This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 12, 2019

NEW ISSUE -- FULL BOOK-ENTRY

INSURED RATING: S&P: "__"
UNDERLYING RATING: S&P: "AA-"
See "RATINGS" herein

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject to certain qualifications described herein, under existing law, the interest on the Refunding Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes. See "TAX MATTERS" herein.

$9,000,000*
RIPON UNIFIED SCHOOL DISTRICT
(San Joaquin County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

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

Issuance. The Ripon Unified School District 2019 General Obligation Refunding Bonds (the "Refunding Bonds"), in the aggregate principal amount of $10,000,000* are being issued by the Ripon Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on October 7, 2019 (the "Bond Resolution"). The Refunding Bonds are being issued to advance refund certain maturities of the District's General Obligation Bonds, Election of 2012, Series 2013A and General Obligation Bonds, Election 2012, Series 2015B, and to pay costs of issuance, as described in this Official Statement. See "THE REFUNDING BONDS – Authority for Issuance" and "THE REFINANCING PLAN."

Security. The Refunding Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of San Joaquin County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Refunding Bonds. The District has other series of general obligation bonds outstanding which are similarly secured by tax levies. See "SECURITY FOR THE REFUNDING BONDS."

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

Book-Entry Only. The Refunding Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Refunding Bonds. See "THE REFUNDING BONDS - Book-Entry-Only System."

Payments. The Refunding Bonds are dated the date of delivery set forth above and are authorized to be issued as current interest bonds. The Refunding Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2020. Payments of principal of and interest on the Refunding Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as paying agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Refunding Bonds. See "THE REFUNDING BONDS."

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Refunding Bonds, and, if a commitment is issued to insure the Refunding Bonds, will determine prior to the sale of the Refunding Bonds whether to obtain such insurance.

MATURITY SCHEDULE
(see inside front cover)

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

The Refunding Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter. It is anticipated that the Refunding Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about December 31, 2019.

RAYMOND JAMES

The date of this Official Statement is December __, 2019.

* Preliminary; subject to change.

MATURITY SCHEDULE

RIPON UNIFIED SCHOOL DISTRICT
(San Joaquin County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Base CUSIP†: 767520

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_______ ___% Term Bond due August 1, 20__; Yield ____%; Price ____; CUSIP† ___

† Copyright 2019, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Rule 15c2-12. For purposes of compliance with Rule 15c2-12(b)(5) of the United States Securities Exchange Commission Rule, as amended (the "Rule"), this Preliminary Official Statement constitutes an "Official Statement" of the District with respect to the Refunding Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted to be omitted by the Rule.

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

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

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

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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

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

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to 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

No Securities Laws Registration. The Refunding Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Refunding Bonds have not been registered or qualified under the securities laws of any state.

Stabilization of Market Price. In connection with the offering of the Refunding Bonds, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of such Refunding Bonds at a level above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

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

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

RIPON UNIFIED SCHOOL DISTRICT
COUNTY OF SAN JOAQUIN
STATE OF CALIFORNIA

DISTRICT BOARD OF TRUSTEES

Dr. Christopher "Kit" Oase, *President - Area 3*
Caroline Hutto, *Vice President - Area 4*
Vince Hobbs, *Member - Area 2*
Chad Huskey, *Member - Area 1*
Christina Orlando, *Member - Area 5*

DISTRICT ADMINISTRATION

Dr. Siegrid "Ziggy" Robeson, *Superintendent*
Frank Jerome, *Chief Operations Officer*

BOND and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

FINANCIAL ADVISOR

Caldwell Flores Winters, Inc.
Emeryville, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Irvine, California

PAYING AGENT, TRANSFER AGENT
and ESCROW AGENT

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

ESCROW VERIFICATION

Causey Demgen & Moore P.C.
Denver, Colorado

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$9,000,000*
RIPON UNIFIED SCHOOL DISTRICT
(San Joaquin County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale and delivery by the Ripon Unified School District (the "**District**") of the Ripon Unified School District (San Joaquin County, California) 2019 General Obligation Refunding Bonds (Federally Taxable), in the principal amount of $9,000,000* (the "**Refunding Bonds**").

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Refunding Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District, located in the Central Valley in San Joaquin County (the "**County**"), encompasses approximately 50 square miles serving approximately 3,268 students. The District, which serves the residents of the City of Ripon, currently operates five K-8 elementary schools (self-contained at all grade levels), one high school and one alternative high school. The District is governed by a five-member Board of Trustees.

