NEW ISSUE – BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein.**

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.

$48,040,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)

$460,000	$46,200,000	$1,380,000
General Obligation Bonds	**General Obligation Bonds**	**2019 General Obligation**
Election of 1992, Series 2019J	**Election of 2018, Series 2019A**	**Refunding Bonds**

Dated: Date of Delivery **Due: August 1, as shown on inside cover.**

The General Obligation Bonds, Election of 1992, Series 2019J (the "2019J Bonds") of the Robla School District (the "District") were authorized by an election held within the District on June 2, 1992 (the "1992 Authorization"), and are expected to be the eighth and final issuance of bonds under the 1992 Authorization. The General Obligation Bonds, Election of 2018, Series 2019A (the "2019A Bonds," and, together with the 2019J Bonds, the "New Money Bonds") of the District were authorized by an election held within the District on November 6, 2018 (the "2018 Authorization"), and are expected to be the first and only series of bonds issued under the 2018 Authorization.

The New Money Bonds are offered hereunder by the District and are issued for the purposes of (i) financing the construction and improvement of certain District facilities (ii) funding a portion of capitalized interest on the New Money Bonds, which will be applied to interest due through August 1, 2022, and (iii) paying the related costs of issuance of the New Money Bonds, as more fully described under the caption "PLAN OF FINANCE" herein.

The 2019 General Obligation Refunding Bonds (the "Refunding Bonds," and, together with the New Money Bonds, the "Bonds") are being issued by the District for the purposes of (i) refunding a portion of the District's outstanding General Obligation Bonds, Election of 1992 Series 2003D (the "2003 Prior Bonds"); (ii) refunding a portion of the District's outstanding General Obligation Bonds, Election of 1992 Series 2007E (the "2007 Prior Bonds" and, together with the 2003 Prior Bonds, the "Prior Bonds"); and (iii) paying the related costs of issuance of the Refunding Bonds, as more fully described under "PLAN OF FINANCE" herein.

The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover hereof. Interest on the Bonds is payable commencing August 1, 2019, payable semiannually thereafter on February 1 and August 1 of each year. The Bonds are being 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 described in APPENDIX E – "BOOK-ENTRY ONLY SYSTEM" hereto. Payments of the principal of and interest on the Bonds will be made by the Director of Finance of the County, 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 are subject to optional and mandatory sinking fund 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 of Sacramento (the "County"), the State of California 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, premium, if any, and interest on each Bond as the same becomes due and payable.

The scheduled payment of principal of and interest on the 2019A Bonds maturing on August 1 in the years 2022 through 2048, inclusive and the Refunding Bonds maturing on August 1 in the years 2022 and 2023 (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP.

ASSURED GUARANTY MUNICIPAL

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., as 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 matters will be passed upon for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery in definitive form through the facilities of DTC on or about June 13, 2019.

RAYMOND JAMES

Dated: May 30, 2019.

MATURITY SCHEDULE

$460,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 1992, Series 2019J

Base CUSIP†: 771027

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2020	$140,000*	4.000%	1.250%	JH3
2021	320,000*	4.000	1.260	JJ9

$46,200,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)
General Obligation Bonds
Election of 2018, Series 2019A

Base CUSIP†: 771027

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2020	$1,450,000*	4.000%	1.250%	JK6
2021	1,845,000*	4.000	1.260	JL4
2022	1,055,000	4.000	1.270	JM2
2023	180,000	4.000	1.280	JN0
2025	310,000	4.000	1.330	JP5
2026	385,000	4.000	1.360	JQ3
2027	460,000	4.000	1.470	JR1
2028	545,000	4.000	1.580C	JS9
2029	635,000	4.000	1.700C	JT7
2030	725,000	4.000	1.870C	JU4
2031	850,000	4.000	2.010C	JV2
2032	940,000	4.000	2.140C	JW0
2033	1,055,000	4.000	2.240C	JX8
2034	1,175,000	4.000	2.330C	JY6
2035	1,305,000	4.000	2.410C	JZ3
2036	1,440,000	4.000	2.510C	KA6
2037	1,585,000	4.000	2.570C	KB4
2038	1,740,000	4.000	2.620C	KC2
2039	1,900,000	4.000	2.670C	KD0
2040	2,070,000	4.000	2.730C	KE8

$10,325,000, 5.00% Term Bonds Maturing August 1, 2044, Yield: 2.480%C; CUSIP† No. 771027KJ7

$14,225,000, 4.00% Term Bonds Maturing August 1, 2048, Yield: 2.910%C; CUSIP† No. 771027KN8

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† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the District nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Uninsured bonds.

C Priced to optional call on August 1, 2027 at par.

MATURITY SCHEDULE

$1,380,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)
2019 General Obligation Refunding Bonds

Base CUSIP†: 771027

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2019	$ 20,000*	4.000%	1.250%	KP3
2020	260,000*	4.000	1.250	KQ1
2021	260,000*	4.000	1.260	KR9
2022	325,000	4.000	1.270	KS7
2023	515,000	4.000	1.280	KT5

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the District nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Uninsured bonds.

This Official Statement does not constitute an offer to sell, 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. 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 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 the County of Sacramento (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 except for the information set forth in APPENDIX F – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS" hereto.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT 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 ORIGINAL PURCHASER 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.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

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 United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (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 to and does not plan to issue any updates or revisions to the forward looking statements in any event.

The District maintains a website. However, the information presented on that website 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.

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SPECIAL SERVICES

<u>Bond Counsel and Disclosure Counsel</u>

Nixon Peabody LLP
San Francisco, California

<u>Municipal Advisor</u>

Caldwell Flores Winters, Inc.
Emeryville, California

<u>Paying Agent</u>

Director of Finance of Sacramento County
Sacramento, California

<u>Escrow Agent</u>

U.S. Bank National Association
Los Angeles, California

<u>Verification Agent</u>

Causey Demgen & Moore P.C.
Denver, Colorado

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$48,040,000
ROBLA SCHOOL DISTRICT
(Sacramento County, California)

$460,000	$46,200,000	$1,380,000
General Obligation Bonds Election of 1992, Series 2019J	**General Obligation Bonds Election of 2018, Series 2019A**	**2019 General Obligation Refunding Bonds**

INTRODUCTION

This Introduction is only a brief description of, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page through the appendices hereto, and the documents summarized or described herein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. A full review should be made of the entire Official Statement.

General

The Robla School District (the "District"), proposes to issue $460,000 aggregate principal amount of its General Obligation Bonds Election of 1992, Series 2019J (the "2019J Bonds"), under and pursuant to a bond authorization (the "1992 Authorization") for the issuance and sale of $32,000,000 aggregate principal amount of general obligation bonds, which was approved by more than two-thirds of the voters of the District voting on the proposition at an election held on June 2, 1992 (the "1992 Election"). The 2019J Bonds are expected to be the eighth and final issuance of bonds to be issued under the 1992 Authorization.

The District also proposes to issue $46,200,000 aggregate principal amount of its General Obligation Bonds Election of 2018, Series 2019A (the "2019A Bonds", together with the 2019J Bonds, the "New Money Bonds"), under and pursuant to a bond authorization (the "2018 Authorization" and, together with the 1992 Authorization, the "Authorizations") for the issuance and sale of $46,200,000 aggregate principal amount of general obligation bonds, which was approved by more than two-thirds of the voters of the District voting on the proposition at an election held on November 6, 2018 (the "2018 Election" and, together with the 1992 Election, the "Elections"). The 2019A Bonds are expected to be the first and only series of bonds to be issued under the 2018 Authorization.

The District proposes to issue $1,380,000 aggregate principal amount of its 2019 General Obligation Refunding Bonds (the "Refunding Bonds," and, together with the New Money Bonds, the "Bonds").

In addition to the Elections and Authorizations described above, the New Money Bonds are being issued pursuant to (i) the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended (the "Government Code") (ii) applicable provisions of the Education Code of the State of California (the "Education Code"), as amended, (iii) Article XIIIA of the California Constitution (collectively, the "Act"), and (iv) pursuant to a resolution adopted by the Board of Trustees of the District on May 9, 2019 (the "New Money Resolution").

The Refunding Bonds are being issued pursuant to (i) the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Act") and (ii) a resolution adopted by the Board of Trustees of the District on May 9, 2019 as it pertains to the Refunding Bonds (the "Refunding Resolution" and, together with the New Money Resolution, the "Resolutions").

Proceeds from the sale of the 2019J Bonds will be applied to (i) finance the construction and improvement of certain District facilities approved by the voters at the 1992 Election (the "1992 Projects"), (ii) fund a portion of capitalized interest on the 2019J Bonds, which will be applied to interest due through August 1, 2021, and (iii) pay the costs of issuance of the 2019J Bonds.

Proceeds from the sale of the 2019A Bonds will be applied to (i) finance the construction and improvement of certain District facilities approved by the voters at the 2018 Election (the "2018 Projects"), (ii) fund a portion of capitalized interest on the 2019A Bonds, which will be applied to interest due through August 1, 2022, and (iii) pay the costs of issuance of the 2019A Bonds.

Proceeds from the sale of the Refunding Bonds will be applied to (i) refund a portion of the District's outstanding General Obligation Bonds, Election of 1992 Series 2003D (the "2003 Prior Bonds"); (ii) refund a portion of the District's outstanding General Obligation Bonds, Election of 1992 Series 2007E (the "2007 Prior Bonds," and, together with the 2003 Prior Bonds, the "Prior Bonds") and (iii) pay the costs of issuance of the Refunding Bonds.

All general obligation bonds issued by or on behalf of the District are or will be issued on a parity with the Bonds. See the caption "– Proposition 39" under the heading "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

In addition to the 1992 Election and the 2018 Election, the District has issued, in two series, \$16,500,000 aggregate principal amount of general obligation bonds pursuant to a bond authorization (the "2014 Authorization") approved by more than 55% of the voters of the District voting on the proposition at an election held on November 4, 2014 (the "2014 Election") in which the issuance and sale of \$29,800,000 aggregate principal amount of general obligation bonds were authorized to be issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Certain Existing Obligations."

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT, SECURED BY AND PAYABLE 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 THE COUNTY OF SACRAMENTO (THE "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'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 teacher to student 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. The District granted the renewal of the Paseo Grande Charter School, now known as the Marconi Charter, for an additional three years through June 20, 2021. 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 elections held in staggered years.

The District has certain existing lease financing obligations and other general obligation bonds as set forth in APPENDIX A and under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE 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 2017-18 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 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 Resolutions.

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. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount, or any integral multiple thereof.

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

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 August 1, 2019. Principal of the Bonds is payable on August 1 of each year, as shown on the inside cover page hereof. Payments of the principal of and interest on the Bonds will be made by the Director of Finance of Sacramento County, Paying Agent for the Bonds (the "Paying Agent") to DTC for subsequent distribution through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

Bond Owner's Risks

The Bonds are general obligations of the District, 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 information regarding taxation of property within the District, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Continuing Disclosure

Pursuant to that certain Continuing Disclosure Certificate 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(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended (the "Rule"). The specific nature of the financial information and operating data relating to the District 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.

Professionals Involved in the Offering

Nixon Peabody LLP, San Francisco, California is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Nixon Peabody LLP will receive compensation from the District contingent upon the sale and delivery of the Bonds. Caldwell Flores Winters, Inc., Emeryville, California, is acting as Municipal Advisor to the District with respect to the Bonds.

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 and Security for the Bonds

The Bonds are general obligations of the District. The New Money Bonds are being issued by the District, under the applicable provisions of the Act and pursuant to the New Money Resolution. The 2019J Bonds were authorized at the 1992 Election pursuant to the 1992 Authorization and the 2019A Bonds were authorized at the 2018 Election pursuant to the 2018 Authorization. The Refunding Bonds are being issued by the District, under the applicable provisions of the Refunding Act and pursuant to the Refunding Resolution.

Purpose of Issue and Application of Proceeds

Proceeds from the sale of the 2019J Bonds will be applied to (i) finance the construction and improvement of certain 1992 Projects, (ii) fund a portion of capitalized interest on the 2019J Bonds, which will be applied to interest due through August, 2021, and (iii) pay the costs of issuance of the 2019J Bonds.

Proceeds from the sale of the 2019A Bonds will be applied to (i) finance the construction and improvement of certain 2018 Projects, (ii) fund a portion of capitalized interest on the 2019A Bonds, which will be applied to interest due through August, 2022, and (iii) pay the costs of issuance of the 2019A Bonds.

Proceeds from the sale of the Refunding Bonds will be applied to (i) refund a portion of the 2003 Prior Bonds, (ii) refund a portion of the 2007 Prior Bonds, and (iii) pay the costs of issuance of the Refunding Bonds.

Details regarding the 1992 Projects and the 2018 Projects to be financed are set forth under the caption "THE PLAN OF FINANCE" herein.

A portion of the net proceeds of sale of the New Money Bonds, after payment of costs of issuance, shall be applied or deposited into the applicable Building Fund (as described herein) of the District established pursuant to the New Money Resolution, shall be kept separate and distinct from all other District and County funds. and shall be applied to pay the costs of certain of the 1992 Projects and the 2018 Projects, as applicable. Interest earned on the investment of monies held in each Building Fund shall be retained in the applicable Building Fund.

The net proceeds of the Refunding Bonds, after payment of costs of issuance therefor and certain related expenses, will be used to refund a portion of the District's Prior Bonds.

Any net original issue premium received by the District from the sale of the New Money Bonds and the *ad valorem* property taxes securing the payment of the Bonds, when received, shall be kept separate and apart in the applicable Debt Service Fund of the District established pursuant to the applicable Resolution, and used only for payments of principal and interest on the respective series of Bonds. Interest earned on the investment of monies held in each Debt Service Fund shall be retained in the applicable Debt Service Fund and used to pay principal and interest on the applicable series of the Bonds when due. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued shall be transferred to the applicable Debt Service Fund and applied to the payment of the principal of and interest on the applicable series of the Bonds. Moneys in the Debt Service Funds are expected to be invested through the Sacramento County Treasury Pool. See APPENDIX F – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS".

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 New Money Bonds to the extent of the principal amount thereof, will be deposited in the County Treasury to the credit of the applicable 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. Bond 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 applicable Debt Service Fund of the District in the County treasury. Interest and earnings on each fund will accrue to such fund.

All funds held by the County Director of Finance (the "Director of Finance") in the applicable Building Fund and the applicable Debt Service Fund are expected to be invested in the at the sole discretion of the Director of Finance, on behalf of the District, in the County Treasury Pool, into which the District may lawfully invest its funds, any investments authorized pursuant to the State Government Code 53601, and following of the State Government Code all in accordance with the investment policy of the County, as such statutes and investment policy may be amended or supplemented from time to time. Under existing law, amounts in the applicable Building Fund are required to be invested in the County Treasury Pool and will be invested in the County Treasury Pool. At no time shall the proceeds be withdrawn by the District for investment outside the County treasury. See APPENDIX F – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS". The Director of Finance disclaims responsibility to report, reconcile or monitor the investment of proceeds related to the Bonds except for any proceeds related to the Bonds that have been invested in the County Treasury Pool.

Description of the Bonds

The Bonds will be dated their date of delivery and will be issued in authorized denominations of $5,000 or any integral multiple thereof. The Bonds will be issued as current interest bonds with principal 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 of New York Clearing House or equivalent next-day funds or by wire transfer of same day funds by the Paying Agent to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants ("DTC Participants") for subsequent disbursement to the Beneficial Owners. Payments of principal and premium, if any, for 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 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date, commencing August 1, 2019, to the registered owner (each, an "Owner") thereof as of the close of business on the fifteenth 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 $1,000,000 aggregate principal amount or more of such Bonds, to the account 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 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Redemption

Optional Redemption.

The 2019J Bonds are not subject to redemption prior to their respective stated maturity dates.

The 2019A Bonds maturing on or before August 1, 2027 are not subject to redemption prior to their respective stated maturity dates. The 2019A Bonds maturing on or after August 1, 2028, 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, 2027, at par, together with interest accrued thereon to the date of redemption, without premium.

The Refunding Bonds are not subject to redemption prior to their respective maturity dates.

Mandatory Sinking Fund Redemption. The 2019A Bonds maturing on August 1, 2044, 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, 2041, 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:

Mandatory Sinking Fund Payment Date (August 1)	Mandatory Sinking Fund Payment
2041	$2,250,000
2042	2,460,000
2043	2,685,000
2044[(1)]	2,930,000

[(1)] Maturity.

The 2019A Bonds maturing on August 1, 2048, 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, 2045, 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:

Mandatory Sinking Fund Payment Date (August 1)	Mandatory Sinking Fund Payment
2045	$3,185,000
2046	3,425,000
2047	3,675,000
2048[(1)]	3,940,000

[(1)] Final Maturity.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds 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 $5,000 or any integral multiple thereof.

Notice of Redemption

When redemption is authorized or required pursuant to the applicable 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 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 be payable.

The Paying Agent shall take the following actions with respect to each such Redemption Notice: (i) at least 20 but not more than 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 35 but not more than 45 days before the redemption date, such Redemption Notice shall be given by (1) first-class mail, postage prepaid, (2) telephonically confirmed facsimile transmission or, (c) 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.

"Information Services" means the MSRB's Electronic Municipal Market Access system, and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a certificate of the District 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.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Resolutions shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

Conditional Notice of Redemption

Any Redemption Notice relating to an optional redemption 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 Owners of the affected Bonds and the Information Services 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.

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, interest rates, and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption

Notice having been given as required in the applicable Resolution, and the moneys for redemption (including the interest to the applicable date of redemption) having been set aside in the applicable Debt Service Fund of the District 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 to be redeemed shall cease to accrue and become payable.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of the Resolutions shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

Transfer and Exchange

The transfer of any Bond may be registered upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Principal Amount and in interest rate and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute Owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal of, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity, interest rate and Principal Amount. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds 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 amounts then on deposit in the applicable 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 institution that meets the requirements of serving as successor Paying Agent selected by the District in accordance with the Resolutions, 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 and 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 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 have not been surrendered for payment, all obligations of the District and the Paying Agent with respect to all such Bonds 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 Resolutions, 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 $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 1992 Projects

Proceeds from the sale of the 2019J Bonds will be applied to (i) finance construction and improvement of certain 1992 Projects, (ii) fund a portion of capitalized interest on the 2019J Bonds, which will be applied to interest due through August 1, 2021, and (iii) pay costs of issuance of the 2019J Bonds.

The District expects to use the proceeds of sale of the 2019J Bonds to complete certain of the 1992 Projects, specifically to complete modernization projects to upgrade District classrooms to 21st Century learning environments.

The net proceeds from the sale of the 2019J Bonds will be deposited into the Building Fund of the District established with the Director of Finance (the "2019J Building Fund"). The District will be responsible for the use of proceeds of the 2019J Bonds deposited in the 2019J Building Fund. The use of such proceeds is limited to the capital projects approved by the voters at the 1992 Election. Such net proceeds and interest earnings on the investment of moneys held in the 2019J Building Fund, except as required to be rebated to the U.S. Treasury Department, will be retained in the 2019J Building Fund and used only for expenditures eligible under the 1992 Election.

The 2018 Projects

Proceeds from the sale of the 2019A Bonds will be applied to (i) finance construction and improvement of certain 2018 Projects, (ii) fund a portion of capitalized interest on the 2019A Bonds, which will be applied to interest due through August 1, 2022, and (iii) pay costs of issuance of the 2019A Bonds.

The District expects to use the proceeds of sale of the 2019A Bonds to complete certain of the 2018 Projects, specifically to complete modernization projects to upgrade District classrooms to 21st Century learning environments.

The net proceeds from the sale of the 2019A Bonds will be deposited into the Building Fund of the District established with the Director of Finance (the "2019A Building Fund"). The District will be responsible for the use of proceeds of the 2019A Bonds deposited in the 2019A Building Fund. The use of such proceeds is limited to the capital projects approved by the voters at the 2018 Election. Such net proceeds and interest earnings on the investment of moneys held in the 2019A Building Fund, except as required to be rebated to the U.S. Treasury Department, will be retained in the 2019A Building Fund and used only for expenditures eligible under the 2018 Election.

Plan of Refunding

The net proceeds of the Refunding Bonds will be used to effect the refunding of a portion of the 2003 Prior Bonds and a portion of the 2007 Prior Bonds (such refunded portions of each, the "Refunded Bonds"). See "– The Refunded Bonds" below. On the date of delivery of the Refunding Bonds, such net proceeds will be deposited into an Escrow Fund (the "Escrow Fund") established pursuant to that certain Escrow Agreement, dated as of June 1, 2019 (the "Escrow Agreement"), by and between the District and U.S. Bank National Association, in the capacity of Escrow Agent (the "Escrow Agent").

