increased the retirement age for new State, school, and city and local agency employees depending on job function, (ii) capped the annual PERS and STRS pension benefit payouts, (iii) addressed abuses of the system, and (iv) requires State, school, and certain city and local agency employees to pay at least half of the costs of their PERS pension benefits. PEPRA will apply to all public employers except the University of California, charter cities and charter counties (except to the extent they contract with PERS.)

1. The provisions of AB 340 went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on that date and after; existing employees who are members of employee associations, including employee associations of the District, had a five (5) year window to negotiate compliance with AB 340 through collective bargaining. A city, public agency or school district could require employees to pay their half of the costs of their PERS pension benefits, up to 8 percent of pay for civil workers and 11 percent or 12 percent for public safety workers.

2. PERS has predicted that the impact of AB 340 on employers, including the District and other employers in the STRS system, and employees will vary, based on each employer’s current level of benefits. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a
larger percentage of the workforce. This change would, in some circumstances, result in lower retirement benefits than employees currently earn. Additionally, PERS has noted that AB 340 changes may have an adverse impact on public sector recruitment in areas that have historically experienced recruitment challenges due to higher pay for similar jobs in the private sector.

With respect to STRS, for employees hired after January 1, 2013, members will pay the greater of either (1) at least 50 percent of the cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by current members. The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Public employers will pay at least the normal cost rate, after subtracting the member’s contribution. The District is unable to predict the amount of future contributions it will make to STRS as a result of the implementation of AB 340 (being its future contributions for the normal costs of new employees), and as a result of negotiations with its employee associations, or, notwithstanding the adoption of AB 340, resulting from any legislative changes regarding STRS employer contributions that may be adopted in the future.

More information about AB 340 can be accessed through the PERS’s web site at www.calpers.ca.gov and through the STRS website at www.calstrs.com. The references to these internet websites are shown for reference and convenience only; the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.

Other Post-Employment Benefits

The Governmental Accounting Standards Board (the “GASB”) released its Statement Number 45 (“Statement Number 45”), which requires municipalities to account for other post-employment benefits (meaning other than pension benefits) (“OPEB”) liabilities much like municipalities are required to account for pension benefits. The expense is generally accrued over the working career of employees, rather than on a pay-as-you-go basis, which has been the practice for most municipalities and public sector organizations. OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. Statement Number 45 was phased in over a three (3) year period based upon the entity’s revenues. Statement Number 45 became effective for the District beginning in fiscal year 2008-09.

In June 2015, GASB voted to approve a new standard that aimed to improve the accounting and financial reporting for OPEB by state and local governments. Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“Statement Number 75”) requires the recognition of the entire OPEB liability, new disclosures and notes in financial reporting, supplemental information, and a more comprehensive measure of OPEB expense. These changes followed a comprehensive review of the effectiveness of preexisting standards of accounting and reporting. GASB expects that the requirements of Statement Number 75 will improve the decision-usefulness of financial information and will enhance its value for assessing accountability and inter-period equity. Statement Number 75 replaces Statement Number 45 became effective beginning in fiscal year 2017-18.

The District’s OPEB consists of postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are not offered as part of a pension plan; and long-term disability insurance for employees. Employees who retire from the District may be eligible for OPEB if they have retired from active service prior to July 1, 1993, are 55 years of age or older, and have served at the District for 10 or more years. Membership of the plan consisted of the following as of the June 30, 2018 valuation date, measured as of June 30, 2019 for fiscal year June 30, 2019 were approximately 244 active members and 14 retirees and
beneficiaries who met the eligibility requirements for these benefits. The District currently funds these benefits on a pay-as-you-go basis, paying an amount in each fiscal year equal to the benefits distributed or disbursed in that fiscal year.

As of June 30, 2019, the total unfunded actuarial accrued liability (“UAAL”) was $4,324,330; and the annual required contribution (“ARC”) is $467,701. The District’s total OPEB obligation was $9,207,472 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017 and projects $4,513,979 in fiscal year 2019-20. For additional information, see APPENDIX C- “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2018-19.”

For additional information about the District’s Plan, as well as information regarding a previous actuarial valuation, see District’s financial statements attached hereto as APPENDIX C. A copy of the latest actuarial valuation is available upon request from the District at the address listed on the first page of the forepart of this Official Statement. The District may impose a charge for copying, handling and mailing such requested documents.

**GASB 67 and 68**

On June 25, 2012, GASB voted to approve two (2) new standards that aimed to improve the accounting and financial reporting of public employee pensions by state and local governments. Statement No. 67, Financial Reporting for Pension Plans, revised existing guidance for the financial reports of most pension plans. Statement No. 68, Accounting and Financial Reporting for Pensions, revised and established new financial reporting requirements for most governments that provide their employees with pension benefits.

Statement 67 replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement 50, Pension Disclosures as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. Statement 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year required supplementary information schedules.

Statement 68 replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

Insurance

The District maintains insurance with School Insurance Authority of Sacramento County (“SIA”), with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and workers’ compensation as the District believes are adequate, customary and comparable with such insurance maintained by similarly situated school districts. In addition, based upon prior claims experience, the District believes that the recorded liabilities for insured claims are adequate.

For additional information regarding SIA, see Note 9 to the District’s financial statements contained in APPENDIX C – “AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019” to this Official Statement.

Financial Statements of the District

The following information concerning the operations and finances of the District is not intended to and does not suggest that the Bonds are secured by the general revenues or General Fund of the District, nor is the County obligated in any way with respect to the Bonds. The Bonds are general obligation bonds of the District, secured and payable solely from ad valorem property taxes collected against taxable properties within the boundaries of the District. Prospective purchasers of the Bonds should be aware that the following discussion of the District’s financial condition, its fund balances, budgets and other obligations is intended as general information only, and no implication is made the payment of principal of or interest on the Bonds is dependent in any way upon the District’s financial condition. The District neither receives nor accounts for ad valorem property taxes collected by the County to pay debt service on the Bonds. Pursuant to Section 15241 of the California Education Code, all tax revenues collected for payment of debt service on general obligation bonds, including the Bonds, must be deposited into the debt service funds of the District maintained within the County Treasury Pool. See the body of this Official Statement under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Any financial information, including projections, forecasts and budgets presented herein, does not yet account for potential effects of COVID-19, unless specifically discussed.

The General Fund of the District, as shown herein, is a combined fund comprised of moneys which are unrestricted and available to finance the legally authorized activities of the District not financed by restricted funds and moneys which are restricted to specific types of programs or purposes. General Fund revenues are derived from such sources as State of California (the “State”) fund apportionments, taxes, use of money and property, and aid from other governmental agencies.

The District’s financial statements are prepared on a modified accrual basis of accounting in accordance with generally accepted accounting principles as set forth by the GASB.

Funds used by the District are categorized as follows:

<table>
<thead>
<tr>
<th>Governmental Funds</th>
<th>Fiduciary Funds</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Agency Funds</td>
<td>Internal Service Funds</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Project Funds</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The financial statements included herein were prepared by the District using information from the Annual Financial Reports which are prepared by the District and audited by independent certified public accountants each year. The District’s audited financial statements for fiscal year 2018-19 are attached hereto as APPENDIX C. The District has not requested its auditor to provide any review or update of such financial statements in connection with their inclusion in this Official Statement. Certain information from the District’s financial statements follows.

ROBLA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCES
FISCAL YEARS ENDING JUNE 30, 2016 THROUGH JUNE 30, 2019 AND
ESTIMATED ACTUALS FOR FISCAL YEAR 2019-20

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LCFF Sources</td>
<td>$19,425,438</td>
<td>$20,786,562</td>
<td>$21,340,111</td>
<td>$22,673,595</td>
<td>$22,232,347</td>
</tr>
<tr>
<td>Federal Revenues</td>
<td>1,203,623</td>
<td>1,191,926</td>
<td>1,358,863</td>
<td>1,688,337</td>
<td>2,013,903</td>
</tr>
<tr>
<td>Other State Revenues</td>
<td>2,710,778</td>
<td>2,335,113</td>
<td>2,439,358</td>
<td>3,417,621</td>
<td>2,652,374</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td>240,793</td>
<td></td>
<td>160,000</td>
</tr>
<tr>
<td>Other Local Revenues</td>
<td>1,983,284</td>
<td>2,233,974</td>
<td>2,561,052</td>
<td>1,935,200</td>
<td>1,167,897</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$25,323,123</td>
<td>$26,547,575</td>
<td>$27,699,384</td>
<td>$29,955,546</td>
<td>$28,226,521</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated Salaries</td>
<td>$11,118,445</td>
<td>$11,750,506</td>
<td>$12,012,246</td>
<td>$12,031,983</td>
<td>$11,887,718</td>
</tr>
<tr>
<td>Classified Salaries</td>
<td>3,324,472</td>
<td>3,673,528</td>
<td>3,792,623</td>
<td>4,092,101</td>
<td>4,268,220</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>4,363,712</td>
<td>5,188,056</td>
<td>5,303,104</td>
<td>6,969,898</td>
<td>7,204,280</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>1,781,312</td>
<td>2,364,418</td>
<td>1,244,447</td>
<td>1,180,898</td>
<td>2,147,245</td>
</tr>
<tr>
<td>Services and Other Operating Expenditures</td>
<td>1,936,111</td>
<td>2,299,030</td>
<td>3,162,644</td>
<td>3,282,252</td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>669,370</td>
<td>370,835</td>
<td>2,381,863</td>
<td>404,029</td>
<td>477,449</td>
</tr>
<tr>
<td>Other Outgo</td>
<td>45,432</td>
<td>(76,548)</td>
<td>(46,850)</td>
<td>49,350</td>
<td>44,064</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$23,238,854</td>
<td>$25,569,825</td>
<td>$28,099,748</td>
<td>$27,734,90</td>
<td>$29,311,228</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues Over Expenditures</strong></td>
<td>$2,084,269</td>
<td>$977,750</td>
<td>$(400,364)</td>
<td>$2,220,646</td>
<td>$(1,084,707)</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers in</td>
<td>$260,695</td>
<td>$316,100</td>
<td>$200,000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Operating Transfers out</td>
<td>3,046</td>
<td>316,100</td>
<td>456,947</td>
<td>$(572,967)</td>
<td>$(572,967)</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>$257,649</td>
<td>–</td>
<td>$(256,947)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Excess of Revenues and Other Financing Services Over Expenditures and Other Financing Uses</strong></td>
<td>$2,341,918</td>
<td>$977,750</td>
<td>$(657,311)</td>
<td>$1,647,679</td>
<td>$(1,084,707)</td>
</tr>
<tr>
<td><strong>Beginning Fund Balances, July 1</strong></td>
<td>$6,213,838</td>
<td>$8,555,755</td>
<td>$9,533,505</td>
<td>$8,876,194</td>
<td>$10,567,774</td>
</tr>
<tr>
<td><strong>Ending Fund Balances, June 30</strong></td>
<td>$8,555,756</td>
<td>$9,533,505</td>
<td>$8,876,194</td>
<td>$10,523,873</td>
<td>$9,483,067</td>
</tr>
</tbody>
</table>

(1) Totals may not equal sum of components due to rounding.
Source: Robla School District.

District Revenues

The District’s General Fund is used to account for the day-to-day operations of the District. The General Fund is divided into two (2) sections: unrestricted and restricted. Unrestricted revenue may be spent at the District’s discretion. Restricted funds are moneys that can only be used for the purposes allowed by the funding agency.
Other state revenues, or categorical funds, consist primarily of restricted revenues that fund specific items, such as new curriculum and technology, special education programs, instructional materials, and mentor teachers.

**Prop 39 Energy Grant.** Proposition 39, a voter approved initiative at the November 2012 statewide election, provides for annual transfers from the State General Fund to the Clean Energy Job Creation Fund for a period of five years, 2013-14 through 2017-18. The 2014-15 State Budget appropriated $307 million to K-12 schools with 85 percent of the appropriation to be allocated based on 2013-14 ADA and 15 percent based on 2013-14 free and reduced-priced meals. Proposition 39 funds will be provided to schools to improve energy efficiency and create clean energy jobs. The total funding for the District was $568 thousand which was allocated to HVAC replacement, re-roofing of Glenwood Elementary School, installation of LED lighting District-wide and upgraded thermostats.

**State Lottery.** The District receives a portion of the State Lottery (the “Lottery”) revenues. Lottery revenues allocated to the District 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. Lottery net revenues (gross revenues less prizes and administration expenses) are allocated by computing an amount per ADA or full time equivalent (“FTE”). This figure is derived by dividing the total net revenues figures by the total ADA for grades K-12 and by the total FTE for the community colleges, University of California system and the California State University and College system. Each entity receives an amount equal to its total ADA or FTE, as applicable, multiplied by the per ADA or FTE figure. The Lottery revenues were $527,798 in fiscal year 2018-19 and are estimated to be approximately $421,659 in fiscal year 2019-20.

**Developer Fees.** The District maintains a fund separate and apart from the General Fund to account for developer fees collected by the District. Residential development is assessed a fee of $1.81 per square foot and a fee of $0.29 per square foot of commercial/industrial construction. The following table sets forth the total developer fees collected during fiscal years 2013-14 through 2018-19, and the projected developer fees to be collected during fiscal years 2019-20 and 2020-21.

<table>
<thead>
<tr>
<th>ROBLA SCHOOL DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Fees</td>
</tr>
<tr>
<td>Fiscal Years 2013-14 through 2018-19 and Projections for Fiscal Years 2019-20 and 2020-21</td>
</tr>
<tr>
<td>Fiscal Year</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>2013-14</td>
</tr>
<tr>
<td>2014-15</td>
</tr>
<tr>
<td>2015-16</td>
</tr>
<tr>
<td>2016-17</td>
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<tr>
<td>2017-18</td>
</tr>
<tr>
<td>2018-19</td>
</tr>
<tr>
<td>2019-20(1)</td>
</tr>
<tr>
<td>2020-21(1)</td>
</tr>
</tbody>
</table>

\(1\) Projected.

Source: Robla School District.
Redevelopment Revenue

The District has received pass-through tax revenues from the Sacramento Housing and Redevelopment Agency. The receipt of redevelopment revenues may be reduced or eliminated due to the elimination of redevelopment agencies pursuant to State law. The following table sets forth the revenues received during fiscal years 2012-13 through 2018-19, and the projected revenues to be collected during fiscal year 2019-20.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Redevelopment Revenue Received by the District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$110,334</td>
</tr>
<tr>
<td>2013-14</td>
<td>256,565</td>
</tr>
<tr>
<td>2014-15</td>
<td>124,028</td>
</tr>
<tr>
<td>2015-16</td>
<td>168,589</td>
</tr>
<tr>
<td>2016-17</td>
<td>170,699</td>
</tr>
<tr>
<td>2017-18</td>
<td>180,201</td>
</tr>
<tr>
<td>2018-19</td>
<td>71,085</td>
</tr>
<tr>
<td>2019-20(1)</td>
<td>110,255</td>
</tr>
</tbody>
</table>

(1) Projected
Source: Robla School District

Budgets of District

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

California Assembly Bill 1200 (“A.B. 1200”), effective January 1, 1992, tightened the budget development process and interim financial reporting for school districts, enhancing the authority of the county schools’ superintendents’ offices and establishing guidelines for emergency State aid apportionments. Many provisions affect District operations directly, while others create a foundation from which outside authorities (primarily state and county school officials) may impose actions on the District. A school district governing board must file with the county superintendent of schools a tentative budget by July 1 in each fiscal year and an adopted budget by September 8 of each fiscal year.

Under the provisions of A.B. 1200, school districts in the State must also conduct a review of their budgets according to certain standards and criteria established by the State Department of Education, and each school district is required to file interim certifications with the county office of education 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. A written explanation must be provided for any element in the budget that does not meet the established standards and criteria. The district superintendent or designee must certify that such a review has been conducted and the certification, together with the budget review checklist and a written narrative, must accompany the budget when it is submitted to the governing board for approval. The balanced budget requirement makes appropriations reductions necessary to offset any revenue shortfalls. The county office of education reviews the certification, completes the budget review checklist and conducts an analysis of any budget item that does not meet the...
established standards and issues either a positive, negative or qualified certification. A copy of the completed checklist, together with any comments or recommendations, must be provided to the district and its governing board by November 1. By November 30, every district must have an adopted and approved budget, or the county superintendent of schools will impose one. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two (2) fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two (2) subsequent fiscal years. Each certification is based on then-current projections. Within the previous five (5) fiscal years, the District has not received a qualified or negative certification from the County Office of Education. Presented on the following page are the District’s adopted budgets for fiscal years 2016-17 through 2020-21.

The District adopted its budget for fiscal year 2020-21 on June 25, 2020 (the “2020-21 District Budget”). The 2020-21 District Budget was created based on the Governor's May Revised Budget, and assumed a 7.92% reduction for LCFF. The 2020-21 State Budget as signed by the Governor on June 29, 2020 does not include such a reduction. See “– Fiscal Year 2020-21 State Budget” herein.
### ROBLA SCHOOL DISTRICT
### GENERAL FUND ADOPTED BUDGETS
### FISCAL YEARS 2016-17 THROUGH 2020-21

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LCFF Sources</td>
<td>$20,947,498</td>
<td>$21,524,059</td>
<td>$22,426,955</td>
<td>$22,130,852</td>
<td>$20,486,713</td>
</tr>
<tr>
<td>Federal Revenues</td>
<td>1,371,363</td>
<td>1,304,357</td>
<td>1,386,300</td>
<td>1,386,106</td>
<td>2,032,657</td>
</tr>
<tr>
<td>Other State Revenues</td>
<td>1,081,660</td>
<td>635,845</td>
<td>1,352,885</td>
<td>1,841,410</td>
<td>1,783,014</td>
</tr>
<tr>
<td>Other Local Revenues</td>
<td>1,413,619</td>
<td>1,631,863</td>
<td>1,666,708</td>
<td>905,140</td>
<td>1,059,558</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>$24,814,140</td>
<td>$25,096,124</td>
<td>$26,832,848</td>
<td>$26,263,508</td>
<td>$25,361,942</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated Salaries</td>
<td>$11,011,237</td>
<td>$11,944,759</td>
<td>$11,805,421</td>
<td>$11,852,846</td>
<td>$11,702,669</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>4,130,110</td>
<td>4,743,173</td>
<td>5,092,512</td>
<td>6,537,517</td>
<td>6,455,520</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>2,267,949</td>
<td>1,570,539</td>
<td>2,087,339</td>
<td>1,314,867</td>
<td>1,640,520</td>
</tr>
<tr>
<td>Services and Other Operating</td>
<td>2,090,685</td>
<td>2,498,642</td>
<td>2,596,174</td>
<td>2,488,170</td>
<td>2,820,318</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$23,048,194</td>
<td>$25,884,110</td>
<td>$26,186,926</td>
<td>$26,692,433</td>
<td>$27,368,759</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues Over Expenditures</strong></td>
<td>$1,765,946</td>
<td>$(787,986)</td>
<td>$645,922</td>
<td>$(428,925)</td>
<td>$(2,006,817)</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers In</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Operating Transfers Out</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources (Uses)</strong></td>
<td>$(200,000)</td>
<td>$(200,000)</td>
<td>$(200,000)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</strong></td>
<td>$1,565,946</td>
<td>$(987,986)</td>
<td>$445,922</td>
<td>$(428,925)</td>
<td>$(2,006,817)</td>
</tr>
<tr>
<td><strong>Beginning Fund Balance, July 1</strong></td>
<td>$6,347,333</td>
<td>$8,759,419</td>
<td>$8,701,006</td>
<td>$9,251,191</td>
<td>$9,647,696</td>
</tr>
<tr>
<td><strong>Ending Fund Balances, June 30</strong></td>
<td>$7,913,279</td>
<td>$7,771,433</td>
<td>$9,146,928</td>
<td>$8,822,266</td>
<td>$7,640,879</td>
</tr>
</tbody>
</table>

(1) Totals may not foot due to rounding.
(2) The 2020-21 District Budget was created based on the Governor's May Revised Budget, and assumed a 7.92% reduction for LCFF. The 2020-21 State Budget as signed by the Governor on June 29, 2020 does not include such a reduction. See “– Fiscal Year 2020-21 State Budget” herein.

Source: The District.

### District Investments

The Director of Finance of the County (the “Director of Finance”) manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Director of Finance by school and community college districts located in the County, various special districts, and some cities...
within the State. State law generally requires that all moneys of the County, school and community college districts and certain special districts located in the County be held in the County’s Treasury Pool.

The composition and value of investments under management in the Treasury Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally.

For a further discussion of the County’s Treasury Pool, see the caption, “SACRAMENTO COUNTY TREASURY POOL” in the body of this Official Statement.

Significant Accounting Policies and Audited Financial Statements

The California 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 California School Accounting Manual. Wilkinson Hadley King & Co. LLP, El Cajon, California, serves as independent auditor to the District and excerpts of their report for the Fiscal Year Ended June 30, 2019, are attached hereto as APPENDIX C. The District’s auditor has not specifically approved the inclusion of such excerpts herewith.

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 (6) months after the June 30 close of each fiscal year. For the District’s most recent available audited financial statements, see APPENDIX C.

FUNDING OF SCHOOL DISTRICTS IN CALIFORNIA

Public school district revenues consist primarily of guaranteed State moneys, ad valorem property taxes and funds received from the State and federal government in the form of categorical aid, which are amounts restricted to specific categories of use, under various ongoing programs. All State apportionment (“State Aid”) is subject to the appropriation of funds in the State’s annual budget. Decreases in State revenues may affect appropriations made by the State Legislature to the District.

Historically, the majority of the District’s annual General Fund revenues (unrestricted) have consisted of payments from or under the control of the State. Payments made to K-12 public schools and public colleges and universities are priority payments for State funds and are expected to be made prior to other State payment obligations. Although the State Constitution protects the priority of payments to K-12 schools, colleges and universities, it does not protect the timing of such payments, and other obligations may be scheduled and have been scheduled to be paid in advance of those dates on which payments to school districts are scheduled to be made.

On June 27, 2013, the State adopted a new method for funding school districts commonly referred to as the “Local Control Funding Formula (the “LCFF”). The LCFF was fully implemented in fiscal year 2018-19 – two (2) years ahead of schedule. See “– Local Control Funding Formula” below for more information. Prior to adoption of the LCFF, school districts in the State received most of their revenues under a formula known as the “revenue limit,” calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA, subject to cost of living adjustments (“COLAs”) and adjustments to equalize revenues among school districts of the same type. Generally, State Aid to a school district amounted to the difference between the school district’s revenue limit and the school district’s local property tax allocation from the general 1% ad valorem property tax levy. See
Local Control Funding Formula. Effective in fiscal year 2013-14, the State established the LCFF, a new system for funding school districts, charter schools and county offices of education. The LCFF replaces the revenue limit funding system, as well as many categorical programs. The LCFF distributes State resources to schools through a guaranteed base funding grant per unit of ADA (a “Base Grant”). The Base Grants per unit of ADA for each grade span are: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. Full implementation of the LCFF was accomplished in fiscal year 2018-19. During the implementation period, an annual transition adjustment was calculated for each school district, equal to such district’s proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. Beginning in fiscal year 2014-15, the Base Grants were adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will now be subject to appropriation for such adjustment in the annual State budget.

The Base Grants for grades K-3 are subject to adjustments of 10.4% to cover the costs of class size reduction. Unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. The Base Grants for grades 9-12 are subject to adjustments of 2.6% for the provision of career technical education.

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; if the school district has students with both limited English proficiency and eligibility for reduced price meals, for instance, such students will not be duplicated for purposes of determining the additional funding grants. Foster youths automatically qualify for free or reduced priced meals. A supplemental grant add-on (each, a “Supplemental Grant”) is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts’ percentage of unduplicated EL/LI student enrollment. 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 Base Grant multiplied the percentage of such district’s unduplicated EL/LI student enrollment in excess of the 55% threshold.

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 2018-19 and projections for fiscal year 2019-20 through fiscal year 2020-21.
### ROBLA SCHOOL DISTRICT
#### Fiscal Years 2014-15 through 2020-21

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>K-3</th>
<th>4-6</th>
<th>Total ADA</th>
<th>Total Enrollment</th>
<th>% of EL/LI Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>1,217</td>
<td>911</td>
<td>2,128</td>
<td>2,231</td>
<td>93.44</td>
</tr>
<tr>
<td>2015-16</td>
<td>1,169</td>
<td>904</td>
<td>2,073</td>
<td>2,162</td>
<td>93.60</td>
</tr>
<tr>
<td>2016-17</td>
<td>1,159</td>
<td>924</td>
<td>2,083</td>
<td>2,188</td>
<td>93.67</td>
</tr>
<tr>
<td>2017-18</td>
<td>1,167</td>
<td>879</td>
<td>2,046</td>
<td>2,160</td>
<td>93.28</td>
</tr>
<tr>
<td>2018-19</td>
<td>1,128</td>
<td>823</td>
<td>1,951</td>
<td>2,047</td>
<td>92.60</td>
</tr>
<tr>
<td>2019-20(3)</td>
<td>1,133</td>
<td>832</td>
<td>1,965</td>
<td>2,080</td>
<td>91.20</td>
</tr>
<tr>
<td>2020-21(3)</td>
<td>1,133</td>
<td>832</td>
<td>1,965</td>
<td>2,080</td>
<td>91.20</td>
</tr>
</tbody>
</table>

(1) Reflects P-2 ADA.
(2) As of October report submitted to the California Longitudinal Pupil Achievement Data System. For purposes of calculating supplemental funding grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. 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. Since fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI students has been 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.
(3) Projected.
Source: The District.