For more information regarding the District and its finances, see Appendix A and Appendix B attached hereto. See also Appendix C for demographic and other statistical information regarding the County.

Purpose. The Refunding Bonds are being issued by the District to advance refund, certain outstanding maturities of the District's (i) General Obligation Bonds, Election of 2012, Series 2013A (the "**Series 2013A Bonds**") and (ii) General Obligation Bonds, Election of 2012, Series 2015B (the "**Series 2015B Bonds**" and, together with the Series 2013A Bonds, the "**Prior Bonds**"), and to pay related costs of issuance. See "THE REFINANCING PLAN."

Authority for Issuance of the Refunding Bonds. The Refunding Bonds will be issued under the provisions of 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 (the "**Bond Law**") and under a resolution adopted by the Board of Trustees of the District on October 7, 2019 (the "**Bond Resolution**"). See "THE REFUNDING BONDS - Authority for Issuance."

Security and Sources of Payment for the Refunding Bonds. The Refunding Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* property taxes for the payment of the Refunding Bonds and the interest thereon upon all property

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* *Preliminary; subject to change.*

within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY FOR THE REFUNDING BONDS" herein.

The District currently has other series of general obligation bonds outstanding that are payable from *ad valorem* taxes levied on taxable property in the District. For the remaining debt service of the District's outstanding general obligation bonds, see "DEBT SERVICE SCHEDULES." See also "APPENDIX A – DISTRICT GENERAL AND FINANCIAL INFORMATION - DISTRICT FINANCIAL INFORMATION - Long-Term Indebtedness."

Payment and Registration of the Refunding Bonds. The Refunding Bonds are being issued as current interest bonds. The Refunding Bonds will be dated their date of original issuance and delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple of $5,000, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described below. Beneficial Owners will not be entitled to receive physical delivery of the Refunding Bonds. See "THE REFUNDING BONDS" and "APPENDIX F –DTC and the Book-Entry System."

Redemption. The Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in "THE REFUNDING BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption."

Legal Matters. Issuance of the Refunding Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California (**"Bond Counsel"**), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District (**"Disclosure Counsel"**). Kutak Rock LLP, Irvine, California is serving as Underwriter's Counsel ("**Underwriter's Counsel**"). *Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon issuance of the Refunding Bonds.*

Tax Matters. Interest on the Refunding Bonds is not intended to be excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Refunding Bonds will be exempt from State of California personal income taxes. See "TAX MATTERS" herein.

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Refunding Bonds and, if a commitment is issued to insure the Refunding Bonds, will determine prior to the sale of the Refunding Bonds whether to obtain such insurance.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of the Refunding Bonds and executed by the District (the **"Continuing Disclosure Certificate"**). The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CERTAIN LEGAL MATTERS - Continuing Disclosure."

Other Information. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Refunding Bonds are available from the Superintendent of the District, Ripon Unified School District, 304 North Acacia Avenue, Ripon, California 95366; telephone (209) 599-2131. The District may impose a charge for copying, mailing and handling.

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

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

[END OF INTRODUCTION]

[*Remainder of page intentionally left blank*]

THE REFINANCING PLAN

As described herein, the proceeds of the Refunding Bonds will be used to refund certain maturities of the Series 2013A Bonds and the Series 2015B Bonds and to pay related costs of issuance.

The Refunded Bonds

The Prior Bonds and were authorized at an election of the registered voters of the District held on November 6, 2012, which authorized the issuance of $25,236,190 principal amount of general obligation bonds (the "**2012 Authorization**") for the purpose of financing new construction and additions to and modernization of school facilities for the District.

Refunded Series 2013A Bonds. The Series 2013A Bonds were issued on March 28, 2013 as capital appreciation bonds and convertible capital appreciation bonds in the aggregate principal amount of $15,312,383.50. The Series 2013A Bonds that are capital appreciation bonds are subject to optional redemption on or after August 1, 2023 at a price of 100% of the accreted value thereof, without premium and the Series 2013A Bonds that are convertible capital appreciation bonds are subject to optional redemption on or after August 1, 2023 at a redemption price equal to the conversion value thereof, together with accrued interest thereon to the redemption date, without premium.