As provided in the Escrow Agreement, the net proceeds of the Refunding Bonds deposited into the Escrow Fund will be invested in noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America. On the redemption dates of the Refunded Bonds, amounts available under the Escrow Agreement will be applied to pay the interest on and redemption price of the Refunded Bonds. Causey Demgen & Moore P.C., certified public accountants, (the "Verification Agent") will verify the sufficiency of amounts deposited and invested into the Escrow Fund to provide such payments.

The Refunded Bonds

The proceeds of the 2003 Prior Bonds were issued in an original aggregate principal amount of $2,999.956.10 to finance the acquisition, construction and/or modernization of school facilities throughout the District in accordance with the 1992 Authorization.

The proceeds of the 2007 Prior Bonds were issued in an original aggregate principal amount of $6,799,939.65 to finance the acquisition, construction and/or modernization of school facilities throughout the District in accordance with the 1992 Authorization.

The District is issuing the Refunding Bonds to refund the 2003 Prior Bonds maturing on August 1, 2024 and to refund the 2007 Prior Bonds maturing on August 1, 2021 and August 1, 2023, in order to provide savings to the taxpayers of the District. However, the specific maturities of the 2003 Prior Bonds or the 2007 Prior Bonds, or portions thereof, to be refunded shall be determined by the District on the date of sale of the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

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

	2019J Bonds	2019A Bonds	2019 Refunding Bonds	Total
SOURCES OF FUNDS:				
Principal Amount	$460,000.00	$46,200,000.00	$1,380,000.00	$48,040,000.00
Original Issue Premium	22,709.80	5,374,220.70	106,408.95	5,503,339.45
TOTAL	$482,709.80	$51,574,220.70	$1,486,408.95	$53,543,339.45
USES OF FUNDS:				
Deposit to Escrow Fund	$0.00	$0.00	$1,469,506.04	$1,469,506.04
Deposit to Building Funds	457,606.16	45,959,575.35	0.00	46,417,181.51
Deposit to Debt Service Funds(1)	20,869.80	5,082,798.22	0.00	5,103,668.02
Costs of Issuance(2)	4,233.84	531,847.13	16,902.91	552,983.88
TOTAL	$482,709.80	$51,574,220.70	$1,486,408.95	$53,543,339.45

(1) Represents capitalized interest on the 2019A Bonds, which will be applied to interest due through August 1, 2022 and capitalized interest on the 2019J Bonds, which will be applied to interest due through August 1, 2021.

(2) Includes payment of Bond and Disclosure Counsel fees, Underwriter's discount, Municipal Advisor fees, Paying Agent fees, bond insurance premium, if any, 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 Bonds and the other outstanding general obligation bonds of the District (the "Outstanding Bonds"), assuming no optional redemption:

Year Ending (August 1)	Outstanding Bonds Debt Service[(1)]	Series 2019J		Series 2019A		Refunding Bonds		Aggregate Debt Service
		Principal	Interest	Principal	Interest	Principal	Interest	
2019	$2,711,832.58		$2,453.33		$260,166.67	$20,000.00	$7,360.00	$3,001,812.58
2020	2,847,219.38	$140,000.00	18,400.00	$1,450,000.00	1,951,250.00	260,000.00	54,400.00	6,721,269.38
2021	2,972,419.58	320,000.00	12,800.00	1,845,000.00	1,893,250.00	260,000.00	44,000.00	7,347,469.58
2022	3,128,563.98			1,055,000.00	1,819,450.00	325,000.00	33,600.00	6,361,613.98
2023	3,290,149.58			180,000.00	1,777,250.00	515,000.00	20,600.00	5,782,999.58
2024	5,028,864.48			-	1,770,050.00			6,798,914.48
2025	3,667,875.12			310,000.00	1,770,050.00			5,747,925.12
2026	3,864,710.52			385,000.00	1,757,650.00			6,007,360.52
2027	4,074,545.92			460,000.00	1,742,250.00			6,276,795.92
2028	4,298,031.32			545,000.00	1,723,850.00			6,566,881.32
2029	4,546,416.72			635,000.00	1,702,050.00			6,883,466.72
2030	4,798,302.12			725,000.00	1,676,650.00			7,199,952.12
2031	5,040,147.12			850,000.00	1,647,650.00			7,537,797.12
2032	4,761,883.52			940,000.00	1,613,650.00			7,315,533.52
2033	5,036,190.51			1,055,000.00	1,576,050.00			7,667,240.51
2034	5,332,761.06			1,175,000.00	1,533,850.00			8,041,611.06
2035	5,652,600.06			1,305,000.00	1,486,850.00			8,444,450.06
2036	5,986,368.76			1,440,000.00	1,434,650.00			8,861,018.76
2037	3,393,312.50			1,585,000.00	1,377,050.00			6,355,362.50
2038	1,356,493.76			1,740,000.00	1,313,650.00			4,410,143.76
2039	1,410,662.50			1,900,000.00	1,244,050.00			4,554,712.50
2040	1,465,650.00			2,070,000.00	1,168,050.00			4,703,700.00
2041	1,525,625.00			2,250,000.00	1,085,250.00			4,860,875.00
2041	1,583,150.00			2,460,000.00	972,750.00			5,015,900.00
2043	1,646,675.00			2,685,000.00	849,750.00			5,181,425.00
2044	1,715,825.00			2,930,000.00	715,500.00			5,361,325.00
2045	1,565,200.00			3,185,000.00	569,000.00			5,319,200.00
2046	-			3,425,000.00	441,600.00			3,866,600.00
2047	-			3,675,000.00	304,600.00			3,979,600.00
2048	-			3,940,000.00	157,600.00			4,097,600.00
Total	$92,701,476.09	$460,000.00	$33,653.33	$46,200,000.00	$39,335,466.67	$1,380,000.00	$159,960.00	$180,270,556.09

(1) The District has designated its General Obligation Bonds, Election of 1992, Series 2011F as "Qualified School Construction Bonds" under Section 6431(f) of the Code, making it eligible for a bond subsidy payment from the United States Treasury. The amount of the bond subsidy payment is not reflected in the debt service shown above.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the District, and the Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the 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 New Money Bonds, the District does not expect to have any remaining authorization for the issuance of additional general obligation bonds under either of the 1992 Authorization or the 2018 Authorization. The District has $13,300,000 in authorization remaining for issuance of general obligation bonds under the 2014 Authorization. All general obligation bonds of the District are issued on parity with one another.

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 XIIIA of the California Constitution. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

The State-reimbursed exemption currently provides a credit of $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 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, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the District's outstanding general obligation bonds, including the Bonds.

For fiscal year 2018-19, the total assessed valuation of property within the District's boundaries was $2,608,973,093. 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 2018-19 fiscal year, per parcel assessed valuation of single-family homes in the District for the 2018-19 fiscal year and the twenty largest secured taxpayers in the District for fiscal year 2018-19.

ROBLA SCHOOL DISTRICT
SUMMARY OF ASSESSED VALUATIONS
FISCAL YEARS 2014-15 THROUGH 2018-19

Fiscal Year	Local Secured	Utility	Unsecured	Total
2014-15	$1,641,945,222	$53,144	$617,186,927	$2,259,185,293
2015-16	1,739,283,033	66,430	624,212,543	2,363,562,006
2016-17	1,798,934,741	66,430	588,269,426	2,387,270,597
2017-18	1,889,478,578	66,430	521,005,416	2,410,550,424
2018-19	2,109,716,354	66,430	$499,190,309	2,608,973,093

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 years of change of ownership or new construction date.

The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate assessed valuation of property within the District due to appeals, 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.

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 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 years of assessments when the owner fails to file a claim within four 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 XIIIA 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 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 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 years of the destruction, or (3) 115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

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 throughout 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 in 2015 and 2016 aimed to reduce water usage in local communities. The drought was declared to have ended in 2017 due to record-level precipitation in late 2016 and early 2017, with the exception of Fresno, Kings, Tulare and Tuolumne counties, where emergency drinking water projects are currently in place to address diminished groundwater supplies.

In addition, wildfires have occurred in recent years in different regions of the State. The District did not sustain any serious property losses as a result of these recent fires. However, serious and significant property damage has resulted in other areas of the State due to fire damage. On September 21, 2018, Governor Brown 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 acres burned by wildfire in the State would both increase in the future. This report details significant economic impact 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 internet website is shown for reference and 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 reference.

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

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ROBLA SCHOOL DISTRICT
2018-19 ASSESSED VALUATION AND PARCELS BY LAND USE

	2018-19 Assessed Valuation(1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	4,675,110	0.22%	4	0.06%
Commercial	73,911,402	3.50	45	0.67
Vacant Commercial	2,339,069	0.11	22	0.33
Office Building	49,345,767	2.34	26	0.39
Industrial	1,039,046,392	49.25	394	5.88
Vacant Industrial	28,632,385	1.36	150	2.24
Recreational	1,129,539	0.05	12	0.18
Government/Social/Institutional	6,154,466	0.29	200	2.98
Miscellaneous	46,376	0.00	63	0.94
Subtotal Non-Residential	$1,205,280,506	57.13%	916	13.66%
Residential:				
Single-Family Residence	792,445,297	37.56%	4,619	68.89%
Condominium/Townhouse	4,385,763	0.21	60	0.89
Mobile Home	6,216,904	0.29	192	2.86
Mobile Home Park	4,754,537	0.23	6	0.09
2-4 Residential Units	27,653,572	1.31	435	6.49
5+ Residential Units/Apartments	42,790,255	2.03	14	0.21
Vacant Residential	26,189,520	1.24	463	6.91
Subtotal Residential	$904,435,848	42.87%	5,789	86.34%
Total	$2,109,716,354	100.00%	6,705	100.00%

(1) Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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ROBLA SCHOOL DISTRICT
PER PARCEL 2018-19 ASSESSED VALUATION OF SINGLE-FAMILY HOMES

	No. of Parcels	2018-19 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential	4,619	$792,445,297	$171,562	$164,099

2018-19 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	49	1.061%	1.061%	$ 935,382	0.118%	0.118%
$25,000 - $49,999	199	4.308	5.369	7,522,941	0.949	1.067
$50,000 - $74,999	277	5.997	11.366	17,802,990	2.247	3.314
$75,000 - $99,999	401	8.682	20.048	35,569,648	4.500	7.814
$100,000 - $124,999	511	11.063	31.111	57,527,464	7.259	15.073
$125,000 - $149,999	557	12.059	43.170	76,852,774	9.698	24.772
$150,000 - $174,999	572	12.384	55.553	93,058,417	11.743	36.515
$175,000 - $199,999	503	10.890	66.443	94,214,858	11.889	48.404
$200,000 - $224,999	429	9.288	75.731	90,859,006	11.466	59.870
$225,000 - $249,999	359	7.772	83.503	85,010,787	10.728	70.597
$250,000 - $274,999	272	5.889	89.392	71,328,821	9.001	79.598
$275,000 - $299,999	194	4.200	93.592	55,503,087	7.004	86.602
$300,000 - $324,999	124	2.685	96.276	38,505,345	4.859	91.461
$325,000 - $349,999	64	1.386	97.662	21,566,936	2.722	94.183
$350,000 - $374,999	34	0.736	98.398	12,300,266	1.552	95.735
$375,000 - $399,999	19	0.411	98.809	7,363,490	0.929	96.664
$400,000 - $424,999	18	0.390	99.199	7,439,137	0.939	97.603
$425,000 - $449,999	8	0.173	99.372	3,488,163	0.440	98.043
$450,000 - $474,999	6	0.130	99.502	2,769,287	0.349	98.393
$475,000 - $499,999	4	0.087	99.589	1,918,234	0.242	98.635
$500,000 and greater	19	0.411	100.000	10,818,264	1.365	100.000
Total	4,619	100.000%		$792,445,297	100.000%	

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

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ROBLA SCHOOL DISTRICT
2018-19 LARGEST LOCAL SECURED TAXPAYERS

	Property Owner	Primary Land Use	2018-19 Assessed Valuation	% of Total[(1)]
1.	BRE Delta Industrial Sacramento LP	Industrial	$237,020,000	11.23%
2.	MP Holdings LLC	Industrial	65,455,309	3.10
3.	Harsch Investment Properties LLC	Industrial	55,181,496	2.62
4.	United States Cold Storage Inc.	Industrial	47,891,608	2.27
5.	Quality Investment Properties Sacramento	Industrial	47,602,406	2.26
6.	Ragingwire Enterprise Solutions, Inc.	Industrial	46,554,331	2.21
7.	Amerisourcebergen Drug Corporation	Industrial	30,200,243	1.43
8.	Pathfinder Sacramento Holdings I LLC	Apartments	22,425,000	1.06
9.	Central Valley Industrial Core Holdings	Industrial	14,979,390	0.71
10.	ROIC California LLC	Commercial	14,899,803	0.71
11.	Sutters Claim LP	Commercial	14,777,040	0.70
12.	Ethan Conrad	Office Building	14,157,047	0.67
13.	Markstein Properties LLC	Industrial	13,439,119	0.64
14.	SVO Building One LLC	Industrial	13,205,468	0.63
15.	MP 8401 LLC	Industrial	13,058,271	0.62
16.	Cintas Sales Corporation	Industrial	11,174,842	0.53
17.	Morningside Creek II LLC	Apartments	10,479,729	0.50
18.	Ebara Technologies Inc.	Industrial	9,715,097	0.46
19.	Mygrant Living Trust	Industrial	9,557,995	0.45
20.	McClellan Business Park LLC	Industrial	8,865,077	0.42
			$700,639,271	33.21%

(1) 2018-19 Local Secured Assessed Valuation: $2,109,716,354
Source: California Municipal Statistics, Inc.

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 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 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 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 ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk 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.

Tax Charges and Delinquencies

The County's secured roll tax charges and corresponding delinquencies with respect to property located in the District for the five-year period from fiscal years 2013-14 through 2017-18 are set forth in the following tables.

ROBLA SCHOOL DISTRICT
SECURED TAX CHARGES AND DELINQUENCIES
FISCAL YEARS 2013-14 THROUGH 2017-18

Fiscal Year	Secured Tax Charge(1)	Amount Delinquent June 30	% Delinquent June 30
2013-14	$ 839,503	$24,463	2.91
2014-15	1,379,142	31,400	2.28
2015-16	1,321,864	15,626	1.18
2016-17	2,078,638	18,448	0.89
2017-18	1,524,404	15,117	0.99

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

Teeter Plan

The County has adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1 (commencing with Section 4701) of the Revenue and Taxation Code of the State (also known as the "Teeter Plan"). This alternative method provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year-end. Under the Teeter Plan, the County assumes an obligation under a debenture or similar demand obligation to advance funds to cover expected delinquencies, and, by such financing, its general fund receives the full amount of secured property taxes levied each year and, therefore, no longer experiences delinquent taxes. In addition, the County's general fund benefits from future collections of penalties and interest on all delinquent taxes collected on behalf of participants in this alternative method of apportionment.

Upon adopting the Teeter Plan, the County was required to distribute to participating local agencies 95% of the then-accumulated, secured roll property tax delinquencies and to place the remaining 5% in a tax losses reserve fund. Taxing entities that maintain funds in the County Treasury are all included in the Teeter Plan; other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. Since the District maintains funds in the County Treasury, the District is included in the Teeter Plan.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board of Supervisors shall receive a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. In the event that the Teeter Plan was terminated, receipt of revenue of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. The District knows of no consideration by the County to discontinue the Teeter Plan.

Tax Rates

The following table sets forth typical tax rates levied in Tax Rate Area 3-252 for fiscal years 2014-15 through 2018-19.

ROBLA SCHOOL DISTRICT
TYPICAL TOTAL TAX RATES (TRA 3-252)[(1)]

	2014-15	2015-16	2016-17	2017-18	2018-19
1% General Fund Levy	1.0000	1.0000	1.0000	1.0000	1.0000
Los Rios Community College District	.0113	.0091	.0141	.0130	.0131
Twin Rivers Unified School District					
(former Grant Joint Union High School bonds)	.0950	.0622	.0481	.0867	.0816
Robla School District	.0831	.0770	.1167	.0814	.0979
Total All Property	1.1894	1.1483	1.1789	1.1811	1.1926

(1) 2018-19 assessed valuation of TRA 3-252 is $360,863,924.
Source: California Municipal Statistics, Inc.

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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. All general obligation bonds of the District are issued on parity with one another and with the Bonds.

A schedule of the District's changes in long-term debt for the year ended June 30, 2018, is shown below.

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Amounts Due Within One Year
General obligation bonds					
Principal Balance	$38,473,541	$ -	$ 674,591	$37,798,950	$ 506,323
Bond premium, net of discount	1,248,489	-	14,795	1,233,694	9,070
Accreted Interest	13,598,742	1,703,575	835,739	14,466,578	815,372
Total GO Bonds	53,320,772	1,703,575	1,525,125	53,499,222	1,330,765
Capital Leases	304,016	-	39,317	264,699	40,615
Total OPEB Liability[1]	3,616,686	306,083	-	3,922,769	-
Net Pension Liability	24,853,066	4,023,461	-	28,876,527	-
Compensated Absences	320,906	-	8,236	312,670	312,670
Total Governmental Activities	$82,415,446	$6,033,119	$1,572,678	$86,875,887	$1,684,050

(1) Beginning balance for total OPEB liability was restated as a result of an accounting policy change due to implementation of GASB Statement No. 75.
Source: The District.

Direct and Overlapping Debt

The following is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., dated March 6, 2019 and showing debt as of March 1, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report 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.

ROBLA SCHOOL DISTRICT
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

2018-19 Assessed Valuation: $2,608,973,093

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/19
Los Rios Community College District	1.334%	$ 5,285,175
Twin Rivers Unified School District (formerly Grant Joint Union High School District)	18.469	38,600,907
Robla School District	**100.**	**37,292,629**[1]
Sacramento County Community Facilities District No. 2004-1	35.685	10,314,723
Sacramento Area Flood Control District Assessment Districts	Various	38,223,996
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$129,717,430
OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Sacramento County General Fund Obligations	1.619%	$ 2,869,880
Sacramento County Pension Obligation Bonds	1.619	14,338,998
Sacramento County Board of Education Certificates of Participation	1.619	64,355
Twin Rivers Unified School District (formerly Grant Joint Union High School District) Certificates of Participation	18.469	11,162,664
City of Sacramento General Fund Obligations	2.777	19,579,377
Sacramento Metropolitan Fire General Fund and Pension Obligation Bonds	0.316	184,904
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$48,200,178
Less: Sacramento County supported obligations		275,999
City of Sacramento supported obligations		13,856,753
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$34,067,426
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$8,716,188
GROSS COMBINED TOTAL DEBT		$186,633,796[2]
NET COMBINED TOTAL DEBT		$172,501,044

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:
Direct Debt ($37,292,629).. 1.43%
Total Direct and Overlapping Tax and Assessment Debt.................. 4.97%
Gross Combined Total Debt... 7.15%
Net Combined Total Debt... 6.61%

Ratios to Redevelopment Incremental Valuation ($236,934,867):
Total Overlapping Tax Increment Debt.. 3.68%

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIIIA of the California Constitution

Article XIIIA 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* 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 XIIIA 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 XIIIA 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.

County of Orange v. Orange County Assessment Appeals Board No. 3

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new "base year value" for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIIIA. On appeal, the State Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 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 1989.

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.

Article XIIIB of the California Constitution

Under Article XIIIB 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 XIIIB 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 XIIIB, 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 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 has been 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 California Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the Education Code. Under amendments to Section 15268 and 15270 of the Education Code, the following limits on *ad valorem* 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 XIIIB 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-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-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.

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 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 California 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 years and, for seven years, raises taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. 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 2018-19. Proposition 30 also places 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 will also provide additional tax revenues aimed at balancing the State's budget through fiscal year 2018-19, providing several billion dollars annually through fiscal year 2018-19 available for funding existing State programs, ending K-14 education payment delays, and paying 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 majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These 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 the temporary tax increases are included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts and deposited into the Education Protection Account created pursuant to Proposition 30 (the "EPA"). See "–Proposition 98" above. 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, before distribution to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district receives less than $200 per unit of Average Daily Attendance ("ADA") and no community college district receives 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 such board may not use any of such funds for salaries or benefits of administrators or any other administrative costs.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative ("Proposition 55"), approved by voters on November 8, 2016, extends by twelve years the temporary personal income tax increases on incomes over $250,000 and on couples after their first $500,000 in earnings that was first enacted by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

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 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. Any such declaration must be followed by a legislative bill passed by a majority vote of each house.

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 are expected to begin no later than October 1, 2015, and such deposits 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.