The LCFF provides for a permanent economic recovery target (“ERT”) add-on for school districts that would have received greater funding levels under the revenue limit system. The ERT is 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. The ERT add-on will be paid incrementally over the 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.

Beginning July 1, 2014, school districts are required to develop a three (3) year Local Control and Accountability Plan (each, an “LCAP”). County Superintendent of Schools and the State Superintendent of Public Instruction will review and provide support to the districts and county offices of education under their jurisdiction. In addition, the Fiscal Year 2013-14 State Budget created the California Collaborative for Education Excellence (the “Collaborative”) to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. The State Superintendent of Public Instruction may direct the Collaborative to provide additional assistance to any district, county office, or charter school. For those entities that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction has authority to make changes to the district or county office’s local plan. For charter schools, the charter authorizer will be required to consider revocation of a charter if the Collaborative finds that the inadequate performance is so persistent and acute as to warrant revocation. The State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index.
for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

For more information about recent adjustments to the LCFF and LCAP, see “– Fiscal Year 2020-21 State Budget” herein.

Charter School Funding

A charter school is a public school authorized by a school district, county office of education or the State Board. A proposed charter school submits a petition to one of these entities for approval and that petition details the operations of the charter school. State law requires that charter petitions be approved if they comply with the statutory criteria. The District has certain fiscal oversight and other responsibilities with respect to both affiliated and independent charter schools. Affiliated charter schools, if any, would receive their funding from the District and would be included in the District’s budgets and audit reports. On November 13, 2014, the District granted a three-year charter to its first charter school, Paseo Grande Charter School which began operations in fiscal year 2015-16. On March 12, 2020, the District granted the renewal of the Paseo Grande Charter School through June 30, 2023. Another Charter School, Marconi Learning Academy was approved in fiscal year 2018-19 through June 30, 2021. The same nonprofit organization runs both independent charters. Fiscally independent charter schools within the District’s boundaries receive their funding directly from the State and are not included in the District’s audit report and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State.

Charter schools generally receive funding in three broad categories. Charter schools receive a block grant that is similar to school district revenue limit funding and is based on statewide average revenue limits for school districts within specified ranges of grades. These charter school revenues are deducted from the amount of State Aid a school district is entitled to receive each year. Charter schools also receive a block grant in lieu of many categorical programs. Charter schools may spend these block grants for any educational purpose. The third broad category of funding for charter schools is categorical funds not included in the block grant. A charter school must apply for these funds, program by program, and if received, must spend the funds in accordance with the same program requirements as traditional schools. An increase in the number of independent charter schools within a school district, or of independent charter school students in a school district who had previously been students at a traditional school in that same school district, results in a reduction of the revenue limit and, possibly, program funding for that school district.

Risks Related to COVID-19

General. The outbreak of a new strain of coronavirus (“COVID-19”), a respiratory tract illness first identified in Wuhan, China, has spread to numerous countries across the globe, including the United States. COVID-19 has been characterized as a pandemic by the World Health Organization and has resulted in a declaration of a national emergency by the Federal Government on March 13, 2020, as a state of emergency by certain states (including by the State on March 4, 2020) and by local governments and counties. The purpose behind these declarations was to coordinate and formalize emergency actions across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus. The outbreak has resulted in the imposition of stay-at-home orders, restrictions on gatherings and widespread temporary closings of businesses, universities and schools. Multiple states implemented state-wide school closures for the 2019-20 school year, including the State. The United States is currently restricting certain non-U.S. citizens and permanent residents from entering the country.
The spread of COVID-19 has significantly altered the behavior of businesses and people in a manner that has had substantial negative impacts on global and local economies. Stock markets in the U.S. and globally have seen significant declines attributed to COVID-19 and related stay-at-home orders, and the corresponding decreases in business activity attributable thereto. The country’s unemployment rate has risen to a level not seen since the Great Depression.

**Potential Effects of the COVID-19 Pandemic on Assessed Values and Tax Collection.** The COVID-19 pandemic has resulted in an economic recession that may cause a general market decline in property values, and therefore affecting the assessed value of property, in the District. In addition, in response to the COVID-19 pandemic, the State has suspended fees, penalties, costs and interest for delinquent property taxes on certain residential and small business property for taxpayers affected by the COVID-19 pandemic, and the County Treasurer and Tax Collector has provided for the cancellations of penalties for delinquent payment of taxes for taxpayers similarly affected. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Appeals of Assessed Value; Proposition 8 Reductions” and “– Ad Valorem Property Taxes, Tax Rates, Levies, Collections and Delinquencies” in the body of this Official Statement for more information on the potential effects of the COVID-19 pandemic on assessed valuations of property, tax collection and delinquency rates. The District cannot anticipate the effects of the COVID-19 pandemic on assessed values of property in the District or on collection or delinquency rates of property taxes.

**District Response to the COVID-19 Pandemic.** The District is currently receiving guidance on responses to COVID-19 from State and County health officials which are monitoring the COVID-19 situation, in accordance with COVID-19 guidelines published by the Centers for Disease Control and Prevention. The District closed its on-site facilities through the end of the 2019-20 school year. While the District halted on-site learning, it took numerous steps to encourage continued learning for enrolled students. The District is still maintaining essential services including, but not limited to, operations, communications, distance learning, payroll, accounts payable, providing meals for children, and ongoing project management. The District has incurred additional operational costs to implement distance learning strategies, deep clean and sanitize its facilities, and purchase additional sanitation and cleaning supplies necessary to maintain sanitation of its facilities. The District cannot evaluate at this time the extent to which staggered schedules, the provision of instructional connectivity for off-site learning, the provision of additional protective equipment for staff or students, additional resources for students, or other social distancing protocols will affect its operations or result in material increased costs. The circumstances described above are not unique to the District and will be considerations for many school districts in the State. While certain of these expenditures are expected to be reimbursed by the State or Federal government, the District does not know the extent or timing of such reimbursement.

The 2020-21 State Budget has indicated that there will be significant reductions and deferrals in State funding of school districts throughout the State due to the COVID-19 pandemic, as further described under the caption “Fiscal Year 2020-21 State Budget” herein. The District has the ability to rely on interfund borrowing and its existing reserves, as well as the issuance of tax and revenue anticipation notes to manage cash flow during the 2020-21 fiscal year or beyond.

**Effect of the COVID-19 Pandemic on State Funding of School Districts.**

The Bonds are payable solely from ad valorem property taxes and are not payable from the general fund of the District or from any amounts received from the State discussed below. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.” The impacts set forth below and in the section “– Fiscal Year 2020-21 State Budget” will affect all school districts in the State, and the effects described below and therein are not unique to the District.
Significant Declines in State Revenues. In the 2020-21 State Budget, the State anticipates approximately an overall 7% decline in State Revenues, which without other action, would result in an approximately $10 billion reduction in spending from the Proposition 98 minimum guarantee set forth the 2019-20 State Budget. The 2020-21 State Budget offsets this loss in several ways, including the deferral of approximately $12.9 billion in payments into the 2021-22 fiscal year to preserve programs for school districts and community college districts and draws of approximately $8.8 billion in reserves from the BSA, Safety Net Reserve and PSSSA. The 2020-21 State Budget restores up to an approximate of $11.1 billion in the event federal funds are received by October 15, 2020, with the specific amount depending on the amount of federal funding received. See “– Fiscal Year 2020-21 State Budget” herein.

In prior fiscal years when the State has received significantly reduced revenues, the State has delayed certain payments to school districts. Under certain conditions, the State may suspend funds guaranteed pursuant to Proposition 98 for one or more years, and payments have been suspended in the past during periods of decreased State revenues. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 98” in the body of this Official Statement. While payments from the State may be delayed during the 2020-21 fiscal year and potentially during future fiscal years, the District cannot predict whether such delays will occur, the length of any delay or the amount of funds the payment of which will be delayed.

School districts, may hold reserves in their local operating accounts, and although there is significant variation in the level of reserves held by the various school districts, the LAO indicates that school district reserves average seventeen percent of school funding statewide. According to the LAO, the median school district holds reserves equal to approximately twenty-two percent of its expenditures, although about twenty-five percent of school districts hold reserves that account for less than fourteen percent of their expenditures. The District holds reserves that account for 28% of its expenditures.

Governor Newsom has enacted a number of executive orders and the State Legislature has also adopted legislation in response to the COVID-19 pandemic, including the below:

SB 117: ADA and Enrollment: Under current State law, unless waived by the State Department of Education, a temporary shutdown of District school(s) could reduce the average daily attendance and could impact the funding the District receives from the State. On March 13, 2020, Governor Newsom issued Executive Order N-26-20 (the “Executive Order”), qualifying closure of schools to address COVID-19 as a condition preventing maintenance of schools wherein school districts would continue to receive State funding, and encouraging the implementation of distance learning strategies. On March 17, 2020, Governor Newsom signed Senate Bill 117 (“SB 117”) which, among other things, provides that for schools that comply with the Executive Order, only attendance during full school months from July 1, 2019 to and including February 29, 2020, will be reported for apportionment purposes. SB 117 also holds that certain minimum instructional day and minute requirements will be deemed to have been met during the period complying school districts are closed due to COVID-19, in order to prevent a loss of funding due to the COVID-19 outbreak. The District currently anticipates receiving approximately $34,303 in supplemental funding as a result of SB 117.

Executive Order N-56-20: LCAP Delays: On April 22, 2020, Governor Newsom signed Executive Order N-56-20, which extends the deadline for school districts to adopt their LCAP and budget overview, from July 1, 2020 to December 15, 2020 subject to certain conditions. One of the conditions to qualify for the extended deadline is for the governing board or body of the school district to adopt a written report to the community, during the same meeting at which it adopts the annual budget due by July 1, 2020, that explains how the school district has responded to COVID-19, including steps taken to deliver distance learning, provide school meals in non-congregated settings, and arrange for supervision of students during ordinary school hours. As discussed above under “– Local Control Funding Formula,”
the District receives much of its revenues from LCFF sources, which are comprised of local property taxes and State moneys. The decline in revenue as a consequence of the impacts of COVID-19 has significantly impacted the State. See “– Fiscal Year 2020-21 State Budget.”

Executive Orders N-26-20, N-30-20, N-45-20: These orders defined expectations for local educational agencies for service delivery during COVID-19 school closures, suspended state academic assessments for the 2019-20 school year, increased programmatic flexibility for after school programs, and required local educational agencies to be transparent with their communities about actions taken to ensure continuity of student learning during the COVID-19 pandemic.

Additional executive orders or legislation may be enacted in response to the pandemic, but the District cannot predict the nature or content of such orders, or the effect they will have on its operations or finances. In addition, certain of these executive orders have been challenged in the courts by affected plaintiffs. The District cannot predict the outcome of any such litigation or whether any resulting change to any executive order will affect the funding of school districts in the State, including the District.

**Federal Response to the COVID-19 Pandemic.** On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) was signed into law, which provides $30 billion to education, including $3 billion allocated to state governors to use at their discretion to address the COVID-19 outbreak, $13.5 billion for K-12 education, and $14.25 billion for postsecondary education. A school district’s share of the $13.5 billion K-12 education allowance is based on the proportion of Title I funding received for the most recent fiscal year. The District currently anticipates receiving approximately $587,574 in supplemental funding as a result of the CARES Act.

In addition, on March 27, 2020, the California Department of Education received final approval from the U.S. Department of Education to waive certain requirements of the Every Student Succeed Act (“ESSA”) program. As a result, new schools will not be identified as needing Comprehensive Support and Improvement (“CSI”) or Additional Targeted Support and Improvement (“ATSI”) for the 2020-21 school year. Schools that are already identified as CSI or ATSI will remain in their respective status for the 2020-21 school year, eligible to receive additional federal funding.

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 CDC (https://www.cdc.gov/coronavirus/2019-nCoV/index.html), the Governor’s office (http://www.gov.ca.gov) and the California Department of Public Health (http://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.

**State Assistance**

The District’s principal funding formulas and revenue sources are derived from the budget of the State. The following information concerning the State’s budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the Underwriter, Bond and Disclosure Counsel 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, Bond and Disclosure Counsel or the Underwriter assumes any responsibility whatsoever for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov, which website is not incorporated herein by reference.
Fiscal Year 2020-21 State Budget

Introduction. On June 29, 2020, Governor Gavin Newsom signed the fiscal year 2020-21 budget (the “2020-21 State Budget”). In January, the State was projecting a budget surplus of $5.6 billion, however by May, the State confronted a budget deficit of $54.3 billion—a four-month swing of $60 billion primarily caused by the impacts of the COVID-19 pandemic. The 2020-21 State Budget closes the $54.3 billion gap in fiscal year 2020-21 and significantly reduces the State’s ongoing structural deficit. Despite the global economic crisis caused by the COVID-19 pandemic, the State asserts in the 2020-21 State Budget that its prudent fiscal management, including its structurally balanced budgets and record reserves, puts it in a better position to contend with these challenges.

The 2020-21 State Budget takes steps to reduce spending commitments and address long-term structural deficits, but deficits remain and asserts that further actions will be needed especially if the federal government does not act. The 2020-21 State Budget recognizes that the COVID-19 pandemic has impacted every sector of the State’s economy and has caused record high unemployment—almost 1 in 5 Californians who were employed in February were out of work in May—and asserts that further action from the federal government is needed given the magnitude of the crisis. The 2020-21 State Budget forecast that personal income is projected to decline by 9 percent in 2020 with the peak unemployment rate reaching 24.5 percent in the second quarter of 2020.

The 2020-21 State Budget projects State general fund revenues in the amount of $137.6 billion in fiscal year 2019-20 and $137.7 billion in fiscal year 2020-21. This represents a decline of over $22.8 billion for the two years when compared to the projections released in the Governor’s January Proposed 2020-21 State Budget. This revenue drop, combined with increased costs in health and human services programs and the added costs to address COVID-19, leads to a projected budget deficit of approximately $54 billion before the changes proposed in the 2020-21 State Budget. State general fund expenditures for fiscal year 2020-21 are expected to be $133.9 billion (a decrease of approximately $13 billion from fiscal year 2019-20 general fund expenditures), of which $48.1 billion (35.9%) is allocated to K-12 education.

The 2020-21 State Budget projects that the State will end fiscal year 2019-20 with a reserve balance of approximately $14.9 billion (comprised of an approximate balance of -$1.2 billion in the SFEU and an approximate balance of $16.1 billion in the BSA), and that the State will end fiscal year 2020-21 with an approximately $10.9 billion reserve balance (comprised of approximately $2.6 billion in the SFEU and approximately $8.3 billion in the BSA). The 2020-21 State Budget reduces (but does not eliminate) the structural deficit over the next several years by sustaining the January 1, 2022 suspension of several ongoing programmatic expansions that were made in the State’s 2019-20 Budget. Despite these measures, the 2020-21 State Budget forecasts an operating deficit of $8.7 billion in 2021-22, after accounting for reserves.

The 2020-21 State Budget includes (i) drawing down $8.8 billion in reserves, comprised of $7.8 billion from the BSA, $450 million from the Safety Net Reserve, and all of the funds in the Public School System Stabilization Account; (ii) $11.1 billion in reductions and deferrals that will be restored if at least $14 billion in federal funds are received by October 15, 2020. If the State receives a lesser amount in federal funds, the reductions and deferrals will be partially restored. The trigger includes $6.6 billion in deferred spending on schools, approximately $970 million in funding for the University of California and the California State University, $2.8 billion for state employee compensation, $150 million for courts, and funding for child support administration, teacher training, moderate-income housing, and infrastructure to support infill housing. The trigger would also fund an additional $250 million for county programs to backfill revenue losses; (iii) reliance on $10.1 billion in federal funds that provide General Fund relief, including $8.1 billion already received. This includes the enhanced Federal Medical Assistance Percentage (“FMAP”), a portion of the State’s Coronavirus Relief Fund allocation and funds provided for childcare programs; (iv) temporary suspension of the use of net operating losses for medium and large
businesses and temporary limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate $4.4 billion in new revenues in the 2020-21 fiscal year; (v) reliance on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools. (Approximately $900 million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger); (vi) $10.6 billion of solutions including cancelling multiple program expansions and anticipating increased government efficiencies.

As described in the 2020-21 State Budget, under temporary federal funding to support the State’s response to the COVID-19 pandemic the State expects to receive over $72 billion in assistance to State programs with unemployment insurance representing about $52 billion of this total. In addition, over $142 billion in direct assistance is expected to be provided to individuals and families, small businesses, hospitals and providers, including rural and community clinics, higher education institutions and college students, local housing authorities, airports, farmers, and local governments. The 2020-21 State Budget proposes to strategically use $9.5 billion in federal funding from the CARES Act funds as follows: (1) $2.6 billion for State offsets for vulnerable populations and public safety; (2) $550 million for housing for homeless individuals and families; (3) $4.5 billion for K-14 learning loss mitigation; (4) $1.3 billion for county homelessness, public health, public safety and other services; and (5) $500 million for city homelessness, public health, public safety and other services.

K-12 Education. The 2020-21 State Budget includes total funding of $98.8 billion ($48.1 billion State general fund and $50.7 billion other funds) for all K-12 education programs. The 2020-21 State Budget notes that since the beginning of the COVID-19 pandemic in early March, local educational agencies across the state closed for classroom instruction, transitioning students and teachers to distance learning models. To ensure funding stability regardless of the instructional model, the 2020-21 State Budget includes a hold harmless for the average daily attendance used to calculate school funding for all local educational agencies.

Proposition 98. Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges. The Proposition 98 guarantee, which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, State general fund revenues, per capita personal income, and school attendance growth or decline (the “Proposition 98 Guarantee”). See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 98” in the body of this Official Statement for more information on Proposition 98. The LCFF is the primary mechanism for distributing these funds to support all students attending K-12 public schools in California.

The economic disruption caused by COVID-19 has heavily impacted the economy and the State’s General Fund revenues, creating a parallel negative impact on the Proposition 98 Guarantee. The 2020-21 State Budget estimates Proposition 98 levels of $78.5 billion, $77.7 billion, and $70.9 billion in fiscal years 2018-19, 2019-20, and 2020-21 respectively. For K-12 schools, this results in Proposition 98 per pupil spending of $10,654 in fiscal year 2020-21, or a $1,339 decrease over the fiscal year 2019-20 per pupil spending levels. Additionally, in the same period, per pupil spending from all State, federal, and local sources decreased by approximately $542 per pupil to $16,881.

Addressing Immediate Needs and Avoiding Permanent Decline. To help mitigate the negative impacts of the state’s revenue decline on funding for K-12 schools and California Community Colleges, the 2020-21 State Budget includes the following:

- Deferrals. The economic disruption caused by COVID-19 requires $1.9 billion of LCFF apportionment deferrals in fiscal year 2019-20, growing to $11 billion LCFF apportionment
deferrals in fiscal year 2020-21. These deferrals will allow LCFF funding to remain at fiscal year 2019-20 levels in both fiscal years. The 2020-21 State Budget suspends the statutory LCFF cost-of-living adjustment in fiscal year 2020-21. Of the total deferrals, $5.8 billion will be triggered off in fiscal year 2020-21 if the federal government provides sufficient funding that can be used for this purpose.

- Learning Loss Mitigation. The 2020-21 State Budget includes a one-time investment of $5.3 billion (including $4.4 billion from the CARES Act, $539.9 million Proposition 98 General Fund, and $355.2 million federal Governor’s Emergency Education Relief Fund) to local educational agencies to address learning loss related to COVID-19 school closures, especially for students most heavily impacted by those closures.

Funds will be allocated to local educational agencies on an equity basis, with an emphasis on ensuring the greatest resources are available to local educational agencies serving students with the greatest needs. The funds are intended to track and mitigate the inequitable impact that the COVID-19 pandemic has had on different student populations, including low-income students and students with disabilities. Specifically, funds will be allocated in the following manner:

- $2.9 billion based on the LCFF supplemental and concentration grant allocation.
- $1.5 billion based on number of students with exceptional needs.
- $979.8 million based on total LCFF allocation.

Funds may be used for:

- Learning supports that begin prior to the start of the school year, and the continuing intensive instruction and supports into the school year.
- Extending the instructional school year, including an earlier start date, by increasing the number of instructional minutes or days.
- Providing additional academic services for pupils, including diagnostic assessments of student learning needs, intensive instruction for addressing gaps in core academic skills, additional instructional materials or supports, or devices and connectivity for the provision of in-classroom and distance learning.
- Providing integrated student supports to address other barriers to learning, such as the provision of health, counseling or mental health services; professional development opportunities to help teachers and parents support pupils in distance-learning contexts; access to school breakfast and lunch programs; or programs to address student trauma and social-emotional learning.

- Supplemental Appropriations. In fiscal years 2019-20 and 2020-21, the Proposition 98 funding level drops below the target funding level (Test 2), by a total of approximately $12.4 billion. To accelerate the recovery from this funding reduction, the 2020-21 State Budget provides supplemental appropriations above the constitutionally-required Proposition 98 funding level, beginning in fiscal year 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5 percent of State general fund revenues per year, up to a cumulative total of $12.4 billion. This appropriation will accelerate growth in the Proposition 98
Guarantee, which the 2020-21 State Budget proposes to increase as a share of the State general fund. Currently, Proposition 98 guarantees that K-14 schools receive approximately 38 percent of the State general fund in Test 1 years. The 2020-21 State Budget increases this share of funding to 40 percent by fiscal year 2023-24.

- Revised PERS and STRS Contributions. To provide local educational agencies with increased fiscal relief, the 2020-21 State Budget redirects $2.3 billion appropriated in the 2019 Budget Act to STRS and PERS for long-term unfunded liabilities to reduce employer contribution rates in fiscal years 2020-21 and 2021-22. This reallocation will further reduce the STRS employer rate from 18.41 percent to approximately 16.15 percent in fiscal year 2020-21 and from 17.9 percent to 16.02 percent in fiscal year 2021-22. The PERS Schools Pool employer contribution rate will be further reduced from 22.67 percent to 20.7 percent in fiscal year 2020-21 and from 24.6 percent to 22.84 percent in fiscal year 2021-22.

- Federal Funds. In addition to the federal Coronavirus Relief Fund and Governor's Emergency Education Relief Fund allocated to K-12 education above, the 2020-21 State Budget appropriates $1.6 billion in federal Elementary and Secondary School Emergency Relief funds that the State was recently awarded. Of this amount, 90 percent ($1.5 billion) will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive to be used for COVID-19 related costs. The remaining 10 percent ($164.7 million) is available for COVID-19 related state-level activities, including as follows:
  - $112.2 million to provide up to $0.75 per meal for local educational agencies participating in the National School Lunch Program, School Breakfast Program, Seamless Summer Option, or Summer Food Service Program and serving meals between March 2020 and August 2020 due to physical school closures caused by the COVID-19 pandemic. These funds will enable local educational agencies to address food insecurity in their communities, especially for students and families who rely on school meals.
  - $45 million for grants to local educational agencies, including county offices of education, to coordinate or expand community schools to increase access to health, mental health, and social service supports for high-needs students. These funds will enable improved delivery of mental health and social-emotionally supportive services for students experiencing the stress, anxiety, and trauma caused by the COVID-19 pandemic.
  - $1.5 million for the Department of Education for state operations costs associated with the COVID-19 pandemic.

- Temporary Revenue Increases. The 2020-21 State Budget proposes the temporary three-year suspension of net operating losses and limitation on business incentive tax credits to offset no more than $5 million of tax liability per year. This, along with other tax changes, generates a net $4.3 billion in General Fund revenues and approximately $1.6 billion in benefit to the Proposition 98 Guarantee.