A portion of the proceeds of the Refunding Bonds will be used to advance refund certain maturities of the Series 2013A Bonds, as more particularly identified in the following tables (the **"Refunded Series 2013A Bonds"**).

RIPON UNIFIED SCHOOL DISTRICT
Identification of Refunded Capital Appreciation Series 2013A Bonds*

Maturities to be Refunded (August 1)	CUSIP†	Denominational Amount Redeemed	Accreted Value at Redemption	Redemption Date	Redemption Price
2026	767520 FT1	$39,675.75	$64,994.25	08/01/2023	100.0%
2031	767520 FY0	91,452.00	157,562.40	08/01/2023	100.0
2032	767520 FZ7	91,496.55	158,273.40	08/01/2023	100.0
2033	767520 GA1	91,154.70	158,317.20	08/01/2023	100.0
2034	767520 GB9	90,273.75	157,579.35	08/01/2023	100.0
2035	767520 GC7	90,551.45	158,862.30	08/01/2023	100.0
2036	767520 GD5	73,672.65	129,903.00	08/01/2023	100.0
Total:		$568,276.85	$985,491.90		

** Preliminary; subject to change.*
† CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. Neither the District nor the Underwriter is responsible for the accuracy of such data.
T Term Bond.

RIPON UNIFIED SCHOOL DISTRICT
Identification of Refunded Convertible Capital Appreciation Series 2013A Bonds*

Partial Maturities to be Refunded (August 1)	CUSIP†	Interest Rate After Conversion	Conversion Value Redeemed	Redemption Date	Redemption Price
2042 T	767520 GK9	5.000%	$2,715,000	08/01/2023	100.0%
Total:			$2,715,000		

** Preliminary; subject to change.*
† CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. Neither the District nor the Underwriter is responsible for the accuracy of such data.
T Term Bond.

Refunded Series 2015B Bonds. The Series 2015B Bonds were issued on June 30, 2015 as current interest bonds. The Series 2015B Bonds maturing on or after August 1, 2026 are subject to optional redemption on or after August 1, 2025 at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest thereon to the redemption date, without premium.

A portion of the proceeds of the Refunding Bonds will be used to advance refund certain maturities of the Series 2015B Bonds, as more particularly identified in the following table (the **"Refunded Series 2015B Bonds"**).

RIPON UNIFIED SCHOOL DISTRICT
Identification of Refunded Series 2015B Bonds*

Maturities to be Refunded (August 1)	CUSIP†	Interest Rate	Principal Redeemed	Redemption Date	Redemption Price
2043 T	767520 HB8	5.500%	$3,795,000	08/01/2025	100.0%
Total:			$3,795,000		

** Preliminary; subject to change.*
† CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. Neither the District nor the Underwriter is responsible for the accuracy of such data.
T Term Bond.

Deposits in Escrow Fund

The District will deliver the net proceeds of the Refunding Bonds to The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "**Escrow Agent**"), for deposit in an escrow fund (the "**Escrow Fund**") established under an Escrow Agreement (the "**Escrow Agreement**"), between the District and the Escrow Agent.

A portion of the funds deposited in the Escrow Fund will be invested in Federal Securities (as defined herein). The Escrow Agent will apply such funds, together with interest earnings thereon, to pay redemption prices of the Prior Bonds, together with accrued interest (if any) to the redemption dates identified above.

As a result of the deposit and application of funds of the Refunding Bonds as described above, and assuming the accuracy of the Underwriter's and Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment thereof will terminate.

Sufficiency of the deposits and investments in the Escrow Fund for the foregoing purposes will be verified by Causey Demgen & Moore P.D., certified public accountants, Denver, Colorado (the **"Verification Agent"**). See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

The amounts held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Bonds. Neither the funds deposited in the Escrow Fund nor the interest on the invested funds will be available for the payment of debt service with respect to the Refunding Bonds.

[*Remainder of page intentionally left blank*]

THE REFUNDING BONDS

Authority for Issuance

The Refunding Bonds will be issued under the Bond Law and the Bond Resolution.

Description of the Refunding Bonds

The Refunding Bonds are being issued as current interest bonds and mature in the years and in the amounts as set forth on the inside cover page hereof. The Refunding Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "Book-Entry Only System" below and "APPENDIX F – DTC and the Book-Entry Only System."