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 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;
- $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 has applied for $2.5 million in Proposition 51 money for the Walnut Elementary modernization project.

Article XIIIC and XIIID of the California Constitution

On November 5, 1996, an initiative to amend the California 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 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 XIIIA, Article XIIIB, Article XIIIC, Article XIIID 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.

LEGAL OPINION

The legal opinions of Nixon Peabody LLP, Bond Counsel to the District ("Bond Counsel"), attesting to the validity of the Bonds, will be supplied to the original purchasers of the Bonds without charge. The forms of legal opinions are attached hereto as APPENDIX B. Bond Counsel will receive compensation contingent upon the sale and delivery of the Bonds.

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 Resolutions 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 Resolutions 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 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.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the 2019A Bonds maturing on August 1 in the years 2022 through 2048, inclusive and the Refunding Bonds maturing on August 1 in the years 2022 and 2023 (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Municipal Corp.

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

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

Current Financial Strength Ratings

On December 21, 2018, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On June 26, 2018, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On May 7, 2018, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At March 31, 2019:

- The policyholders' surplus of AGM was approximately $2,523 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,054 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $1,848 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

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

Incorporation of Certain Documents by Reference

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

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the SEC on May 10, 2019).

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

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

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

LEGAL MATTERS

Continuing Disclosure

The District will covenant in its Continuing Disclosure Certificate to be executed on the date of delivery of the Bonds (the "Continuing Disclosure Certificate"), to file annual reports and notices of certain listed events ("Listed Events") with the Municipal Securities Rulemaking Board not later than 240 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, 2019. These covenants have been made in order to assist the Original Purchaser in complying with Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as amended (the "Rule"). The District's obligations under the Continuing Disclosure Certificate with respect to continuing disclosure shall terminate upon payment in full of the Bonds. If such termination occurs or is deemed to occur prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event. The District regularly prepares a variety of reports, including audits, budgets and related documents. Any Owner of a Bond may obtain a copy of any such report, as available, from the District. The specific nature of the annual reports and notices of Listed Events respecting the Bonds is contained in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

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 material events. The District's annual report for fiscal year 2013-14 did not include information on budgeted retirement contributions or developer fees collected. On October 13, 2015, the District made a remedial filing incorporating the developer fees and the budgeted retirement contributions information not previously included in the 2013-14 annual report. The District's annual reports for fiscal years 2014-15, 2015-16, 2016-17 and 2017-18 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.

In addition, the material event notice of a ratings upgrade on March 18, 2014 by S&P of Assured Guaranty Municipal Corp. and MBIA, Inc., providers of financial guaranty insurance policies for certain of the District's outstanding Bonds was not posted on EMMA until May 16, 2014, and the material event notice 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 was not posted on EMMA until May 14, 2019.

The District has currently engaged Caldwell Flores Winters, Inc. as an agent to assist with the preparation and dissemination of the annual reports and material event filings required by the District's existing continuing disclosure certificates, including in connection with the undertaking being entered into in connection with the Bonds. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." In the future, the District may appoint or engage other third-party agents to assist it in carrying out its existing continuing disclosure certificates. The District believes it will be compliant with Rule 15c2-12(b)(5) in the future.

Limitation on Remedies; Amounts Held in the County Treasury Pool

The opinions of Bond Counsel, the proposed forms of which are 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.

The Resolutions and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), 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* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in APPENDIX F – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS" hereto. In the event the District or the County were to go into bankruptcy, a federal 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, 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 Fund where such amounts are invested in the County Treasury Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

On July 13, 2015, 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 Education Code to clarify the process of lien perfection for general obligation bonds issued by or on behalf of State school and community college districts. Subsequently, on April 15, 2015, SB 222 was amended to include an addition to the 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 the State, 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 Resolutions and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), 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* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in "APPENDIX F – "SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS" hereto. 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 Fund, 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 Fund 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 payments on the Bonds.

LEGALITY FOR INVESTMENT

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

RATINGS

The Insured Bonds have been assigned a rating of "AA" (stable outlook) by S&P with the understanding that, upon delivery of the Insured Bonds, the Policy will be issued by AGM. See "BOND INSURANCE" herein. S&P has assigned an initial underlying rating of "A" (stable outlook) to the Bonds. Such ratings reflect only the views of S&P. An explanation of the significance and status of such ratings may be obtained from S&P, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553 0300. Moody's assigned an initial underlying rating of "Aa3" (stable outlook) to the Bonds. Such rating reflects only the views of Moody's, and an explanation of the significance of such ratings may be obtained as follows: Moody's, at 7 World Trade Center at 250 Greenwich Street, New York, New York

10007, tel. (212) 553-0300. The District furnished such rating agencies with certain information and materials relating to the Bonds that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by rating agencies. A rating may be changed, suspended, or withdrawn as a result of changes, in or unavailability of, information. There is no assurance that such ratings 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 respective rating agencies, circumstances so warrant. The District has not undertaken 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 proposed revision or withdrawal. Any such downward revision or withdrawal of such ratings 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 $53,351,179.45 (representing the initial principal amount of the Bonds, plus original issue premium of $5,503,339.45, less Underwriter's discount of $192,160.00), 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.

NO LITIGATION

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.

MUNICIPAL ADVISOR

Caldwell Flores Winters, Inc. (the "Municipal Advisor") is employed as Municipal Advisor to the District in connection with the issuance and sale of the Bonds. Caldwell Flores Winters, Inc., will not participate in the underwriting of the Bonds. The Municipal Advisor is not contractually obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. 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.

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 Resolutions may be obtained by contacting: Robla School District, 5248 Rose Street, Sacramento, California 95838, Attention: Chief Business Official. 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/ Tim Williams
Chief Business Official

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APPENDIX A

THE DISTRICT

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 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 tax revenues collected by the County of Sacramento (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. 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. Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District.*

General

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 teacher to student 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 is expected to be operational in fiscal year 2015-16. The District granted the renewal of the Paseo Grande Charter School, now known as the Marconi Charter, for an additional three years through June 20, 2021.

District Organization and Key Personnel

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:

Name	Office	Term Expires
Craig DeLuz	President	December 2022
Dennis Boyd	Vice-President	December 2022
Nuvia Cardona	Clerk	December 2022
Ken Barnes	Member	December 2020
Kim Howard	Member	December 2020

The Superintendent of the District (the "District Superintendent") is responsible for administering the affairs of the District in accordance with the policies of the District Board and for the supervision of the District's other key personnel. The District's Superintendent and Chief Business Official are as follows:

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.

Tim Williams, Chief Business Official. Mr. Williams has worked in school business for nearly 20 years. This experience includes serving as Grants & Contract Accountant, Internal Audit Manager, Director of Fiscal Services, and Chief Business Official. Mr. Williams educational achievements include completion of a B.A. in Organizational Leadership from Humboldt State University, and participation in the first cohort of the California Association of School Business Officials CBO Training Program provided through Senate Bill 352.

Changes in District Enrollment

The table below sets forth the enrollment and Average Daily Attendance ("ADA") for the District for the fiscal years 2013-14 through 2017-18 and projections for fiscal year 2018-19 through 2019-20. 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.

ROBLA SCHOOL DISTRICT
ENROLLMENT AND AVERAGE DAILY ATTENDANCE
FISCAL YEARS 2013-14 THROUGH 2017-18 AND
PROJECTIONS FOR 2018-19 AND 2019-20[1]

Fiscal Year	Enrollment	ADA
2013-14	2,115	2,201
2014-15	2,128	2,231
2015-16	2,170	2,073
2016-17	2,284	2,083
2017-18	2,161	2,046
2018-19[1]	2,047	1,954
2019-20[1]	2,047	1,953

[1] Estimates based on the District's 2018-19 Second Interim Report.
Source: The District.

Population

The population of the County and the State is set forth in the following tables.

POPULATION OF THE
COUNTY AND STATE

Calendar Year[1]	Sacramento County	State
2013	1,452,468	38,234,391
2014	1,465,964	38,568,628
2015	1,481,969	38,912,464
2016	1,495,611	39,179,627
2017	1,513,415	39,500,973
2018	1,530,242	39,740,508
2019	1,546,174	39,927,315

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

District Employees

As of July 1, 2018, the District employed 157 full-time certificated employees and 6 part-time certificated employees, and 65 classified full-time employees and 81 classified part-time employees. These employees, except management and some part-time employees, are represented by the bargaining units as follows. 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 are continuing, with agreements expected to be reached by June 30, 2019. The District does not expect any material differences in the terms of the contracts from what is currently provided.

ROBLA SCHOOL DISTRICT
Employee Bargaining Units

Employee Bargaining Unit	No. of Employees	Contract Expiration Date
Robla Teachers Association	149	June 30, 2020
California School Employees Association	136	June 30, 2019

Source: Robla School District.

Pension Plans

The District participates in the State of California Teachers Retirement System ("STRS") which provides retirement benefits to certificated personnel as further described below. The District contributed $2,744,857 to STRS in fiscal year 2016-17 and $2,700,829 in fiscal year 2017-18. The District projects it will contribute $2,012,922 in fiscal year 2018-19.

The District also participates in the State of California Public Employees' Retirement System ("PERS") which provides retirement benefits to classified personnel as further described below. The District contributed $570,948 to PERS in fiscal year 2016-17 and $667,254 in fiscal year 2017-18. The District projects it will contribute $852,819 in fiscal year 2018-19.

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 entities were approximately $275 million. The contributions would increase in subsequent years, reaching more than $5 billion annually. The Governor of the State expected that this will eliminate the unfunded liability in approximately 30 years. The 2018-19 State Budget includes $3.1 billion for state contributions to STRS and includes $6.2 billion for state contributions to PERS.

STATE OF CALIFORNIA
ACTUARIAL VALUE OF STATE RETIREMENT SYSTEMS

Name of Plan	Market Value of Assets	Actuarial Value of Assets[4]	Actuarial Obligation	Unfunded Actuarial Accrued Liability	Funded Ratio (Market Value)	Funded Ratio (Actuarial Value)
Public Employees' Retirement Fund Schools Pool (PERS)[1][2]	$60.865 billion	—	$84.416 billion	$23.551 billion	72.1%	—
State Teachers' Retirement Fund Defined Benefit Program (STRS)[1][3]	$197.718 billion	$179.689 billion	$286.950 billion	$107.261 billion	63.9%	62.6%

(1) Figures as of June 30, 2017.
(2) As of June 30, 2017, the PERS provided pension benefits to 1,259,123 active and inactive program members and 670,347 retirees, beneficiaries, and survivors.
(3) As of June 30, 2017, the STRS Defined Benefit Program had approximately 638,536 active and inactive program members and 294,874 retirees and benefit recipients.
(4) PERS no longer uses an actuarial value of assets and only uses the market value of assets.
Source: PERS State and Schools Actuarial Valuation, STRS Defined Benefit Program Actuarial Valuation, PERS Comprehensive Annual Financial Report 2016-17 and STRS Comprehensive Annual Financial Report 2016-17.

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. Members are 100% vested in retirement benefits after five 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 $400 per month. Members 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). Benefits 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 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 STRS Defined Benefit Program 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.

		AB 1469 Increases	
Effective Date	**Prior Rate**	**Increase**	**Total**
July 1, 2018	8.25%	8.03%	16.28%
July 1, 2019	8.25	9.88	18.13
July 1, 2020	8.25	10.85	19.10

The State contributions are set pursuant to the Education Code. For fiscal year 2018-19, the State will contribute 7.328% 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 2018-19. 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 2018-19.

The State Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the defined benefit plan. The 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 2015-16. The actuarial assumptions set forth in the 2017 STRS actuarial valuation use a 7.00% investment rate of return for measurements as of June 30, 2017, 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 2017 STRS actuarial valuation states that, as of June 30, 2017, the future revenues from contributions and appropriations for the defined benefit program are projected to be sufficient to finance its obligations, except for obligations relating to service rendered after June 30, 2014 and not otherwise included in the funding formula (calculated in the 2017 STRS actuarial valuation to be $369 million as of

June 30, 2017) and post-2014 service that is not actuarially funded. The 2017 STRS Actuarial Valuation reflects a decrease in overall funded ratio of its defined benefit program from 63.7% to 62.6%. However, the 2017 STRS Actuarial Valuation projects that the funded ratio will improve over the longer term assuming all actuarial assumptions are met.

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 2018-19, the employee contribution rate for classic plan members is 7.0% of monthly salary and the estimated employee contribution rate for PEPRA (defined below) members is 7.0% of monthly salary. The employer contribution rate increased from 15.531% of covered payroll for fiscal year 2017-18, to 18.062% of covered payroll for fiscal year 2018-19.

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 was 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.

At its February 13, 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.

The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of PERS. In February 2014, the PERS Board of Administration adopted new actuarial demographic assumptions that take into account public employees living longer and modified the asset allocation. These new assumptions were applied beginning with the June 30, 2015 valuation for the schools pool, setting employer contribution rates for fiscal year 2016-17.

The actuarial funding method used in the PERS Schools Pool Actuarial Valuation as of June 30, 2017 (the "2017 STRS Actuarial Valuation") is the "Individual Entry Age Normal Cost Method." The PERS Schools Pool Actuarial Valuation as of June 30, 2017 assumes, among other things, a 7.375% investment rate of return (net of administrative expenses), projected 2.75% inflation, and projected payroll growth of 3.00% compounded annually. The prescribed discount rate will reduce to 7.25% compounded annually (net of administrative expenses) as of the June 30, 2018 actuarial valuation, and 7.0% compounded annually (net of administrative expenses) as of the June 30, 2019 actuarial valuation. The first reduction in the investment rate of return will impact the District's employer contribution rates beginning in fiscal year 2018-19.

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 years. For the schools pool, the discount rate was lowered for the first time to 7.375% effective for the June 30, 2017 actuarial valuation, impacting the Schools Pool employer contribution rates beginning in fiscal year 2018-19. The discount rate will be lowered further over the following two valuations. 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.

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 – "ROBLA SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2018" 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 will enact the California Public Employees' Pension Reform Act of 2013 ("PEPRA") which amended various sections of the California Education and Government Codes. AB 340 (i) increases the retirement age for new State, school, and city and local agency employees depending on job function, (ii) caps the annual PERS and STRS pension benefit payouts, (iii) addresses 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.)

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-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 PERS pension benefits, up to 8 percent of pay for civil workers and 11 percent or 12 percent for public safety workers.

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, future 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. The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. See APPENDIX C – "ROBLA SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2018" for additional information concerning STRS and PERS contained in the notes to said financial statements.

GASB 67 and 68

On June 25, 2012, GASB voted to approve two 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.

The provisions in Statement 67 became effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 became effective for fiscal years beginning after June 15, 2014.

Other Post-Employment Benefits ("OPEB")

The Governmental Accounting Standards Board (the "GASB") released its Statement Number 45 ("Statement Number 45") on June 21, 2004, which required municipalities to account for OPEB (meaning other than pension benefits) 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-year period based upon the entity's revenues.

Statement Number 45 explicitly incorporates Actuarial Standards of Practice ("ASOPs"). There was a recent change to ASOPs No. 6 ("ASOP 6") requiring reflection of "implicit subsidies" in OPEB costs and projections. "Implicit subsidies" refers to an indirect cost sharing feature of OPEB plans. Using unadjusted flat-rate premiums as a cost basis for accounting was previously acceptable under GASB 45 when the health plans are considered "community-rated." Community-rated plans have premium levels determined without adjustment for the demographics of an individual employer buying coverage. Although these subsidies were previously allowed to be excluded, the changes to ASOP 6 eliminated the community-rated exemption. As a result, the District was required to reflect these implicit subsidies in its OPEB liability accounting beginning with fiscal year 2016-17.

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. The District's "Robla School District GASB 45 Actuarial Valuation Report" respecting fiscal year 2017-18 of the District (the "Postemployment Valuation") states that as of the June 30, 2018 valuation date there 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.

The principal actuarial assumptions used in the Postemployment Valuation were (i) an inflation rate of 2.75% per annum; (ii) salary increases of 2.75% per annum, in aggregate; (iii) a discount rate of 3.80% per annum; (iv) healthcare cost trend rates of 6.00% decreasing to 5.00%; and (v) a retiree's share of costs of 0% for certificated and classified personnel, of amounts ranging from 0% to 50% for certificated and classified management personnel, and of 100% for supervisory and confidential personnel.

The Postemployment Valuation sets forth the District's actuarial valuation of post-employment medical benefits as of June 30, 2018 for its employees and retirees. The Postemployment Valuation sets forth the liabilities of the post-employment benefit plan based upon Governmental Accounting Standards

Board Statement Nos. 43 and 45. As of June 30, 2018, the District had no assets relating to the cost of providing post-employment benefits set aside in trust for the payment of such benefits. The District's unfunded actuarial accrued liability was $3,922,769 for the fiscal year ended June 30, 2018, which was comprised of the existing balance of $3,616,686 as of the fiscal year ended June 30, 2017, plus a service cost of $313,312, interest of $140,418, and subtracting benefit payments of $147,647. Pursuant to GASB 45, OPEB expense in an amount equal to annual OPEB cost is recognized in government-wide financial statements on an accrual basis. Net OPEB obligations, if any, including amounts associated with under- or over-contributions from governmental funds, are to be displayed as liabilities (or assets) in government-wide financial statements.

The Postemployment Valuation recommended an annual required contribution ("ARC") of $453,730. The Postemployment Valuation projects that the District's employer contribution for OPEB as of June 30, 2018, would be approximately $171,655. The table below sets forth the District's funding of OPEB for fiscal years 2012-13 through 2016-17, and the projected expenditure for OPEB for fiscal year 2018-19.

ROBLA SCHOOL DISTRICT
Expenditures for Other Post-Employment Benefits
Fiscal Years 2013-14 through 2015-16 and
Projected Expenditures for Fiscal Years 2017-18 and 2018-19

Fiscal Year	Amount
2012-13	$137,730
2013-14	127,969
2014-15	108,925
2015-16	112,760
2016-17	76,136
2017-18[1]	153,553
2018-19[1]	171,655

[1] Projected. Estimates based on the District's 2018-19 Second Interim Report
Sources: Robla School District.

The table below reflects the District's ARC, annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal years 2012-13 through 2015-16, and the estimated figures for fiscal years 2017-18 and 2018-19.

ROBLA SCHOOL DISTRICT
Annual Required Contribution, Annual OPEB Cost and Net OPEB Obligation
Fiscal Years 2012-13 through 2015-16 and
Projections for Fiscal Years 2017-18 and 2018-19

Fiscal Year ended June 30	Annual Required Contribution*	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$178,178	$137,730	67%	$501,583
2014	178,178	208,633	61	582,257
2015	238,093	232,962	47	706,284
2016	241,550	238,634	47	832,158
2017	451,189	368,025	21	1,200,183
2018(1)	313,312	453,730	47	3,922,769
2019(1)	313,312	465,614	47	3,922,769

* Service cost for 2017-18 moving forward.
(1) Projections based on the District's 2018-19 Second Interim Report.
Source: Robla School District.

The District has reviewed and is expected to continue to review the Postemployment Valuation, in conjunction with the District's obligations under its post-employment benefit plan, to determine, among other things, its course of action with respect to post-employment benefit contributions and what other post-employment benefit liability must be reported. In the opinion of District management, any further increase in the District's unfunded actuarial accrued liability as described in the Postemployment Valuation will not adversely affect the District's ability to pay debt service on its General Fund obligations or general obligation bonds, including the Bonds described in the forepart of this Official Statement, which are payable from *ad valorem* property taxes.

For additional information regarding the District's OPEB, see Note 8 to the District's audited financial statements contained in APPENDIX C – "ROBLA SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2018" attached to this Official Statement. Information regarding the District's OPEB in this APPENDIX C reflects information as of the Postemployment Valuation.

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– "ROBLA SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2018" attached 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 that 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 fund 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."*

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 Governmental Accounting Standards Board.

Funds used by the District are categorized as follows:

Governmental Funds	Fiduciary Funds	Proprietary Funds
General Fund	Agency Funds	Internal Service Funds
Special Revenue Funds		
Debt Service Funds		
Capital Project Funds		

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 2017-18 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.

General Fund

The following table describes the District's audited financial results for the General Fund for fiscal years 2013-14 through 2017-18.