- Special Education. The 2020-21 State Budget increases special education resources and creates new mechanisms to improve special education financing, programs, and student outcomes. Specifically, the 2020-21 State Budget increases special education base rates to $625 per pupil pursuant to a new funding formula, apportioned using the existing hold harmless methodology, and provides $100 million to increase funding for students with low-incidence disabilities.
The 2020-21 State Budget also includes: (1) $15 million federal Individuals with Disabilities Education Act (IDEA) funds for the Golden State Teacher Scholarship Program to increase the special education teacher pipeline, (2) $8.6 million federal IDEA funds to assist local educational agencies with developing regional alternative dispute resolution services and statewide mediation services, and (3) $1.1 million federal IDEA funds for a study of the current special education governance and accountability structure, as well as three workgroups to create a statewide Individualized Education Program template, provide recommendations on alternative pathways to a diploma for students with disabilities, and study the costs of out-of-home care.

**Average Daily Attendance.** Since the beginning of the COVID-19 pandemic in early March, local educational agencies across the State closed for classroom instruction, transitioning students and teachers to distance learning models. The loss of classroom-based instruction has had unprecedented impacts on students and families, especially the most vulnerable students.

To help minimize additional learning loss related to COVID-19, the 2020-21 State Budget presumes that local educational agencies should transition back to providing in-classroom instruction in the 2020-21 school year. However, if local or state public health official orders necessitate a school closure, local educational agencies will need flexibility to provide distance learning. To ensure funding stability regardless of the instructional model, the 2020-21 State Budget includes a hold harmless for the average daily attendance used to calculate school funding for all local educational agencies. Additionally, the 2020-21 State Budget includes requirements for distance learning to ensure that, when in-person instruction is not possible, students continue to receive access to a quality education via distance learning.

Specifically, the 2020-21 State Budget includes:

- A hold-harmless for the purpose of calculating apportionment in the 2020-21 fiscal year; average daily attendance shall be based on the 2019-20 fiscal year, except for new charter schools commencing instruction in fiscal year 2020-21.

- An exemption for local educational agencies from the annual minimum instructional minutes requirement. The minimum daily instructional minutes and minimum instructional day requirements are maintained, but may be met through a combination of in-person and distance learning instruction.

- Requirements for distance learning services, including the provision of devices and connectivity and supports for students with exceptional needs, English language learner students, youth in foster care, and youth experiencing homelessness, as well as students in need of mental health supports. Daily interaction with students in distance learning is required and local educational agencies are required to provide access to nutrition programs.

- Distance learning attendance requirements, including documentation of daily student participation, weekly engagement records, and attendance reporting for purposes of chronic absenteeism tracking. The 2020-21 State Budget also requires local educational agencies offering distance learning to develop tiered re-engagement strategies for students who do not participate and to regularly engage with parents or guardians regarding academic progress.

- Fiscal penalties for local educational agencies offering distance learning that do not meet instructional day requirements or the attendance-related requirements.

- A material revision exemption for site-based charter schools offering distance learning.
Additionally, the 2020-21 State Budget provides $750,000 one-time Proposition 98 General Fund for the Sacramento County Office of Education to develop distance learning curriculum and instructional guidance for mathematics, English language arts, and English language development, for adoption by the State Board of Education by May 31, 2021.

Fiscal Year 2020-21 Learning Continuity and Attendance Plan. In April, Governor Newsom issued Executive Order N-56-20, which allowed local educational agencies to submit local control and accountability plans, normally due July 1, 2020, by December 15, 2020, in recognition of the challenges that local educational agencies would have faced in completing the plans during the COVID-19 pandemic this spring. Federal funds provided to schools for COVID-19 must be expended by local educational agencies on an accelerated timeline. In order to ensure transparency around the expenditures of these new federal funds, and in alignment with new flexibilities related to distance learning, the 2020-21 State Budget replaces the December local control and accountability plan with a Learning Continuity and Attendance Plan, to be completed by September 30, 2020.

The 2020-21 State Budget requires the Superintendent of Public Instruction, in consultation with the executive director of the State Board of Education, to develop the template for the Learning Continuity and Attendance Plan by August 1, 2020, and requires the template to include all of the following:

- A description of how the local educational agency will provide continuity of learning during the COVID-19 pandemic and address all of the following:
  - Distance learning
  - Learning loss
  - Mental health and social-emotional well-being
  - Professional development
  - Pupil engagement and outreach
  - School nutrition
- Local educational agency expenditures related to addressing the impacts of the COVID-19 pandemic.
- How local educational agencies are increasing or improving services in proportion to funds generated on the basis of the number and concentration of English learners, youth in foster care, and low-income students pursuant to the local control funding formula.

In adopting the Learning Continuity and Attendance Plan, local educational agencies must consult with stakeholders, solicit stakeholder input, and hold public hearings on the plan.

Employee Protections. To ensure the continuity of employment for essential school staff during the COVID-19 pandemic, the 2020-21 State Budget includes the following:

- Suspension of the August 15, 2020, layoff window for teachers and other non-administrative certificated staff.
• Suspension of layoffs for classified staff working in transportation, nutrition, and custodial services from July 1, 2020 through June 30, 2021.

The 2020-21 State Budget also includes the intent of the Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in the 2020-21 fiscal year.

Other Significant Adjustments.

• Classified School Employees Summer Assistance Program - An increase of $60 million Proposition 98 General Fund to provide a match of State funds for participating classified employees to be paid during the summer recess period.

• Department of Education State Operations - A total increase of $436,000 non-Proposition 98 General Fund for the following:
  o $336,000 ongoing non-Proposition 98 General Fund for the School Fiscal Services Division for workload associated with deferrals and average daily attendance changes.
  o $100,000 one-time non-Proposition 98 General Fund for the Department of Education to develop a template for the Learning Continuity and Attendance Plan in consultation with the executive director of the State Board of Education.

CARES Act Funding for Child Care. The State received $350.3 million through the federal CARES Act for COVID-19 related child care activities. To maximize the benefits of these funds to providers and families, the 2020-21 State Budget proposes the following expenditure plan:

• $144.3 million for State costs associated with SB 89 expenditures, family fee waivers, and provider payment protection.

• $125 million for voucher provider hold harmless and stipends.
  o Up to $62.5 million to fund providers accepting vouchers at the maximum certified level of need.
  o At least $62.5 million for one-time stipends for providers accepting vouchers that offer care during the COVID-19 pandemic.

• $73 million to continue care for at-risk children and essential workers.

• $8 million to extend family fee waivers until June 30, 2020.

LAO Overview of 2020-21 State Budget.

The Office of the Legislative Analyst for the State of California (the “LAO”) prepares its own overview of the State Budget each year, following its approval by the Governor. As of the date hereof, the LAO has not yet posted its overview of the 2020-21 State Budget. The LAO’s website is https://lao.ca.gov/.
**Additional Information.** Information about the 2020-21 State budget and State spending for education is regularly available at various State-maintained websites. Text of the 2020-21 State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget.” Summaries and detail of the 2020-21 State budget may be found at www.ebudget.ca.gov. Various analyses of the budget may be found at the website of the LAO at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found via the website of the State Treasurer, www.treasurer.ca.gov. The information presented in these websites is not incorporated by reference in this Official Statement.

**Future State Budgets.** The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address any future budget deficits and cash management practices. Future State budgets will be affected by national and State economic conditions over which the District has no control, and other factors over which the District will have no control, including by the COVID-19 pandemic. To the extent that the 2020-21 State budget process results in reduced revenues deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District’s revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

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APPENDIX B
FORM OF BOND COUNSEL OPINION FOR THE BONDS

[Closing Date]

Robla School District
8408 Watt Avenue
Sacramento, California 95838

Re: $6,000,000 Robla School District General Obligation Bonds, Election of 2014, Series 2020C (Bank Qualified)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Robla School District, Sacramento County, State of California (the “District”), in connection with the issuance by the District of $6,000,000 aggregate principal amount of its Obligation Bonds, Election of 2014, Series 2020C (Bank Qualified) (the “Bonds”).

The Bonds are issued pursuant to (i) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “State”), as amended, (ii) applicable provisions of the Education Code of the State, as amended, (iii) Article XIIA of the State Constitution, and (iv) pursuant to the resolution adopted by the Board of Trustees of the District on June 25, 2020 (the “Resolution”).

As Bond Counsel, we have examined copies, certified to us as being true and complete copies, of the proceedings of the District for the authorization and issuance of the Bonds. In this connection, we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion. We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of those questions of law we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds have been duly authorized and issued and constitute legally valid and binding obligations of the District, enforceable in accordance with their terms and the terms of the Resolution.

2. The Bonds are payable solely from and are secured by a pledge of ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable real property in the District, and which, under the laws now in force with respect to the Bonds, may be levied within the limit prescribed by law upon all taxable personal property in the District, and from other available funds as set forth in the Resolution.

3. The Resolution has been duly authorized by the District and constitutes the legally valid and binding obligations of the District, enforceable in accordance with its terms. The Bonds, assuming due authentication by the Paying Agent, are entitled to the benefits of the Resolution.
4. The Internal Revenue Code of 1986, as amended (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the Tax and Nonarbitrage Certificate executed by the District in connection with the issuance of the Bonds (the “Tax Certificate”), the District has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the District has made certain representations and certifications in the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

5. Interest on the Bonds is exempt from personal income taxes of the State of California under present State law.

The opinions set forth in paragraphs 1, 2, and 3 above (i) assume that the Paying Agent has duly authenticated the Bonds and (ii) are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State of California.

In rendering the opinion set forth in paragraph 4 above, we are relying upon representations and covenants of the District in the Tax Certificate concerning the investment and use of Bond proceeds, the rebate to the federal government of certain earnings thereon, and the use of the property and facilities financed with the proceeds of the Bonds. In addition, we have assumed that all such representations are true and correct and that the District will comply with such covenants. We express no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the District fails to comply with such covenants, unless such failure to comply is based on our advice or opinion.

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.
Our opinions are limited to matters of California law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions. We call attention to the fact that the opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or failing to occur after the date hereof. We have not undertaken to determine, or inform any person, whether any such actions are taken, omitted, occur or fail to occur.

Respectfully submitted,
Robla School District
County of Sacramento
Sacramento, California
Audit Report
June 30, 2019
# Robla School District
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Independent Auditor’s Report

To the Board of Education
Robla School District
Robla, 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 Robla 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

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

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 Robla School District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and other required supplementary information as identified in the table of contents 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 an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying combining statements as supplementary information and additional supplementary information identified in the table of contents, as required by the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, section 19810 is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2019, on our consideration of Robla School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District’s internal control over financial reporting and compliance.

Wilkinson, Hadley, King & Co. LLP
El Cajon, California
December 16, 2019
The discussion and analysis of Robla School District’s financial performance provides an overall review of the District’s financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. To provide a complete understanding of the District’s financial performance, please read it in conjunction with the Independent Auditor’s Report, the District’s financial statements and notes to the basic financial statements.

The Management’s Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

FINANCIAL HIGHLIGHTS

- The increase in Local Control Funding Formula (LCFF) sources from 2017-18 to 2018-19 was $1,333,484. The increase is due to the State of California fully funding the LCFF gap during the 2018-19 fiscal year.

- The general fund expenditures decreased by $208,749 or 7.4% over the previous year amount.

- General Fund expenditures and other uses exceeded revenues and other sources by $657,311.

- The General Fund ended the fiscal year with 7.10% reserves in unrestricted fund balance.

Overview of the Financial Statements

This annual report consists of the following parts – management’s discussion and analysis (this section), the basic financial statements, required supplementary information, other supplementary information, and findings and recommendations. These statements are organized so the reader can understand the Robla School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Basic Financial Statements

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, presenting both an aggregate view of the District’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District’s more significant funds with all other non-major funds presented in total in one column.
The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the District’s general fund budget is included.

**Reporting the School District as a Whole**

*Statement of Net Position and the Statement of Activities*

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes into account all the current year’s revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, “How did we do financially during 2018-2019?”

The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District’s net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District’s operating results. However, the District’s goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

**Reporting the School District’s Most Significant Funds**

*Fund Financial Statements*

The fund financial statements provide more detailed information about the District’s most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.
Governmental Funds

Most of the School District’s activities are reported in governmental funds. The major governmental funds of the District are the General Fund, the Child Development Fund, the Building Fund, and the Bond Interest and Redemption Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

Fiduciary Funds

The District is the trustee, or fiduciary, for the student activities funds. All of the District’s fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the District’s other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

The School District as a Whole

The District’s net position was ($36.6) million at June 30, 2019 and was largely due to the continuing recognition of the net pension liability. Of this amount, unrestricted net position was ($66.9) million, net investment in capital assets was ($21.3) million, and restricted net position was $51.6 million. A Comparative analysis of government-wide statement of net position is presented in Table 1.

The District’s net position decreased $9 million this fiscal year (See Table 2). The District’s expenses for instructional and pupil services represented 56% of total expenses. The administrative activities of the District accounted for just 6% of total costs. The remaining 38% was spent in the areas of plant services and other expenses, including debt issuance costs. (See Figure 2)
### Table 1
Comparative Statement of Net Position

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 62,042,140</td>
<td>$ 22,294,312</td>
</tr>
<tr>
<td>Investments</td>
<td>5,102,058</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,463,558</td>
<td>1,282,768</td>
</tr>
<tr>
<td>Internal Balances</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventory</td>
<td>6,777</td>
<td>6,777</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>170,408</td>
<td>268,680</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>40,098,269</td>
<td>32,434,315</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 109,883,210</td>
<td>$ 56,286,852</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred outflows of resources - pensions</td>
<td>$ 8,441,590</td>
<td>$ 9,339,632</td>
</tr>
<tr>
<td>Deferred outflows of resources - debt related</td>
<td>107,878</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td>$ 8,549,468</td>
<td>$ 9,339,632</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and other current liabilities</td>
<td>4,662,481</td>
<td>2,905,123</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>5,227,377</td>
<td>198,843</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>141,999,008</td>
<td>86,875,887</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>151,888,866</td>
<td>89,979,853</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred inflows of resources - pensions</td>
<td>$ 3,078,382</td>
<td>3,259,980</td>
</tr>
<tr>
<td>Deferred inflows of resources - OPEB</td>
<td>77,413</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td>$ 3,155,795</td>
<td>$ 3,259,980</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>(21,300,683)</td>
<td>(11,970,914)</td>
</tr>
<tr>
<td>Restricted</td>
<td>51,567,397</td>
<td>14,352,956</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(66,878,697)</td>
<td>(29,995,391)</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$ (36,611,983)</td>
<td>$ (27,613,349)</td>
</tr>
</tbody>
</table>
(Table 2)  
Comparative Statement of Change in Net Position

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>6,924,110</td>
<td>7,733,612</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>General revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes levied for general purposes</td>
<td>5,894,698</td>
<td>5,382,038</td>
</tr>
<tr>
<td>Taxes levied for debt service</td>
<td>2,541,220</td>
<td>2,256,957</td>
</tr>
<tr>
<td>Taxes levied for other specific purposes</td>
<td>72,806</td>
<td>71,159</td>
</tr>
<tr>
<td>Federal and state aid not restricted to specific purposes</td>
<td>17,580,771</td>
<td>16,670,771</td>
</tr>
<tr>
<td>Interest and investment earnings</td>
<td>536,941</td>
<td>306,511</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>601,796</td>
<td>640,022</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>34,152,356</td>
<td>33,061,079</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>21,074,857</td>
<td>20,983,639</td>
</tr>
<tr>
<td>Instruction related services</td>
<td>3,099,607</td>
<td>3,180,197</td>
</tr>
<tr>
<td>Pupil support services</td>
<td>3,369,223</td>
<td>2,966,348</td>
</tr>
<tr>
<td>General administration</td>
<td>2,554,120</td>
<td>2,407,395</td>
</tr>
<tr>
<td>Plant services</td>
<td>3,239,276</td>
<td>4,300,577</td>
</tr>
<tr>
<td>Other</td>
<td>9,813,907</td>
<td>2,758,200</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>43,150,990</td>
<td>36,596,356</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Net Position</strong></td>
<td>(8,998,634)</td>
<td>(3,535,277)</td>
</tr>
<tr>
<td><strong>Net Position - Beginning Balance</strong></td>
<td>(27,613,349)</td>
<td>(24,078,072)</td>
</tr>
<tr>
<td><strong>Net Position - Ending Balance</strong></td>
<td>$ (36,611,983)</td>
<td>$ (27,613,349)</td>
</tr>
</tbody>
</table>

**GOVERNMENTAL ACTIVITIES**

As reported in the Statement of Activities, the cost of all of the District’s governmental activities this year was $43.2 million. The amount that our local taxpayers financed for these activities through property taxes was $8.5 million. Federal and State aid not restricted to specific purposes totaled $17.6 million. Operating grants and contributions revenue was $6.9 million. Operating grants and unrestricted federal and state aid and covered 57% of the expenses of the entire District (See Figure 1).
FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District’s operations in more detail than the government-wide statements. The District’s individual fund statements provide information on inflows and outflows and balances of spendable resources. The District’s Governmental Funds reported a combined fund balance of $60.3 million, an increase of $39.1 million from the previous fiscal year’s combined ending balance of $21.2 million.
General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net increase to the ending balance of $559,779.

The District ended the year with a $1,646,229 increase to the general fund ending balance. The State recommends available reserves of 3% of District expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, vehicles, and equipment. Table 3 demonstrates a comparative Schedule of Capital Assets.

(Table 3) Comparative Schedule of Capital Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Net $ Change</th>
<th>Net % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 1,391,065</td>
<td>$ 1,391,065</td>
<td>$ 0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>8,138,510</td>
<td>363,228</td>
<td>7,775,282</td>
<td>2140.6%</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>7,019,354</td>
<td>6,800,548</td>
<td>218,806</td>
<td>3.2%</td>
</tr>
<tr>
<td>Buildings &amp; Improvements</td>
<td>43,793,463</td>
<td>42,234,761</td>
<td>1,558,702</td>
<td>3.7%</td>
</tr>
<tr>
<td>Equipment</td>
<td>2,741,197</td>
<td>2,709,936</td>
<td>31,261</td>
<td>1.2%</td>
</tr>
<tr>
<td>Less Accumulated Depreciation for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Improvements</td>
<td>(4,347,101)</td>
<td>(4,174,564)</td>
<td>(172,537)</td>
<td>4.1%</td>
</tr>
<tr>
<td>Buildings &amp; Improvements</td>
<td>(16,759,276)</td>
<td>(15,310,715)</td>
<td>(1,448,561)</td>
<td>9.5%</td>
</tr>
<tr>
<td>Equipment</td>
<td>(1,878,943)</td>
<td>(1,579,944)</td>
<td>(298,999)</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 40,098,269</td>
<td>$ 32,434,315</td>
<td>$ 7,663,954</td>
<td>23.6%</td>
</tr>
</tbody>
</table>
Long-Term Debt

At June 30, 2018 the District had $107.6 million in long-term debt outstanding. Table 4 shows a comparative schedule of long-term debt items.

(Table 4)
Comparative Schedule of Long-Term Debt
June 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Net $ Change</th>
<th>Net % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$107,420,664</td>
<td>$53,499,223</td>
<td>$53,921,441</td>
<td>100.8%</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>224,085</td>
<td>264,699</td>
<td>(40,614)</td>
<td>-15.3%</td>
</tr>
<tr>
<td><strong>Total Long-Term Debt</strong></td>
<td><strong>$107,644,749</strong></td>
<td><strong>$53,763,922</strong></td>
<td><strong>$53,880,827</strong></td>
<td><strong>100.2%</strong></td>
</tr>
</tbody>
</table>

FACTORS BEARING ON THE DISTRICT’S FUTURE

The State’s economic downturns and surpluses impact the District’s future dramatically. The financial well-being of the District is tied in large measure to the state funding formula which is currently not funding the District at 100%.

The latest enrollment projections indicate a downward trend for the next two school years. Student enrollment and attendance are primary factors in the computation of most funding formulae for public schools in the State of California. While ADA growth is not budgeted until realized in the fall, future growth potential is there, but attendance remains the focal point of every budget report.

Predicting the future requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. The District currently maximizes restricted funds prior to utilizing unrestricted revenues in the budget development process. In addition, personnel practices will evidence early and effective intervention in identifying appropriate personnel actions that need to occur early in future school years experiencing State economic fallout. The District has an excellent track record in meeting this challenge in what has proven to be a long cycle of lean years for education finances.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Business Office, at Robla School District, 5248 Rose Street, Sacramento, California 95838.
Basic Financial Statements
Robla School District  
Statement of Net Position  
June 30, 2019

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash $62,042,140</td>
<td></td>
</tr>
<tr>
<td>Investments $5,102,058</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable $2,463,558</td>
<td></td>
</tr>
<tr>
<td>Inventory $6,777</td>
<td></td>
</tr>
<tr>
<td>Prepaid Expenses $170,408</td>
<td></td>
</tr>
<tr>
<td>Capital Assets: Land $1,391,065</td>
<td></td>
</tr>
<tr>
<td>Land Improvements $7,019,354</td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; Improvements $43,793,463</td>
<td></td>
</tr>
<tr>
<td>Equipment $2,741,197</td>
<td></td>
</tr>
<tr>
<td>Work in Progress $8,138,510</td>
<td></td>
</tr>
<tr>
<td>Less Accumulated Depreciation $(22,985,320)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong> $109,883,210</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td>$8,549,468</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Other Current Liabilities $4,662,481</td>
<td></td>
</tr>
<tr>
<td>Unearned Revenue $5,227,377</td>
<td></td>
</tr>
<tr>
<td>Long-Term Liabilities: Due Within One Year $2,266,535</td>
<td></td>
</tr>
<tr>
<td>Due In More Than One Year $139,732,473</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong> $151,888,866</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td>$3,155,795</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets $(21,300,683)</td>
<td></td>
</tr>
<tr>
<td>Restricted For: Capital Projects $46,488,347</td>
<td></td>
</tr>
<tr>
<td>Debt Service $2,719,659</td>
<td></td>
</tr>
<tr>
<td>Educational Programs $1,111,495</td>
<td></td>
</tr>
<tr>
<td>Other Purposes (Expendable) $1,063,854</td>
<td></td>
</tr>
<tr>
<td>Other Purposes (Nonexpendable) $184,042</td>
<td></td>
</tr>
<tr>
<td>Unrestricted $(66,878,697)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Position</strong> $36,611,983</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
Robla School District  
Statement of Activities  
For the Year Ended June 30, 2019  

<table>
<thead>
<tr>
<th>Functions</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>$21,074,857</td>
<td>$ -</td>
<td>$2,724,996</td>
<td>$14</td>
<td>$(18,349,847)</td>
</tr>
<tr>
<td>Instruction-Related Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructional Supervision and Administration</td>
<td>683,442</td>
<td>-</td>
<td>296,405</td>
<td>-</td>
<td>$(387,037)</td>
</tr>
<tr>
<td>Instructional Library, Media and Technology</td>
<td>204,452</td>
<td>-</td>
<td>28,163</td>
<td>-</td>
<td>$(176,289)</td>
</tr>
<tr>
<td>School Site Administration</td>
<td>2,211,713</td>
<td>-</td>
<td>384,583</td>
<td>-</td>
<td>$(1,827,130)</td>
</tr>
<tr>
<td>Pupil Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home-to-School Transportation</td>
<td>763,993</td>
<td>-</td>
<td>28,667</td>
<td>-</td>
<td>$(735,326)</td>
</tr>
<tr>
<td>Food Services</td>
<td>1,817,542</td>
<td>-</td>
<td>1,936,670</td>
<td>-</td>
<td>119,128</td>
</tr>
<tr>
<td>All Other Pupil Services</td>
<td>787,688</td>
<td>-</td>
<td>430,125</td>
<td>-</td>
<td>$(357,563)</td>
</tr>
<tr>
<td>General Administration:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centralized Data Processing</td>
<td>849,223</td>
<td>-</td>
<td>16,973</td>
<td>-</td>
<td>$(832,250)</td>
</tr>
<tr>
<td>All Other General Administration</td>
<td>1,704,897</td>
<td>-</td>
<td>217,300</td>
<td>-</td>
<td>$(1,487,597)</td>
</tr>
<tr>
<td>Plant Services</td>
<td>3,239,276</td>
<td>-</td>
<td>506,191</td>
<td>-</td>
<td>$(2,733,085)</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enterprise Activities</td>
<td>2,291</td>
<td>-</td>
<td>2,033</td>
<td>-</td>
<td>$(258)</td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>2,713,982</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(2,713,982)</td>
</tr>
<tr>
<td>Debt Issuance Costs</td>
<td>7,018,280</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(7,018,280)</td>
</tr>
<tr>
<td>Transfers Between Agencies</td>
<td>79,354</td>
<td>-</td>
<td>352,004</td>
<td>-</td>
<td>272,650</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$43,150,990</td>
<td>$ -</td>
<td>$6,924,110</td>
<td>$14</td>
<td>$(36,226,866)</td>
</tr>
</tbody>
</table>

| General Revenues | | | | | |
| Taxes and Subventions: | | | | | |
| Property Taxes, Levied for General Purposes | - | - | - | - | - |
| Property Taxes, Levied for Debt Service | - | - | - | - | - |
| Property Taxes, Levied for Other Specific Purposes | - | - | - | - | - |
| Federal and State Aid Not Restricted for Specific Purposes | - | - | - | - | - |
| Interest and Investment Earnings | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| **Total General Revenues** | $5,894,698 | $2,541,220 | $72,806 | $17,580,771 | $536,941 |

Change in Net Position  
$(8,998,634)  

Net Position - Beginning of Year  
$(27,613,349)  
Net Position - Ending  
$(36,611,983)  

The accompanying notes to the financial statements are an integral part of this statement.
Robla School District  
Balance Sheet – Governmental Funds  
June 30, 2019

The accompanying notes to the financial statements are an integral part of this statement.