The Refunding Bonds will be issued in the denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Refunding Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2020 (each, an **"Interest Payment Date"**). Each Refunding Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (each, a **"Record Date"**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2020, in which event it will bear interest from the date of delivery of the Refunding Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Refunding Bond is in default at the time of authentication thereof, such Refunding Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Refunding Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Refunding Bonds.

Paying Agent

The Bank of New York Mellon Trust Company, N.A., San Francisco, California, will act as the registrar, transfer agent, and paying agent for the Refunding Bonds (the **"Paying Agent"**). As long as DTC is the registered owner of the Refunding Bonds and DTC's book-entry method is used for the Refunding Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Refunding Bonds called for redemption or of any other action covered by such notice.

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

Book-Entry Only System

The Refunding Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"). Purchasers of the Refunding Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interest in the Refunding Bonds. Payments of principal of and interest on the Refunding Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Los Angeles, California (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Refunding Bonds.

As long as DTC's book-entry method is used for the Refunding Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Refunding Bonds called for prepayment or of any other action premised on such notice. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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

Optional Redemption

The Refunding Bonds maturing on or before August 1, 20__ are not subject to optional redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

For the purpose of selection for optional redemption, Refunding Bonds will be deemed to consist of $5,000 portions (principal amount), and any such portion may be separately redeemed.

Neither failure to receive nor failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds.

Mandatory Sinking Fund Redemption

The Refunding Bonds maturing on August 1, 20__ (the "**Term Bonds**") are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
(maturity)	

If any such Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in a written notice given by the District to the Paying Agent.

Partial Redemption of Refunding Bonds

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

Selection of Refunding Bonds for Redemption

Whenever less than all of the outstanding Refunding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual bonds of $5,000 denominations each which may be separately redeemed.

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Refunding Bonds designated for redemption, at their addresses appearing on the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Refunding Bonds (the "**Registration Books**"). Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Refunding Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to the Municipal Securities Rulemaking Board and each of the Securities Depositories at least two days prior to such mailing to the Refunding Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then outstanding Refunding Bonds are to be called for redemption, shall designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each Refunding Bond or by stating that all Refunding Bonds between two stated numbers, both inclusive, or by stating that all of the Refunding Bonds of one or more maturities have been called for redemption, and shall require that such Refunding Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Refunding Bonds will not accrue from and after the redemption date.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Refunding Bonds so called for redemption have been duly provided, the Refunding Bonds called for redemption will cease to be entitled to any benefit under the Bond Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Refunding Bonds by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Refunding Bonds then called for redemption. The District and the Paying Agent have no liability to the Refunding Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds.

If the book entry system is discontinued, the person in whose name a Refunding Bond is registered on the Registration Books shall be regarded as the absolute owner of that Refunding Bond. Payment of the principal of and interest on any Refunding Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Refunding Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same maturity. Any Refunding Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Refunding Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Refunding Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Refunding Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Refunding Bond after such Refunding Bond has been selected or called for redemption in whole or in part.

Defeasance

The Refunding Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Refunding Bonds; or

(c) by delivering such Refunding Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Refunding Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the County and the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), then all liability of the County and the District in respect of such Refunding Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Refunding Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

As used in the foregoing defeasance provision, the term **"Federal Securities"** means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States.

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DEBT SERVICE SCHEDULES

The Refunding Bonds. The following table shows the annual debt service schedule with respect to the Refunding Bonds (assuming no optional redemptions).

RIPON UNIFIED SCHOOL DISTRICT
Annual Debt Service Schedule [1]
2019 General Obligation Refunding Bonds (Federally Taxable)

Bond Year Ending August 1	Principal	Interest	Total Debt Service
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
Total			

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Combined Debt Service Table. The following table shows the combined annual debt service schedule with respect to the Refunding Bonds, as well as the District's other outstanding general obligation bonds, assuming no optional redemptions. See Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Long-Term Indebtedness - General Obligation Bonds" for additional information.