	Audited 2013-14	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18
Revenues					
LCFF Sources	$14,261,312	$16,743,832	$19,425,438	$20,786,562	$21,340,111
Federal Revenues	1,527,787	41,467,306	1,203,623	1,191,926	1,358,863
Other State Revenues	1,184,280	1,570,685	2,710,778	2,335,113	2,439,358
Other Local Revenues	1,519,918	1,670,567	1,983,284	2,233,974	2,561,052
Total Revenues	$18,493,297	$21,452,390	$25,323,123	$26,547,575	$27,699,384
Expenditures					
Certificated Salaries	$9,468,839	$9,381,105	$11,118,445	$11,750,506	$12,012,246
Classified Salaries	2,270,311	3,114,302	3,324,472	3,673,528	3,792,623
Employee Benefits	2,886,613	4,086,525	4,363,712	5,188,056	5,303,104
Books and Supplies	926,845	921,513	1,781,312	2,364,418	1,244,447
Services and Other Operating Expenditures	1,347,610	1,437,750	1,936,111	2,299,030	3,412,315
Capital Outlay	72,661	671,493	669,370	370,835	2,381,863
Other Outgo	103,069	154,181	45,432	(76,548)	(46,850)
Total Expenditures	$17,575,948	$20,266,219	$23,238,854	$25,569,825	$28,099,748
Excess (Deficiency) of Revenues Over Expenditures	**917,349**	**1,186,171**	**$2,084,269**	**$977,750**	**$(400,364)**
Other Financing Sources (Uses)					
Operating Transfers in	124,665	68,303	$260,695	$316,100	$200,000
Operating Transfers out	-	131,038	3,046	316,100	456,947
Total Other Financing Sources (Uses)	$124,665	$365,538	$257,649	$ –	$(256,947)
Excess of Revenues and Other Financing Services Over Expenditures and Other Financing Uses	**$1,042,014**	**$1,551,709**	**$2,341,918**	**$977,750**	**$(657,311)**
Beginning Fund Balances, July 1	**$3,620,115**	**4,662,129**	**$6,213,838**	**$8,555,756**	**$9,533,505**
Ending Fund Balances, June 30	**$4,662,129**	**6,213,838**	**$8,555,756**	**$9,533,506**	**$8,876,194**

Source: The 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 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 fiscal year 2017-18 were approximately $449,757 and are budgeted to be approximately $400,200 in fiscal year 2018-19.

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 2017-18, and the projected developer fees to be collected during fiscal years 2018-19 and 2019-20.

ROBLA SCHOOL DISTRICT
Developer Fees
Fiscal Years 2013-14 through 2016-17 and
Projections for Fiscal Years 2018-19 and 2019-20

Fiscal Year	Total Developer Fees Collected
2013-14	$ 62,310
2014-15	80,369
2015-16	58,119
2016-17	107,658
2017-18	111,250
2018-19[1]	166,311
2019-20[1]	150,000

[1] Projected year totals from Second Interim Report.
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 2015-16, and the projected revenues to be collected during fiscal years 2017-18 and 2018-19.

ROBLA SCHOOL DISTRICT
Redevelopment Revenue
Fiscal Years 2012-13 through 2015-16 and
Projections for Fiscal Years 2017-18 and 2018-19

Fiscal Year	Redevelopment Revenue Received by the District
2012-13	$110,334
2013-14	256,565
2014-15	124,028
2015-16	168,589
2016-17	170,699
2017-18	180,201
2018-19[1]	180,201

(1) Projected
Source: Robla School District.

Budgets of the 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 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 subsequent fiscal years. Each certification is based on then-current projections.

The District has not had an adopted budget disapproved by the County Superintendent in the last ten years. The District received a qualified certification in fiscal year 2012-13 in connection with its first interim report, in fiscal year 2011-12 in connection with its second interim report, in fiscal year 2010-11 in connection with its second interim financial report, in fiscal year 2009-10 in connection with its second interim financial report, and in fiscal year 2007-08 in connection with its second interim financial report. The District's first interim report for fiscal year 2018-19 received a qualified certification, however, the District's second interim report received a positive certification.

Presented on the following page are the District's adopted budgets for fiscal years 2016-17 through 2018-19 and its second interim report for fiscal year 2018-19. The District adopted its budget for fiscal year 2018-19 on June 28, 2018. See APPENDIX C for the District's financial statements for fiscal year 2017-18.

ROBLA SCHOOL DISTRICT
COMPARISON OF ADOPTED BUDGETS[1]

	Adopted 2016-17 Budget	**Adopted 2017-18 Budget**	**Adopted 2018-19 Budget**	**Second Interim Report 2018-19**
Revenues				
LCFF Sources	$20,947,498	$21,524,059	$22,426,955	$22,562,143
Federal Revenues	1,371,363	1,304,357	1,386,300	1,446,725
Other State Revenues	1,081,660	635,845	1,352,885	1,490,857
Other Local Revenues	1,413,619	1,631,863	1,666,708	1,920,605
Total Revenues	$24,814,140	$25,096,124	$26,832,848	$27,420,330
Expenditures				
Certificated Salaries	$11,011,237	$11,944,759	$11,805,421	$12,007,179
Classified Salaries	3,289,327	3,722,294	3,925,285	4,045,737
Employee Benefits	4,130,110	4,743,173	5,092,512	4,840,942
Books and Supplies	2,267,949	1,570,539	2,087,339	1,912,527
Services and Other Operating Expenditures	2,090,685	2,498,642	2,596,174	3,225,971
Capital Outlay	342,713	1,423,963	607,695	555,695
Other Outgo	(83,827)	(19,260)	72,500	72,500
Total Expenditures	$23,048,194	$25,884,110	$26,186,926	$26,660,550
Excess (Deficiency) of Revenues Over Expenditures	**$1,765,946**	**$(787,986)**	**$645,922**	**$759,780**
Other Financing Sources (Uses)				
Operating Transfers In	–	–	–	–
Operating Transfers Out	$200,000	$200,000	$200,000	$200,000
Total Other Financing Sources (Uses)	$(200,000)	$(200,000)	$(200,000)	$(200,000)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	**$1,565,946**	**$(987,986)**	**$445,922**	**$559,780**
Beginning Fund Balance, July 1	**$6,347,333**	**$8,759,419**	**$8,701,006**	**$8,720,411**
Ending Fund Balances, June 30	**$7,913,279**	**$7,771,433**	**$9,146,928**	**$9,280,191**

[1] Totals may not add due to rounding.
Source: The District.

District Investments

The Sacramento Director of Finance (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 of California. 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* APPENDIX F – SACRAMENTO COUNTY POOLED SURPLUS INVESTMENTS."

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 their report for the Fiscal Year Ended June 30, 2018, is 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 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 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, college 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 will be implemented in stages, beginning in fiscal year 2013-14 and will be fully implemented in fiscal year 2018-19. See "– Local Control Funding Formula" below for more information. Prior to adoption of the LCFF, the State used a revenue limit funding system, described below under "– Revenue Limit."

Revenue Limit Funding. School districts in the State have historically received most of their revenues under a formula known as the "revenue limit." Generally, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. The revenue limit system of funding has been replaced by the LCFF. A description of the revenue limit system is included herein as the District has historically received financial assistance from the State pursuant to this method of appropriations.

Each school district's revenue limit, which was funded by State moneys and local *ad valorem* property taxes from the general 1% *ad valorem* property tax levy, was allocated based on the ADA of each school district for either the current or preceding school year. 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.

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 is budgeted for fiscal year 2018-19. An annual transition adjustment is 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 are 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 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. Following full implementation of the LCFF, and 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 students 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 by 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 year 2013-14 through 2017-18 and projections for fiscal years 2018-19 and 2019-20.

ROBLA SCHOOL DISTRICT
ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2017-18 and Projections for Fiscal Years 2018-19 and 2019-20

	Average Daily Attendance[1]			Enrollment[2]	
Fiscal Year	K-3	4-6	Total ADA	Total Enrollment	% of EL/LI Enrollment
2013-14	1,246	867	2,115	2,201	94.35
2014-15	1,217	911	2,128	2,231	93.44
2015-16	1,169	904	2,073	2,162	93.60
2016-17	1,159	924	2,083	2,188	93.67
2017-18	1,167	879	2,046	2,160	93.28
2018-19[3]	1,131	827	1,958	2,047	92.30
2019-20[3]	1,127	826	1,953	2,047	91.03

(1) Reflects P-2 ADA.
(2) As of October report submitted to the California Basic Educational Data System.
(3) Estimates based on the District's 2018-19 Second Interim Report.
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-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.

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 became operational in fiscal year 2015-16. The District granted the renewal of the Paseo Grande Charter School, now known as the Marconi Charter, for an additional three years through June 20, 2021. 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.

State Assistance

The District's principal funding formulas and revenue sources are derived from the budget of the State of California. The following information concerning the State of California'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 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 2018-19 State Budget

On June 27, 2018, then-Governor Edmund Gerald "Jerry" Brown Jr. signed the fiscal year 2018-2019 State Budget Act (the "2018-19 State Budget"). The 2018-19 State Budget includes general fund revenues in the amount of $129.8 billion for fiscal year 2017-18 and $133.3 billion in fiscal year 2018-19. State general fund expenditures are $127 billion for fiscal year 2017-18 and $138.7 billion for fiscal year 2018-19. The 2018-19 State Budget includes a reserve balance of approximately $15.73 billion, comprised of an approximate balance of $1.96 billion in the Special Fund for Economic Uncertainties (the "SFEU") and an approximate balance of $13.77 billion in the Budget Stabilization Account (the "BSA").

The 2018-19 State Budget acknowledges the State's recovery from the "Great Recession" and the historic growth in education funding. The State plans to continue to save for the next recession and to protect against future cuts by fully filling the BSA and emphasizing one-time expenditures. The 2018-19 State Budget discusses the minimum wage increase, the expansion of health care coverage, and the State's first earned income tax credit. The State has also improved in restoring fiscal health to its retirement benefit plans, paying down its budgetary borrowing, and improving the transportation and water systems within the State. The 2018-19 State Budget reflects an investment in education for K-12 schools with funding levels increased by over $4,633 per student over fiscal year 2011-12 levels. Funding has grown by 66 percent over a seven-year period. The 2018-19 State Budget provides total funding of $97.2 billion for all K-12 education programs, comprised of $56.1 billion in the general fund and $41.1 billion in other funds.

The 2018-19 State Budget includes Proposition 98 funding of $78.4 billion. With the significant increase in funding, the State has been able to pay down debt owed to the schools for outstanding obligations, provide schools with larger grants of discretionary funding, and to fully implement the LCFF in fiscal year 2018-19. Further, the 2018-19 State budget enacts a new Proposition 98 certification process consistent with retiring debt and liabilities and to provide a new mechanism to ensure annual certifications.

The 2018-19 State Budget included the following significant adjustments affecting State K-12 school districts:

- Local Control Funding Formula – An increase of $3.7 billion in Proposition 98 funding to fully implement the LCFF two years earlier than expected.

- Low-Performing Students Block Grant – $300 million in one-time Proposition 98 funding to provide resources to local education agencies with students who perform at the lowest levels on the State's academic assessments, and do not generate supplemental LCFF funds or State or federal special education resources.

- State System of Support – $57.8 million in Proposition 98 funding for county offices of education to provide technical assistance to school districts.

- Multi-Tiered Systems of Support ("MTSS") – $15 million in one-time Proposition 98 funding to expand the State's MTSS framework to foster positive school climate.

- Community Engagement Initiative – $13.3 million in one-time Proposition 98 funding for the California Collaborative for Educational Excellence and a co-lead county office of education to help build capacity for community engagement in the LCAP process.

- California Collaborative for Educational Excellence – $11.5 million in Proposition 98 funding to support the Collaborative in its role within the statewide system of support.

- Special Education Local Plan Area ("SELPA") Technical Assistance – $10 million in Proposition 98 funding for SELPAs to assist county offices of education in providing technical assistance to school districts identified for differentiated assistance (specific to students with exceptional needs) within the Statewide system of support.

- Career Technical Education ("CTE") – $164 million in Proposition 98 funding to establish a K-12 specific component within the Strong Workforce Program.

- CTE Incentive Grant Program – $150 million in ongoing Proposition 98 funding to make the State's Career Technical Education Incentive Grant Program permanent.

- One-Time Funding – An increase of $1.1 billion in one-time Proposition 98 funding for school districts, charter schools and county offices to further support local priorities.

- Teacher Residency Grant Program – $75 million in one-time Proposition 98 funding to support locally sponsored, one-year intensive, mentored, clinical teacher preparation programs with $50 million aimed at preparing and retaining special education teachers and $25 million aimed at bilingual and STEM teachers.

- Local Solutions Grant Program – $50 million in one-time Proposition 98 funding to provide one-time competitive grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers.

- Classified School Employee Summer Assistance Program – $50 million one-time Proposition 98 funding to provide state matching funds to classified school employees that elect to have a portion of their monthly paychecks withheld during the school year and then paid during the summer recess period.

- Classified School Employee Professional Development Block Grant Program – $50 million one-time Proposition 98 funding for professional development opportunities for classified staff, with a priority on professional development for the implementation of school safety plans.

- Charter School Facility Grant Program – $21.1 million one-time and $24.8 million ongoing Proposition 98 funding to reflect increases in programmatic costs.

- English Language Proficiency Assessment for California ("ELPAC") – $27.1 million one-time Proposition 98 funding to convert the paper-based ELPAC to a computer based assessment and to develop an ELPAC assessment specific to students with exceptional needs.

- Kids Code After School Program – $15 million one-time Proposition 98 funding to increase opportunities for students in after-school programs to access computer coding education.

- Fire-Related Support – $4.4 million Proposition 98 funding over two years in property tax relief to schools impacted by the fires in Northern and Southern California in 2017, and an additional $25 million Proposition 98 funding relief through the LCFF. The 2018-19 State Budget also holds harmless the average daily attendance used in calculating the LCFF for these counties for three years.

- California-Grown Fresh School Meals Grants – $1 million in one-time Proposition 98 funding to encourage the purchase of California-grown food by schools and expand the number of freshly prepared school meals offered that use California-grown ingredients.

- Fiscal Crisis and Management Assistance Team ("FCMAT") – $972,000 Proposition 98 funding to allow FCMAT to coordinate with county offices of education to offer more proactive and preventive services to fiscally distressed school districts, specifically those with a qualified interim budget status (school districts that may not meet their financial obligations in the current year or subsequent two years).

Governor's 2019-20 May Revised State Budget

On May 9, 2019, Governor Gavin Newsom released his May Revision to the fiscal year 2019-20 budget (the "2019-20 Revised State Budget"). The 2019-20 Revised State Budget projects general fund revenues in the amount of $138.05 billion in fiscal year 2018-19 and $143.84 billion in fiscal year 2019-20. The 2019-20 Revised State Budget projects that the State will end fiscal year 2018-19 with a reserve balance of approximately $19.2 billion, comprised of an approximate balance of $4.8 billion in the SFEU and an approximate balance of $14.4 billion in the BSA. The 2019-20 Revised State Budget projects that the State will end fiscal year 2019-20 with an approximately $18.1 billion reserve balance, comprised of approximately $1.6 billion in the SFEU and approximately $16.5 billion in the BSA.

The 2019-20 Revised State Budget describes the State's financial situation as balanced, with a strong fiscal foundation as a result of paying down debts and building up reserves. The 2019-20 Revised State Budget acknowledges the State's hard-won recovery and is centered on making necessary investments for a more effective government, promoting affordability and opportunity, and supporting justice and dignity for all Californians. For example, the 2019-20 Revised State Budget includes $4.5 billion to eliminate debts and reverse deferrals, $5.7 billion to build reserves, and $4.8 billion to pay down unfunded retirement liabilities. The 2019-20 Revised State Budget also addresses the unprecedented natural disasters which have occurred over the prior two years by proposing a one-time $50 million general fund expenditure for local grants and to immediately begin a comprehensive statewide education campaign on disaster preparedness and safety. The 2019-20 Revised State Budget also includes a series of proposals to address early childhood education and improving early childhood health and wellness, and also creates a new "California EITC" by more than doubling the size of the State's earned income tax credit to $1.2 billion.

Under the 2019-20 Revised State Budget, general fund expenditures for fiscal year 2019-20 are $147billion (an increase of approximately $3.8 billion from fiscal year 2018-19 general fund expenditures), of which $58.7 billion (40%) is allocated to K-12 education. The 2019-20 Revised State Budget provides Proposition 98 funding of $81.1 billion for fiscal year 2019-20. Compared to the 2019-20 Proposed State Budget, the 2019-20 Revised State Budget increases Proposition 98 funding by $389.3 million.

The 2019-20 Revised State Budget notes that attendance in public schools has been on the decline and contains expectations that attendance will decline slightly in fiscal year 2018-19 and decline again in fiscal year 2019-20.

The 2019-20 Revised State Budget included the following significant adjustments affecting California K-12 school districts:

- LCFF Adjustments – An increase of $70 million Proposition 98 General Fund in 2018-19 and a decrease of $63.9 million Proposition 98 General Fund in 2019-20 for school districts, charter schools, and county offices of education to reflect changes in average daily attendance and cost-of-living (COLA only in 2019-20) that affect the LCFF calculation.

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

- AB 1840 Adjustments – An increase of $3.6 million one-time Proposition 98 General Fund for Inglewood Unified School District and $514,000 one-time Proposition 98 General Fund for Oakland Unified School District, amounting to 75 percent of the operating deficit of these districts, pursuant to Chapter 426, Statutes of 2018 (AB 1840).

- Local Property Tax Adjustments – An increase of $146.6 million Proposition 98 General Fund in 2018-19 and $142.1 million Proposition 98 General Fund in 2019-20 for school districts, special education local plan areas, and county offices of education as a result of lower offsetting property tax revenues in both years.

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

- Categorical Program Cost-of-Living Adjustments – A decrease of $7.4 million Proposition 98 General Fund to selected categorical programs for 2019-20 to reflect a change in the cost-of-living factor from 3.46 percent at the Governor's Budget to 3.26 percent at the May Revision.

- Categorical Program Growth – An increase of $7.6 million Proposition 98 General Fund for selected categorical programs, based on updated estimates of average daily attendance.

- San Francisco Unified School District Excess Tax Correction – An increase of $149.1 million one-time Proposition 98 General Fund to reflect a technical adjustment to excess property taxes related to a misallocation of these funds in 2016-17. Specifically, San Francisco did not properly calculate the excess tax allocation for the school district, which received taxes that should have been allocated to the county and city and special districts.

Additional Information. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of the State budget may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." 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. To the extent that the 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

FORMS OF BOND COUNSEL OPINIONS

June 13, 2019

Board of Trustees
Robla School District
5248 Rose Street
Sacramento, California 95838

Re: $460,000 Robla School District (Sacramento County, California)
General Obligation Bonds, Election of 1992, Series 2019J

Ladies and Gentlemen:

We have acted as Bond Counsel to the Robla School District, Sacramento County (the "County"), State of California (the "District"), in connection with the issuance by the District of $460,000 aggregate principal amount of its General Obligation Bonds, Election of 1992, Series 2019J (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, as amended, (ii) applicable provisions of the Education Code of the State of California, as amended, (iii) Article XIIIA of the California Constitution and (iv) the resolution of the Board of Trustees of the District, adopted on May 9, 2019 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in 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 connection thereto, 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 to us 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 obligation 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 Resolution and 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 opinions set forth in paragraphs 4 and 5 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, 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,

June 13, 2019

Board of Trustees
Robla School District
5248 Rose Street
Sacramento, California 95838

Re: $46,200,000 Robla School District (Sacramento County, California) General Obligation Bonds, Election of 2018, Series 2019A

Ladies and Gentlemen:

We have acted as Bond Counsel to the Robla School District, Sacramento County (the "County"), State of California (the "District"), in connection with the issuance by the District of $46,200,000 aggregate principal amount of its General Obligation Bonds, Election of 2018, Series 2019A (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, as amended, (ii) applicable provisions of the Education Code of the State of California, as amended, (iii) Article XIIIA of the California Constitution and (iv) the resolution of the Board of Trustees of the District, adopted on May 9, 2019 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in 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 connection thereto, 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 to us 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 obligation 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 Resolution and 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 opinions set forth in paragraphs 4 and 5 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, 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,

June 13, 2019

Board of Trustees
Robla School District
5248 Rose Street
Sacramento, California 95838

Re: $1,380,000 Robla School District (Sacramento County, California)
2019 General Obligation Refunding Bonds

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 $1,380,000 aggregate principal amount of its 2019 General Obligation Refunding Bonds (the "Bonds"). The Bonds are issued pursuant to (i) Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended, (ii) applicable provisions of the Education Code of the State of California, as amended, (iii) Article XIIIA of the California Constitution and (iv) pursuant to the resolution of the Board of Trustees of the District, adopted on May 9, 2019 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in 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 connection thereto, 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 to us 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 constitute the legally valid and binding obligations of the District, enforceable in accordance with their 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 Resolution and 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 opinions set forth in paragraphs 4 and 5 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, 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,

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APPENDIX C

ROBLA SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2018

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ROBLA SCHOOL DISTRICT
COUNTY OF SACRAMENTO
SACRAMENTO, CALIFORNIA

AUDIT REPORT

JUNE 30, 2018

Introductory Section

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Audit Report
For The Year Ended June 30, 2018

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For The Year Ended June 30, 2018

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Financial Section

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

To the Board of Trustees
Robla School District
Sacramento, California 95838

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 ("the District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Robla School District as of June 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

El Cajon Office
218 W. Douglas Avenue El Cajon, CA 92020
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Berkeley Office
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Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2018, Robla School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and Schedule of Changes in the District's Total OPEB Liability And Related Ratios identified as Required Supplementary Information 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 opinions on the financial statements that collectively comprise the Robla School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2017-18 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 is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018 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 Robla School District's internal control over financial reporting and compliance.