<table>
<thead>
<tr>
<th>Assets</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Building Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in County Treasury</td>
<td>$ 12,344,312</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,762,324</td>
<td>$ 450,939</td>
<td>$ 15,557,575</td>
</tr>
<tr>
<td>Cash on Hand and in Banks</td>
<td>8,013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52,513</td>
<td>60,526</td>
</tr>
<tr>
<td>Cash in Revolving Fund</td>
<td>6,857</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,857</td>
</tr>
<tr>
<td>Cash with Fiscal Agent/Trustee</td>
<td>-</td>
<td>-</td>
<td>46,417,182</td>
<td>-</td>
<td>-</td>
<td>46,417,182</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,102,058</td>
<td>-</td>
<td>5,102,058</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>1,127,091</td>
<td>1,007,630</td>
<td>6,797</td>
<td>21,136</td>
<td>300,904</td>
<td>2,463,558</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>96,302</td>
<td>452,374</td>
<td>-</td>
<td>-</td>
<td>10,834</td>
<td>559,510</td>
</tr>
<tr>
<td>Stores Inventories</td>
<td>-</td>
<td>-</td>
<td>46,245,797</td>
<td>2,719,659</td>
<td>706,800</td>
<td>51,383,355</td>
</tr>
<tr>
<td>Prepaid Expenditures</td>
<td>170,408</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>170,408</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 13,752,983</td>
<td>$ 1,460,004</td>
<td>$ 46,423,979</td>
<td>$ 7,885,518</td>
<td>$ 821,967</td>
<td>$ 70,344,451</td>
</tr>
</tbody>
</table>

| Liabilities and Fund Balance: | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | $ 2,720,811 | $ 1,303,686 | $ 178,182 | $ - | $ 22,884 | $ 4,225,563 |
| Due to Other Funds | 463,208 | 95,990 | - | - | 312 | 559,510 |
| Unearned Revenue | 1,190 | 60,328 | - | 5,165,859 | - | 5,227,377 |
| **Total Liabilities** | 3,185,209 | 1,460,004 | 178,182 | 5,165,859 | 23,196 | 10,012,450 |

| Fund Balance: | | | | | | |
| Nonspendable | 177,265 | - | - | - | 6,777 | 184,042 |
| Restricted | 1,711,099 | - | 46,245,797 | 2,719,659 | 706,800 | 51,383,355 |
| Assigned | 6,670,016 | - | - | - | 85,194 | 6,755,210 |
| Unassigned | 2,009,394 | - | - | - | - | 2,009,394 |
| **Total Fund Balance** | 10,567,774 | - | 46,245,797 | 2,719,659 | 798,771 | 60,332,001 |

| Total Liabilities and Fund Balances | $ 13,752,983 | $ 1,460,004 | $ 46,423,979 | $ 7,885,518 | $ 821,967 | $ 70,344,451 |
Robla School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

**Total fund balances, governmental funds:** $60,332,001

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

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

| Capital assets relating to governmental activities, at historical cost | 63,083,589 |
| Accumulated depreciation | (22,985,320) |
| **Net** | **40,098,269** |

Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are: 107,878

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period (436,918)

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

| General obligation bonds payable | 107,420,663 |
| Capital leases payable | 224,085 |
| Net pension liability | 29,741,430 |
| Total OPEB liability | 4,314,330 |
| Compensated absences | 298,500 |
| **Total** | **(141,999,008)** |

The accompanying notes to the financial statements are an integral part of this statement.
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows of resources relating to pensions</td>
<td>8,441,590</td>
</tr>
<tr>
<td>Deferred inflows of resources relating to pensions</td>
<td>(3,078,382)</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td><strong>5,363,208</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows of resources relating to OPEB</td>
<td>-</td>
</tr>
<tr>
<td>Deferred inflows of resources relating to OPEB</td>
<td>(77,413)</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td><strong>(77,413)</strong></td>
</tr>
</tbody>
</table>

**Total net position, governmental activities:** $ (36,611,983)
### Robla School District

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**

*For the Year Ended June 30, 2019*

---

#### Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Building Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Apportionment</td>
<td>14,220,029</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,220,029</td>
</tr>
<tr>
<td>Education Protection Account Funds</td>
<td>3,188,948</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,188,948</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>5,264,618</td>
<td>-</td>
<td>-</td>
<td>2,527,859</td>
<td>-</td>
<td>7,792,477</td>
</tr>
<tr>
<td>Federal Revenue</td>
<td>1,688,337</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,407,329</td>
<td>3,095,666</td>
</tr>
<tr>
<td>Other State Revenue</td>
<td>3,417,621</td>
<td>1,774,468</td>
<td>-</td>
<td>15,082</td>
<td>150,930</td>
<td>5,358,101</td>
</tr>
<tr>
<td>Interest Income</td>
<td>240,793</td>
<td>325</td>
<td>124,630</td>
<td>168,487</td>
<td>7,030</td>
<td>514,265</td>
</tr>
<tr>
<td>Other Local Revenue</td>
<td>1,935,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>396,788</td>
<td>2,331,988</td>
</tr>
</tbody>
</table>

**Total Revenues**

- General Fund: $29,955,546
- Child Development Fund: $1,774,793
- Building Fund: $124,630
- Bond Interest and Redemption Fund: $2,711,428
- Nonmajor Governmental Funds: $1,962,077
- **Total**: $36,528,474

#### Expenditures

**Current Expenditures:**

<table>
<thead>
<tr>
<th>Category</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Building Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>17,604,239</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Instruction - Related Services</td>
<td>2,962,376</td>
<td>190,128</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pupil Services</td>
<td>1,652,022</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,552,914</td>
</tr>
<tr>
<td>Enterprise Activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,291</td>
</tr>
<tr>
<td>General Administration</td>
<td>2,479,686</td>
<td>95,301</td>
<td>-</td>
<td>-</td>
<td>312</td>
</tr>
<tr>
<td>Plant Services</td>
<td>2,659,943</td>
<td>148,592</td>
<td>1,907,524</td>
<td>-</td>
<td>15,958</td>
</tr>
<tr>
<td>Other Outgo</td>
<td>79,354</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>79,354</td>
</tr>
<tr>
<td>Debt Issuance Costs</td>
<td>-</td>
<td>-</td>
<td>552,984</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>404,029</td>
<td>-</td>
<td>7,474,181</td>
<td>-</td>
<td>133,572</td>
</tr>
<tr>
<td>Debt Service: Principal</td>
<td>40,615</td>
<td>-</td>
<td>-</td>
<td>506,323</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>8,735</td>
<td>-</td>
<td>-</td>
<td>1,801,315</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Expenditures**

- General Fund: $27,890,999
- Child Development Fund: $2,221,249
- Building Fund: $10,207,689
- Bond Interest and Redemption Fund: $2,307,638
- Nonmajor Governmental Funds: $1,705,047
- **Total**: $44,332,622

**Excess (Deficiency) of Revenues Over (Under) Expenditures**

- General Fund: $2,064,547
- Child Development Fund: $446,456
- Building Fund: $10,083,059
- Bond Interest and Redemption Fund: $403,790
- Nonmajor Governmental Funds: $257,030
- **Total**: $(7,804,148)

#### Other Financing Sources (Uses)

<table>
<thead>
<tr>
<th>Source</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Building Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In</td>
<td>200,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(572,967)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Sale of Bonds</td>
<td>-</td>
<td>-</td>
<td>53,543,339</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Financing Uses</td>
<td>-</td>
<td>-</td>
<td>(6,573,174)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Other Financing Sources (Uses)**

- General Fund: $(372,967)
- Child Development Fund: $372,967
- Building Fund: $46,970,165
- Bond Interest and Redemption Fund: -
- Nonmajor Governmental Funds: -
- **Total**: $46,970,165

**Net Change in Fund Balance**

- General Fund: 1,691,580
- Child Development Fund: (73,489)
- Building Fund: 36,887,106
- Bond Interest and Redemption Fund: 403,790
- Nonmajor Governmental Funds: 257,030
- **Total**: 39,166,017

**Fund Balance, Beginning of Year**

- General Fund: 8,876,194
- Child Development Fund: 73,489
- Building Fund: 9,358,691
- Bond Interest and Redemption Fund: 2,315,869
- Nonmajor Governmental Funds: 541,741
- **Total**: 21,165,984

**Fund Balance, End of Year**

- General Fund: $10,567,774
- Child Development Fund: -
- Building Fund: $46,245,797
- Bond Interest and Redemption Fund: $2,719,659
- Nonmajor Governmental Funds: $798,771
- **Total**: $60,332,001

---

The accompanying notes to the financial statements are an integral part of this statement.
Robla School District  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2019

**Total change in fund balances, governmental funds:**  $ 39,166,017

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

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

<table>
<thead>
<tr>
<th>Expenditures for capital outlay</th>
<th>9,723,195</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>(2,051,422)</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>7,671,773</td>
</tr>
</tbody>
</table>

Gain or loss from disposal of capital assets: In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

$(7,819)$

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

$546,938$

Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is:

$107,878$

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were:

$(53,543,339)$

The accompanying notes to the financial statements are an integral part of this statement.
Robla School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Continued
For the Year Ended June 30, 2019

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

(913,001)

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period was:  

9,070

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

14,170

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

(1,581,347)

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

(468,974)

Change in net position of governmental activities:  

$ (8,998,634)

The accompanying notes to the financial statements are an integral part of this statement.
### Robla School District

#### Statement of Net Position – Fiduciary Funds

June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Agency Fund</th>
<th>Student Body Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in Bank</td>
<td>$ 84,164</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 84,164</td>
<td></td>
</tr>
</tbody>
</table>

| **Liabilities**  |             |                   |
| Due to Student Groups | $ 84,164 |                   |
| Total Liabilities  | 84,164      |                   |

| **Net Position** | $ -         |                   |

The accompanying notes to the financial statements are an integral part of this statement.
A. Summary of Significant Accounting Policies

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

1. **Reporting Entity**

   The District operates under a locally elected Board of Education form of government and provides educational services to grades K-6 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food services, childcare services, and student-related activities.

2. **Component Units**

   Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization’s relationship with the District is such that exclusion would cause the District’s financial statements to be misleading or incomplete. The District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by GASB.

3. **Basis of Presentation**

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

   The statement of activities presents a comparison between direct expenses and program revenue for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from general revenues of the District.
Fund Financial Statements. The fund financial statements provide information about the District’s funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

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

Major Governmental Funds

The District reports the following major governmental funds:

General Fund: The general fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund.

Child Development Fund: The child development fund is used to account separately for federal, state, and local revenues to operate child development programs.

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

Bond Interest and Redemption Fund: The bond interest and redemption fund is used for the repayment of bonds issued for the District (Education Code §15125 through §15262). The County of Sacramento Auditor maintains control over the District’s Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.
Non-Major Governmental Funds

The District reports the following non-major governmental funds categorized by the fund type:

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

Cafeteria Special Revenue Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (Education Code §38091 through §38093). The Cafeteria Special Revenue fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District’s food service program (Education Code §38091 and §38100).

Capital Projects Funds: Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District maintains the following nonmajor capital projects funds:

Capital Facilities Fund: The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code §17620 through §17626). The authority for these levies may be county or city ordinances (Government Code §65970 through §65981) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in Government Code §65970 through §65981 or Government Code §65995, or items specified in agreements with the developer (Government Code §66006).

County School Facilities Fund: The County School Facilities fund is established pursuant to Education Code §17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A, the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code §17070.10 et seq.).

Special Reserve Fund for Capital Outlay Projects: The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (Education Code §42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to another capital projects fund. Other authorized resources that may be deposited in the Special Reserve Fund for Capital Outlay Projects are proceeds from the sale or lease-with-option-to-purchase of real property (Education Code §17462) and rentals and leases of real property specifically authorized for deposit to the fund by the governing board (Education Code §41003).
Fiduciary Funds

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

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

4. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District’s policy to use restricted resources first, then unrestricted resources.
5. **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 or at year end, whichever is sooner.

6. **Budgets and Budgetary Accounting**

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

These budgets are revised by the District’s governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used 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.

7. **Revenues and Expenses**

a. **Revenues – Exchange and Non-Exchange**

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

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

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

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

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code §41001, the District maintains substantially all its cash in the Sacramento County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

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

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.
c. **Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20 - 50 Years</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>10 - 25 Years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5 - 15 Years</td>
</tr>
</tbody>
</table>

d. **Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The balance of the liabilities is recognized in the government-wide financial statements at year end.

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.

e. **Unearned Revenue**

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

f. **Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. 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 or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and Transfers Out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line of the government-wide statement of net position.
g. **Fund Balances – Governmental Funds**

Fund balances of the governmental funds are classified as follows:

*Nonspendable Fund Balance* represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

*Restricted Fund Balance* represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget or resolution. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

*Assigned Fund Balance* represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

*Unassigned Fund Balance* represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted fund to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

h. **Minimum Fund Balance Policy**

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce the service levels because of temporary revenue shortfalls or unpredicted expenses. The District’s minimum fund balance policy requires a reserve for economic uncertainties, consisting of unassigned amounts equal to 3% of the general fund operating expenses and other financing uses.
i. **Deferred Inflows and Deferred Outflows of Resources**

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

j. **Postemployment Benefits Other than Pensions (OPEB)**

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

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

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Measurement Date</td>
<td>June 30, 2019</td>
</tr>
<tr>
<td>Measurement Period</td>
<td>June 30, 2018 to June 30, 2019</td>
</tr>
</tbody>
</table>

k. **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently 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 timeframes. For this report, the following time frames are used:

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Measurement Date</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Measurement Period</td>
<td>June 30, 2017 to June 30, 2018</td>
</tr>
</tbody>
</table>

l. **Premiums and Discounts**

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the economic interest method.
9. Property Taxes

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

10. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. The Deferred Maintenance Fund does not have continuing revenue sources that are either restricted or committed in nature. As such this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes.

11. Use of Estimates

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

12. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- **Level 1 Inputs:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- **Level 2 Inputs:** Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs:** Unobservable inputs to an asset or liability.
13. **New Accounting Pronouncements**

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2019. Those newly implemented pronouncements are as follows:

**GASB 83 – Certain Asset Retirement Obligations**

This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. There have been no adjustments made to the financial statements or note disclosures as a result of adoption of the accounting policies pursuant to GASB 83.

**GASB 88 – Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements**

The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

There have been no adjustments to the financial statements or note disclosures as a result of adoption of the accounting policies pursuant to GASB 88.

**B. Compliance and Accountability**

1. **Finance Related Legal and Contractual Provisions**

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

<table>
<thead>
<tr>
<th>Violation</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>None Reported</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>
2. **Deficit Fund Balance or Fund Net Position of Individual Funds**

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Deficit Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

C. **Fair Value Measurements**

The District’s investments at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<table>
<thead>
<tr>
<th>Fair Value Measurement Using</th>
<th>Amount</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>External investment pools measured at fair value</td>
<td>$67,076,815</td>
<td>$ -</td>
<td>$67,076,815</td>
<td>$ -</td>
</tr>
<tr>
<td>Sacramento County Treasury</td>
<td>$15,557,575</td>
<td>$ -</td>
<td>$15,557,575</td>
<td>$ -</td>
</tr>
<tr>
<td>Sacramento County Short Term Investment Pool</td>
<td>$46,417,182</td>
<td>$ -</td>
<td>$46,417,182</td>
<td>$ -</td>
</tr>
<tr>
<td>Sacramento County Treasury Investment Pool</td>
<td>$5,102,058</td>
<td>$ -</td>
<td>$5,102,058</td>
<td>-</td>
</tr>
</tbody>
</table>

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

The Sacramento County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.
D. Cash and Investments

1. Cash in County Treasury

   In accordance with Education Code §41001, the District maintains substantially all of its cash in the Sacramento County Treasury as part of the common investment pool ($15,557,575 as of June 30, 2019). The fair value of the District’s portion of this pool as of that date, as provided by the pool sponsor, was $15,557,575. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, In Banks, and in Revolving Fund

   Cash balances on hand and in banks ($113,589 as of June 30, 2019) and in revolving fund ($6,857 as of June 30, 2019) are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). All amounts are fully insured as of June 30, 2019.

3. Cash with Fiscal Agent

   Cash with fiscal agent ($46,417,182 as of June 30, 2019) represents cash held by the Sacramento County Office of Education as bond project and reserve accounts. The cash with fiscal agent are held in highly liquid cash accounts with original maturities less than ninety days.

4. Investments

   Investments ($5,102,058 as of June 30, 2019) represent amounts held by the Sacramento County Treasurer in a pooled investment account. These funds are specifically segregated from other cash in county treasury as they represent capitalized interest as associated with general obligation bonds issued that will be utilized to pay interest over the life of the bonds.

5. Investments Authorized by the California Government Code and the District’s Investment Policy

   The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.
6. **Analysis of Specific Deposit and Investment Risks**

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county treasury is restricted by Government Code §53635 pursuant to §53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of risk.

At June 30, 2019, credit risk for the District’s investments was as follows:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Rating</th>
<th>Rating Agency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Treasurer’s Investment Pool</td>
<td>Unrated</td>
<td>Not Applicable</td>
<td>$ 67,076,815</td>
</tr>
</tbody>
</table>
b. **Custodial Credit Risk**

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name. 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 deposits, other than the following provision for deposits: The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty’s trust department or agent but not in the District’s name.

At June 30, 2019, the District’s bank balances (including revolving cash) were fully insured or collateralized and were therefore not exposed to custodial credit risk.

c. **Concentration of Credit Risk**

This risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. **Interest Rate Risk**

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains a pooled investments with the Sacramento County Treasury with a fair value of $67,076,815. The average weighted maturity for this pool was 347 days at June 30, 2019.

e. **Foreign Currency Risk**

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.
7. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District’s general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District’s investments in external investment pools are reported at an amount determined by the fair value per share of the pool’s underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940.

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2019 consisted of:

<table>
<thead>
<tr>
<th></th>
<th>Major Governmental Funds</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>Building Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government:</td>
<td>Special Education</td>
<td>$388,557</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Child Nutrition Program</td>
<td>-</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Title I</td>
<td>80,901</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Title III</td>
<td>68,105</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Other Federal Programs</td>
<td>71,235</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>State Government:</td>
<td>Lottery</td>
<td>81,630</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Special Education</td>
<td>52,091</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>State Preschool</td>
<td>-</td>
<td>1,007,630</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other State Programs</td>
<td>22,394</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>Local Sources</td>
<td>Interest</td>
<td>135,038</td>
<td>$6,797</td>
<td>21,136</td>
</tr>
<tr>
<td></td>
<td>Reed Grant</td>
<td>107,333</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>School Readiness</td>
<td>66,909</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Other Local Sources</td>
<td>52,898</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>$1,127,091</td>
<td>$1,007,630</td>
<td>$6,797</td>
<td>$21,136</td>
</tr>
</tbody>
</table>

35
F. Prepaid Expenses

Prepaid expenses at June 30, 2019 consisted of:

<table>
<thead>
<tr>
<th>General Fund</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid service agreement</td>
<td>$ 170,408</td>
</tr>
</tbody>
</table>

G. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

<table>
<thead>
<tr>
<th>Governmental activities:</th>
<th>Beginning Balances</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 1,391,065</td>
<td>-</td>
<td>$ 1,558,702</td>
<td>$ 8,138,510</td>
</tr>
<tr>
<td>Work in progress</td>
<td>363,228</td>
<td>9,333,984</td>
<td>1,558,702</td>
<td>9,529,575</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>1,754,293</td>
<td>9,333,984</td>
<td>1,558,702</td>
<td>9,529,575</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land improvements</td>
<td>6,800,548</td>
<td>218,806</td>
<td></td>
<td>7,019,354</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>42,234,761</td>
<td>1,558,702</td>
<td>-</td>
<td>43,793,463</td>
</tr>
<tr>
<td>Equipment</td>
<td>2,709,936</td>
<td>170,405</td>
<td>139,144</td>
<td>2,741,197</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>51,745,245</td>
<td>1,947,913</td>
<td>139,144</td>
<td>53,554,014</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land improvements</td>
<td>(4,174,564)</td>
<td>(172,537)</td>
<td></td>
<td>(4,347,101)</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(15,310,715)</td>
<td>(1,448,561)</td>
<td>-</td>
<td>(16,759,276)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(1,579,944)</td>
<td>(430,324)</td>
<td>(131,325)</td>
<td>(1,878,943)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(21,065,223)</td>
<td>(2,051,422)</td>
<td>(131,325)</td>
<td>(22,985,320)</td>
</tr>
<tr>
<td>Total capital assets being depreciated, net</td>
<td>30,680,022</td>
<td>(103,509)</td>
<td>7,819</td>
<td>30,568,694</td>
</tr>
<tr>
<td>Governmental activities capital assets, net</td>
<td>$ 32,434,315</td>
<td>$ 9,230,475</td>
<td>$ 1,566,521</td>
<td>$ 40,098,269</td>
</tr>
</tbody>
</table>

Depreciation was charged to functions as follows:

<table>
<thead>
<tr>
<th>Function</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$ 1,874,999</td>
</tr>
<tr>
<td>Instruction Related</td>
<td>73,851</td>
</tr>
<tr>
<td>Pupil Services</td>
<td>45,131</td>
</tr>
<tr>
<td>General Administration</td>
<td>53,338</td>
</tr>
<tr>
<td>Plant Services</td>
<td>4,103</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 2,051,422</td>
</tr>
</tbody>
</table>
H. Interfund Balances and Activities

1. Interfund Receivables and Payables (Due To and From Other Funds)

Balances due to and due from other funds at June 30, 2019, consisted of the following:

<table>
<thead>
<tr>
<th>Interfund Receivable (Due From Other Funds)</th>
<th>Interfund Payable (Due To Other Funds)</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Child Development Fund</td>
<td>$689</td>
<td>Reimburse expenses</td>
</tr>
<tr>
<td>General Fund</td>
<td>Child Development Fund</td>
<td>95,301</td>
<td>Indirect costs</td>
</tr>
<tr>
<td>General Fund</td>
<td>Cafeteria Fund</td>
<td>312</td>
<td>Indirect costs</td>
</tr>
<tr>
<td>Child Development Fund</td>
<td>General Fund</td>
<td>18,150</td>
<td>Clear receivable overstatement</td>
</tr>
<tr>
<td>Child Development Fund</td>
<td>General Fund</td>
<td>372,967</td>
<td>General fund contribution</td>
</tr>
<tr>
<td>Child Development Fund</td>
<td>General Fund</td>
<td>60,328</td>
<td>Revenue deferral</td>
</tr>
<tr>
<td>Child Development Fund</td>
<td>General Fund</td>
<td>929</td>
<td>Reimburse expenses</td>
</tr>
<tr>
<td>Cafeteria Fund</td>
<td>General Fund</td>
<td>10,834</td>
<td>Reimburse expenses</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$559,510</strong></td>
<td></td>
</tr>
</tbody>
</table>

All amounts due are scheduled to be repaid within one year.