RIPON UNIFIED SCHOOL DISTRICT
Combined Annual Debt Service Schedule
All Outstanding General Obligation Bonds

Bond Year Ending August 1	2012 Refunding Bonds	Series 2013A Bonds(1)	Series 2015B Bonds(1)	2017 Refunding Bonds (2)	The Refunding Bonds	Total Debt Service
2020	$411,320.00	$754,475.00	$462,018.76	$552,762.50		
2021	412,442.50	794,475.00	481,318.76	552,762.50		
2022	413,233.75	834,475.00	500,218.76	552,762.50		
2023	413,760.00	879,475.00	513,718.76	552,762.50		
2024	414,021.25	215,675.00	526,693.76	667,762.50		
2025	414,017.50	230,675.00	544,068.76	698,162.50		
2026	418,682.50	240,675.00	560,943.76	732,162.50		
2027	413,082.50	250,675.00	581,593.76	774,562.50		
2028	-	331,850.00	721,493.76	1,019,962.50		
2029	-	349,200.00	731,256.26	1,070,162.50		
2030	-	360,425.00	749,950.00	1,112,562.50		
2031	-	375,750.00	767,175.00	1,157,362.50		
2032	-	390,750.00	788,350.00	1,204,362.50		
2033	-	405,750.00	807,762.50	1,253,362.50		
2034	-	420,750.00	825,325.00	1,302,712.50		
2035	-	440,750.00	845,325.00	1,354,812.50		
2036	-	455,750.00	863,725.00	1,409,512.50		
2037	-	478,000.00	885,525.00	1,465,293.76		
2038	-	495,750.00	905,525.00	1,523,262.50		
2039	-	516,750.00	578,725.00	1,581,662.50		
2040	-	535,750.00	593,375.00	1,651,812.50		
2041	-	557,750.00	601,100.00	1,713,225.00		
2042	-	577,500.00	622,175.00	1,781,062.50		
2043	-	-	2,220,775.00	-		
Total	$3,310,560.00	$10,893,075.00	$17,678,137.60	$25,684,831.26		

(1)A portion of the Series 2013A Bonds and the Series 2015B Bonds are expected to be refunded from proceeds of the Refunding Bonds. See "THE REFINANCING PLAN."
(2) Includes debt service payments on the 2017 Refunding Bonds prior to August 1, 2023 (the "Crossover Date"), which payments are made from the Escrow Fund established for the 2017 Refunding Bonds. From and after the Crossover Date, such debt service shall be payable from ad valorem property taxes levied and collected by the County on taxable property within the boundaries of the District. See "SECURITY FOR THE REFUNDING BONDS."

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SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Refunding Bonds are as follows:

Sources of Funds	
Principal Amount of Refunding Bonds	
(Net Original Issue (Discount)	
Total Sources	
Uses of Funds	
Escrow Fund	
Costs of Issuance[1]	
Total Uses	

(1) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the financial advisor, the Paying Agent, Escrow Agent, Verification Agent, insurance premium, if any, and the rating agency.

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SECURITY FOR THE REFUNDING BONDS

Ad Valorem Taxes

Refunding Bonds Payable from* Ad Valorem *Property Taxes. The Refunding Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Refunding Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Bonds Payable from Ad Valorem Property Taxes. The District has previously issued other general obligation bonds, which are payable from *ad valorem* taxes on a parity basis. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Direct and Overlapping Debt" below.

Levy and Collection. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Refunding Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Refunding Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property. See "PROPERTY TAXATION" below.

Statutory Lien on Ad Valorem Tax Revenues. Pursuant to Senate Bill 222 effective January 1, 2016, voter approved general obligation bonds which are secured by *ad valorem* tax collections, including the Refunding Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Refunding Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Refunding Bonds. Fluctuations in the annual debt service on the Refunding Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The County will establish a Debt Service Fund (the "**Debt Service Fund**") for the Refunding Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on the Refunding Bonds will be deposited in the Debt Service Fund by the County promptly upon receipt. The Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the Refunding Bonds when and as the same become due. The District will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to pay the principal of and interest and premium (if any) on the Refunding Bonds after the Crossover Date as the same become due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in a Debt Service Fund, the District shall transfer such amounts to other debt service funds of the District with respect to outstanding general obligation bonds of the District, if any, and if none, then to its General Fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

Following the Crossover Date, the Refunding Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment of principal and interest on the Refunding Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Refunding Bonds, the Refunding Bonds are not a debt of the County.

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PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing (1) state assessed public utilities' property and (2) property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% 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 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, Senate Bill 813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, Senate Bill 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. 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 record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuations

Assessed Valuation History. The table below shows a recent history of the District's assessed valuation.