Wilkinson Hadley King + Co LLP

El Cajon, California
December 14, 2018

ROBLA SCHOOL DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2018

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, 2018. 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 2016-2017 to 2017-2018 was $554 thousand. The increase is due to the State of California funding the remaining LCFF gap because of actual revenues outpacing all forecasts.

- The general fund expenditures increased by $2.5 million or 9.0% of the previous year amount. A significant amount of capital expenditures relating to Proposition 39 energy projects reflects at least half of the increase.

- General Fund expenditures and other uses exceeded revenues and other sources by $657 thousand, ending the year with available reserves of 10.0%.

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 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 and liabilities using the accrual basis of accounting. This basis of accounting takes in 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 2017-2018?"

These two statements report the District's net position and changes in those assets. This 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, Child Development Fund and the Building 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 and 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 ($27.6) million at June 30, 2018 and was largely due to the continuing recognition of the Net Pension liability. Of this amount, unrestricted assets were ($30.0) million. A Comparative analysis of government-wide data is presented in Table 1.

The District's net position decreased $3.5 million this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 74% of total expenses. The administrative activities of the District accounted for just 7% of total costs. The remaining 20% was spent in the areas of plant services and other expenses. (See Figure 2)

(Table 1)
Comparative Statement of Net Position

	Governmental Activities June 30, 2018	Governmental Activities Restated June 30, 2017
Assets		
Cash	$ 22,294,312	$ 29,546,809
Accounts receivable	1,282,768	970,799
Stores inventory	6,777	6,777
Prepaid expenses	268,680	147,352
Capital assets	32,434,315	26,764,687
Total Assets	$ 56,286,852	$ 57,436,424
Deferred Outflows of Resources		
Deferred outflows of resources - pensions	$ 9,339,632	$ 4,533,789
Liabilities		
Accounts payable and other current liabilities	2,905,123	2,286,575
Unearned revenue	198,843	222,835
Long-term liabilities	86,875,887	82,415,448
Total liabilities	89,979,853	84,924,858
Deferred Inflows of Resources		
Deferred inflows of resources - pensions	$ 3,259,980	$ 1,123,427
Net Assets		
Net investment in capital assets	(11,970,914)	(26,860,102)
Restricted	14,352,956	2,542,131
Unrestricted	(29,995,391)	239,899
Total net position	$ (27,613,349)	$ (24,078,072)

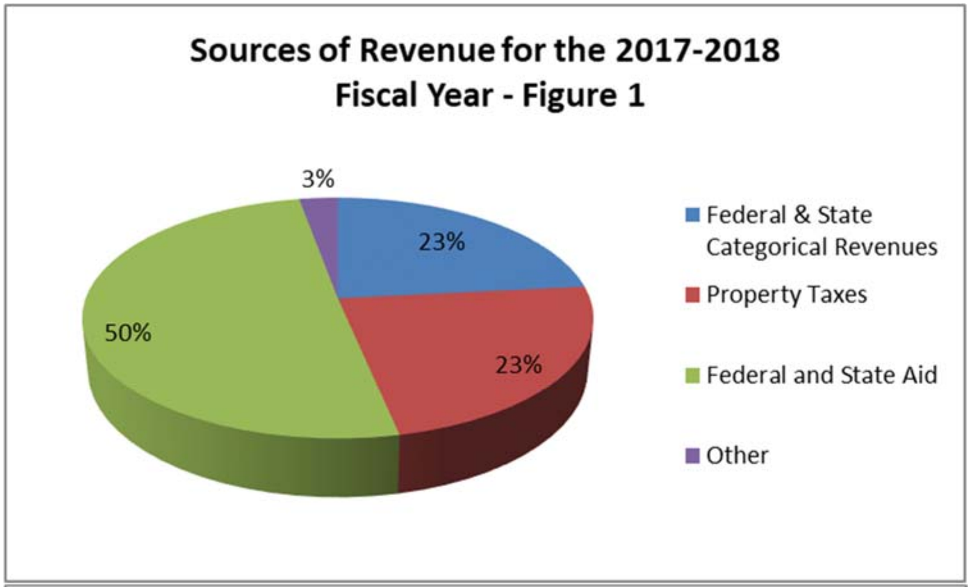
(Table 2)
Comparative Statement of Change in Net Position

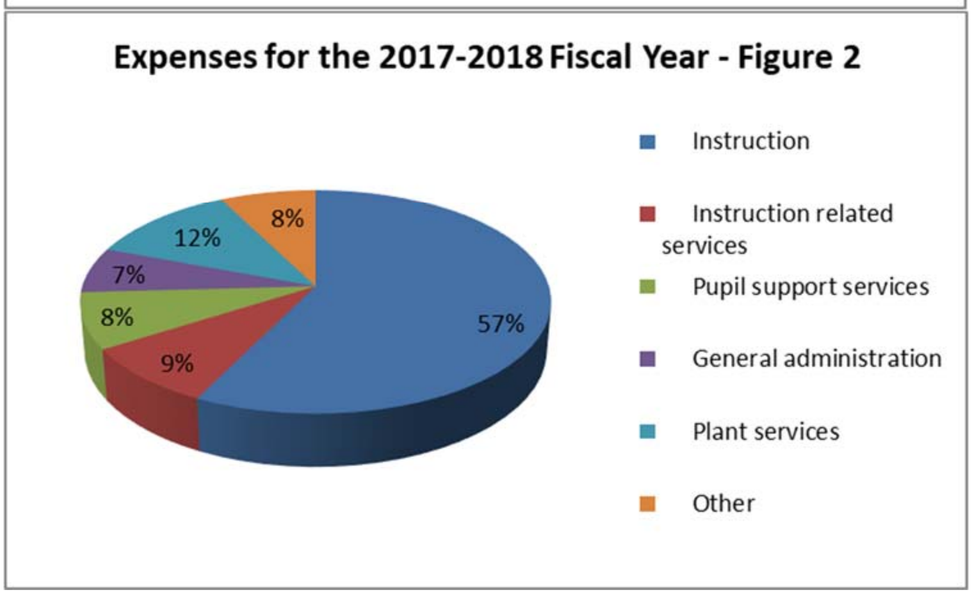
	Governmental Activities	
	June 30, 2018	**June 30, 2017**
Revenues		
Program revenues	$ 7,733,621	$ 7,127,792
General revenues		
Taxes levied for general purposes	5,382,038	5,189,527
Taxes levied for debt service	2,256,957	2,566,362
Taxes levied for other specific purposes	71,159	63,236
Federal and state aid not restricted to specific purposes	16,670,771	16,438,735
Interest and investment earnings	306,511	589,543
Miscellaneous	640,022	754,831
Total Revenues	$ 33,061,079	$ 32,730,026
Expenses		
Instruction	20,983,639	21,503,272
Instruction related services	3,180,197	3,292,563
Pupil support services	2,966,348	3,065,917
General administration	2,407,395	2,404,655
Plant services	4,300,577	2,913,796
Other	2,758,200	2,600,350
Total Expenses	36,596,356	35,780,553
Increase (Decrease) in net position	$ (3,535,277)	$ (3,050,527)

GOVERNMENTAL ACTIVITIES

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $35.8 million. The amount that our local taxpayers financed for these activities through property taxes was $6.7 million. Federal and State aid not restricted to specific purposes totaled $16.4 million. Operating grants and contributions revenue $7.1 million, and covered 20% 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 $21.2 million, an decrease of $7.4 million from the previous fiscal year's combined ending balance of $28.6 million.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget monthly. 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.
- An analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund (or its equivalent). The analysis should include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity

The final revised budget for the General Fund reflected a net increase to the ending balance of $317 thousand.

The District ended the year with a $749 thousand decrease 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 the Schedule of Capital Assets net of depreciation.

(Table 3)
Comparative Schedule of Capital Assets
(net of depreciation)
June 30, 2018 and 2017

	2018	2017	Net $ Change	Net % Change
Land	$ 1,391,065	$ 1,391,065	$ 0	0.0%
Site Improvements	2,625,984	2,488,797	137,187	5.5%
Buildings	26,924,046	21,333,532	5,590,514	26.2%
Equipment	1,129,992	1,195,432	(65,440)	-5.5%
Work in progress	363,228	355,861	7,367	2.1%
Total	$ 32,434,315	$ 26,764,687	$ 5,669,628	28.3%

Long-Term Debt

At June 30, 2018 the District had $86 million in long-term debt outstanding.

(Table 2)
Comparative Schedule of Outstanding Debt
June 30, 2018 and 2017

	2018	Restated 2017
General Obligation Bonds	$ 39,032,644	$ 39,722,030
Accreted Interest	14,466,578	13,598,742
Capital Lease Obligation	264,699	304,017
Net OPEB liability	3,922,769	3,616,686
Net Pension liability	28,876,527	24,853,066
Compensated Absences	312,670	320,906
Total	$ 86,875,887	$ 82,415,447

FACTORS BEARING ON THE DISTRICT

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 district at 100%.

The latest enrollment projections indicate a downward trend for the next two (2) 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 Mike Henkel, Chief Business Official, 5248 Rose Street, Sacramento, CA 95838 (916) 649-5248 x530.

Basic Financial Statements

ROBLA SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2018

		Governmental Activities
ASSETS		
Cash	$	22,294,312
Receivables		1,282,768
Stores		6,777
Prepaid Expenses		268,680
Capital Assets:		
Land		1,391,065
Improvements		6,800,548
Buildings		42,234,761
Equipment		2,709,936
Work in Progress		363,228
Less Accumulated Depreciation		(21,065,223)
Total Assets		56,286,852
DEFERRED OUTFLOWS OF RESOURCES		9,339,632
LIABILITIES		
Accounts Payable and Other Current Liabilities		2,905,123
Deferred Revenue		198,843
Long-Term Liabilities:		
Due Within One Year		1,684,050
Due in More Than One Year		85,191,837
Total Liabilities		89,979,853
DEFERRED INFLOWS OF RESOURCES		3,259,980
NET POSITION		
Net Investment in Capital Assets		(11,970,914)
Restricted for:		
Capital Projects		9,359,465
Debt Service		2,315,867
Educational Programs		1,320,134
Other Purposes (Expendable)		1,075,174
Other Purposes (Nonexpendable)		282,316
Unrestricted		(29,995,391)
Total Net Position	$	(27,613,349)

The accompanying notes are an integral part of this statement.

EXHIBIT A-2

ROBLA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 20,983,639	$ -	$ 4,286,753	$ 9	$ (16,696,877)
Instruction-Related Services:					
Instructional Supervision and Administration	633,970	-	283,752	-	(350,218)
Instructional Library, Media and Technology	225,199	-	18,186	-	(207,013)
School Site Administration	2,321,028	-	356,813	-	(1,964,215)
Pupil Services:					
Home-to-School Transportation	760,513	-	-	-	(760,513)
Food Services	1,507,104	-	1,441,514	-	(65,590)
All Other Pupil Services	698,731	-	355,417	-	(343,314)
General Administration:					
Centralized Data Processing	430,749	-	-	-	(430,749)
All Other General Administration	1,976,646	-	257,527	-	(1,719,119)
Plant Services	4,300,577	-	711,994	-	(3,588,583)
Interest on Long-Term Debt	2,676,852	-	-	-	(2,676,852)
Other Outgo - Transfers of Services	81,348	-	21,656	-	(59,692)
Total Expenses	$ 36,596,356	$ -	$ 7,733,612	$ 9	$ (28,862,735)

General Revenues:	
Taxes and Subventions:	
Taxes Levied for General Purposes	$ 5,382,038
Taxes Levied for Debt Service	2,256,957
Taxes Levied for Other Specific Purposes	71,159
Federal and State Aid Not Restricted to Specific Programs	16,670,771
Interest and Investment Earnings	306,511
Miscellaneous	640,022
Total General Revenues, Special and Extraordinary Items, and Transfers	$ 25,327,458
Change in Net Position	(3,535,277)
Net Position Beginning, As Restated (See Note S)	(24,078,072)
Net Position Ending	$ (27,613,349)

The accompanying notes are an integral part of this statement.

ROBLA SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Child Development Fund
ASSETS:		
Cash in County Treasury	$ 9,619,312	$ 352,109
Cash on Hand and in Banks	44,312	-
Cash in Revolving Fund	6,857	-
Cash with a Fiscal Agent/Trustee	-	-
Accounts Receivable	1,115,699	21,203
Due from Other Funds	128,198	-
Stores Inventories	-	-
Prepaid Expenditures	268,680	-
Total Assets	11,183,058	373,312
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	$ 2,300,744	$ 69,677
Due to Other Funds	-	103,478
Unearned Revenue	6,120	126,668
Total Liabilities	2,306,864	299,823
Fund Balance:		
Nonspendable Fund Balances:		
Revolving Cash	6,859	-
Stores Inventories	-	-
Prepaid Items	268,680	-
Restricted Fund Balances	1,879,353	73,489
Assigned Fund Balances	5,312,727	-
Unassigned:		
Reserve for Economic Uncertainty	1,408,575	-
Total Fund Balance	8,876,194	73,489
Total Liabilities and Fund Balances	$ 11,183,058	$ 373,312

The accompanying notes are an integral part of this statement.

Building Fund	Other Governmental Funds	Total Governmental Funds
$ 569,571	$ 2,878,558	$ 13,419,550
-	26,895	71,207
-	-	6,857
8,862,080	-	8,862,080
-	145,866	1,282,768
-	51,137	179,335
-	6,777	6,777
-	-	268,680
9,431,651	3,109,233	24,097,254
$ 72,959	$ 109,714	$ 2,553,094
-	75,856	179,334
-	66,055	198,843
72,959	251,625	2,931,271
-	-	6,859
-	6,777	6,777
-	-	268,680
9,358,692	2,759,106	14,070,640
-	91,725	5,404,452
-	-	1,408,575
9,358,692	2,857,608	21,165,983
$ 9,431,651	$ 3,109,233	$ 24,097,254

ROBLA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balances - governmental funds balance sheet		$ 21,165,983
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:	53,499,538	
Accumulated depreciation:	(21,065,223)	
Net:		32,434,315
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 was:		(417,412)
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liaibilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds payable	53,499,222	
Net pension liability	28,876,527	
Net OPEB obligation	3,922,769	
Compensated absences payable	312,670	
Capital leases payable	264,699	
Total:		(86,875,887)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred outflows of resources relating to pensions		9,339,632
Deferred inflows of resources relating to pensions		(3,259,980)
Net position of governmental activities - Statement of Net Position		$ (27,613,349)

The accompanying notes are an integral part of this statement.

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ROBLA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Child Development Fund
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	$ 13,686,329	$ -
Education Protection Account Funds	2,790,329	-
Local Sources	4,863,453	-
Federal Revenue	1,358,863	32,424
Other State Revenue	2,439,358	1,425,879
Other Local Revenue	2,561,052	6,224
Total Revenues	27,699,384	1,464,527
Expenditures:		
Current:		
Instruction	16,690,034	1,267,223
Instruction - Related Services	2,804,393	139,183
Pupil Services	1,411,915	-
General Administration	2,071,753	103,478
Plant Services	2,658,442	141,171
Other Outgo	81,348	-
Capital Outlay	2,332,513	-
Debt Service:		
Principal	39,317	-
Interest	10,033	-
Total Expenditures	28,099,748	1,651,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400,364)	(186,528)
Other Financing Sources (Uses):		
Transfers In	200,000	187,063
Transfers Out	(456,947)	-
Total Other Financing Sources (Uses)	(256,947)	187,063
Net Change in Fund Balance	(657,311)	535
Fund Balance, July 1	9,533,505	72,954
Fund Balance, June 30	$ 8,876,194	$ 73,489

The accompanying notes are an integral part of this statement.

Building Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 13,686,329
-	-	2,790,329
-	-	4,863,453
-	1,445,350	2,836,637
-	164,746	4,029,983
165,423	2,601,440	5,334,139
165,423	4,211,536	33,540,870
-	-	17,957,257
-	-	2,943,576
-	1,577,523	2,989,438
-	24,719	2,199,950
287,429	39,848	3,126,890
-	-	81,348
5,896,781	879,120	9,108,414
-	674,591	713,908
-	1,822,780	1,832,813
6,184,210	5,018,581	40,953,594
(6,018,787)	(807,045)	(7,412,724)
-	121,021	508,084
-	(51,137)	(508,084)
-	69,884	-
(6,018,787)	(737,161)	(7,412,724)
15,377,479	3,594,769	28,578,707
$ 9,358,692	$ 2,857,608	$ 21,165,983

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, 2018

Net change in fund balances - total governmental funds		$	(7,412,724)
Amounts reported for governmental activities in the Statement of Activities are different from amounts reported in governmental funds because:			
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:			
Expenditures for capital outlay:	8,057,429		
Depreciation expense:	(2,339,045)		
Net:			5,718,384
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:			713,908
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:			(48,756)
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:			(868,866)
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:			8,236
Pensions: In government 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:			(1,354,171)
Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:			(306,083)
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 is:			14,795
Change in net position of governmental activities - Statement of Activities		$	(3,535,277)

The accompanying notes are an integral part of this statement.

ROBLA SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Fund
	Student Body Fund
ASSETS:	
Cash on Hand and in Banks	$ 81,404
Total Assets	81,404
LIABILITIES:	
Due to Student Groups	$ 81,404
Total Liabilities	81,404
NET POSITION:	
Total Net Position	$ -

The accompanying notes 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 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 form of government and provides educational services as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

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 Statements 14, 39, and 61.

3. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities 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 revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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 nonmajor funds.

The District reports the following major governmental funds:

General Fund. This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

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

Building Fund. This fund exists primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

In addition, the District reports the following fund types:

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

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 and other capital assets (other than those financed by proprietary funds and trust funds).

Debt Service Funds. Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: 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 does not consider revenues collected after its year-end to be available in the current period. 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 of 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.

4. Encumbrances

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

5. 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 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

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

6. 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 is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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.

7. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 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 Section 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 Sacramento 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 at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, 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 expenditure during the benefiting period.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed 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:

Asset Class	Estimated Useful Lives
Buildings	20-50
Improvements	10-25
Equipment	5-15

d. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund 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 incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

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 benefiting 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. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Sacramento bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

h. 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 insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, 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. 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 conveys 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 funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

i. Fund Balance Policy

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District has adopted a policy to achieve and maintain unrestricted fund balance in the General Fund of 3% of total General Fund expenditures, other uses and transfers out at the close of each fiscal year, consistent with the recommended level promulgated by the State of California. If any portion of the 3% Reserve for Economic Uncertainties is spent, then the District shall reduce expenditures to re-establish the 3% Reserve for Economic Uncertainties.

8. 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.

9. GASB 54 Fund Presentation

The Deferred Maintenance Fund (Fund 14) does not meet the definition of a special revenue fund as defined by GASB Statement No. 54. As a result, Fund 14 is combined with the general fund for financial reporting purposes.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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's 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.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD)	June 30, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

11. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could 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 for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

13. Change in Accounting Policies

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, 2018. Those newly implemented pronouncements are as follows:

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement replaces the requirements of GASB 45 and GASB 57. This statement establishes standards for recognizing and measuring OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. This statement also identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service for defined benefit OPEB.

The District provides a defined benefit OPEB plan that is not administered through a trust, but meets the criteria specified in GASB 75. As a result, the District has adjusted measurement of OPEB liability, OPEB expense, and related deferred outflows and inflows of resources in compliance with GASB 75. The change in accounting policies resulted in an adjustment to beginning net position in order to accurately reflect current period transactions. Additional note disclosures regarding OPEB liability, OPEB expense, and related deferred inflows and outflows of resources are located in Note P. Additional note disclosures regarding the adjustment to beginning net position resulting from this change in accounting policy are located in Note S.

GASB 81 - Irrevocable Split-Interest Agreements

The primary objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement requires that a government receiving resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. This statement also requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. In addition, this statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The District does not receive resources pursuant to an irrevocable split-interest agreement, nor does the District have any beneficial interests in irrevocable split interest agreements as of June 30, 2018. The District has adopted the accounting policies in the event that the District obtains a beneficial interest in a future split-interest agreement. 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 81.