2. Interfund Transfers Between Funds

Interfund transfers in and out between funds at June 30, 2019, consisted of the following:

<table>
<thead>
<tr>
<th>Transfers In</th>
<th>Transfers Out</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>General Fund</td>
<td>$200,000</td>
<td>Deferred maintenance</td>
</tr>
<tr>
<td>Child Development Fund</td>
<td>General Fund</td>
<td>372,967</td>
<td>Program contribution</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$572,967</strong></td>
<td></td>
</tr>
</tbody>
</table>
I. Accounts Payable

Accounts payable balances as of June 30, 2019 consisted of:

<table>
<thead>
<tr>
<th>Major Governmental Funds</th>
<th>Child Development Fund</th>
<th>Building Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash overdraft</td>
<td>$ -</td>
<td>$ 1,236,844</td>
<td>$ 177,131</td>
<td>$ 1,413,975</td>
</tr>
<tr>
<td>Vendors payable</td>
<td>1,512,163</td>
<td>41,645</td>
<td>1,051</td>
<td>10,209</td>
</tr>
<tr>
<td>Interest payable</td>
<td>-</td>
<td>2,122</td>
<td>-</td>
<td>2,122</td>
</tr>
<tr>
<td>LCFF overpayment</td>
<td>893,612</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payroll and benefits</td>
<td>270,339</td>
<td>23,039</td>
<td>-</td>
<td>12,675</td>
</tr>
<tr>
<td>Pension related</td>
<td>44,697</td>
<td>36</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total accounts payable</td>
<td>$ 2,720,811</td>
<td>$ 1,303,686</td>
<td>$ 178,182</td>
<td>$ 22,884</td>
</tr>
</tbody>
</table>

J. Unearned Revenue

Unearned revenue balances as of June 30, 2019 consisted of:

<table>
<thead>
<tr>
<th>Major Governmental Funds</th>
<th>Bond Interest and Redemption Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title III</td>
<td>$ 1,190</td>
<td>$ -</td>
</tr>
<tr>
<td>Child Development</td>
<td></td>
<td>$ 60,328</td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total accounts payable</td>
<td>$ 1,190</td>
<td>$ 60,328</td>
</tr>
</tbody>
</table>

K. Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. During the year ended June 30, 2019, the District did not enter into any short-term debt agreements.
## L. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2019 consisted of:

<table>
<thead>
<tr>
<th>Nonspendable Fund Balance</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Building Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Cash</td>
<td>$6,857</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$6,857</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,777</td>
<td>6,777</td>
</tr>
<tr>
<td>Prepaid Expenditures</td>
<td>170,408</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>170,408</td>
</tr>
<tr>
<td>Total Nonspendable Fund Balance</td>
<td>177,265</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>184,042</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restricted Fund Balance</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects</td>
<td>-</td>
<td>-</td>
<td>46,245,797</td>
<td>-</td>
<td>242,550</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,719,659</td>
<td>-</td>
</tr>
<tr>
<td>Educational Programs</td>
<td>1,111,495</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,111,495</td>
</tr>
<tr>
<td>Other Purposes</td>
<td>599,604</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>Total Restricted Fund Balance</td>
<td>1,711,099</td>
<td>-</td>
<td>46,245,797</td>
<td>2,719,659</td>
<td>706,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assigned Fund Balance</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>85,194</td>
<td>85,194</td>
</tr>
<tr>
<td>Educational Programs</td>
<td>3,653,489</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,653,489</td>
</tr>
<tr>
<td>LCFF Reserve</td>
<td>1,415,393</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,415,393</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>201,134</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>201,134</td>
</tr>
<tr>
<td>Technology Replacement</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>Other Purposes</td>
<td>900,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>900,000</td>
</tr>
<tr>
<td>Total Assigned Fund Balance</td>
<td>6,670,016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>85,194</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unassigned Fund Balance</th>
<th>General Fund</th>
<th>Child Development Fund</th>
<th>Bond Interest and Redemption Fund</th>
<th>Nonmajor Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Economic Uncertainties</td>
<td>1,981,552</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,981,552</td>
</tr>
<tr>
<td>Other Unassigned</td>
<td>27,842</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,842</td>
</tr>
<tr>
<td>Total Unassigned Fund Balance</td>
<td>2,009,394</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,009,394</td>
</tr>
</tbody>
</table>

| Total Fund Balance                                            | $10,567,774  | $ -                    | $46,245,797                      | $2,719,659                  | $798,771   | $60,332,001 |
M. Long Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2019, are as follows:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Balance</td>
<td>$ 37,798,951</td>
<td>$ 48,040,000</td>
<td>$ 506,323</td>
<td>$ 85,332,628</td>
<td>$ 1,039,713</td>
</tr>
<tr>
<td>Bond Premium/(Discount)</td>
<td>1,233,694</td>
<td>5,503,339</td>
<td>9,070</td>
<td>6,727,963</td>
<td>26,080</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>14,466,578</td>
<td>1,717,172</td>
<td>823,677</td>
<td>15,360,073</td>
<td>860,287</td>
</tr>
<tr>
<td>Total GO Bonds</td>
<td>53,499,223</td>
<td>55,260,511</td>
<td>1,339,074</td>
<td>107,420,664</td>
<td>1,926,080</td>
</tr>
<tr>
<td>Capital Leases Payable</td>
<td>264,699</td>
<td></td>
<td>40,614</td>
<td>224,085</td>
<td>41,955</td>
</tr>
<tr>
<td>Net Pension Liability*</td>
<td>28,876,527</td>
<td>864,903</td>
<td></td>
<td>29,741,430</td>
<td></td>
</tr>
<tr>
<td>Total OPEB Liability*</td>
<td>3,922,769</td>
<td>391,561</td>
<td></td>
<td>4,314,330</td>
<td></td>
</tr>
<tr>
<td>Compensated Absences*</td>
<td>312,670</td>
<td></td>
<td>14,170</td>
<td>298,500</td>
<td>298,500</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$ 86,875,888</td>
<td>$ 56,516,975</td>
<td>$ 1,393,854</td>
<td>$ 141,999,009</td>
<td>$ 2,266,535</td>
</tr>
</tbody>
</table>

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for capital leases are made from the general fund.
- Payments for pension contributions are made from the general fund, child development fund, and nonmajor governmental funds.
- Payments for OPEB contributions are made from the general fund, child development fund, and nonmajor governmental funds.
- Payments for compensated absences are made from the general fund, child development fund, and nonmajor governmental funds.
2. General Obligation Bonds

The District’s bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

On June 2, 1992 registered voters authorized the issuance of $32,000,000 principal amount of general obligation bonds. The bonds were issued in ten issuances with no amounts remaining from voter authorized amounts.

On November 4, 2017 registered voters authorized the issuance of $29,800,000 principal amount of general obligation bonds. Two series have been issued under this measure with $13,300,000 remaining unissued.

On November 6, 2018 registered voters authorized the issuance of $46,200,000 principal amount of general obligation bonds. One series has been issued under this measure for $46,200,000 with no amounts remaining from authorized amounts.

On June 13, 2019, the District issued $48,040,000 in general obligation bonds which consisted of $460,000 Election 1992 Series J, $46,200,000 Election 2018 Series A, and $1,380,000 refunding bonds. The bonds were issued with interest rates ranging from 4.0% to 5.0% with interest payable semi-annually and principal payable annually through August 1, 2048. The bonds were issued in order to fund capital projects for the District.

General obligation bonds payable as of June 30, 2019 are as follows:

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Amount of Original Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992 Election, Series B</td>
<td>08/03/93</td>
<td>2.9 - 6.0%</td>
<td>80/01/18 $3,191,833</td>
</tr>
<tr>
<td>1992 Election, Series C</td>
<td>05/19/00</td>
<td>4.25 - 6.39%</td>
<td>80/01/24 $3,799,986</td>
</tr>
<tr>
<td>1992 Election, Series D</td>
<td>11/14/03</td>
<td>4.625 - 5.55%</td>
<td>80/01/28 $2,999,956</td>
</tr>
<tr>
<td>1992 Election, Series E</td>
<td>01/25/07</td>
<td>4.0 - 4.766%</td>
<td>80/01/31 $6,799,940</td>
</tr>
<tr>
<td>1992 Election, Series F</td>
<td>12/21/11</td>
<td>4.644 - 6.143%</td>
<td>80/01/30 $3,000,000</td>
</tr>
<tr>
<td>1992 Election, Series G</td>
<td>12/21/11</td>
<td>6.51%</td>
<td>80/01/36 $4,860,221</td>
</tr>
<tr>
<td>1992 Election Series H</td>
<td>12/21/11</td>
<td>4.64%</td>
<td>80/01/19 $135,000</td>
</tr>
<tr>
<td>2014 Election, Series A</td>
<td>02/05/15</td>
<td>2.0 - 5.0%</td>
<td>80/01/44 $6,400,000</td>
</tr>
<tr>
<td>1992 Election, Series I</td>
<td>10/20/15</td>
<td>4.5%</td>
<td>80/01/37 $2,000,000</td>
</tr>
<tr>
<td>2014 Election, Series B</td>
<td>10/20/15</td>
<td>3.0 - 5.0%</td>
<td>80/01/45 $10,100,000</td>
</tr>
<tr>
<td>1992 Election, Series J</td>
<td>06/13/19</td>
<td>4.0%</td>
<td>80/01/21 $460,000</td>
</tr>
<tr>
<td>2018 Election, Series A</td>
<td>06/13/19</td>
<td>4.0 - 5.0%</td>
<td>80/01/48 $46,200,000</td>
</tr>
<tr>
<td>2019 Refunding Bonds</td>
<td>06/13/19</td>
<td>4.0%</td>
<td>80/01/23 $1,380,000</td>
</tr>
<tr>
<td>Total GO Bonds</td>
<td></td>
<td></td>
<td>$91,326,936</td>
</tr>
<tr>
<td></td>
<td>Beginning Balance</td>
<td>Increases</td>
<td>Decreases</td>
</tr>
<tr>
<td>----------</td>
<td>-------------------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td>1992 Election, Series B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>$ 65,125</td>
<td>$ -</td>
<td>$ 65,125</td>
</tr>
<tr>
<td>Discount</td>
<td>(928)</td>
<td>-</td>
<td>(928)</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>211,569</td>
<td>8,305</td>
<td>219,874</td>
</tr>
<tr>
<td>1992 Election, Series C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>2,471,123</td>
<td>-</td>
<td>191,198</td>
</tr>
<tr>
<td>Premium</td>
<td>129,224</td>
<td>-</td>
<td>9,998</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>5,282,638</td>
<td>488,507</td>
<td>603,803</td>
</tr>
<tr>
<td>1992 Election, Series D</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>2,999,956</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>134,425</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>3,553,070</td>
<td>374,974</td>
<td>-</td>
</tr>
<tr>
<td>1992 Election, Series E</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>5,922,526</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>239,148</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>3,100,392</td>
<td>370,283</td>
<td>-</td>
</tr>
<tr>
<td>1992 Election, Series F</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>2,845,000</td>
<td>-</td>
<td>250,000</td>
</tr>
<tr>
<td>1992 Election, Series G</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>4,860,221</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accreted Interest</td>
<td>2,318,909</td>
<td>475,102</td>
<td>-</td>
</tr>
<tr>
<td>1992 Election Series H</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>135,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014 Election, Series A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>6,400,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>162,159</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1992 Election, Series I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>2,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>129,760</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014 Election, Series B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>10,100,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>439,906</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1992 Election, Series J</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>460,000</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>-</td>
<td>22,710</td>
<td>-</td>
</tr>
<tr>
<td>2018 Election, Series A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>46,200,000</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>-</td>
<td>5,374,221</td>
<td>-</td>
</tr>
<tr>
<td>2019 Refunding Bonds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>1,380,000</td>
<td>-</td>
</tr>
<tr>
<td>Premium</td>
<td>-</td>
<td>106,409</td>
<td>-</td>
</tr>
<tr>
<td>Total GO Bonds</td>
<td>$ 53,499,223</td>
<td>$ 55,260,511</td>
<td>$ 1,339,070</td>
</tr>
</tbody>
</table>
The annual requirements to amortize the bonds outstanding at June 30, 2019 are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Accreted Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 899,713</td>
<td>$ 2,241,531</td>
<td>$ 860,287</td>
<td>$ 4,001,531</td>
</tr>
<tr>
<td>2021</td>
<td>$ 2,715,048</td>
<td>$ 2,924,369</td>
<td>$ 1,034,952</td>
<td>$ 6,674,369</td>
</tr>
<tr>
<td>2022</td>
<td>$ 3,356,418</td>
<td>$ 2,817,042</td>
<td>$ 1,113,582</td>
<td>$ 7,287,042</td>
</tr>
<tr>
<td>2023</td>
<td>$ 2,416,472</td>
<td>$ 2,714,807</td>
<td>$ 1,188,528</td>
<td>$ 6,319,807</td>
</tr>
<tr>
<td>2024</td>
<td>$ 1,834,493</td>
<td>$ 2,643,457</td>
<td>$ 1,275,507</td>
<td>$ 5,753,457</td>
</tr>
<tr>
<td>2025-2029</td>
<td>$ 8,029,020</td>
<td>$ 12,742,653</td>
<td>$ 10,545,980</td>
<td>$ 31,317,653</td>
</tr>
<tr>
<td>2030-2034</td>
<td>$ 12,207,616</td>
<td>$ 11,600,614</td>
<td>$ 12,654,137</td>
<td>$ 36,462,367</td>
</tr>
<tr>
<td>2035-2039</td>
<td>$ 15,998,848</td>
<td>$ 9,631,709</td>
<td>$ 10,204,275</td>
<td>$ 35,834,832</td>
</tr>
<tr>
<td>2040-2044</td>
<td>$ 17,620,000</td>
<td>$ 6,307,419</td>
<td>-</td>
<td>$ 23,927,419</td>
</tr>
<tr>
<td>2045-2049</td>
<td>$ 20,255,000</td>
<td>$ 1,951,163</td>
<td>-</td>
<td>$ 22,206,163</td>
</tr>
<tr>
<td>Total</td>
<td>$ 85,332,628</td>
<td>$ 55,574,764</td>
<td>$ 38,877,248</td>
<td>$ 179,784,640</td>
</tr>
</tbody>
</table>

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2019.

Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The District imputes the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

**Premium/Discount**

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Bond discount arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the bond and then amortize the discount over the life of the bond.
Effective interest on general obligation bonds issued at a premium are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Payments on Bonds</td>
<td>$4,602,972</td>
<td>$8,415,148</td>
<td>$7,667,169</td>
<td>$1,002,760</td>
</tr>
<tr>
<td>Plus Bond Discount</td>
<td>45,484</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less Bond Premium</td>
<td>-</td>
<td>(198,715)</td>
<td>(134,425)</td>
<td>(274,578)</td>
</tr>
<tr>
<td>Net Interest Payments</td>
<td>$4,648,456</td>
<td>$8,216,433</td>
<td>$7,532,744</td>
<td>$728,182</td>
</tr>
<tr>
<td>Par Amount of Bonds</td>
<td>3,191,833</td>
<td>3,799,986</td>
<td>2,999,956</td>
<td>6,799,940</td>
</tr>
<tr>
<td>Periods</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Effective Interest Rate</td>
<td>5.83%</td>
<td>9.01%</td>
<td>10.04%</td>
<td>0.43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Payments on Bonds</td>
<td>$2,026,771</td>
<td>$15,844,655</td>
<td>$47,021</td>
<td>$5,391,672</td>
</tr>
<tr>
<td>Less Bond Premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(162,159)</td>
</tr>
<tr>
<td>Net Interest Payments</td>
<td>$2,026,771</td>
<td>$15,844,655</td>
<td>$47,021</td>
<td>$5,229,513</td>
</tr>
<tr>
<td>Par Amount of Bonds</td>
<td>3,000,000</td>
<td>4,860,221</td>
<td>135,000</td>
<td>6,400,000</td>
</tr>
<tr>
<td>Periods</td>
<td>19</td>
<td>25</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>Effective Interest Rate</td>
<td>3.56%</td>
<td>13.04%</td>
<td>4.35%</td>
<td>2.72%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Payments on Bonds</td>
<td>$2,025,000</td>
<td>$10,519,178</td>
<td>$33,653</td>
<td>$39,335,467</td>
</tr>
<tr>
<td>Less Bond Premium</td>
<td>(129,760)</td>
<td>(439,906)</td>
<td>(22,710)</td>
<td>(5,374,221)</td>
</tr>
<tr>
<td>Net Interest Payments</td>
<td>$1,895,240</td>
<td>$10,079,272</td>
<td>$30,943</td>
<td>$33,961,246</td>
</tr>
<tr>
<td>Par Amount of Bonds</td>
<td>2,000,000</td>
<td>10,100,000</td>
<td>460,000</td>
<td>46,200,000</td>
</tr>
<tr>
<td>Periods</td>
<td>23</td>
<td>31</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td>Effective Interest Rate</td>
<td>4.12%</td>
<td>3.22%</td>
<td>0.79%</td>
<td>2.45%</td>
</tr>
</tbody>
</table>

2019 Refunding

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Payments on Bonds</td>
<td>$159,960</td>
</tr>
<tr>
<td>Less Bond Premium</td>
<td>(106,409)</td>
</tr>
<tr>
<td>Net Interest Payments</td>
<td>$53,551</td>
</tr>
<tr>
<td>Par Amount of Bonds</td>
<td>1,380,000</td>
</tr>
<tr>
<td>Periods</td>
<td>5</td>
</tr>
<tr>
<td>Effective Interest Rate</td>
<td>0.78%</td>
</tr>
</tbody>
</table>
Economic Gain on Refunding

On June 13, 2019 the District issued $1,380,000 in refunding bonds which bear a fixed interest rate of 4.0% and annual maturities from August 2019 through August 2023. The net proceeds (including premium) were used to refund a portion of 1992 Series E bonds and pay the related costs of issuance on the refunding bonds.

Economic gain on the refunding is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior debt service payments remaining</td>
<td>$1,647,538</td>
</tr>
<tr>
<td>New debt service payments</td>
<td>(1,539,960)</td>
</tr>
<tr>
<td>Savings in total debt service payments</td>
<td>107,578</td>
</tr>
<tr>
<td>Discount to present value at issue date (2.5388802%)</td>
<td>(12,138)</td>
</tr>
<tr>
<td>Economic gain (present value of savings)</td>
<td>$95,440</td>
</tr>
</tbody>
</table>

3. Capital Lease

On August 1, 2014, the District entered into a sixty month lease for two school buses. The lease bears an interest rate of 3.30%. The agreement provides for title to pass upon expiration of the lease period. Future minimum lease payments under this agreement are as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$41,955</td>
<td>$7,395</td>
<td>$49,350</td>
</tr>
<tr>
<td>2021</td>
<td>43,340</td>
<td>6,010</td>
<td>49,350</td>
</tr>
<tr>
<td>2022</td>
<td>44,770</td>
<td>4,580</td>
<td>49,350</td>
</tr>
<tr>
<td>2023</td>
<td>46,247</td>
<td>3,103</td>
<td>49,350</td>
</tr>
<tr>
<td>2024</td>
<td>47,773</td>
<td>1,507</td>
<td>49,280</td>
</tr>
<tr>
<td>Total</td>
<td>$224,085</td>
<td>$22,595</td>
<td>$246,680</td>
</tr>
</tbody>
</table>

4. Net Pension Liability

The District’s beginning net pension liability was $28,876,527 and increased by $864,903 during the year ended June 30, 2019 for a ending net pension liability of $29,741,430. See Note N for additional information regarding the net pension liability.

5. Total OPEB Liability

The District’s beginning total OPEB liability was $3,922,769 and increased by $391,561 during the year ended June 30, 2019 for a ending total OPEB liability of $4,314,330. See Note O for additional information regarding the total OPEB liability.

6. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2019 was $298,500. This amount is included as part of long-term liabilities in the government-wide financial statements.
N. Pension Plans

1. General Information about the Pension Plans

   a. Plan Descriptions

      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). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement no. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

   b. Benefits Paid

      CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. 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 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.
The Plan’s provisions and benefits in effect at June 30, 2019 are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>CalSTRS Before</th>
<th>CalSTRS After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire Date</td>
<td>Jan. 1, 2013</td>
<td>Jan. 1, 2013</td>
</tr>
<tr>
<td>Benefit Formula</td>
<td>2% at 60</td>
<td>2% at 62**</td>
</tr>
<tr>
<td>Benefit Vesting Schedule</td>
<td>5 Years</td>
<td>5 Years</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>Monthly for life</td>
<td>Monthly for life</td>
</tr>
<tr>
<td>Retirement Age</td>
<td>55-60</td>
<td>55-62</td>
</tr>
<tr>
<td>Monthly Benefits as a % of Eligible Compensation</td>
<td>1.1 - 2.4%</td>
<td>1.0 - 2.4%*</td>
</tr>
<tr>
<td>Required Employee Contribution Rates (at June 30, 2019)</td>
<td>10.250%</td>
<td>10.205%</td>
</tr>
<tr>
<td>Required Employer Contribution Rates (at June 30, 2019)</td>
<td>16.280%</td>
<td>16.280%</td>
</tr>
<tr>
<td>Required State Contribution Rates (at June 30, 2019)</td>
<td>14.764%</td>
<td>14.764%</td>
</tr>
</tbody>
</table>

*Amounts are limited to 120% of Social Security Wage Base.

**The rate imposed on CalSTRS 2% at 62 members is based on the normal cost of benefits.

<table>
<thead>
<tr>
<th></th>
<th>CalPERS Before</th>
<th>CalPERS After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire Date</td>
<td>Jan. 1, 2013</td>
<td>Jan. 1, 2013</td>
</tr>
<tr>
<td>Benefit Formula</td>
<td>2% at 60</td>
<td>2% at 62**</td>
</tr>
<tr>
<td>Benefit Vesting Schedule</td>
<td>5 Years</td>
<td>5 Years</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>Monthly for life</td>
<td>Monthly for life</td>
</tr>
<tr>
<td>Retirement Age</td>
<td>50-62</td>
<td>52-67</td>
</tr>
<tr>
<td>Monthly Benefits as a % of Eligible Compensation</td>
<td>1.1 - 2.5%</td>
<td>1.0 - 2.5%*</td>
</tr>
<tr>
<td>Required Employee Contribution Rates (at June 30, 2019)</td>
<td>7.000%</td>
<td>7.000%</td>
</tr>
<tr>
<td>Required Employer Contribution Rates (at June 30, 2019)</td>
<td>18.062%</td>
<td>18.062%</td>
</tr>
<tr>
<td>Required State Contribution Rates (at June 30, 2019)</td>
<td>7.971%</td>
<td>7.971%</td>
</tr>
</tbody>
</table>

c. **Contributions**

**CalSTRS**

For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members’ contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 16.28% of creditable compensation for the fiscal year ended June 30, 2019. Rates are defined in Education Code §22950.5 through the fiscal year ending June 30, 2021. Beginning in the fiscal year ending on June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary.
Robla School District  
Notes to the Financial Statements, Continued  
June 30, 2019

*CalPERS*

California Public Employees’ Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), the employee contribution rate was 7.00% and the employer contribution rate was 18.062% of covered payroll.

*On Behalf Payments*

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the State contributed 14.647% of salaries creditable to CalSTRS. The contributions made by the State during the fiscal year ended June 30, 2019 included amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional $2.2 Billion to CalSTRS on behalf of the Districts during the 2018-19 fiscal year in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The contribution resulting from SB90 made up 42% of the total contributions made by the State on behalf of the District. In addition, SB90 apportioned $900 Million in contributions to CalPERS on behalf of the Districts as a one time contribution in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The amounts contributed to CalPERS on behalf of the District was 7.971% of creditable salaries. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District’s proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State’s pension expense associated with District employees for the past three fiscal years are as follows:

### CalSTRS

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>On Behalf Contribution Rate</th>
<th>On Behalf Contribution Amount</th>
<th>On Behalf Pension Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.470%</td>
<td>$1,706,982</td>
<td>$2,668,484</td>
</tr>
<tr>
<td>2018</td>
<td>8.292%</td>
<td>$1,682,443</td>
<td>$817,937</td>
</tr>
<tr>
<td>2019</td>
<td>14.764%</td>
<td>$3,159,703</td>
<td>$(612,269)</td>
</tr>
</tbody>
</table>

### CalPERS

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>On Behalf Contribution Rate</th>
<th>On Behalf Contribution Amount</th>
<th>On Behalf Pension Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7.971%</td>
<td>$729,115</td>
<td>$-</td>
</tr>
</tbody>
</table>
d. Contributions Recognized

For the fiscal year ended June 30, 2019 (measurement period June 30, 2018), the contributions recognized for each plan were:

<table>
<thead>
<tr>
<th></th>
<th>CalSTRS</th>
<th>CalPERS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Employer</td>
<td>$2,035,403</td>
<td>$821,988</td>
<td>$2,857,391</td>
</tr>
<tr>
<td>Contributions - State On Behalf Payments</td>
<td>1,926,898</td>
<td>294,162</td>
<td>2,221,060</td>
</tr>
<tr>
<td>Total Governmental Funds Contributions</td>
<td><strong>$3,962,301</strong></td>
<td>$1,116,150</td>
<td><strong>$5,078,451</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>CalSTRS</th>
<th>CalPERS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Employer</td>
<td>$1,764,268</td>
<td>$666,570</td>
<td>$2,430,838</td>
</tr>
<tr>
<td>Contributions - State On Behalf Payments</td>
<td>1,926,898</td>
<td>294,162</td>
<td>2,221,060</td>
</tr>
<tr>
<td>Total Contributions Governmental Activities</td>
<td><strong>$3,691,166</strong></td>
<td>$960,732</td>
<td><strong>$4,651,898</strong></td>
</tr>
</tbody>
</table>

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

As of June 30, 2018 the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

<table>
<thead>
<tr>
<th></th>
<th>CalSTRS</th>
<th>CalPERS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportionate Share of the Net Pension Liability</td>
<td>$21,158,829</td>
<td>$8,582,601</td>
<td><strong>$29,741,430</strong></td>
</tr>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The District’s net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018. 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 measurement date 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, as actuarially determined.

The District’s proportionate share of the net pension liability for each Plan as of June 30, 2018 and June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>CalSTRS</th>
<th></th>
<th>CalPERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>District's Proportionate Share</td>
<td>State's Proportionate Share*</td>
<td>Total For District Employees</td>
<td>District's Proportionate Share</td>
</tr>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion June 30, 2018</td>
<td>0.0230%</td>
<td>0.0136%</td>
<td>0.0366%</td>
<td>0.0320%</td>
</tr>
<tr>
<td>Proportion June 30, 2019</td>
<td>0.0230%</td>
<td>0.0132%</td>
<td>0.0362%</td>
<td>0.0322%</td>
</tr>
<tr>
<td>Change in Proportion</td>
<td>0.0000%</td>
<td>-0.0004%</td>
<td>-0.0004%</td>
<td>0.0002%</td>
</tr>
</tbody>
</table>

*Represents State’s Proportionate Share on behalf of District employees.

a. **Pension Expense**

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>CalSTRS</th>
<th>CalPERS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Pension Liability (Asset)</td>
<td>$(82,034)</td>
<td>$946,937</td>
<td>$864,903</td>
</tr>
<tr>
<td>State On Behalf Pension Expense</td>
<td>(368,958)</td>
<td>-</td>
<td>(368,958)</td>
</tr>
<tr>
<td>Employer Contributions to Pension Expense</td>
<td>2,035,403</td>
<td>821,988</td>
<td>2,857,391</td>
</tr>
<tr>
<td>(Increase) Decrease in Deferred Outflows of Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer Contributions Subsequent to Measurement Date</td>
<td>(241,768)</td>
<td>(154,734)</td>
<td>(396,502)</td>
</tr>
<tr>
<td>Differences between actual and expected experiences</td>
<td>18,329</td>
<td>(344,670)</td>
<td>(326,341)</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>918,169</td>
<td>181,519</td>
<td>1,099,688</td>
</tr>
<tr>
<td>Changes in proportionate share</td>
<td>65,820</td>
<td>5,306</td>
<td>71,126</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings</td>
<td>1,471</td>
<td>448,600</td>
<td>450,071</td>
</tr>
<tr>
<td>Increase (Decrease) in Deferred Inflows of Resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences between actual and expected experiences</td>
<td>15,968</td>
<td>-</td>
<td>15,968</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>-</td>
<td>(78,596)</td>
<td>(78,596)</td>
</tr>
<tr>
<td>Changes in proportionate share</td>
<td>(74,977)</td>
<td>(17,475)</td>
<td>(92,452)</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings</td>
<td>216,437</td>
<td>(242,955)</td>
<td>(26,518)</td>
</tr>
<tr>
<td>Total Pension Expense</td>
<td>$2,503,860</td>
<td>$1,565,920</td>
<td>$4,069,780</td>
</tr>
</tbody>
</table>
b. **Deferred Outflows and Inflows of Resources**

At June 30, 2019, The District reported Deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th><strong>Deferred Outflows of Resources</strong></th>
<th>CalSTRS</th>
<th>CalPERS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension contributions subsequent to measurement date</td>
<td>$ 2,035,403</td>
<td>$ 821,988</td>
<td>$2,857,391</td>
</tr>
<tr>
<td>Differences between actual and expected experience</td>
<td>54,985</td>
<td>703,009</td>
<td>757,994</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>2,754,506</td>
<td>1,008,143</td>
<td>3,762,649</td>
</tr>
<tr>
<td>Changes in employer's proportionate share</td>
<td>251,493</td>
<td>107,927</td>
<td>359,420</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings</td>
<td>2,213</td>
<td>701,923</td>
<td>704,136</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td>$ 5,098,600</td>
<td>$ 3,342,990</td>
<td>$8,441,590</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Deferred Inflows of Resources</strong></th>
<th>CalSTRS</th>
<th>CalPERS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences between actual and expected experience</td>
<td>$(18,126)</td>
<td>$ -</td>
<td>$(18,126)</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>-</td>
<td>$(78,596)</td>
<td>$(78,596)</td>
</tr>
<tr>
<td>Changes in employer's proportionate share</td>
<td>$(83,364)</td>
<td>$(34,951)</td>
<td>$(118,315)</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings</td>
<td>$(2,226,780)</td>
<td>$(636,565)</td>
<td>$(2,863,345)</td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td>$(2,328,270)</td>
<td>$(750,112)</td>
<td>$(3,078,382)</td>
</tr>
</tbody>
</table>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2020. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

<table>
<thead>
<tr>
<th><strong>Deferred Outflows of Resources</strong></th>
<th><strong>Deferred Inflows of Resources</strong></th>
<th><strong>Net Effect on Expenses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Ended</td>
<td>CalSTRS</td>
<td>CalPERS</td>
</tr>
<tr>
<td>June 30,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$3,089,130</td>
<td>$1,902,741</td>
</tr>
<tr>
<td>2021</td>
<td>$1,052,998</td>
<td>780,456</td>
</tr>
<tr>
<td>2022</td>
<td>946,485</td>
<td>501,792</td>
</tr>
<tr>
<td>2023</td>
<td>9,987</td>
<td>158,001</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,098,600</td>
<td>$3,342,990</td>
</tr>
</tbody>
</table>
c. **Actuarial Assumptions**

Total pension liabilities for the fiscal year ended June 30, 2019 were based on actuarial valuations determined using the following actuarial assumptions:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>CalSTRS</th>
<th>CalPERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>June 30, 2019</td>
<td>June 30, 2019</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>June 30, 2018</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
</tr>
</tbody>
</table>

**Actuarial Assumptions:**

- **Discount Rate:** 7.10% (CalSTRS), 7.15% (CalPERS)
- **Inflation:** 2.75% (CalSTRS), 2.50% (CalPERS)
- **Wage Growth:** 3.50% (CalSTRS), (CalPERS)
- **Investment Rate of Return:** 7.10% (CalSTRS), 7.15% (CalPERS)
- **Post Retirement Benefit Increase:** (1) (CalSTRS), (4) (CalPERS)
- **Mortality:** (2) (CalSTRS), (5) (CalPERS)

(1) CalSTRS post retirement benefit increases assumed at 2% simple for DB (annually) maintaining 85% purchasing power level for DB. Increases are not applicable for DBS/CBB.

(2) CalSTRS projects mortality by setting the projection scale equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) tables issued by the Society of Actuaries.

(3) Wage growth is a component of inflation for CalPERS assumptions.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

d. **Discount Rate**

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the Discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.
The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. The last ALM completed by CalSTRS was conducted in 2015. CalSTRS is in process of completing the next ALM with an initial expected completion date of November 2019. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM’s every 4 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and 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 quarter of one percent.
The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

### CalSTRS

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Assumed Asset Allocation</th>
<th>Long-Term Expected Real Rate of Return*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>47.00%</td>
<td>6.30%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>12.00%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>13.00%</td>
<td>5.20%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>13.00%</td>
<td>9.30%</td>
</tr>
<tr>
<td>Risk Mitigating Strategies</td>
<td>9.00%</td>
<td>2.90%</td>
</tr>
<tr>
<td>Inflation Sensitive</td>
<td>4.00%</td>
<td>3.80%</td>
</tr>
<tr>
<td>Cash/Liquidity</td>
<td>2.00%</td>
<td>-1.00%</td>
</tr>
</tbody>
</table>

*20 year average

### CalPERS

<table>
<thead>
<tr>
<th>Asset Class*</th>
<th>Assumed Asset Allocation</th>
<th>Real Return Years 1-10**</th>
<th>Real Return Years 11+***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>50.00%</td>
<td>4.80%</td>
<td>5.98%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>28.00%</td>
<td>1.00%</td>
<td>2.62%</td>
</tr>
<tr>
<td>Inflation Assets</td>
<td>0.00%</td>
<td>0.77%</td>
<td>1.81%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>8.00%</td>
<td>6.30%</td>
<td>7.23%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>13.00%</td>
<td>3.75%</td>
<td>4.93%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>1.00%</td>
<td>0.00%</td>
<td>-0.92%</td>
</tr>
</tbody>
</table>

*In the basic financial statements, fixed income is included in global debt securities; liquidity is included in short term investments; inflation assets are included in both global equity securities and global debt securities.

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

***An expected inflation of 2.92% is used for this period.
e. **Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following represents 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:

<table>
<thead>
<tr>
<th></th>
<th>CalSTRS</th>
<th>CalPERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1% Decrease</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$ 30,995,208</td>
<td>$ 12,495,856</td>
</tr>
<tr>
<td><strong>Current Discount Rate</strong></td>
<td>7.10%</td>
<td>7.10%</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$ 21,158,829</td>
<td>$ 8,582,601</td>
</tr>
<tr>
<td><strong>1% Increase</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$ 13,003,518</td>
<td>$ 5,335,995</td>
</tr>
</tbody>
</table>
3. **Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability**

**CalSTRS**

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
<th>State's Share of Net Pension Liability</th>
<th>District's Share of Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at June 30, 2018 (Previously Reported)</strong></td>
<td>$110,835,067</td>
<td>$76,980,823</td>
<td>$33,854,244</td>
<td>$12,613,381</td>
<td>$21,240,863</td>
</tr>
<tr>
<td><strong>Changes for the year:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CalSTRS Auditor Adjustment</td>
<td>-</td>
<td>(184,526)</td>
<td>184,526</td>
<td>67,341</td>
<td>117,185</td>
</tr>
<tr>
<td>Change in prop. share</td>
<td>(1,074,834)</td>
<td>(746,529)</td>
<td>(328,305)</td>
<td>(378,244)</td>
<td>49,939</td>
</tr>
<tr>
<td>Service cost</td>
<td>2,589,118</td>
<td>-</td>
<td>2,589,118</td>
<td>944,887</td>
<td>1,644,231</td>
</tr>
<tr>
<td>Interest</td>
<td>7,792,730</td>
<td>-</td>
<td>7,792,730</td>
<td>2,843,921</td>
<td>4,948,809</td>
</tr>
<tr>
<td>Difference between expected and actual experience</td>
<td>(34,077)</td>
<td>-</td>
<td>(34,077)</td>
<td>(12,436)</td>
<td>(21,641)</td>
</tr>
<tr>
<td><strong>Contributions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>-</td>
<td>1,764,262</td>
<td>(1,764,262)</td>
<td>(643,859)</td>
<td>(1,120,403)</td>
</tr>
<tr>
<td>Employee</td>
<td>-</td>
<td>1,267,459</td>
<td>(1,267,459)</td>
<td>(462,553)</td>
<td>(804,906)</td>
</tr>
<tr>
<td>State On Behalf</td>
<td>-</td>
<td>1,013,850</td>
<td>(1,013,850)</td>
<td>(370,000)</td>
<td>(643,850)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>6,769,531</td>
<td>(6,769,531)</td>
<td>(2,470,509)</td>
<td>(4,299,022)</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>38,117</td>
<td>(38,117)</td>
<td>(13,911)</td>
<td>(24,206)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(5,269,843)</td>
<td>(5,269,843)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-</td>
<td>(78,334)</td>
<td>78,334</td>
<td>28,588</td>
<td>49,746</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>-</td>
<td>(34,167)</td>
<td>34,167</td>
<td>12,469</td>
<td>21,698</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-</td>
<td>(608)</td>
<td>608</td>
<td>222</td>
<td>386</td>
</tr>
<tr>
<td><strong>Net changes</strong></td>
<td>4,003,094</td>
<td>4,539,212</td>
<td>(536,118)</td>
<td>(454,084)</td>
<td>(82,034)</td>
</tr>
<tr>
<td><strong>Balance at June 30, 2019</strong></td>
<td>$114,838,161</td>
<td>$81,520,035</td>
<td>$33,318,126</td>
<td>$12,159,297</td>
<td>$21,158,829</td>
</tr>
</tbody>
</table>
### CalPERS

<table>
<thead>
<tr>
<th>Increase (Decrease)</th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at June 30, 2018 (Previously Reported)</td>
<td>$27,145,998</td>
<td>$19,510,334</td>
<td>$7,635,664</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in prop. share</td>
<td>173,137</td>
<td>124,437</td>
<td>48,700</td>
</tr>
<tr>
<td>Service cost</td>
<td>699,369</td>
<td>-</td>
<td>699,369</td>
</tr>
<tr>
<td>Interest</td>
<td>1,984,682</td>
<td>-</td>
<td>1,984,682</td>
</tr>
<tr>
<td>Difference between expected and actual experience</td>
<td>596,430</td>
<td>-</td>
<td>596,430</td>
</tr>
<tr>
<td>Change in assumptions</td>
<td>144,871</td>
<td>-</td>
<td>144,871</td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>-</td>
<td>666,580</td>
<td>(666,580)</td>
</tr>
<tr>
<td>Employee</td>
<td>-</td>
<td>306,755</td>
<td>(306,755)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>1,640,050</td>
<td>(1,640,050)</td>
</tr>
<tr>
<td>Plan to plan res. movement</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(1,304,658)</td>
<td>(1,304,658)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-</td>
<td>(29,758)</td>
<td>29,758</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-</td>
<td>(56,512)</td>
<td>56,512</td>
</tr>
<tr>
<td>Net changes</td>
<td>2,293,831</td>
<td>1,346,894</td>
<td>946,937</td>
</tr>
<tr>
<td>Balance at June 30, 2019</td>
<td>$29,439,829</td>
<td>$20,857,228</td>
<td>$8,582,601</td>
</tr>
</tbody>
</table>

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

### O. Post-Employment Benefits Other than Pension (OPEB)

1. **Plan Description**

The District’s defined benefit OPEB plan, Robla School District Retiree Health Care Plan (the Plan) provides OPEB for retirees that meet eligibility requirements until age 65. Retirees in the plan are eligible for the same medical plans as active employees. The Plan is a single employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lie with the District’s governing board. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
2. **Benefits Provided**

The following is a summary of the current retiree benefit plan:

<table>
<thead>
<tr>
<th>Benefit types provided</th>
<th>Certificated</th>
<th>Classified</th>
<th>Management</th>
<th>Supervisory &amp; Confidential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Medical</td>
<td>Medical</td>
<td>Medical</td>
<td>Medical</td>
</tr>
<tr>
<td></td>
<td>Dental</td>
<td>Dental</td>
<td>Dental</td>
<td>Dental</td>
</tr>
<tr>
<td></td>
<td>Vision</td>
<td>Vision</td>
<td>Vision</td>
<td>Vision</td>
</tr>
<tr>
<td>Duration of benefits</td>
<td>To age 65</td>
<td>To age 65</td>
<td>To age 65</td>
<td>To age 65</td>
</tr>
<tr>
<td>Required Service</td>
<td>20 years</td>
<td>20 years</td>
<td>5 years*</td>
<td>20 years</td>
</tr>
<tr>
<td>Minimum age</td>
<td>55</td>
<td>55</td>
<td>60**</td>
<td>55</td>
</tr>
<tr>
<td>Dependent coverage</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>District contribution %</td>
<td>100%</td>
<td>100%</td>
<td>50% to 100%</td>
<td>0%</td>
</tr>
<tr>
<td>District cap per year</td>
<td>$6,300</td>
<td>$6,900</td>
<td>$10,923***</td>
<td>$10,279</td>
</tr>
</tbody>
</table>

*50% at 5 years; 75% at 10 years; 100% at 15 years  
**Age 55 with 20 years of service  
***$10,279 per year for classified management

3. **Contributions**

The contribution requirements of Plan members and the Robla School District are established and may be amended by the Robla School District through negotiations with bargaining units.
4. **Plan Membership**

Membership of the plan consisted of the following as of the June 30, 2018 valuation date, measured as of June 30, 2019 for fiscal year June 30, 2019:

<table>
<thead>
<tr>
<th>Membership Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive plan members or beneficiaries currently receiving benefits</td>
<td>14</td>
</tr>
<tr>
<td>Inactive plan members entitled to but not yet receiving benefits</td>
<td>0</td>
</tr>
<tr>
<td>Active plan members</td>
<td>244</td>
</tr>
<tr>
<td></td>
<td>258</td>
</tr>
</tbody>
</table>

5. **Total OPEB Liability**

The Robla School District’s total OPEB liability of $9,207,472 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

6. **Actuarial Assumptions and Other Inputs**

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

**Economic assumptions:**

- Inflation: 2.75% per annum
- Salary increases: 2.75% per annum, in aggregate
- Discount rate: 3.50%
- Healthcare cost trend rates: 6.00% decreasing to 5.00%
- Retiree’s Share of Costs: 0.00% - 100%

**Non-economic assumptions:**

- **Mortality**
  - Certificated: Most recent CalSTRS mortality tables
  - Classified: Most recent CalPERS mortality tables

- **Termination Rates**:
  - Certificated: Most recent CalSTRS termination rates
  - Classified: Most Recent CalPERS termination rates

The discount rate used is based on the Bond Buyer 20 Bond Index.
7. Changes in Total OPEB Liability

<table>
<thead>
<tr>
<th>Total OPEB Liability</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$321,928</td>
</tr>
<tr>
<td>Interest</td>
<td>140,243</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>82,943</td>
</tr>
<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(153,553)</td>
</tr>
<tr>
<td>Net change in Total OPEB Liability</td>
<td>391,561</td>
</tr>
<tr>
<td>Total OPEB Liability - Beginning</td>
<td>3,922,769</td>
</tr>
<tr>
<td>Total OPEB Liability - Ending</td>
<td>$4,314,330</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Valuation Discount Rate</th>
<th>1% Decrease</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2.50%)</td>
<td>$4,570,320</td>
<td>$4,073,442</td>
</tr>
<tr>
<td>(3.50%)</td>
<td>$4,314,330</td>
<td>(4.50%)</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Valuation Discount Rate</th>
<th>1% Decrease</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5.00% decreasing to 4.00%)</td>
<td>$4,062,222</td>
<td>$4,513,979</td>
</tr>
<tr>
<td>(6.00% decreasing to 5.00%)</td>
<td>$4,314,330</td>
<td>(7.00%)</td>
</tr>
</tbody>
</table>
10. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of $467,701. At June 30, 2019 the district did not report any deferred outflows of resources related to OPEB. At June 30, 2019 the District reported deferred inflows of resources related to OPEB from the following sources:

<table>
<thead>
<tr>
<th>Changes of assumptions and other inputs</th>
<th>$ (77,413)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$ (77,413)</td>
</tr>
</tbody>
</table>

Amounts reported as deferred inflows of resources will be recognized as an increase or decrease to OPEB expense over a fourteen-year period. OPEB expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ (5,530)</td>
</tr>
<tr>
<td>2021</td>
<td>(5,530)</td>
</tr>
<tr>
<td>2022</td>
<td>(5,530)</td>
</tr>
<tr>
<td>2023</td>
<td>(5,530)</td>
</tr>
<tr>
<td>2024</td>
<td>(5,530)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>(49,763)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (77,413)</td>
</tr>
</tbody>
</table>
P. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District’s activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

The District purchases insurance through the Schools Insurance Authority’s (SIA) insurance purchasing pool. The intent of the SIA pool is to achieve the benefit of reduced premiums for the District by virtue of its grouping and representation with other participants in the SIA pools. Property and liability settled claims have not exceeded commercial coverage for the past three years. Workers compensation is calculated as one experience and a common premium rate is applied to all districts in the SIA pool. Each participant pays its workers’ compensation premium based on the rate. Total savings are then calculated and each participant’s individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the equity-pooling fund. This equity pooling arrangement insures that each participant shares equally in the overall performance of the SIA pool. Participation in the SIA pool is limited to districts that can meet the SIA pool selection criteria.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

Q. Participation in Joint Powers Authorities

The District is a member of the Schools Insurance Authority (SIA), for the operation of a common risk management and insurance program for property and liability coverage and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

1. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

2. 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 as of June 30, 2019.

3. Construction Commitments

As of June 30, 2019, the District did not have any outstanding construction commitments for unfinished capital projects.

S. Deferred Outflows of Resources

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75, payments made subsequent to the total OPEB liability measurement date, and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2019 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension related</td>
<td>$ 9,339,632</td>
<td>$ 3,697,331</td>
<td>$ 4,595,373</td>
<td>$ 8,441,590</td>
</tr>
<tr>
<td>Total Deferred Outflows of Resources</td>
<td>$ 9,339,632</td>
<td>$ 3,697,331</td>
<td>$ 4,595,373</td>
<td>$ 8,441,590</td>
</tr>
</tbody>
</table>
Future amortization of deferred outflows is as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Pension Related</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 4,991,871</td>
</tr>
<tr>
<td>2021</td>
<td>1,833,454</td>
</tr>
<tr>
<td>2022</td>
<td>1,448,277</td>
</tr>
<tr>
<td>2023</td>
<td>167,988</td>
</tr>
<tr>
<td>Total</td>
<td>$ 8,441,590</td>
</tr>
</tbody>
</table>

T. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB pronouncement have been recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75, items as outlined in the GASB pronouncement have been recorded as deferred inflows of resources.

A summary of the deferred outflows of resources as of June 30, 2019 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension related</td>
<td>$ 3,259,980</td>
<td>$ 1,173,711</td>
<td>$ 1,355,309</td>
<td>$ 3,078,382</td>
</tr>
<tr>
<td>OPEB related</td>
<td>-</td>
<td>82,943</td>
<td>5,530</td>
<td>77,413</td>
</tr>
<tr>
<td>Total Deferred Inflows of Resources</td>
<td>$ 3,259,980</td>
<td>$ 1,256,654</td>
<td>$ 1,360,839</td>
<td>$ 3,155,795</td>
</tr>
</tbody>
</table>

Future amortization of deferred inflows is as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Pension Related</th>
<th>OPEB Related</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 1,053,707</td>
<td>$ 5,530</td>
<td>$ 1,059,237</td>
</tr>
<tr>
<td>2021</td>
<td>903,766</td>
<td>5,530</td>
<td>909,296</td>
</tr>
<tr>
<td>2022</td>
<td>886,166</td>
<td>5,530</td>
<td>891,696</td>
</tr>
<tr>
<td>2023</td>
<td>234,743</td>
<td>5,530</td>
<td>240,273</td>
</tr>
<tr>
<td>2024</td>
<td>-</td>
<td>5,530</td>
<td>5,530</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
<td>49,763</td>
<td>49,763</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,078,382</td>
<td>$ 77,413</td>
<td>$ 3,155,795</td>
</tr>
</tbody>
</table>
U. Upcoming Accounting Guidance

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (BASB) that are effective for the fiscal year ended June 30, 2020. Those newly implemented pronouncements are as follows:

1. GASB 84 – Fiduciary Activities

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The District expects adjustments to be made to the financial statements resulting from the implementation of this GASB Statement but does not expect the adjustments to be material to the financial statements.