GASB 85 - Omnibus 2017

The primary objective of this statement is to address practice issues that were identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). The statement was issued as a clarifying measure to previously issued statements.

The implementation of this statement resulted in a change in how the District recognizes on-behalf payments for the special funding situation for CalSTRS pension. The results of implementing these accounting policies did not have a material effect on the financial statements and did not affect previous periods.

GASB 86 - Certain Debt Extinguishment Issues

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, other than proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial statements for debt that is defeased in substance.

The District does not have any in-substance defeasance of debt as of June 30, 2018. The District has adopted the accounting policies in the event that the District extinguishes debt through use of a legal extinguishment or through an in-substance defeasance in a future period. 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 86.

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.

Violation	Action Taken
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

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

Fund Name	Deficit Amount	Remarks
None reported	Not applicable	Not applicable

C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Sacramento County Treasury as part of the common investment pool ($13,419,550 as of June 30, 2018). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $13,419,550**.** Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's 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.

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

Cash balances on hand and in banks ($153,106 as of June 30, 2018) and in the revolving fund ($6,857) are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Cash with Fiscal Agents

The amounts reported as cash with fiscal agent represents debt proceeds that have been set aside for capital asset expenditures. These amounts are held in the Sacramento County short-term investment portfolio (non-pooled) in the District's name.

Account Type	Maturity	Account Balance
Sacramento County Short Term Investment Portfolio	<30 Days	$ 8,862,080
Total Cash with Fiscal Agent		$ 8,862,080

4. 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.

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

5. 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 is restricted by Government Code Section 53635 pursuant to Section 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 credit risk. At year end, the District was not exposed to credit risk.

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.

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 year end, the District was 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. At year end, 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. At year end, the District was not exposed to interest rate risk.

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.

6. 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 in conformity with GASB Statement No. 77 unless the pool is 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.

D. Accounts Receivable

Accounts receivable, at June 30, 2018, consisted of:

	Major Governmental Funds				
	General Fund	Child Development Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government:					
Title I	$ 260	$ -	$ -	$ -	$ 260
Special Education	345,071	-	-	-	345,071
Title X McKinney Vento	28,828	-	-	-	28,828
Child Nutrition Program	-	-	-	100,000	100,000
Total Federal Government	374,159	-	-	100,000	474,159
State Government:					
LCFF State Aid	-	-	-	-	-
Lottery Revenue	37,522	-	-	-	37,522
Mental Health	52,091	-	-	-	52,091
California State Preschool	-	1,853	-	-	1,853
Child Development Program	-	19,350	-	-	19,350
Child Nutrition Program	-	-	-	30,083	30,083
Total State Government	89,613	21,203	-	30,083	140,899
Local Sources:					
Property Taxes	40,079	-	-	-	40,079
Interest	62,210	-	-	15,783	77,993
First Five Initiative	81,990	-	-	-	81,990
Central Valley Foundation Grant	135,782	-	-	-	135,782
Transportation Billing	71,859	-	-	-	71,859
UCD/Reed Billing	107,332	-	-	-	107,332
QRIS Funds	59,566	-	-	-	59,566
Charter School Oversight Fees	26,660	-	-	-	26,660
Other Local Sources	66,449	-	-	-	66,449
Total Local Sources	651,927	-	-	15,783	667,710
Total Accounts Receivable	$ 1,115,699	$ 21,203	$ -	$ 145,866	$ 1,282,768

All accounts receivable are considered to be collectible in full and as such no allowance for doubtful accounts has been established.

E. Prepaid Expenses

Prepaid expenses, at June 30, 2018, consisted of:

	General Fund
Prepaid service agreement	$ 268,680

F. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,391,065	$ -	$ -	$ 1,391,065
Work in progress	355,861	6,769,920	6,762,553	363,228
Total capital assets not being depreciated	1,746,926	6,769,920	6,762,553	1,754,293
Capital assets being depreciated:				
Buildings	34,521,236	7,713,525	-	42,234,761
Improvements	6,648,479	180,224	28,155	6,800,548
Equipment	2,894,179	156,313	340,556	2,709,936
Total capital assets being depreciated	44,063,894	8,050,062	368,711	51,745,245
Less accumulated depreciation for:				
Buildings	(13,187,704)	(2,123,011)	-	(15,310,715)
Improvements	(4,159,682)	(34,594)	(19,712)	(4,174,564)
Equipment	(1,698,747)	(181,440)	(300,243)	(1,579,944)
Total accumulated depreciation	(19,046,133)	(2,339,045)	(319,955)	(21,065,223)
Total capital assets being depreciated, net	25,017,761	5,711,017	48,756	30,680,022
Governmental activities capital assets, net	$ 26,764,687	$ 12,480,937	$ 6,811,309	$ 32,434,315

Depreciation was charged to functions as follows:

Instruction	$ 2,137,337
Instruction-Related Services	84,809
Pupil Services	52,541
General Administration	61,329
Plant Services	3,029
	$ 2,339,045

G. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2018, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Child Development Fund	$ 103,478	Child development expenses
General Fund	Nonmajor Govt. Funds	24,719	Child nutrition expenses
Nonmajor Govt. Funds	Nonmajor Govt. Funds	51,137	Capital projects expenses
	Total	$ 179,334	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2018, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	General Fund	$ 200,000	Deferred maintenance
General Fund	Child Development Fund	187,063	Child development expenses
General Fund	Nonmajor Govt. Funds	69,884	Child nutrition expenses
Nonmajor Govt. Funds	Nonmajor Govt. Funds	51,137	Capital projects expenses
	Total	$ 508,084	

H. Accounts Payable

Accounts payable, at June 30, 2018, consisted of:

	Major Governmental Funds				
	General Fund	Child Development Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Vendors Payable	$ 413,591	$ 7,124	$ 72,959	$ 38,546	$ 532,220
LCFF Repayment	59,919	-	-	-	59,919
Educator Effectiveness Repayment	202,896	-	-	-	202,896
Charter School Property Taxes	577,022	-	-	-	577,022
Payroll and Related Benefits	248,403	59,066	-	7,546	315,015
Pension Related Payables	39,145	3,486	-	-	42,631
Other Current Liabilities	759,768	1	-	63,622	823,391
Total Accounts Payable	$ 2,300,744	$ 69,677	$ 72,959	$ 109,714	$ 2,553,094

I. Unearned Revenue

Unearned revenue, at June 30, 2018, consisted of:

	Major Governmental Funds				
	General Fund	Child Development Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Government:					
Title II	1,698	-	-	-	1,698
Title III Immigrant Education	635	-	-	-	635
Title III Limited English Proficiency	3,787	-	-	-	3,787
Total Federal Government	6,120	-	-	-	6,120
State Government:					
California State Preschool	-	126,668	-	-	126,668
Total State Government	-	126,668	-	-	126,668
Local Sources:					
Property Taxes	-	-	-	66,055	66,055
Total Local Sources	-	-	-	66,055	66,055
Total Unearned Revenue	$ 6,120	$ 126,668	$ -	$ 66,055	$ 198,843

J. 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, 2018, the District did not enter into any short-term debt agreements.

K. Components of Ending Fund Balance

Components of ending fund balance, at June 30, 2018, consisted of:

	Major Governmental Funds				
	General Fund	Child Development Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable Fund Balances					
Revolving Cash	$ 6,859	$ -	$ -	$ -	$ 6,859
Stores Inventory	-	-	-	6,777	6,777
Prepaid Expenses	268,680	-	-	-	268,680
Total Nonspendable	275,539	-	-	6,777	282,316
Restricted Fund Balances					
Capital Projects	-	-	9,358,692	773	9,359,465
Educational Programs	1,246,646	73,489	-	-	1,320,135
Mental Health Services	632,707	-	-	-	632,707
Maintenance	-	-	-	-	-
Child Nutrition Program	-	-	-	442,466	442,466
Debt Service	-	-	-	2,315,867	2,315,867
Total Restricted	1,879,353	73,489	9,358,692	2,759,106	14,070,640
Assigned Fund Balances					
LCFF Reserve	1,408,574	-	-	-	1,408,574
Technology Refresh	500,000	-	-	-	500,000
Safety Projects	200,000	-	-	-	200,000
LCAP Projects	2,345,840	-	-	-	2,345,840
Field Improvements	300,000	-	-	-	300,000
Lottery/Salary Usage	402,530	-	-	-	402,530
Deferred Maintenance	155,783	-	-	-	155,783
Other Capital Projects	-	-	-	82,345	82,345
Child Nutrition Program	-	-	-	9,380	9,380
Total Assigned	5,312,727	-	-	91,725	5,404,452
Unassigned Fund Balance					
For Economic Uncertainty	1,408,575	-	-	-	1,408,575
Total Unassigned	1,408,575	-	-	-	1,408,575
Total Ending Fund Balance	$ 8,876,194	$ 73,489	$ 9,358,692	$ 2,857,608	$ 21,165,983

L. 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, 2018, are as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General Obligation Bonds					
Principal Balance	$ 38,473,541	$ -	$ 674,591	$ 37,798,950	506,323
Premiums/(Discounts)	1,248,489	-	14,795	1,233,694	9,070
Accreted Interest	13,598,742	1,703,575	835,739	14,466,578	815,372
Total GO Bonds	53,320,772	1,703,575	1,525,125	53,499,222	1,330,765
Capital Leases	304,016	-	39,317	264,699	40,615
Total OPEB Liability**	3,616,686	306,083	-	3,922,769	-
Net Pension Liability	24,853,066	4,023,461	-	28,876,527	-
Compensated Absences	320,906	-	8,236	312,670	312,670
Total governmental activities	$ 82,415,446	$ 6,033,119	$ 1,572,678	$ 86,875,887	$ 1,684,050

* Other long-term liabilities
**Beginning balance for total OPEB liability was restated as a result of an accounting policy change due to implementation of GASB Statement No. 75.

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General Fund
Total OPEB Liability	Governmental	General Fund
Compensated absences	Governmental	General Fund

2. Debt Service Requirements

Debt service requirements on long-term debt for general obligation bonds and capital leases, at June 30, 2018, are as follows:

	Governmental Activities			
Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2019	$ 546,938	$ 986,373	$ 823,677	$ 2,356,988
2020	921,668	966,921	860,287	2,748,876
2021	908,388	943,329	1,034,952	2,886,669
2022	976,188	920,072	1,113,582	3,009,842
2023	1,082,719	892,460	1,188,528	3,163,707
2024-2028	6,192,459	4,111,663	9,620,314	19,924,436
2029-2033	7,825,160	3,581,019	11,983,771	23,389,950
2034-2038	9,310,131	2,889,350	13,075,814	25,275,295
2039-2043	5,730,000	1,494,172	-	7,224,172
2044-2048	4,570,000	269,363	-	4,839,363
Totals	$ 38,063,651	$ 17,054,722	$ 39,700,925	$ 94,819,298

Note: 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, 2018.

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.

3. General Obligation Bonds

General obligation bonds at June 30, 2018 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
1992 Election, Series B	08/03/1993	2.90-6.00%	08/01/2018	$ 3,191,833
1992 Election, Series C	05/19/2000	4.25-6.39%	08/01/2024	3,799,986
1992 Election, Series D	11/14/2003	4.625-5.55%	08/01/2028	2,999,956
1992 Election, Series E	01/25/2007	4.00-4.766%	08/01/2031	6,799,940
1992 Election, Series F	12/21/2011	4.644-6.143%	08/01/2030	3,000,000
1992 Election, Series G	12/21/2011	6.51%	08/01/2036	4,860,221
1992 Election, Series H	12/21/2011	4.64%	08/01/2019	135,000
2014 Election, Series A	02/05/2015	2.00-5.00%	08/01/2044	6,400,000
1992 Election, Series I	10/20/2015	4.50%	08/01/2037	2,000,000
2014 Election, Series B	10/20/2015	3.00-5.00%	08/01/2045	10,100,000
Total GO Bonds				$ 43,286,936

	Beginning Balance	Issued Current Year	Redeemed Current Year	Ending Balance
1992 Election, Series B	$ 195,375	$ -	$ 130,251	$ 65,124
1992 B - Discount	(2,784)	-	(1,856)	(928)
1992 B - Accreted Interest	587,057	39,592	415,079	211,570
1992 Election, Series C	2,549,159	-	78,036	2,471,123
1992C - Premium	133,304	-	4,081	129,223
1992C - Accreted Interest	5,005,634	498,968	221,964	5,282,638
1992 Election, Series D	2,999,956	-	-	2,999,956
1992D - Premium	134,425	-	-	134,425
1992D - Accreted Interest	3,198,689	354,381	-	3,553,070
1992 Election, Series E	6,233,830	-	311,304	5,922,526
1992E - Premium	251,719	-	12,570	239,149
1992E - Accreted Interest	2,933,964	365,124	198,696	3,100,392
1992 Election, Series F	3,000,000	-	155,000	2,845,000
1992 Election, Series G	4,860,221	-	-	4,860,221
1992G - Accreted Interest	1,873,398	445,510	-	2,318,908
1992 Election, Series H	135,000	-	-	135,000
2014 Election, Series A	6,400,000	-	-	6,400,000
2014A - Premium	162,159	-	-	162,159
1992 Election, Series I	2,000,000	-	-	2,000,000
1992I - Premium	129,760	-	-	129,760
2014 Election, Series B	10,100,000	-	-	10,100,000
2014B - Premium	439,906	-	-	439,906
Total GO Bonds	$ 53,320,772	$ 1,703,575	$ 1,525,125	$ 53,499,222

The annual requirements to amortize bonds outstanding at June 30, 2018 are as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2019	$ 506,323	$ 977,638	$ 823,677	$ 2,307,638
2020	879,713	959,526	860,287	2,699,526
2021	865,048	937,319	1,034,952	2,837,319
2022	931,418	915,492	1,113,582	2,960,492
2023	1,036,472	889,357	1,188,528	3,114,357
2024-2028	6,144,686	4,110,086	9,620,314	19,875,086
2029-2033	7,825,160	3,581,019	11,983,771	23,389,950
2034-2038	9,310,131	2,889,350	13,075,814	25,275,295
2039-2043	5,730,000	1,494,172	-	7,224,172
2044-2048	4,570,000	269,363	-	4,839,363
Totals	$ 37,798,951	$ 17,023,322	$ 39,700,925	$ 94,523,198

Note: 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, 2018.

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.

Bond 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. The premiums are amortized over the life of the bond using the effective interest rate method.

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. The discounts are amortized over the life of the bond using the effective interest rate method.

The following bonds were issued at a premium or discount resulting in effective interest as follows:

	1992 Election Series B Bonds	1992 Election Series C Bonds	1992 Election Series D Bonds	1992 Election Series E Bonds
Total Interest	$ 4,604,972	$ 8,415,148	$ 7,667,169	$ 10,002,760
Plus Bond Discount	45,484	-	-	-
Less Bond Premium	-	(198,715)	(134,425)	(274,578)
Net Interest	$ 4,650,456	$ 8,216,433	$ 7,532,744	$ 9,728,182
Par Amount of Bonds	$ 3,191,833	$ 3,799,986	$ 2,999,956	$ 6,799,940
Periods	25	24	25	25
Effective Interest Rate	5.83%	9.01%	10.04%	5.72%

	1992 Election Series F Bonds	1992 Election Series G Bonds	1992 Election Series H Bonds	2014 Election Series A Bonds
Total Interest	$ 2,026,771	$ 15,844,655	$ 47,021	$ 5,391,672
Plus Bond Discount	-	-	-	-
Less Bond Premium	-	-	-	(162,159)
Net Interest	$ 2,026,771	$ 15,844,655	$ 47,021	$ 5,229,513
Par Amount of Bonds	$ 3,000,000	$ 4,860,221	$ 135,000	$ 6,400,000
Periods	19	25	8	30
Effective Interest Rate	3.56%	13.04%	4.35%	2.72%

	1992 Election Series I Bonds	2014 Election Series B Bonds
Total Interest	$ 2,025,000	$ 10,519,178
Plus Bond Discount	-	-
Less Bond Premium	(129,760)	(439,906)
Net Interest	$ 1,895,240	$ 10,079,272
Par Amount of Bonds	$ 2,000,000	$ 10,100,000
Periods	23	31
Effective Interest Rate	4.12%	3.22%

4. Capital Leases

On August 1, 2014, the District entered into a sixty month lease for two (2) 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:

Year Ending June 30,	Principal	Interest	Total
2019	$ 40,615	$ 8,735	$ 49,350
2020	41,955	7,395	49,350
2021	43,340	6,010	49,350
2022	44,770	4,580	49,350
2023	46,247	3,103	49,350
2024-2028	47,773	1,577	49,350
Totals	$ 264,700	$ 31,400	$ 296,100

5. Total OPEB Liability

The District's beginning OPEB liability was $3,616,686 and increased during the year ended June 30, 2018 by $306,083. The ending net OPEB liability at June 30, 2018 was $3,922,769. See Note P for additional information regarding the net OPEB liability.

6. Net Pension Liability

The District's beginning net pension liability was $24,853,066 and increased by $4,023,461 during the year ended June 30, 2018. The ending net pension liability at June 30, 2018 was $28,876,527. See Note O for additional information regarding the net pension liability.

7. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2018 amounted to $312,670. This amount is included as part of long-term liabilities in the government-wide financial statements.

M. Joint Ventures (Joint Powers Agreements)

The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Authority (SIA), for the operation of a common risk management and insurance program for property and liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

Combined condensed financial information of the District's share of the Schools Insurance Authority for the year ended June 30, 2017 can be obtained by contacting the JPA located at 9800 Old Placerville Rd., Sacramento, CA 95827.

N. Risk Management

The District is exposed to risk of losses due to:

a. Torts,
b. Theft of, damage to, or destruction of assets,
c. Business interruption,
d. Errors or omissions,
e. Job related illnesses or injuries to employees,
f. Natural disasters
g. 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 (self-insurance), risk transfer to and from an insurer, and risk transfer to a noninsurer.

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 loses 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.

O. 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 age 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 Plans' provisions and benefits in effect at June 30, 2018 are summarized as follows:

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-62	55-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.4%	1.0-2.4%*
Required Employee Contribution Rates (at June 30, 2018)	10.250%	9.205%
Required Employer Contribution Rates (at June 30, 2018)	14.430%	14.430%
Required State Contribution Rates (at June 30, 2018)	7.298%	7.298%

*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.

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.1-2.5%*
Required Employee Contribution Rates (at June 30, 2018)	7.000%	6.500%
Required Employer Contribution Rates (at June 30, 2018)	15.531%	15.531%

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

c. Contributions

CalSTRS

For the measurement period ended June 30, 2017 (measurement date), Section 22950 of the California Education Code requires members to contribute monthly to the system 9.205% (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 12.58% of creditable compensation for the measurement period ended June 30, 2017 and 14.43% for the fiscal year ended June 30, 2018. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 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.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the 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 employees. For the measurement period ending June 30, 2017 (measurement date), employees hired prior to January 1, 2013 paid in 7.00%, employees hired on or after January 1, 2013 paid in 6.00%, and the employer contribution rate was 13.888% of covered payroll. For the fiscal year ending June 30, 2018, employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 6.50%, and the employer's contribution rate was 15.531%.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the measurement period ended June 30, 2017 (measurement date) the State contributed 7.298% of salaries creditable to CalSTRS. In accordance with GASB 85 the District recorded these contributions as revenue and expense in the fund financial statements based on contributions made for the measurement period (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). On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budgeted amounts reported in the General Fund Budgetary Comparison Schedule. Contributions reported each fiscal year are based on the District's proportionate share of the States contribution for the measurement period.