2. GASB 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. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or a permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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

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

The District does not currently hold any equity interests in legally separate organizations and as such does not anticipate any adjustments to be made to the financial statements as a result of implementing this GASB Statement.
Required Supplementary Information
Robla School District  
Budgetary Comparison Schedule – General Fund  
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance to Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LCFF Sources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Apportionment</td>
<td>$ 16,787,729</td>
<td>$ 16,884,139</td>
</tr>
<tr>
<td>Education Protection Account</td>
<td>2,508,812</td>
<td>2,705,827</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>3,130,414</td>
<td>2,972,177</td>
</tr>
<tr>
<td>Federal Revenue</td>
<td>1,386,300</td>
<td>1,446,725</td>
</tr>
<tr>
<td>Other State Revenue</td>
<td>1,352,885</td>
<td>1,490,857</td>
</tr>
<tr>
<td>Interest Income</td>
<td>50,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Other Local Revenue</td>
<td>1,616,708</td>
<td>1,845,605</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>26,832,848</td>
<td>27,420,330</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated Salaries</td>
<td>11,805,421</td>
<td>12,007,179</td>
</tr>
<tr>
<td>Classified Salaries</td>
<td>3,925,285</td>
<td>4,045,737</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>5,092,512</td>
<td>4,840,942</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>2,087,339</td>
<td>1,912,527</td>
</tr>
<tr>
<td>Services and Other Operating</td>
<td>2,596,174</td>
<td>3,225,971</td>
</tr>
<tr>
<td>Other Outgo</td>
<td>72,500</td>
<td>72,500</td>
</tr>
<tr>
<td>Direct Support/Indirect Costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>607,695</td>
<td>555,695</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>26,186,926</td>
<td>26,660,551</td>
</tr>
<tr>
<td><strong>Excess (Deficiency) of Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over Expenditures</td>
<td>645,922</td>
<td>759,779</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td>(200,000)</td>
<td>(200,000)</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>445,922</td>
<td>559,779</td>
</tr>
<tr>
<td><strong>Fund Balance - Beginning of Year</strong></td>
<td>8,720,411</td>
<td>8,720,411</td>
</tr>
<tr>
<td><strong>Fund Balance - End of Year</strong></td>
<td>$ 9,166,333</td>
<td>$ 9,280,190</td>
</tr>
</tbody>
</table>

See Accompanying Notes to Required Supplementary Information

66
Robla School District  
Budgetary Comparison Schedule – Child Development Fund  
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance to Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other State Revenue</td>
<td>$1,550,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>2,500</td>
<td>3,500</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,552,500</td>
<td>1,503,500</td>
</tr>
</tbody>
</table>

|                                |  |  |  |  |
| **Expenditures**               |  |  |  |  |
| Current Expenditures:          |  |  |  |  |
| Certificated Salaries          | 624,268 | 611,525 | 644,104 | (32,579) |
| Classified Salaries            | 453,779 | 543,913 | 552,394 | (8,481) |
| Employee Benefits              | 332,762 | 276,294 | 397,311 | (121,017) |
| Books and Supplies             | 70,253  | 20,575  | 10,853  | 9,722 |
| Services and Other Operating   | 51,193  | 51,193  | 521,286 | (470,093) |
| Direct Support/Indirect Costs  | -       | -       | 95,301  | (95,301) |
| **Total Expenditures**         | 1,532,255 | 1,503,500 | 2,221,249 | (717,749) |

|                                |  |  |  |  |
| Excess (Deficiency) of Revenues| 20,245  | -        | (446,456) | (446,456) |

| **Other Financing Sources (Uses)** |  |  |  |  |
| Transfers In                    | -      | -        | 372,967  | 372,967 |
| Net Financing Sources (Uses)    | -      | -        | 372,967  | 372,967 |

| **Net Change in Fund Balance**  | 20,245  | -        | (73,489) | (73,489) |
| **Fund Balance - Beginning of Year** | 73,489 | 73,489   | 73,489   | - |
| **Fund Balance - End of Year**  | $93,734 | $73,489  | $ -      | $ (73,489) |

See Accompanying Notes to Required Supplementary Information

67
Robla School District  
Schedule of the District’s Proportionate Share of the Net Pension Liability - CalSTRS  
Last Ten Fiscal Years*  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>District's proportion of the net pension liability (asset)</td>
<td>0.0230%</td>
<td>0.0230%</td>
<td>0.0230%</td>
<td>0.0222%</td>
<td>0.0228%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset)</td>
<td>$21,158,829</td>
<td>$21,240,863</td>
<td>$18,597,766</td>
<td>$14,951,558</td>
<td>$13,331,788</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>State's proportionate share of the net pension liability (asset) associated with the District</td>
<td>12,159,296</td>
<td>12,613,381</td>
<td>10,639,113</td>
<td>7,961,053</td>
<td>8,117,460</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>$33,318,125</td>
<td>$33,854,244</td>
<td>$29,236,879</td>
<td>$22,912,611</td>
<td>$21,449,248</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's covered payroll**</td>
<td>$12,226,389</td>
<td>$12,143,712</td>
<td>$11,424,203</td>
<td>$10,262,905</td>
<td>$10,109,055</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</td>
<td>173.06%</td>
<td>174.91%</td>
<td>162.79%</td>
<td>145.69%</td>
<td>131.88%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension</td>
<td>70.99%</td>
<td>69.46%</td>
<td>70.04%</td>
<td>74.02%</td>
<td>76.52%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.
## Robla School District
### Schedule of the District’s Contributions - CalSTRS
#### Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$2,035,403</td>
<td>$1,764,268</td>
<td>$1,527,679</td>
<td>$1,225,817</td>
<td>$911,346</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>(2,035,403)</td>
<td>(1,764,268)</td>
<td>(1,527,679)</td>
<td>(1,225,817)</td>
<td>(911,346)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's covered payroll**</td>
<td>$12,502,475</td>
<td>$12,226,389</td>
<td>$12,143,712</td>
<td>$11,424,203</td>
<td>$10,262,905</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>16.28%</td>
<td>14.43%</td>
<td>12.58%</td>
<td>10.73%</td>
<td>8.88%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on the fiscal year.

See Accompanying Notes to Required Supplementary Information
### Robla School District

#### Schedule of the District’s Proportionate Share of the Net Pension Liability – CalPERS

**Last Ten Fiscal Years***

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>District's proportion of the net pension liability (asset)</td>
<td>0.0322%</td>
<td>0.0320%</td>
<td>0.0317%</td>
<td>0.0323%</td>
<td>0.0309%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset)</td>
<td>$8,582,601</td>
<td>$7,635,664</td>
<td>$6,255,300</td>
<td>$4,755,906</td>
<td>$3,503,308</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's covered payroll**</td>
<td>$4,291,868</td>
<td>$4,108,101</td>
<td>$3,835,410</td>
<td>$3,588,089</td>
<td>$3,244,730</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</td>
<td>199.97%</td>
<td>185.87%</td>
<td>163.09%</td>
<td>132.55%</td>
<td>107.97%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>70.85%</td>
<td>71.87%</td>
<td>73.90%</td>
<td>79.43%</td>
<td>83.38%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

---

See Accompanying Notes to Required Supplementary Information

70
### Robla School District
Schedule of the District’s Contributions - CalPERS
Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution</td>
<td>$821,988</td>
<td>$666,570</td>
<td>$570,533</td>
<td>$454,381</td>
<td>$422,354</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contributions in relation to the contractually required contribution</td>
<td>(821,988)</td>
<td>(666,570)</td>
<td>(570,533)</td>
<td>(454,381)</td>
<td>(422,354)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>District’s covered payroll**</td>
<td>$4,550,925</td>
<td>$4,291,868</td>
<td>$4,108,101</td>
<td>$3,835,410</td>
<td>$3,588,089</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Contributions as a percentage of covered payroll</td>
<td>18.062%</td>
<td>15.531%</td>
<td>13.888%</td>
<td>11.847%</td>
<td>11.771%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Covered payroll on this schedule is based on the fiscal year.
# Robla School District

Schedule of the District’s Total OPEB Liability and Related Ratios – RSD Retirement Health Benefits  
Last Ten Fiscal Years*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$321,928</td>
<td>$313,312</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Interest</td>
<td>140,243</td>
<td>140,418</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>82,943</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(153,553)</td>
<td>(147,647)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Net change in total OPEB liability</td>
<td>391,561</td>
<td>306,083</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total OPEB liability - beginning</td>
<td>$3,922,769</td>
<td>$3,616,686</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total OPEB liability - ending</td>
<td>$4,314,330</td>
<td>$3,922,769</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Covered payroll</td>
<td>17,540,000</td>
<td>17,540,000</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total OPEB liability as a percentage of covered payroll</td>
<td>24.60%</td>
<td>22.36%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.
Robla School District
Notes to Required Supplementary Information
For the Year Ended June 30, 2019

Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District’s Deferred Maintenance Fund (Fund 14) was included with the general fund as the funds did not meet the definition of special revenue funds under GASB Statement No. 54. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only. Below is a table reconciling between the General Fund as reported in the Basic Financial Statements and the General Fund as reported in the Budgetary Comparison Schedule.

<table>
<thead>
<tr>
<th>General Fund - Basic Financial Statements Ending Fund Balance</th>
<th>$ 10,567,774</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Fund 14 Fund Balance</td>
<td>(201,134)</td>
</tr>
<tr>
<td>General Fund - Budgetary Comparison Schedule Ending Fund Balance</td>
<td>$ 10,366,640</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Fund - Basic Financial Statements Net Change in Fund Balance</th>
<th>$ 1,691,580</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Fund 14 Net Change in Fund Balance</td>
<td>(45,351)</td>
</tr>
<tr>
<td>General Fund - Budgetary Comparison Schedule Net Change in Fund Balance</td>
<td>$ 1,646,229</td>
</tr>
</tbody>
</table>

Excess of Expenditures Over Appropriations

As of June 30, 2019, expenditures exceeded appropriations in individual budgeted funds as follows:

<table>
<thead>
<tr>
<th>Appropriations Category</th>
<th>Excess Expenditures</th>
<th>Reason for Excess Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated Salaries</td>
<td>$ 24,804</td>
<td>The District underestimated salary increases associated with bargaining agreements.</td>
</tr>
<tr>
<td>Classified Salaries</td>
<td>$ 46,364</td>
<td>The District underestimated salary increases associated with bargaining agreements.</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$ 2,128,956</td>
<td>The District was not able to budget for increases to CalSTRS and CalPERS pension on behalf payments that resulted from SB90 passed on June 28, 2019.</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$ 49,350</td>
<td>The District did not budget for debt service.</td>
</tr>
<tr>
<td>Child Development Fund</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Robla School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Appropriations Category</th>
<th>Excess Expenditures</th>
<th>Reason for Excess Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Development Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificated Salaries</td>
<td>$ 32,579</td>
<td>The District underestimated salary increases associated with bargaining agreements.</td>
</tr>
<tr>
<td>Classified Salaries</td>
<td>$ 8,481</td>
<td>The District underestimated salary increases associated with bargaining agreements.</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$ 121,017</td>
<td>The District was not able to budget for increases to CalSTRS and CalPERS pension on behalf payments that resulted from SB90 passed on June 28, 2019.</td>
</tr>
<tr>
<td>Services and Other Operating</td>
<td>$ 470,093</td>
<td>The District underestimated the costs for services.</td>
</tr>
<tr>
<td>Direct Support/Indirect Costs</td>
<td>$ 95,301</td>
<td>The District did not budget for indirect costs.</td>
</tr>
</tbody>
</table>

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.
Schedule of District’s Proportionate Share – CalSTRS


2. Changes in Assumptions: There were no changes to assumptions in 2015, 2016, 2017 and 2019. In 2018 there was a change in discount rate from 7.60% to 7.10%.

Schedule of District’s Contributions – CalSTRS

The total pension liability for California State Teachers’ Retirement System (CalSTRS) was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016 and 2017 and rolling forward the total pension liabilities to the June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>June 30, 2015</th>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>06/30/14</td>
<td>06/30/15</td>
<td>06/30/16</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>06/30/13</td>
<td>06/30/14</td>
<td>06/30/15</td>
</tr>
<tr>
<td>Experience Study</td>
<td>07/01/06 - 06/30/10</td>
<td>07/01/06 - 06/30/10</td>
<td>07/01/06 - 06/30/10</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.60%</td>
<td>7.60%</td>
<td>7.60%</td>
</tr>
<tr>
<td>Consumer Price Inflation</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Wage Growth (Average)</td>
<td>3.75%</td>
<td>3.75%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Post-retirement Benefit Increases</td>
<td>2.00% Simple</td>
<td>2.00% Simple</td>
<td>2.00% Simple</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>06/30/17</td>
<td>06/30/18</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>06/30/16</td>
<td>06/30/17</td>
</tr>
<tr>
<td>Experience Study</td>
<td>07/01/06 - 06/30/15</td>
<td>07/01/06 - 06/30/15</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.10%</td>
<td>7.10%</td>
</tr>
<tr>
<td>Consumer Price Inflation</td>
<td>2.75%</td>
<td>2.75%</td>
</tr>
<tr>
<td>Wage Growth (Average)</td>
<td>3.50%</td>
<td>3.50%</td>
</tr>
<tr>
<td>Post-retirement Benefit Increases</td>
<td>2.00% Simple</td>
<td>2.00% Simple</td>
</tr>
</tbody>
</table>

CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015 experience study adopted by the CalSTRS board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries. Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.
Robla School District
Notes to Required Supplementary Information, Continued
For the Year Ended June 30, 2019

Schedule of District’s Proportionate Share – CalPERS


2. Changes in Assumptions. There were no changes in assumptions in 2015 and 2017. In 2016 the discount rate was changed from 7.50% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS experience study and review of actuarial assumptions published December 2017, there were no changes to the discount rate in this period.

Schedule of District’s Contributions – CalPERS

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016 and 2017 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates) used the following actuarial methods and assumptions, applied to all periods included in the measurement:

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>June 30, 2015</th>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>06/30/14</td>
<td>06/30/15</td>
<td>06/30/16</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>06/30/13</td>
<td>06/30/14</td>
<td>06/30/15</td>
</tr>
<tr>
<td>Experience Study</td>
<td>07/01/97 - 06/30/11</td>
<td>07/01/97 - 06/30/11</td>
<td>07/01/97 - 06/30/11</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.50%</td>
<td>7.65%</td>
<td>7.65%</td>
</tr>
<tr>
<td>Consumer Price Inflation</td>
<td>2.75%</td>
<td>2.75%</td>
<td>2.75%</td>
</tr>
<tr>
<td>Wage Growth (Average)</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Post-retirement Benefit Increases</td>
<td>2.00% Simple</td>
<td>2.00% Simple</td>
<td>2.00% Simple</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>06/30/17</td>
<td>06/30/18</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>06/30/16</td>
<td>06/30/17</td>
</tr>
<tr>
<td>Experience Study</td>
<td>07/01/97 - 06/30/11</td>
<td>07/01/97 - 06/30/15</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal</td>
<td>Entry Age Normal</td>
</tr>
<tr>
<td>Investment Rate of Return</td>
<td>7.15%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Consumer Price Inflation</td>
<td>2.75%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Wage Growth (Average)</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Post-retirement Benefit Increases</td>
<td>2.00% Simple</td>
<td>2.00% Simple</td>
</tr>
</tbody>
</table>

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2017 experience study report (based on demographic data from 1997 to 2015) available on the CalPERS website.
Robla School District  
Notes to Required Supplementary Information, Continued  
For the Year Ended June 30, 2019  

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

1. Benefit Changes: There were no benefit changes in 2018 and 2019.  

2. Changes in Assumptions: There were no changes in assumptions in 2018. Changes in assumptions for the fiscal year ended June 30, 2019 were for a decrease in the discount rate from 3.80% to 3.50% Bond Buyer 20-Bond GO Index.  

3. No assets are accumulated in a trust that meets the criteria in GASB No. 75 Paragraph 4.  

4. The following are the discount rates used for each period:  

<table>
<thead>
<tr>
<th>Year</th>
<th>Discount Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.80%</td>
</tr>
<tr>
<td>2019</td>
<td>3.50%</td>
</tr>
</tbody>
</table>
Combining Statements as Supplementary Information
## Combining Balance Sheet – Nonmajor Governmental Funds

### June 30, 2019

<table>
<thead>
<tr>
<th>Assets</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in County Treasury</td>
<td>$173,939</td>
<td>$277,000</td>
<td>$450,939</td>
</tr>
<tr>
<td>Cash in Revolving Fund</td>
<td>69</td>
<td>52,444</td>
<td>52,513</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>298,919</td>
<td>1,985</td>
<td>300,904</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>10,834</td>
<td>-</td>
<td>10,834</td>
</tr>
<tr>
<td>Stores Inventories</td>
<td>6,777</td>
<td>-</td>
<td>6,777</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$490,538</strong></td>
<td><strong>$331,429</strong></td>
<td><strong>$821,967</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balance:</th>
<th>Special Revenue Fund</th>
<th>Capital Projects Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$19,199</td>
<td>$3,685</td>
<td>$22,884</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>312</td>
<td>-</td>
<td>312</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>19,511</strong></td>
<td><strong>3,685</strong></td>
<td><strong>23,196</strong></td>
</tr>
</tbody>
</table>

| Fund Balance:               |                      |                        |                                   |
| Nonspendable                | 6,777                | -                      | 6,777                             |
| Restricted                  | 464,250              | 242,550                | 706,800                           |
| Assigned                    | -                    | 85,194                 | 85,194                            |
| **Total Fund Balance**      | **471,027**          | **327,744**            | **798,771**                       |
| **Total Liabilities and Fund Balances** | **$490,538** | **$331,429** | **$821,967** |
Robla School District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Special Revenue Fund</th>
<th>Capital Projects Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cafeteria Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Revenue</td>
<td>$ 1,407,329</td>
<td>$ -</td>
</tr>
<tr>
<td>Other State Revenue</td>
<td>150,930</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td>3,985</td>
<td>3,045</td>
</tr>
<tr>
<td>Other Local Revenue</td>
<td>50,457</td>
<td>346,331</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 1,612,701</td>
<td>$ 349,376</td>
</tr>
</tbody>
</table>

| Expenditures         |                        |                                  |
|----------------------|------------------------|                                  |
| Current Expenditures:|                        |                                  |
| Pupil Services       | 1,552,914              | -                                | 1,552,914 |
| Enterprise Activities| 2,291                  | -                                | 2,291      |
| General Administration| 312                   | -                                | 312        |
| Plant Services       | 7,024                  | 8,934                            | 15,958     |
| Capital Outlay       | 37,756                 | 95,816                           | 133,572    |
| **Total Expenditures**| 1,600,297             | 104,750                          | 1,705,047  |

| Net Change in Fund Balance | 12,404 | 244,626 | 257,030 |
| Fund Balance, Beginning of Year | 458,623 | 83,118 | 541,741 |
| Fund Balance, End of Year | $ 471,027 | $ 327,744 | $ 798,771 |


Robla School District  
Combining Balance Sheet – Nonmajor Capital Projects Funds  
June 30, 2019

<table>
<thead>
<tr>
<th>Assets</th>
<th>Capital Facilities Fund</th>
<th>County School Facilities Fund</th>
<th>Special Reserve Fund for Capital Outlay Projects</th>
<th>Total Nonmajor Capital Projects Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in County Treasury</td>
<td>$192,546</td>
<td>$789</td>
<td>$83,665</td>
<td>$277,000</td>
</tr>
<tr>
<td>Cash on Hand and in Banks</td>
<td>52,444</td>
<td>-</td>
<td>-</td>
<td>52,444</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>446</td>
<td>10</td>
<td>1,529</td>
<td>1,985</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$245,436</td>
<td>$799</td>
<td>$85,194</td>
<td>$331,429</td>
</tr>
</tbody>
</table>

| Liabilities and Fund Balance: |
| Liabilities: |
| Accounts Payable | $3,685 | $- | $- | $3,685 |
| Due to Other Funds | - | - | - | - |
| Total Liabilities | 3,685 | - | - | 3,685 |

| Fund Balance: |
| Restricted | 241,751 | 799 | - | 242,550 |
| Assigned | - | - | 85,194 | 85,194 |
| Total Fund Balance | 241,751 | 799 | 85,194 | 327,744 |
| Total Liabilities and Fund Balances | $245,436 | $799 | $85,194 | $331,429 |
Robla School District  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Capital Facilities Fund</th>
<th>County School Facilities Fund</th>
<th>Special Reserve Fund for Capital Outlay Projects</th>
<th>Total Nonmajor Capital Projects Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>$170</td>
<td>$18</td>
<td>$2,857</td>
<td>$3,045</td>
</tr>
<tr>
<td>Other Local Revenue</td>
<td>346,331</td>
<td>-</td>
<td>-</td>
<td>346,331</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$346,501</td>
<td>$18</td>
<td>$2,857</td>
<td>$349,376</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant Services</td>
<td>8,934</td>
<td>-</td>
<td>-</td>
<td>8,934</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>95,816</td>
<td>-</td>
<td>-</td>
<td>95,816</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>104,750</td>
<td>-</td>
<td>-</td>
<td>104,750</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balance</strong></td>
<td>241,751</td>
<td>18</td>
<td>2,857</td>
<td>244,626</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>518,636</td>
<td>11,663,173</td>
<td>6,232,042</td>
<td>18,413,851</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$760,387</td>
<td>$11,663,191</td>
<td>$6,234,899</td>
<td>$18,658,477</td>
</tr>
</tbody>
</table>

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Other Supplementary Information
The Robla School District, a political subdivision of the State of California, was established in 1896. The District is located in Sacramento and currently operates five K-6 elementary schools and a preschool program. There were no changes in the boundaries of the District during the current year.

### GOVERNING BOARD

<table>
<thead>
<tr>
<th>Name</th>
<th>Office</th>
<th>Term and Term Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig DeLuz</td>
<td>President</td>
<td>Four Year Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expires November 2022</td>
</tr>
<tr>
<td>Ken Barnes</td>
<td>Vice President</td>
<td>Four Year Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expires November 2020</td>
</tr>
<tr>
<td>Nuvia Cardona</td>
<td>Clerk</td>
<td>Four Year Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expires November 2022</td>
</tr>
<tr>
<td>Dennis Boyd</td>
<td>Member</td>
<td>Four Year Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expires November 2022</td>
</tr>
<tr>
<td>Kim Howard</td>
<td>Member</td>
<td>Four Year Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expires November 2020</td>
</tr>
</tbody>
</table>

### ADMINISTRATION

- Ruben Reyes
  Superintendent

- Tim Williams
  Chief Business Official
Robla School District
Schedule of Average Daily Attendance
Year Ended June 30, 2019

Second Period Report | Annual Report
---------------------|---------------------
Original | Revised | Original | Revised
TK/K-3:      |          |          |
Regular ADA     | 1,128.45 | N/A      | 1,126.60 | N/A
Total ADA TK/K-3| 1,128.45 | N/A      | 1,126.60 | N/A

Grades 4-6:    |          |          |
Regular ADA    | 820.39   | N/A      | 818.51   | N/A
Special Education - Nonpublic | 2.16   | N/A      | 2.09     | N/A
Extended Year - Nonpublic     | 0.24     | N/A      | 0.36     | N/A
Total ADA Grades 4-6 | 822.79 | N/A      | 820.96   | N/A

Total ADA      | 1,951.24 | N/A      | 1,947.56 | N/A

N/A – There were no audit findings which resulted in necessary revisions to 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 school districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.
## Robla School District
Schedule of Instructional Time
Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Minutes Requirement</th>
<th>2018-19 Actual Minutes</th>
<th>Number of Traditional Days</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional Kindergarten</td>
<td>36,000</td>
<td>55,402</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>Kindergarten</td>
<td>36,000</td>
<td>55,402</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>1st Grade</td>
<td>50,400</td>
<td>52,702</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>2nd Grade</td>
<td>50,400</td>
<td>52,702</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>3rd Grade</td>
<td>50,400</td>
<td>52,702</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>4th Grade</td>
<td>54,000</td>
<td>57,982</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>5th Grade</td>
<td>54,000</td>
<td>57,982</td>
<td>180</td>
<td>Complied</td>
</tr>
<tr>
<td>6th Grade</td>
<td>54,000</td>
<td>57,982</td>
<td>180</td>
<td>Complied</td>
</tr>
</tbody>
</table>

School districts must maintain their instructional minutes as defined in Education Code §46201 through §46207. This schedule is required of all school districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code §46201 through §46207. The District has met or exceeded its target funding.
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.

The general fund balance has increased by $916,850 (9.7%) over the past two years. The fiscal year 2019-20 budget projects a decrease of $428,925 (4.1%). For a district of this size, the State recommends available reserves of at least 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has increased by $54,019,960 over the past two years.

Average daily attendance has decreased by 132 over the past two years.

Notes:

1. Budget 2020 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances contained within the general fund.
3. Total long-term debt consists of general obligation bonds payable and capital leases.
4. As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District’s Deferred Maintenance Fund was included with the general fund in the basic financial statements. The above Schedule of Financial Trends and Analysis contains only the financial information of the general fund.
### Robla School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund 1 (Fund 01)</th>
<th>Deferred Maintenance Fund 14 (Fund 14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2019, annual financial and budget report fund balances</td>
<td>$10,366,640</td>
<td>$201,134</td>
</tr>
<tr>
<td>Adjustments and reclassifications: Increasing (decreasing) the fund balance: GASB 54 Fund Presentation (Note 1)</td>
<td>201,134</td>
<td>(201,134)</td>
</tr>
<tr>
<td>Net adjustments and reclassifications</td>
<td>201,134</td>
<td>(201,134)</td>
</tr>
<tr>
<td>June 30, 2019, audited financial statement fund balances</td>
<td>$10,567,774</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Note 1: The Deferred Maintenance Fund (Fund 14) does not meet the definition of a special revenue fund under the provisions of GASB Statement No. 54. As a result, the fund is being combined with the General Fund for presentation in the basic financial statements.

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.
The following charter schools are chartered by Robla School District:

<table>
<thead>
<tr>
<th>Charter Schools</th>
<th>Charter Number</th>
<th>Included in Audit?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paseo Grand Charter School (34-67421-0132019)</td>
<td>1727</td>
<td>No</td>
</tr>
<tr>
<td>Marconi Learning Academy (34-67421-0137950)</td>
<td>1970</td>
<td>No</td>
</tr>
</tbody>
</table>

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.
Robla School District  
Schedule of First Five Program Expenditures  
Year Ended June 30, 2019

### First Five Commission

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$236,890</td>
<td>$227,304</td>
<td>$(9,586)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>80,153</td>
<td>61,810</td>
<td>$(18,343)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>9,766</td>
<td>2,450</td>
<td>$(7,316)</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>7,000</td>
<td>1,817</td>
<td>$(5,183)</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>16,732</td>
<td>14,400</td>
<td>$(2,332)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$350,541</strong></td>
<td><strong>$307,781</strong></td>
<td><strong>$(42,760)</strong></td>
</tr>
</tbody>
</table>

The District accounts for these expenditures in the general fund using a locally restricted resource code.