Contributions made by the State on behalf of the District for the past three fiscal years are as follows:

Year Ended June 30,	Contribution Rate	Contribution Amount
2016	4.250%	$ 485,244
2017	5.770%	701,228
2018	7.298%	907,195

The State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	On Behalf Pension Expense
2016	$ 926,857
2017	1,730,614
2018	551,274

d. Contributions Recognized

For the measurement period ended June 30, 2017 (fiscal year June 30, 2018), the contributions recognized for each plan were:

	CalSTRS	CalPERS	Total
Contributions - Employer	$ 1,527,679	$ 570,533	$ 2,098,212
Contributions - State On Behalf Payments	907,195	-	907,195
Total Contributions	$ 2,434,874	$ 570,533	$ 3,005,407

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 shares of the net pension liability of each plan as follows:

	CalSTRS	CalPERS	Total
Proportionate Share of Net Pension Liabiltiy - Governmental	$ 21,240,863	7,635,664	$ 28,876,527

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to measurement date June 30, 2017 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, 2017 and June 30, 2018 were as follows:

	CalSTRS		
	District's Proportionate Share	State's Proportionate Share	Total For District Employees
Proportion June 30, 2017	0.0230%	0.0132%	0.0362%
Proportion June 30, 2018	0.0230%	0.0136%	0.0366%
Change in Proportion	-	0.0004%	0.0004%

	CalPERS
	District's Proportionate Share
Proportion June 30, 2017	0.0317%
Proportion June 30, 2018	0.0320%
Change in Proportion	0.0003%

a. Pension Expense

For the measurement period ended June 30, 2017 (fiscal year June 30, 2018), pension expense was recognized as follows:

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ 2,643,096	$ 1,380,364	$ 4,023,460
State On Behalf Pension Expense	551,274	-	551,274
Employer Contributions to Pension Expense	1,793,635	667,254	2,460,889
(Increase) Decrease in Deferred Outflows of Resources			
Employer Contributions Subsequent to Measurement Date	(274,595)	(96,306)	(370,901)
Differences between actual and expected experiences	(73,314)	(37,641)	(110,955)
Changes in assumptions	(3,672,675)	(1,189,662)	(4,862,337)
Changes in proportionate share	105,771	(17,493)	88,278
Net difference between projected and actual earnings	1,471	448,601	450,072
Increase (Decrease) in Deferred Inflows of Resources			
Differences between actual and expected experiences	(1,346)	-	(1,346)
Changes in assumptions	-	(78,596)	(78,596)
Changes in proportionate share	(54,004)	(17,476)	(71,480)
Net difference between projected and actual earnings	2,010,343	277,632	2,287,975
Total Pension Expense	$ 3,029,656	$ 1,336,677	$ 4,366,333

b. Deferred Outflows and Inflows of Resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 1,793,635	$ 667,254	$ 2,460,889
Differences between actual and expected experience	73,314	358,339	431,653
Changes in assumptions	3,672,675	1,189,662	4,862,337
Changes in employer's proportionate share	317,313	113,233	430,546
Net difference between projected and actual earnings	3,684	1,150,523	1,154,207
Total Deferred Outflows of Resources	$ 5,860,621	$ 3,479,011	$ 9,339,632

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (2,158)	$ -	$ (2,158)
Changes in assumptions	-	(157,192)	(157,192)
Changes in employer's proportionate share	(158,341)	(52,426)	(210,767)
Net difference between projected and actual earnings	(2,010,343)	(879,520)	(2,889,863)
Total Deferred Inflows of Resources	$ (2,170,842)	$ (1,089,138)	$ (3,259,980)

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, 2019. 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:

	Governmental Activities				
	Deferred Outflows of Resources		Deferred Inflows of Resources		
Year Ended June 30,	CalSTRS	CalPERS	CalSTRS	CalPERS	Net Effect on Expenses
2019	$ 2,837,375	$ 1,590,010	$ (578,908)	$ (541,659)	$ 3,306,818
2020	1,043,739	922,753	(578,250)	(240,715)	1,147,527
2021	1,043,012	622,460	(506,906)	(162,120)	996,446
2022	936,495	343,788	(506,778)	(144,644)	628,861
Total	$ 5,860,621	$ 3,479,011	$ (2,170,842)	$ (1,089,138)	$ 6,079,652

c. Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS		CalPERS	
Valuation Date	June 30, 2016		June 30, 2016	
Measurement Date	June 30, 2017		June 30, 2017	
Actuarial Cost Method	Entry Age Normal		Entry Age Normal	
Actuarial Assumptions:				
Discount Rate	7.10%		7.15%	
Inflation	2.75%		2.75%	
Wage Growth	3.50%		3.00%	
Projected Salary Increase	0.5% - 6.4%	(1)	3.10% - 9.00%	(1)
Investment Rate of Return	7.10%	(2)	7.50%	(2)
Mortality	0.073%-22.86%	(3)	0.466%-32.536%	(3)

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) RP2000 series tables adjusted to fit CalSTRS/CalPERS specific experience.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.1000% for CalSTRS and 7.1500% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies 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 District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from CalPERS and CalSTRS 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 all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require board action and proper stakeholder outreach. For these reasons, CalSTRS and CalPERS expect to continue using a discount rate net of administrative expenses for GASB 67 and GASB 68 calculations through at least the 2017-18 fiscal year. CalSTRS and CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

CalSTRS

Asset Class	Assumed Allocation 06/30/2017	Long Term Expected Return*
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Absolute Return	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year geometric average used for long term expected real rate of return

CalPERS

Asset Class	Assumed Allocation 06/30/2017	Real Return Years 1-10(1)	Real Return Years 11+(2)
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

(1) An expected inflation of 2.5% used for this period
(2) An expected inflation of 3.0% used for this period

e. Sensititivity 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:

	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	$ 31,188,330	$ 11,234,509
Current Discount Rate	7.10%	7.15%
Net Pension Liability	$ 21,240,863	$ 7,635,664
1% Increase	8.10%	8.15%
Net Pension Liability	$ 13,167,819	$ 4,650,121

f. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2017 (Previously Reported)	$ 97,597,489	$ 68,360,609	$ 29,236,880	$ 10,639,114	$ 18,597,766
Changes for the year:					
Change in proportionate share	1,239,468	868,165	371,303	392,274	(20,971)
Service cost	2,219,848	-	2,219,848	827,069	1,392,779
Interest	7,404,498	-	7,404,498	2,758,761	4,645,737
Differences between expected and actual experience	146,062	-	146,062	54,420	91,642
Change in assumptions	7,317,007	-	7,317,007	2,726,163	4,590,844
Contributions:					
Employer	-	1,527,696	(1,527,696)	(569,187)	(958,509)
Employee	-	1,259,604	(1,259,604)	(469,302)	(790,302)
State On Behalf	-	907,206	(907,206)	(338,006)	(569,200)
Net investment income	-	9,212,217	(9,212,217)	(3,432,279)	(5,779,938)
Other income	-	26,359	(26,359)	(9,821)	(16,538)
Benefit payments, including refunds of employee contributions	(5,089,304)	(5,089,304)	-	-	-
Administrative expenses	-	(66,759)	66,759	24,873	41,886
Borrowing costs	-	(21,217)	21,217	7,905	13,312
Other expenses	-	(3,753)	3,753	1,398	2,355
Net Changes	13,237,579	8,620,214	4,617,365	1,974,268	2,643,097
Balance at June 30, 2018	$ 110,835,068	$ 76,980,823	$ 33,854,245	$ 12,613,382	$ 21,240,863

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2017 (Previously Reported)	$ 23,964,224	$ 17,708,924	$ 6,255,300
Changes for the year:			
Adjustment for change in proportionate share	236,595	174,837	61,758
Service cost	649,908	-	649,908
Interest	1,829,489	-	1,829,489
Differences between expected and actual experience	170,116	-	170,116
Changes in assumptions	1,487,078	-	1,487,078
Contributions - Employer	-	570,528	(570,528)
Contributions - Employee	-	287,046	(287,046)
Net plan to plan resource movement	-	(43)	43
Net investment income	-	1,986,838	(1,986,838)
Benefit payments, including refunds of employee contributions	(1,191,412)	(1,191,412)	-
Administrative expenses	-	(26,384)	26,384
Net Changes	3,181,774	1,801,410	1,380,364
Balance at June 30, 2018	$ 27,145,998	$ 19,510,334	$ 7,635,664

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

P. Postemployment Benefits Other Than Pension Benefits

1. General Information About the OPEB Plan

Plan Description

The District's defined benefit OPEB plan, Robla School District Retiree Health Care Plan (the Plan) provides OPEB for retirees and their eligible dependents that meet eligibility requirements until age 65. Retirees and their eligible dependents 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 board of directors. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

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

	Certificated	Classified	Certificated & Classified Management	Supervisory & Confidential
Benefit types provided	Medical Dental Vision	Medical	Medical Dental Vision	Medical Dental Vision
Duration of benefits	To age 65	To age 65	To age 65	To age 65
Required service	20 years	20 years	5 years*	20 years
Minimum age	55	55	60**	55
Dependent coverage	No	No	Yes	Yes
District contribution %	100%	100%	50% to 100%*	0%
District cap per year	$6,300	$6,900	$10,923***	$10,279

*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

Employees Covered by Benefit Terms

At June 30, 2018, the following retirees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	14
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	244
Total number of participants	258

2. Total OPEB Liability

The District's total OPEB liability of $3,922,769 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per annum
Salary Increases	2.75% per annum, in aggregate
Discount Rate	3.80% per annum
Healthcare Cost Trend Rates	6.00% decreasing to 5.00%
Retiree's Share of Costs	0.00% - 100.00% (see above table)

The discount rate is based on the Bond Buyer 20 Bond Index.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 1997 through June 30, 2011 and the CalSTRS experience study for the period July 1, 2010 through June 30, 2015.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	$ 3,616,686
Changes for the year:	
Service cost	313,312
Interest	140,418
Benefit payments	(147,647)
Net changes	306,083
Balance at June 30, 2018	$ 3,922,769

There were no changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, 2018.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80%) or 1-percentage-point-higher (4.80%) than the current discount rate:

	1% Decrease (2.80%)	Discount Rate (3.80%)	1% Increase (4.80%)
Total OPEB Liability	$ 4,145,956	$ 3,922,769	$ 3,706,524

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (5.00% decreasing to 4.00% per year) or 1-percentage-point higher (7.00% decreasing to 6.00% per year) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	5.00% decreasing to 4.00%	6.00% decreasing to 5.00%	7.00% decreasing to 6.00%
Total OPEB Liability	$ 3,764,624	$ 3,922,769	$ 4,033,839

3. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018 the District recognized OPEB expense of $453,730.

At June 30, 2018 the District did not report any deferred outflows or deferred inflows of resources relating to OPEB.

At June 30, 2018 the District did not report any accounts payable relating to OPEB.

Q. Deferred Outflows of Resources

Deferred Outflows of Resources, at June 30, 2018, consisted of:

Description	Issue Date	Amortization Term	Balance July 1, 2017	Additions	Current Year Amortization	Balance June 30, 2018
Pension Related	Varies	Varies	$ 4,533,789	$ 8,862,327	$ 4,056,484	$ 9,339,632

Future amortization of deferred outflows of resources is as follows:

Year Ending June 30	Pension Related
2019	$ 4,427,385
2020	1,966,492
2021	1,665,472
2022	1,280,283
Total	$ 9,339,632

R. Deferred Inflows of Resources

Deferred Inflows of Resources, at June 30, 2018, consisted of:

Description	Issue Date	Amortization Term	Balance July 1, 2017	Additions	Current Year Amortization	Balance June 30, 2018
Pension related	Varies	Varies	$ 1,123,427	$ 3,257,121	$ 1,120,568	$ 3,259,980

Future amortization of deferred inflows of resources is as follows:

Year Ending June 30	Pension Related
2019	$ 1,120,567
2020	818,965
2021	669,026
2022	651,422
Total	$ 3,259,980

S. Adjustment to Beginning Balance

During the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Implementation of GASB Statement No. 75 resulted in a change in calculations of total OPEB liability as well as deferred outflows and deferred inflows of resources associated with OPEB. The result of applying the change in accounting policy is an adjustment to beginning net position on the government wide financial statements.

A summary of adjustments to beginning balance are as follows:

	Government Wide Financial Statements
Beginning Net Position - Originally Stated	$ (21,661,568)
Adjustments for Accounting Policy Change:	
Total OPEB Liability	(2,416,504)
Total Adjustments	(2,416,504)
Beginning Net Position - As Restated	$ (24,078,072)

T. Commitments and Contingencies

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to 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.

U. Subsequent Events

Implementation of New Accounting Guidance

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.

The District does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

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.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

ROBLA SCHOOL DISTRICT

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 14,174,511	$ 14,034,638	$ 13,686,329	$ (348,309)
Education Protection Account Funds	2,532,096	2,500,581	2,790,329	289,748
Local Sources	4,817,452	4,902,079	4,863,453	(38,626)
Federal Revenue	1,304,357	1,383,191	1,358,863	(24,328)
Other State Revenue	635,845	1,417,441	2,439,358	1,021,917
Other Local Revenue	1,631,863	1,841,899	2,560,721	718,822
Total Revenues	25,096,124	26,079,829	27,699,053	1,619,224
Expenditures:				
Current:				
Certificated Salaries	11,944,759	11,703,800	12,012,237	(308,437)
Classified Salaries	3,722,294	3,734,376	3,792,625	(58,249)
Employee Benefits	4,743,173	4,709,202	5,303,109	(593,907)
Books And Supplies	1,570,539	1,793,090	1,244,446	548,644
Services And Other Operating Expenditures	2,498,642	2,608,442	3,409,968	(801,526)
Other Outgo	72,500	72,500	81,348	(8,848)
Direct Support/Indirect Costs	(91,760)	(91,760)	(128,198)	36,438
Capital Outlay	1,423,963	2,099,374	2,255,950	(156,576)
Total Expenditures	25,884,110	26,629,024	27,971,485	(1,342,461)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(787,986)	(549,195)	(272,432)	276,763
Other Financing Sources (Uses):				
Transfers Out	(200,000)	(200,000)	(456,947)	(256,947)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(456,947)	(256,947)
Net Change in Fund Balance	(987,986)	(749,195)	(729,379)	19,816
Fund Balance, July 1	9,449,790	9,449,790	9,449,790	-
Fund Balance, June 30	$ 8,461,804	$ 8,700,595	$ 8,720,411	$ 19,816

See Accompanying Notes to Required Supplementary Information

ROBLA SCHOOL DISTRICT **EXHIBIT B-2**
CHILD DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Federal Revenue	$ -	$ -	$ 32,424	$ 32,424
Other State Revenue	1,500,000	1,550,000	1,425,879	(124,121)
Other Local Revenue	100	100	6,224	6,124
Total Revenues	1,500,100	1,550,100	1,464,527	(85,573)
Expenditures:				
Current:				
Certificated Salaries	534,733	534,733	593,854	(59,121)
Classified Salaries	398,314	426,752	547,709	(120,957)
Employee Benefits	317,055	328,560	305,231	23,329
Books And Supplies	109,806	95,253	48,752	46,501
Services And Other Operating Expenditures	65,193	65,193	52,031	13,162
Direct Support/Indirect Costs	75,000	75,000	103,478	(28,478)
Total Expenditures	1,500,101	1,525,491	1,651,055	(125,564)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	24,609	(186,528)	(211,137)
Other Financing Sources (Uses):				
Transfers In	-	-	187,063	187,063
Total Other Financing Sources (Uses)	-	-	187,063	187,063
Net Change in Fund Balance	(1)	24,609	535	(24,074)
Fund Balance, July 1	72,954	72,954	72,954	-
Fund Balance, June 30	$ 72,953	$ 97,563	$ 73,489	$ (24,074)

EXHIBIT B-3

ROBLA SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.2297%	0.0230%	0.0222%	0.0228%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	$ 21,240,863	$ 18,597,766	$ 14,951,558	$ 13,331,788	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
State's proportionate share of the net pension liability (asset) associated with the District	12,613,411	10,918,962	8,752,109	13,323,597	N/A	N/A	N/A	N/A	N/A	N/A
Total	$ 33,854,274	$ 29,516,728	$ 23,703,667	$ 26,655,385	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
District's covered-employee payroll	$ 12,143,712	$ 11,424,203	$ 10,262,905	$ 10,109,055	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	174.91%	162.79%	145.69%	131.88%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

ROBLA SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 1,793,635	$ 1,527,679	$ 1,225,817	$ 911,346	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Contributions in relation to the contractually required contribution	(1,793,635)	(1,527,679)	(1,225,817)	(911,346)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
District's covered-employee payroll	$ 12,429,903	$ 12,143,712	$ 11,424,203	$ 10,262,905	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

ROBLA SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.0320%	0.0317%	0.0323%	0.0309%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	$ 7,635,664	$ 6,255,300	$ 4,755,906	$ 3,503,308	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
District's covered-employee payroll	$ 4,108,101	$ 3,835,410	$ 3,588,089	$ 3,244,730	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	185.87%	163.09%	132.55%	107.97%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

ROBLA SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	$ 667,254	$ 570,533	$ 454,381	$ 422,354	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Contributions in relation to the contractually required contribution	(667,254)	(570,533)	(454,381)	(422,354)	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
District's covered-employee payroll	$ 4,296,272	$ 4,108,101	$ 3,835,410	$ 3,588,089	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Contributions as a percentage of covered-employee payroll	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

See Accompanying Notes to Required Supplementary Information

EXHIBIT B-7

ROBLA SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
RSD RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS *

	Fiscal Year Ended									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total OPEB liability:										
Service cost	$ 313,312	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Interest	140,418	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of benefit terms	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Differences between expected and actual experience	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions or other inputs	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(147,647)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	306,083	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	3,616,686	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	$ 3,922,769	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Covered-employee payroll	$ 17,540,000	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
Total OPEB liability as a percentage of covered-employee payroll	22.36%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

See Accompanying Notes to Requried Supplementary Information

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) did not meet the definition of a special revenue fund and was therefore included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Fund Financial Statements Ending Fund Balance	$	8,876,194
Less Fund 14 Fund Balance		(155,783)
General Fund - Budgetary Comparison Schedule Ending Fund Balance	$	8,720,411

General Fund - Fund Financial Statements Net Change in Fund Balance	$	(657,311)
Change in Fund Balance attributed to Fund 14		(72,068)
General Fund - Budgetary Comparison Schedule Change in Fund Balance	$	(729,379)

Excess of Expenditures Over Appropriations

As of June 30, 2018, expenditures exceeded appropriations in individual budgeted funds as follows:

Appropriations Category		Excess Expenditures	Reason for Excess Expenditures
General Fund:			
Certificated Salaries	$	308,437	District underestimated salary increases resulting from bargaining agreements
Classified Salaries		58,249	District underestimated salary increases resulting from bargaining agreements
Employee Benefits		593,907	District underestimated benefit increases resulting from bargaining agreements
Services & Other		801,526	District underestimated costs of independent contractors
Other Outgo		8,848	District underestimated costs of tuition to the county office of education
Capital Outlay		156,576	District underestimated costs of capital projects
Child Development Fund:			
Certificated Salaries		59,121	District underestimated salary increases resulting from bargaining agreements
Classified Salaries		120,957	District underestimated salary increases resulting from bargaining agreements
Direct Support/Indirect Costs		28,478	District underestimated indirect costs

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 - California State Teachers' Retirement System

1) Benefit Changes: In 2015, 2016, 2017 & 2018 there were no changes to benefits

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

Schedule of District's Contributions - California State Teachers' Retirement System

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

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

Reporting Period	June 30, 2018
Measurement Date	06/30/17
Valuation Date	06/30/16
Experience Study	07/01/10 - 06/30/15
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth (Average)	3.50%
Post-retirement Benefit Increases	2.00% Simple

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 CalSTRS website.

Schedule of District's Proportionate Share - California Public Employees Retirement System

1) Benefit Changes: In 2015, 2016, 2017 & 2018 there were no changes to benefits

2) Changes in Assumptions: In 2015 and 2017 there were no changes in assumptions. In 2016 the discount rate was changed from 7.5% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%.

Schedule of District's Contributions - California Public Employees' Retirement System

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 rolling forward the total pension liabilities to June 30, 2014, 2015, 2016 & 2017 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017 used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

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

Reporting Period	June 30, 2018
Measurement Date	06/30/17
Valuation Date	06/30/16
Experience Study	07/01/97 - 06/30/11
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.75%
Wage Growth (Average)	3.00%
Post-retirement Benefit Increases	2.00% Simple

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 April 2014 experience study report (based on demographic data from 1997 to 2011) available on CalPERS website.

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

1) Benefit Changes: In 2018 there were no changes to benefits.

2) Changes in Assumptions: In 2018 there were no changes in assumptions.

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

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

Year	Discount Rate
2018	3.80%

Combining Statements
as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

ROBLA SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Fund — Cafeteria Fund	Debt Service Fund — Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:				
Cash in County Treasury	$ 375,034	$ 2,370,267	$ 133,257	$ 2,878,558
Cash on Hand and in Banks	-	-	26,895	26,895
Accounts Receivable	130,083	11,655	4,128	145,866
Due from Other Funds	-	-	51,137	51,137
Stores Inventories	6,777	-	-	6,777
Total Assets	511,894	2,381,922	215,417	3,109,233
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 28,552	$ -	$ 81,162	$ 109,714
Due to Other Funds	24,719	-	51,137	75,856
Unearned Revenue	-	66,055	-	66,055
Total Liabilities	53,271	66,055	132,299	251,625
Fund Balance:				
Nonspendable Fund Balances:				
Stores Inventories	6,777	-	-	6,777
Restricted Fund Balances	442,466	2,315,867	773	2,759,106
Assigned Fund Balances	9,380	-	82,345	91,725
Total Fund Balance	458,623	2,315,867	83,118	2,857,608
Total Liabilities and Fund Balances	$ 511,894	$ 2,381,922	$ 215,417	$ 3,109,233

ROBLA SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Fund	Debt Service Fund		
	Cafeteria Fund	Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Federal Revenue	$ 1,445,350	$ -	$ -	$ 1,445,350
Other State Revenue	106,181	58,565	-	164,746
Other Local Revenue	59,163	2,351,611	190,666	2,601,440
Total Revenues	1,610,694	2,410,176	190,666	4,211,536
Expenditures:				
Current:				
Pupil Services	1,577,523	-	-	1,577,523
General Administration	24,719	-	-	24,719
Plant Services	7,626	-	32,222	39,848
Capital Outlay	11,150	-	867,970	879,120
Debt Service:				
Principal	-	674,591	-	674,591
Interest	-	1,822,780	-	1,822,780
Total Expenditures	1,621,018	2,497,371	900,192	5,018,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,324)	(87,195)	(709,526)	(807,045)
Other Financing Sources (Uses):				
Transfers In	69,884	-	51,137	121,021
Transfers Out	-	-	(51,137)	(51,137)
Total Other Financing Sources (Uses)	69,884	-	-	69,884
Net Change in Fund Balance	59,560	(87,195)	(709,526)	(737,161)
Fund Balance, July 1	399,063	2,403,062	792,644	3,594,769
Fund Balance, June 30	$ 458,623	$ 2,315,867	$ 83,118	$ 2,857,608

ROBLA SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
ASSETS:				
Cash in County Treasury	$ -	$ 775	$ 132,482	$ 133,257
Cash on Hand and in Banks	26,895	-	-	26,895
Accounts Receivable	3,130	6	992	4,128
Due from Other Funds	51,137	-	-	51,137
Total Assets	81,162	781	133,474	215,417
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 81,162	$ -	$ -	$ 81,162
Due to Other Funds	-	-	51,137	51,137
Total Liabilities	81,162	-	51,137	132,299
Fund Balance:				
Restricted Fund Balances	-	773	-	773
Assigned Fund Balances	-	8	82,337	82,345
Total Fund Balance	-	781	82,337	83,118
Total Liabilities and Fund Balances	$ 81,162	$ 781	$ 133,474	$ 215,417

ROBLA SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
Revenues:				
Other Local Revenue	$ 188,760	$ 11	$ 1,895	$ 190,666
Total Revenues	188,760	11	1,895	190,666
Expenditures:				
Current:				
Plant Services	32,222	-	-	32,222
Capital Outlay	867,970	-	-	867,970
Total Expenditures	900,192	-	-	900,192
Excess (Deficiency) of Revenues Over (Under) Expenditures	(711,432)	11	1,895	(709,526)
Other Financing Sources (Uses):				
Transfers In	51,137	-	-	51,137
Transfers Out	-	-	(51,137)	(51,137)
Total Other Financing Sources (Uses)	51,137	-	(51,137)	-
Net Change in Fund Balance	(660,295)	11	(49,242)	(709,526)
Fund Balance, July 1	660,295	770	131,579	792,644
Fund Balance, June 30	$ -	$ 781	$ 82,337	$ 83,118

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

Supplementary Information Section

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

Name	Office	Term and Term Expiration
Dennis Boyd	President	Four Year Term Expires December 2018
Ken Barnes	Vice President	Four Year Term Expires December 2020
Craig DeLuz	Clerk	Four Year Term Expires December 2018
Kim Howard	Member	Four Year Term Expires December 2020
Nuvia Cardona	Member	Four Year Term Expires December 2018

Administration

Ruben Reyes
Superintendent

Michael Henkel
Chief Business Official

ROBLA SCHOOL DISTRICT

TABLE D-1

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2018

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
TK/K-3:				
Regular ADA	1,166.42	N/A	1,157.81	N/A
Nonpublic, Nonsectarian Schools	0.97	N/A	0.98	N/A
TK/K-3 Totals	1,167.39	N/A	1,158.79	N/A
Grades 4-6:				
Regular ADA	875.80	N/A	871.06	N/A
Nonpublic, Nonsectarian Schools	2.66	N/A	2.87	N/A
Extended Year - Nonpublic	0.49	N/A	0.63	N/A
Grades 4-6 Totals	878.95	N/A	874.56	N/A
ADA Totals	2,046.34	N/A	2,033.35	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. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

ROBLA SCHOOL DISTRICT

TABLE D-2

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2018

Grade Level	Ed. Code Minutes Requirement	2017-18 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	55,545	180	-	Complied
Kindergarten	36,000	55,545	180	-	Complied
Grade 1	50,400	53,205	180	-	Complied
Grade 2	50,400	53,205	180	-	Complied
Grade 3	50,400	53,205	180	-	Complied
Grade 4	54,000	59,815	180	-	Complied
Grade 5	54,000	59,815	180	-	Complied
Grade 6	54,000	59,815	180	-	Complied

School districts must maintain their instructional minutes as defined in Education Code Section 46201 and 46207. This schedule is required of all 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 instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46207. The District neither met nor exceeded its target funding.

ROBLA SCHOOL DISTRICT

TABLE D-3

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2018

General Fund	Budget 2019 (See Note 1)	2018	2017	2016
Revenues and other financial sources	$ 26,832,848	$ 27,699,053	$ 26,662,950	$ 25,508,007
Expenditures, other uses, and transfers out	26,386,926	28,428,432	25,655,563	23,279,442
Change in fund balance (deficit)	445,922	(729,379)	1,007,387	2,228,565
Ending fund balance	$ 9,166,333	$ 8,720,411	$ 9,449,790	$ 8,442,403
Available reserves (See Note 2)	$ 2,645,692	$ 2,817,150	$ 2,533,947	$ 3,019,752
Available reserves as a percentage of total outgo (See Note 3)	10.0%	10.2%	10.4%	13.5%
Total long-term debt	$ 54,109,713	$ 53,763,921	$ 53,624,789	$ 53,682,551
Average daily attendance at P-2	2,050	2,046	2,083	2,073

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 fund balance of the general fund has increased by $278,008 (3.29%) over the past two years. The fiscal year 2018-19 budget projects an increase of $445,922 (5.11%). For a district of this size, the State recommends available reserves of at least 3% of total general fund expenditures, transfers out and other uses (total outgo).

Total long-term debt has increased by $81,370 (0.15%) over the past two years.

Average daily attendance has decreased by 27 (1.30%) over the past two years.

Notes:
1. Budget 2019 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of fund balances assigned as LCFF reserve and unassigned fund balances reserved for economic uncertainties contained within the General Fund.
3. On behalf payments of $870,302, $1,176,434, and $874,914, have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2017, 2016 and 2015.
4. Consistent with the reporting requirements of GASB Statement 54, the fund financial statements combine the Deferred Maintenance Fund with the General Fund. This schedule includes the balances of the General Fund only.

ROBLA SCHOOL DISTRICT **TABLE D-4**

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

	General Fund	Deferred Maintenance Fund
June 30, 2018, annual financial and budget report fund balances	$ 8,720,411	$ 155,783
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
Combination of funds in conformance with GASB No. 54	155,783	(155,783)
Net adjustments and reclassifications	155,783	(155,783)
June 30, 2018, audited financial statement fund balances	$ 8,876,194	$ -

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

The following charter schools are chartered by Robla School District.

Charter Schools	Charter Number	Included In Audit?
Paseo Grand Charter School (34-67421-0132019)	1727	No
Marconi Learning Academy (34-67421-0137950)	1970	No

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

TABLE D-6

SCHEDULE OF FIRST FIVE PROGRAM EXPENDITURES
YEAR ENDED JUNE 30, 2018

First Five Commission

	Budget	Actual	Variance
Personnel Services	$ 221,126	$ 228,213	$ 7,087
Employee Benefits	72,038	62,847	(9,191)
Materials and Supplies	13,123	4,495	(8,628)
Contractual Services	14,000	7,745	(6,255)
Indirect Costs	15,170	15,170	-
Total Expenditures	$ 335,457	$ 318,470	$ (16,987)

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 5 Program.

ROBLA SCHOOL DISTRICT

TABLE D-7

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CCDF CLUSTER:				
U. S. Department of Health and Human Services				
Passed Through State Department of Education:				
Child Development Funds	93.596	13609	$ -	$ 32,424
Total U. S. Department of Health and Human Services			-	32,424
Total CCDF Cluster			-	32,424
CHILD NUTRITION CLUSTER:				
U. S. Department of Agriculture				
Passed Through State Department of Education:				
School Breakfast Program	10.553	13525	-	366,805
National School Lunch Program	10.555	13396	-	954,675
National School Lunch Program - Noncash Commodities	10.555	13523	-	123,870
Total Passed Through State Department of Education			-	1,445,350
Total U. S. Department of Agriculture			-	1,445,350
Total Child Nutrition Cluster			-	1,445,350
SPECIAL EDUCATION (IDEA) CLUSTER:				
U. S. Department of Education				
Passed Through State Department of Education:				
IDEA Basic Local Assistance	84.027	13379	-	325,226
IDEA Preschool Local	84.027	13682	-	65,817
IDEA Mental Health	84.027	14468	-	41,484
IDEA Preschool Grants	84.173	13430	-	21,800
Total Passed Through State Department of Education			-	454,327
Total U. S. Department of Education			-	454,327
Total Special Education (IDEA) Cluster			-	454,327
OTHER PROGRAMS:				
U. S. Department of Education				
Passed Through State Department of Education:				
Title I	84.010	13682	637	657,482
Education for Homeless Children and Youth	84.196	14332	-	76,693
Title I Reading First	84.357	13030	-	10,071
Title III	84.365	14346	-	71,212
Title II Supporting Effective Instruction	84.367	14341	-	89,077
Total Passed Through State Department of Education			637	904,535
Total U. S. Department of Education			637	904,535
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 637	$ 2,836,636

The accompanying notes are an integral part of this schedule.

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Robla School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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 7.00% 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. The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

Program	CFDA #	Indirect Cost Rate
IDEA Mental Health	84.027	3.38%
Title III Limited English Proficiency	84.365	2.00%
Education for Homeless Children and Youth	84.196	2.93%
Child Nutrition Cluster	10.553, 10.555	1.69%

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 program:

Program	CFDA #	Amount Expended
Title I Part A	84.010	$657,482

Other Independent Auditor's Reports

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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*

Board of Trustees
Robla School District
Sacramento, California 95838

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Robla School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Robla School District's basic financial statements and have issued our report thereon dated December 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Robla School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 item(s) 2018-001, that we consider to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 item(s) 2018-002.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + Co LLP

El Cajon, California
December 14, 2018

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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

Board of Trustees
Robla School District
Sacramento, California 95838

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the 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 Robla School District's major federal program for the year ended June 30, 2018. Robla School District's major federal program is 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 the 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 the Robla School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 its major federal program for the year ended June 30, 2018.

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Report on Internal Control Over Compliance

Management of the 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 the 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 the 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 considered 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 14, 2018

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Mark Bomediano, CPA

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on State Compliance

Board of Trustees
Robla School District
Sacramento, California 95838

Members of the Board of Trustees:

Report on State Compliance

We have audited the District's compliance with the types of compliance requirements described in the *2017-18 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 District's state programs identified below for the fiscal year ended June 30, 2018.

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, *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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, *2017-18 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 occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

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Berkeley Office
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Tel. (510) 679-6900 Fax (510) 679-6901

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

Compliance Requirements	Procedures in Audit Guide Performed?
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance Accounting:	
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	N/A
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
After School	N/A
Before School	N/A
General Requirements	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
CHARTER SCHOOLS:	
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

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, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the statutory requirements for programs noted above, which are required to be reported in accordance with the State's audit guide, *2017-18 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 is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-002.

Robla School District's Response to Findings

Robla School District's response to the finding 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, and not to provide an opinion of the effectiveness of the entity's internal control or on compliance outside of the items tested as noted above. This report is an integral part of an audit performed in accordance with the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations,* Section 19810 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + Co LLP

El Cajon, California
December 14, 2018

Findings and Recommendations Section

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
One or more material weaknesses identified?		Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	X	Yes		None Reported
Noncompliance material to financial statements noted?		Yes	X	No

2. Federal Awards

Internal control over major programs:				
One or more material weaknesses identified?		Yes	X	No
One or more significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes		No

3. State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting?	X	Yes		No
Type of auditor's report issued on compliance for state programs:	Unmodified			

B. Financial Statement Findings

Finding Number:	2018-001
Repeat Finding:	No
Program Name:	Vacation Carryover
Questioned Costs:	None
Type of Finding:	Internal Control (30000)

Criteria 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, 2018, the District has eighteen (12) employees with balances in excess of 100 hours, seven (7) of which have balances in excess of 250 hours**.** The balances carried in excess of 100 hours constitute $148,916 (48%) of the total unpaid vacation liability.

Cause
The negotiated contract between the District and the Classified School Employees Association does not include any language about limitations or remedies when balances are exceeded.

Effect
While the District is properly accruing a liability in its governmentwide financial statements, unlimited balances could result in a financial hardship for 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

C. Federal Award Findings and Questioned Costs

None

D. State Award Findings and Questioned Costs

Finding Number:	2018-002
Repeat Finding:	Yes
Program Name:	Attendance Reporting
Questioned Costs:	None
Type of Finding:	State Compliance - Attendance (10000)

Criteria or Specific Requirement
Determine that class attendance rosters are being signed, dated, and retained in a timely manner as proper verification of pupil attendance based on the guidelines and provisions under Education Code Sections 46000 and 46303.

Condition
In review of the class rosters at Bell Avenue Elementary School and Glenwood Elementary School, teacher verification rosters were not verified by teachers timely (within a week of the attendance being taken).

The District has established procedures that the teachers enter attendance on a daily basis and although the verification of class rosters was not completed within state guidelines, the attendance was entered timely by individuals with first hand knowledge. Based upon our review, we determined there are no questioned costs or loss of attendance to be identified or justified as all class rosters had a valid teacher signature and were subsequently approved prior to the end of the fiscal year.

Cause
School site personnel were not consistently following District established procedures. Sites did not fully understand the requirements.

Effect
Two school sites were out of compliance with approved attendance procedures, which require that attendance reports be printed and verified by teachers within one week of the attendance week.

Context
We tested attendance at two out of five schools sites, noting the condition at both school sites.

Recommendation
Implement procedures to ensure class rosters are printed timely and are being signed, dated, and verified by the teachers within one week after the end of each attendance period. Retain all original rosters printed and verified by the teachers even if changes or corrections have been made as proper support that weekly attendance is being validated on a timely basis. Provide training to all school sites to District established policies and procedures surrounding documentation of attendance. Implement monitoring procedures at school sites to ensure procedures are being followed.

Views of Responsible Officials
See Corrective Action Plan

Robla School District
5248 Rose Street, Sacramento, CA 95838-1633
(916) 649-5248 ext. 508 - Fax: (916) 992-0308

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by the 2017-18 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 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,

Mike Henkel
Chief Business Official

Findings and Questioned Costs Related to Financial Statements & Internal Controls

Finding Number:	2018-001
Program Name:	Vacation Accrual
Contact Person:	Mike Henkel
Anticipated Completion Date:	Ongoing
Planned Corrective Action:	The District will enforce the requirements as set forth in the collective bargaining agreements. The District has implemented a policy as of January 2017 which places department managers responsible for employee's vacation carryover balances. The District has set a tiered plan which allows up to 2.5 years (depending on the amount of the carryover) for employees to utilize their vacation balance. Letters will be given to employees whose balance exceeds the Board adopted policy and conversations will be happening to discuss the tier the employee falls in to show them when their carryover must be utilized by.

Findings and Questioned Costs Related to State Awards

Finding Number:	2018-002
Program Name:	Attendance Reporting
Contact Person:	Mike Henkel
Anticipated Completion Date:	Ongoing
Planned Corrective Action:	The District agrees with the finding and is taking steps to ensure the recommendations are implemented. The District will be meeting with site attendance secretaries in January of 2019 to review the District attendance manual and evaluate current processes and procedures. Monthly check-ins" with site staff and periodic audits of attendance will be conducted by the District Business Services Department.

ROBLA SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
Finding 2017-001 Attendance Accounting At one elementary school tested teacher verification was not being completed contemporaneously. During our site visit, the attendance clerk provided teacher verification forms for attendance month 7 (February 13, 2017 through March 10, 2017) which were printed and verified on May 22, 2017 as a result of being requested for audit. Provide training to attendance clerks to ensure understanding of the documentation requirements. Implement procedures to ensure attendance is verified timely by teachers. The District may also consider submitting for approval an electronic signature process to the California Department of Education to reduce the amount of paper and time utilized during the current approved process.	Being Implemented	See Corrective Action Plan For Finding 2018-001

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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 $460,000 aggregate principal amount of General Obligation Bonds, Election of 1992, Series 2019J, $46,200,000 aggregate principal amount of General Obligation Bonds, Election of 2018, Series 2019A and $1,380,000 aggregate principal amount of 2019 General Obligation Refunding Bonds (collectively, the "Bonds"). The Bonds are being issued pursuant to the resolutions adopted by the Board of Trustees of the District on May 9, 2019 (collectively, the "Resolutions"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolutions.

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 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Bondholders and in order to assist Raymond James & Associates, Inc. (the "Underwriter") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolutions, 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 Material 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.

"Material Event" means any of the events listed in Section 6(b) of this Disclosure Certificate.

"Material Events Disclosure" means dissemination of a notice of a Designated Material Event or Material Event as set forth in Section 6.

"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 May 30, 2019.

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than 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, 2019, to provide in a timely manner 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 in a timely manner shall send a notice 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 Total Tax Rates," "Secured Tax Charges and Delinquencies," "Largest Local Secured Taxpayers," in the Official Statement, and in the tables labelled "General Fund" 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) If the District has received an updated actuarial report relating to its Other Post-Employment Benefits since the date of the Official Statement or, if more recent, the date of its last Annual Report (the "Updated Actuarial Report"), an update of the information in APPENDIX A to the Official Statement under the heading "– Other Post-Employment Benefits," all based on the Updated Actuarial Report and only to the extent provided in the Updated Actuarial Report.

(d) 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 Material Events and Material 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 Material 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 any debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity provider, or their failure to perform;

(v) Adverse tax opinions with respect to the tax status of the Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Bonds;

(vi) Tender offers;

(vii) Defeasances

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person; 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 Material Events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material events affecting the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(ii) Modifications of rights to Bondholders;

(iii) Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 Bondholders.

(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 Material Event described in Section 6(a) hereof, or if the District determines that knowledge of a Material 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 Material Event or Material 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 Material 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 Resolutions.

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 Resolutions which is 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 days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this 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 Disclosure Certificate 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 Disclosure Certificate shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the 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 Material Event or a Material 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 Material Event or Material 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 Material Event or Material 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 any of the Resolutions, 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 Original Purchaser 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: June 13, 2019

ROBLA SCHOOL DISTRICT

By: ______________________________________
Chief Business Official

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Robla School District
Name of Issue:	$460,000 General Obligation Bonds, Election of 1992, Series 2019J, $46,200,000 General Obligation Bonds, Election of 2018, Series 2019A, and $1,380,000 2019 General Obligation Refunding Bonds
Date of Issuance:	June 13, 2019

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-captioned Bonds as required by Section 4(a) of the Continuing Disclosure Certificate dated June 13, 2019. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: ______________________

ROBLA SCHOOL DISTRICT

By: _______________________________________

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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 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.

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APPENDIX F

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 April 30, 2019, investments in the Treasury Pool were held for local agencies including the County, the District, and other independent and miscellaneous agencies.

Decisions on the investment of funds in the Treasury Pool are made by the County Director of Finance in accordance with established policy. 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 Board of Supervisors on an annual basis. The Investment Policy adopted on December 4, 2018, 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 quarterly to the Board of Supervisors for its review. According to the Investment Report dated April 30, 2019, the book value of the Treasury Pool was approximately \$4,659,254,499 and the corresponding market value was approximately \$4,671,103,945.

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 some of the types of securities held by the Treasury Pool as of April 30, 2019.

Type of Investment	% of Portfolio at Cost
U.S. Agency, Treasury & Municipal Notes	24.35%
Supranationals	13.66
Commercial Paper	32.04
Certificates of Deposit	28.55
LAIF	1.40

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.

Neither the District nor the Underwriter has made an independent investigation of the investments in the Treasury Pool and neither has 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 Treasurer, with the approval of the County 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.*

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ____________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100