This schedule summarizes the District’s budget and actual expenditures for the Sacramento County First Five Program.
Robla School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019

<table>
<thead>
<tr>
<th>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Subrecipient Expenditures</th>
<th>Total Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHILD NUTRITION CLUSTER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Department of Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through California Department of Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Breakfast Program</td>
<td>10.553</td>
<td>13525</td>
<td>$</td>
<td>$ 328,858</td>
</tr>
<tr>
<td>National School Lunch Program (NSLP)</td>
<td>10.555</td>
<td>13396</td>
<td>-</td>
<td>1,161,526</td>
</tr>
<tr>
<td>NSLP - Noncash Commodities</td>
<td>10.555</td>
<td>13396</td>
<td>-</td>
<td>106,949</td>
</tr>
<tr>
<td>Total Child Nutrition Cluster</td>
<td></td>
<td></td>
<td></td>
<td>1,597,333</td>
</tr>
<tr>
<td>Total Passed through California Department of Education</td>
<td></td>
<td></td>
<td></td>
<td>1,597,333</td>
</tr>
</tbody>
</table>

| **SPECIAL EDUCATION (IDEA) CLUSTER:**                        |                     |                                       |                           |                           |
| U.S. Department of Education                                 |                     |                                       |                           |                           |
| Passed through California Department of Education            |                     |                                       |                           |                           |
| IDEA Basic Local Assistance                                 | 84.027              | 13379                                 | -                         | 366,109                   |
| IDEA Mental Health                                           | 84.027              | 15197                                 | -                         | 20,742                    |
| IDEA Preschool Local                                         | 84.027              | 13682                                 | -                         | 18,543                    |
| IDEA Preschool Grants                                       | 84.173              | 13430                                 | -                         | 22,448                    |
| Total Special Education (IDEA) Cluster                       |                     |                                       |                           | 427,842                   |

| **OTHER PROGRAMS:**                                          |                     |                                       |                           |                           |
| U.S. Department of Education                                 |                     |                                       |                           |                           |
| Passed through California Department of Education            |                     |                                       |                           |                           |
| Title I                                                      | 84.010              | 14329                                 | -                         | 815,126                   |
| Education for Homeless Children                             | 84.196              | 14332                                 | -                         | 74,250                    |
| Title III                                                   | 84.365              | 14346                                 | -                         | 208,547                   |
| Title II - Supporting Effective Instruction                  | 84.367              | 14341                                 | -                         | 97,029                    |
| Title IV - Student Support                                  | 84.424              | 15396                                 | -                         | 40,543                    |
| Total Passed through California Department of Education      |                     |                                       | -                         | 1,235,495                 |
| Passed through Sacramento County Office of Education         |                     |                                       |                           |                           |
| Title IV - Art Grant                                        | 84.424              | 0293-22                               | -                         | 25,000                    |
| Total Passed through Sacramento County Office of Education   |                     |                                       | -                         | 25,000                    |

| U.S. Department of Agriculture                               |                     |                                       |                           |                           |
| Passed through California Department of Education            |                     |                                       |                           |                           |
| Fresh Fruit & Vegetable Program                             | 10.582              | 14686                                 | -                         | 23,900                    |
| Total Passed through California Department of Education      |                     |                                       | -                         | 23,900                    |
| Total Other Programs                                         |                     |                                       | -                         | 1,284,395                 |
| Total U.S. Department of Education                           |                     |                                       | -                         | 1,688,337                 |
| Total U.S. Department of Agriculture                         |                     |                                       | -                         | 1,621,233                 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS                         |                     |                                       |                           | $ 3,309,570               |

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 Basis for Determining Federal Awards Expended and 2CFR §200.510(b) Schedule of Expenditures of Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 Direct and Indirect Costs. The District used an indirect cost rate of 6.10% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect Costs.

Schoolwide Program

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in it’s schoolwide programs:

<table>
<thead>
<tr>
<th>Program</th>
<th>CFDA #</th>
<th>Amount Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I</td>
<td>84.010</td>
<td>$815,126</td>
</tr>
</tbody>
</table>
Other Independent Auditors’ Reports
Independent Auditor’s Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
Robla School District
Robla, California

Report on Compliance for Each Major Federal Program

We have audited Robla School District’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Robla School District’s major federal programs for the year ended June 30, 2019. Robla School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Robla School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.
Report on Internal Control Over Compliance

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

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

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

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

Wilkinson Hadley King & Co LLP

El Cajon, California

December 16, 2019
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

To the Board of Education
Robla School District
Robla, 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 Robla School District (District), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Robla School 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Robla School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Robla School District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Robla School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004.
Robla School District’s Response to Findings

Robla School District’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Robla School 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 results 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.

El Cajon, California
December 16, 2019
Independent Auditor’s Report on State Compliance

To the Board of Education
Robla School District
Robla, California

Report on State Compliance

We have audited the Robla School 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, prescribed in Title 5, California Code of Regulations, section 19810, that could have a direct and material effect on each of the school’s state programs identified below for the fiscal year ended June 30, 2019.

Management’s Responsibility for State Compliance

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State’s audit Guide 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance, prescribed in Title 5, California Code of Regulations, section 19810. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the comptroller General of the United States; and the State’s audit guide 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about each school’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 Corporation’s compliance with those requirements.
In connection with the audit referred to above, we selected and tested transactions and records to determine the District’s compliance with state laws and regulations applicable to the following items:

<table>
<thead>
<tr>
<th>Description</th>
<th>Procedures Performed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Education Agencies Other Than Charter Schools</strong></td>
<td></td>
</tr>
<tr>
<td>A. Attendance</td>
<td>Yes</td>
</tr>
<tr>
<td>B. Teacher Certification and Misassignments</td>
<td>Yes</td>
</tr>
<tr>
<td>C. Kindergarten Continuance</td>
<td>Yes</td>
</tr>
<tr>
<td>D. Independent Study</td>
<td>N/A</td>
</tr>
<tr>
<td>E. Continuation Education</td>
<td>N/A</td>
</tr>
<tr>
<td>F. Instructional Time</td>
<td>Yes</td>
</tr>
<tr>
<td>G. Instructional Materials</td>
<td>Yes</td>
</tr>
<tr>
<td>H. Ratio of Administrative Employees to Teachers</td>
<td>Yes</td>
</tr>
<tr>
<td>I. Classroom Teacher Salaries</td>
<td>Yes</td>
</tr>
<tr>
<td>J. Early Retirement Incentive</td>
<td>N/A</td>
</tr>
<tr>
<td>K. Gann Limit Calculation</td>
<td>Yes</td>
</tr>
<tr>
<td>L. School Accountability Report Card</td>
<td>Yes</td>
</tr>
<tr>
<td>M. Juvenile Court Schools</td>
<td>N/A</td>
</tr>
<tr>
<td>N. Middle or Early College High Schools</td>
<td>N/A</td>
</tr>
<tr>
<td>O. K-3 Grade Span Adjustment</td>
<td>Yes</td>
</tr>
<tr>
<td>P. Transportation Maintenance of Effort</td>
<td>Yes</td>
</tr>
<tr>
<td>Q. Apprenticeship: Related and Supplemental Instruction</td>
<td>N/A</td>
</tr>
<tr>
<td>R. Comprehensive School Safety Plan</td>
<td>Yes</td>
</tr>
<tr>
<td>S. District of Choice</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>School Districts, County Offices of Education, and Charter Schools</strong></td>
<td></td>
</tr>
<tr>
<td>T. California Clean Energy Jobs Act</td>
<td>No</td>
</tr>
<tr>
<td>U. After/Before School Education and Safety Program</td>
<td>N/A</td>
</tr>
<tr>
<td>V. Proper Expenditure of Education Protection Account Funds</td>
<td>Yes</td>
</tr>
<tr>
<td>W. Unduplicated Local Control Funding Formula Pupil Counts</td>
<td>Yes</td>
</tr>
<tr>
<td>X. Local Control and Accountability Plan</td>
<td>Yes</td>
</tr>
<tr>
<td>Y. Independent Study - Course Based</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Charter Schools</strong></td>
<td></td>
</tr>
<tr>
<td>AA. Attendance</td>
<td>N/A</td>
</tr>
<tr>
<td>BB. Mode of Instruction</td>
<td>N/A</td>
</tr>
<tr>
<td>CC. Nonclassroom Based Instruction/Independent Study</td>
<td>N/A</td>
</tr>
<tr>
<td>DD. Determination of Funding for Nonclassroom Based Instruction</td>
<td>N/A</td>
</tr>
<tr>
<td>EE. Annual Instructional Minutes - Classroom Based</td>
<td>N/A</td>
</tr>
<tr>
<td>FF. Charter School Facility Grant Program</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The term N/A is used above to mean either the school did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures under California Clean Energy Jobs Act because the District did not have any expenditures in the program.
Opinion on State Compliance

In our opinion, Robla School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with the statutory requirements for programs noted above, which are required to be reported in accordance with the States audit guide, 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting prescribed in Title 5, California Code of Regulations, Section 19810 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-003 and 2019-004.

Robla School District’s Response to Findings

Robla School District’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Robla School 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 compliance and the results of that testing. This report is an integral part of an audit performed in accordance with 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, section 19810. Accordingly, this report is not suitable for any other purpose.

El Cajon, California
December 16, 2019
Auditor’s Results, Findings & Recommendations
Robla School District
Schedule of Auditor’s Results
Year Ended June 30, 2019

FINANCIAL STATEMENTS

Type of auditor's report issued: ________________________________ Unmodified

Internal control over financial reporting:
   One or more material weakness(es) identified? __________ Yes  ____ X  No
   One or more significant deficiencies identified that are
   not considered material weakness(es)? __________ Yes  __________ No
   Noncompliance material to financial statements noted? __________ Yes  ____ X  No

FEDERAL AWARDS

Internal control over major programs:
   One or more material weakness(es) identified? __________ Yes  ____ X  No
   One or more significant deficiencies identified that are
   not considered material weakness(es)? __________ Yes  __________ No

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

Compliance supplement utilized for single audit: __________________________ August 2019

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516? __________ Yes  ____ X  No

Identification of major programs:

<table>
<thead>
<tr>
<th>CFDA Number(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>84.010</td>
<td>Title I</td>
</tr>
<tr>
<td>84.365</td>
<td>Title III</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A
and Type B programs: __________________________ $750,000

Auditee qualified as low-risk auditee? __________ X  Yes  __________ No

STATE AWARDS

Any audit findings disclosed that are required to be reported in accordance with 2018-19 Guide for Annual Audits
of California K-12 Local Education Agencies? __________ X  Yes  __________ No

Type of auditor's report issued on compliance for state programs: __________________________ Unmodified
Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), or the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Finding codes as identified in the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting are as follows:

<table>
<thead>
<tr>
<th>Five Digit Code</th>
<th>AB 3627 Finding Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>Attendance</td>
</tr>
<tr>
<td>20000</td>
<td>Inventory of Equipment</td>
</tr>
<tr>
<td>30000</td>
<td>Internal Control</td>
</tr>
<tr>
<td>40000</td>
<td>State Compliance</td>
</tr>
<tr>
<td>42000</td>
<td>Charter School Facilities</td>
</tr>
<tr>
<td>43000</td>
<td>Apprenticeship: Related and Supplemental Instruction</td>
</tr>
<tr>
<td>50000</td>
<td>Federal Compliance</td>
</tr>
<tr>
<td>60000</td>
<td>Miscellaneous</td>
</tr>
<tr>
<td>61000</td>
<td>Classroom Teacher Salaries</td>
</tr>
<tr>
<td>62000</td>
<td>Local Control Accountability Plan</td>
</tr>
<tr>
<td>70000</td>
<td>Instructional Materials</td>
</tr>
<tr>
<td>71000</td>
<td>Teacher Misassignments</td>
</tr>
<tr>
<td>72000</td>
<td>School Accountability Report Card</td>
</tr>
</tbody>
</table>

A. Financial Statement Findings

Finding Number: 2019-001
Repeat Finding: No
Program Name: Cash in County Treasury
Type of Finding: Internal Control – Significant Deficiency (30000)

Criteria or Specific Requirement
Sound budgeting practices, including evaluation of cash flow, ensure the District has sufficient funds to meet all obligations.

Condition
In our review of cash in county treasury, we noted two funds had deficit balances at year end. The Child Development Fund had a deficit balance of $1,236,844 and the Building Fund had a deficit balance of $177,131. Deficit balances in cash indicate spending is occurring when there is not sufficient cash flow to cover these costs.

Cause
Delays in funding affected cash flow negatively in programs that continue to operate despite delays in funding at the state level. The District did not plan for such delays and as such did not transfer funds, in a temporary loan capacity, in time to prevent a deficit cash balance.

Effect
The District is at risk of not being able to meet financial obligations in these two funds.
## Recommendation
Establish monitoring procedures over all cash in county treasury accounts. Ensure that cash is available to cover all costs for the District and when necessary provide temporary loans to programs with delays in state issued funding.

## Views of Responsible Officials
See Corrective Action Plan

### Finding Number: 2019-002
**Repeat Finding:** Yes  
**Program Name:** Vacation Carryover  
**Type of Finding:** Internal Control – Significant Deficiency (30000)

### Condition or Specific Requirement
Sound employment practices encourage a vacation carryover policy to clearly define expectations and limitations.

### Condition
The District does not have a policy that limits the amount of unused vacation that can accumulate and be carried over to the subsequent year. At June 30, 2019 the District had twenty one employees with balances in excess of 100 hours, thirteen of which had balances in excess of 250 hours. The balances carried in excess of 100 hours constitute $237,776 (80%) of the total unpaid vacation liability.

### Cause
The negotiated contract between the District and Classified School Employee Association does not include any language about limitations or remedies when vacation balances are exceeding one years worth of accrual.

### Effect
While the District is properly accruing a liability in its government-wide financial statements, unlimited balances could result in a financial hardship to the District if an employee carrying a large balance left and the District had to pay the employee for unused vacation.

### Recommendation
Establish a policy that places a reasonable limit on vacation benefits that prevents an employee from earning vacation over a certain amount of hours. This policy may include an annual payment for excess balances, whereby reducing the balance being carried over.

## Views of Responsible Officials
See Corrective Action Plan

### B. Federal Award Findings
None
C. State Award Findings

Finding Number: 2019-003
Repeat Finding: No
Program Name: School Accountability Report Card
Questioned Costs: None
Type of Finding: State Compliance - SARC (72000)

Criteria or Specific Requirement
Obtain the school district's or COE's copy of its most recently completed “Facility Inspection Tool (FIT), School Facility Conditions Evaluation” developed by the Office of Public School Construction and approved by the State Allocation Board and applicable to the School Accountability Report Card(s) selected in 1, or a local evaluation instrument that meets the same criteria, pursuant to subdivision (d) of Education Code section 17002. Compare the information contained in the FIT to the information on safety, cleanliness, and adequacy of school facilities contained in the School Accountability Report Card(s) selected in 1 for that school as required by Education Code section 33126(b)(8). If the information in the School Accountability Report Card is inconsistent with the information in the FIT, interview management to determine the basis of the inconsistency. If the School Accountability Report Card was inaccurate, so state in a finding.

Condition
In our review of the School Accountability Report Card (SARC) for Taylor Street School we determined that the school site did not perform a FIT walk-through. The SARC reports information for facility condition which appears to be a carryover from the prior year rather than a current walk-through.

Cause
Facilities did not perform required walk thru. Management preparing the SARC for the school decided to carryover old data rather than obtain the required facilities walk-thru.

Effect
The District is not in compliance with the requirements of Education Code §33126(b)(8) for the Taylor Street school SARC.

Context
We audited two school sites noting that the walk-thru appears to have been missed at only one school site.

Recommendation
Establish a calendar for annual facilities walk-thru procedures. Ensure that information being published in the SARC are based on the most current information.

Views of Responsible Officials
See Corrective Action Plan
Finding Number: 2019-004
Repeat Finding: Yes
Program Name: Comprehensive School Safety Plan
Questioned Costs: None
Type of Finding: State Compliance – Other (40000)

Criteria or Specific Requirement
Verify that each school has adopted its comprehensive school safety plan as described in Education Code §32282 and reviewed and updated its plan by March 1. If a school did not have a comprehensive school safety plan, verify that the District notified the State Department of Education by October 15.

Condition
In our review of comprehensive school safety plans we noted that the District has not adopted a comprehensive school safety plan as described in Education Code §32282. In addition, the District has not notified the State Department of Education that they do not have an adopted comprehensive school safety plan for any school sites.

Cause
The District has not established a comprehensive school safety plan.

Effect
Without a comprehensive school safety plan, the District and all school sites are at risk of failing to protect students and employees in the event of an emergency. The District is not in compliance with Education Code §32282.

Recommendation
Establish a comprehensive school safety plan as described in Education Code §32282. Include law enforcement, fire departments, and other safety officials in the development and adoption of a plan.

Views of Responsible Officials
See Corrective Action Plan
December 16, 2019

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting published by the Education Audit appeals Panel.

The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

[Signature]

Tim Williams
Chief Business Official
Robla School District
Corrective Action Plan
Year Ended June 30, 2019

Financial Statement Findings

Finding Number: 2019-001
Program Name: Cash in County Treasury
Contact Person: Tim Williams
Anticipated Completion Date: July 2019

Planned Corrective Action: The District maintains adequate liquidity to meet all obligation across all funds, and reviews cash flow quarterly. The District anticipated both funds – the Building Fund and Childcare Fund – would run deficit cash balances at the end of 2018-19. Due to the receipt of Measure H Bond proceeds, and the collection of prior-year contract receipts, as of July 2019, both funds no longer reflect a deficit cash balance.

Finding Number: 2019-002
Program Name: Vacation Liability
Contact Person: Tim Williams
Anticipated Completion Date: Ongoing

Planned Corrective Action: The District will enforce the requirements as set forth in the collective bargaining agreements. At least biannually, the Chief Business Official and the Director of Human Resources will meet and will review the accruals of District employees. Employees with over-accruals will be contacted and encouraged to use their vacation to bring balances to within established limits. The District will continue to work with its employees to take vacation and discontinue allowing the carryover of excess balances.

State Compliance Findings

Finding Number: 2019-003
Program Name: School Accountability Report Card
Contact Person: Tim Williams
Anticipated Completion Date: March 2020

Planned Corrective Action: The District has informed all principals of the Facility Inspection Tool (FIT) School Conditions Evaluation requirements, and will collected and review all related materials centrally in the Superintendent’s Office to assure compliance with the SARC requirements of Education Code §33126(b)(8) for all school sites.

Finding Number: 2019-004
Program Name: Comprehensive School Safety Plan
Contact Person: Mario Penman
Anticipated Completion Date: August 2020

Planned Corrective Action: The CSSP is, as of September 2019, currently being developed with an expected completion date of August 2020.
Finding 2018-001
Vacation Carryover

The District did not have a policy limiting unused vacation accumulating and carrying over. The liability associated with employees with balances over 100 unused hours was 48% of total unpaid vacation liability.

Auditors recommended the District establish a policy that places a reasonable limit on vacation benefits that prevents an employee from earning vacation over a certain amount of hours. Not Implemented See Finding 2019-001

Finding 2018-002
Attendance Reporting

In review of class rosters at two school sites, it was noted that teachers were not verifying attendance in a timely manner.

Auditors recommended the District implement procedures to ensure teachers were verifying attendance timely. In addition, auditors recommended that the District provide training to all attendance personnel as to required procedures. Implemented
APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Robla School District (the “District”) in connection with the issuance of $6,000,000 aggregate principal amount of its General Obligation Bonds, Election of 2014, Series 2020C (Bank Qualified) (the “Bonds”).

The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on June 25, 2020 (the “Resolution”). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:


SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Certificate.

“Bondholder” or “Holder” means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

“Designated Listed Event” means any of the events listed in Section 6(a) of this Disclosure Certificate.

“Dissemination Agent” shall mean the District, or any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Dissemination Agent has evidenced its acceptance in writing.

“EMMA System” shall mean the MSRB’s Electronic Municipal Market Access system, which can be found at www.emma.msrb.org, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission in the future.

“Financial Obligation” means (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). 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 Event” means any of the events listed in Section 6(b) of this Disclosure Certificate.
“Listed Events Disclosure” means dissemination of a notice of a Designated Listed Event or Listed Event as set forth in Section 6 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“State” shall mean the State of California.

SECTION 3. CUSIP® Numbers and Final Official Statement. The CUSIP® Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated August 6, 2020.

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than two hundred and seventy (270) days after the end of the District’s Fiscal Year (currently ending June 30), commencing with the report for the Fiscal Year ending June 30, 2020, to provide to the MSRB through the EMMA System an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) If the District is unable to provide to the MSRB through the EMMA System an Annual Report by the date required in paragraph (a) above, the District shall send a notice in a timely manner to the MSRB through the EMMA System in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the electronic filing requirements of the MSRB for the Annual Reports; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and confirming that it has been filed with the MSRB through the EMMA System.

SECTION 5. Content of Annual Report. The District’s Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose 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. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the EMMA System as soon as practical after it has been made available to the District.

(b) To the extent not included in the Financial Statements of the District, updated information for the tables labelled “Summary of Assessed Valuations,” “Assessed Valuations and Parcels by Land Use,” “Per Parcel Assessed Valuations of Single-Family Homes,” “Typical Tax Rates per $100 of Assessed Valuation,” “Secured Tax Charges and Delinquencies,” “Largest Local Secured Taxpayers,” in the Official Statement, and in the tables labelled “Statement of Revenues, Expenditures and Changes in
General Fund Balances” and “Developer Fees” in APPENDIX A to the Official Statement, information about the District’s Average Daily Attendance for the preceding Fiscal Year and the amount of bonded debt of the District as of the last day of the most recent fiscal year.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the EMMA System or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Listed Events and Listed Events.

(a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following Designated Listed Events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies;
(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
(iv) Substitution of credit or liquidity providers, or their failure to perform;
(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB);
(vi) Tender offers;
(vii) Defeasances
(viii) Rating changes;
(ix) Bankruptcy, insolvency, receivership or similar event of the District; or
(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States 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 have supervision or jurisdiction over substantially all of the assets or business of the District.
(b) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

(i) Non-payment related defaults;

(ii) Unless described in paragraph 6(a)(v) hereof, other notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

(iii) Modifications of rights to Bondholders;

(iv) Bond calls;

(v) Release, substitution or sale of property securing repayment of the Bonds;

(vi) 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;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect owners of the Bonds.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Upon the occurrence of a Designated Listed Event described in Section 6(a) hereof, or if the District determines that knowledge of a Listed Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) Business Days of occurrence of the Designated Listed Event or Listed Event file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of a Designated Listed Event described in subsection (a)(vii) or a Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.
SECTION 8. Dissemination Agent. The District may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District’s obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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 Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the Dissemination Agent specifically set forth in the Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Dissemination Agent.

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 Agreement, 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.

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 Agreement 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 Agreement upon thirty (30) 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, attorneys’ fees, costs and advances made or incurred in the performance of its duties under this Agreement 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 Agreement and the Bonds.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate under the following conditions, provided no amendment to this Agreement 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 obligated person, 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.
SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Designated Listed Event or 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 Designated Listed Event or Listed Event.

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 of occurrence of a Designated Listed Event or Listed Event, in addition to that which is required by this Disclosure Certificate.

SECTION 11. 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 Bondholder 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. A default under this Disclosure Certificate shall not be deemed an event of default under the 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.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.
SECTION 13. Governing Law. This Disclosure Certificate shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated: August 19, 2020

ROBLA SCHOOL DISTRICT

By: ________________________________

Superintendent
EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: ROBLA SCHOOL DISTRICT

Name of Issue: $6,000,000 General Obligation Bonds, Election of 2014, Series 2020C (Bank Qualified)

Date of Issuance: August 19, 2020

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Certificate dated August 19, 2020. The Issuer anticipates that the Annual Report will be filed by ____________________.

Dated: _______________________

[ISSUER/DISSEMINATION AGENT]

By: _________________________

cc: Robla School District
APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix 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 or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, as to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of 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. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

General

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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. Such information is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, interest payments and redemption proceeds on the Bonds 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 the District or Paying 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, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the 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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant’s interest in the Bonds, on DTC’s records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on
DTC’s records and followed by a book-entry credit of tendered Bonds to the Paying Agent’s DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this Appendix 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.