RIPON UNIFIED SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2005-06 to 2019-20

	Local Secured	Utility	Unsecured	Total	Annual % Change
2005-06	$1,608,006,896	$2,443,249	$58,165,972	$1,668,616,117	--
2006-07	1,915,107,626	2,021,977	64,886,353	1,982,015,956	18.8%
2007-08	2,101,468,188	58,135	77,904,010	2,179,430,333	10.0
2008-09	2,148,538,290	58,135	80,496,436	2,229,092,861	2.3
2009-10	2,008,174,781	141,540	84,220,291	2,092,536,612	(6.1)
2010-11	1,996,202,306	119,930	63,334,801	2,059,657,037	(1.6)
2011-12	1,902,320,678	119,930	61,896,502	1,964,337,110	(4.6)
2012-13	1,923,815,009	113,100	63,139,013	1,987,067,122	1.2
2013-14	2,093,374,036	25,576	68,270,502	2,161,670,114	8.8
2014-15	2,245,491,937	25,576	71,153,600	2,316,671,113	7.2
2015-16	2,399,516,470	25,576	76,233,483	2,475,775,529	6.9
2016-17	2,533,215,050	1,000	78,433,686	2,611,649,736	5.5
2017-18	2,696,570,025	1,000	82,058,214	2,778,629,239	6.4
2018-19	2,838,033,896	1,000	80,051,520	2,918,086,416	5.0
2019-20	3,032,650,942	1,000	78,560,908	3,111,212,850	6.6

Source: California Municipal Statistics, Inc.

As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation may result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts.

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Assessed Valuation and Parcels by Land Use. The property in the District is largely residential, with approximately 69.89% of assessed valuation of property in the District used for residential purposes, and 30.11% of assessed valuation of property in the District used for non-residential purposes. The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2019-20.

RIPON UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2019-20

Non-Residential:	2019-20 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural	$412,461,397	13.60%	863	12.07%
Commercial	129,035,323	4.25	127	1.78
Vacant Commercial	33,434,243	1.10	61	0.85
Industrial	318,957,344	10.52	65	0.91
Vacant Industrial	8,712,211	0.29	38	0.53
Recreational	6,156,319	0.20	8	0.11
Government/Social/Institutional	3,275,698	0.11	53	0.74
Miscellaneous	1,232,007	0.04	11	0.15
Subtotal Non-Residential	$913,264,542	30.11%	1,226	17.15%
Residential:				
Single Family Residence	$2,027,214,662	66.85%	5,482	76.70%
Condominium/Townhouse	7,851,005	0.26	41	0.57
Mobile Home	4,113,560	0.14	80	1.12
Mobile Home Park	641,612	0.02	1	0.01
2-4 Residential Units	23,619,092	0.78	106	1.48
5+ Residential Units/Apartments	44,165,970	1.46	19	0.27
Vacant Residential	11,780,499	0.39	192	2.69
Subtotal Residential	$2,119,386,400	69.89%	5,921	82.85%
Total	$3,032,650,942	100.00%	7,147	100.00%

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

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Per Parcel Assessed Valuation of Single-Family Homes. The table below shows the per parcel assessed valuation of single-family homes in the District for fiscal year 2019-20.

RIPON UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2019-20

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	5,482	$2,027,214,662	$369,795	$357,852

2019-20 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	14	0.255%	0.255%	$ 309,910	0.015%	0.015%
$25,000 - $49,999	45	0.821	1.076	1,772,950	0.087	0.103
$50,000 - $74,999	129	2.353	3.429	8,185,684	0.404	0.507
$75,000 - $99,999	119	2.171	5.600	10,392,520	0.513	1.019
$100,000 - $124,999	159	2.900	8.501	18,111,088	0.893	1.913
$125,000 - $149,999	195	3.557	12.058	26,893,197	1.327	3.239
$150,000 - $174,999	230	4.196	16.253	37,544,537	1.852	5.091
$175,000 - $199,999	245	4.469	20.722	45,944,385	2.266	7.358
$200,000 - $224,999	225	4.104	24.827	47,670,519	2.352	9.709
$225,000 - $249,999	252	4.597	29.424	59,859,027	2.953	12.662
$250,000 - $274,999	262	4.779	34.203	68,591,609	3.384	16.045
$275,000 - $299,999	258	4.706	38.909	74,100,510	3.655	19.701
$300,000 - $324,999	271	4.943	43.853	84,703,973	4.178	23.879
$325,000 - $349,999	258	4.706	48.559	87,104,973	4.297	28.176
$350,000 - $374,999	235	4.287	52.846	85,107,297	4.198	32.374
$375,000 - $399,999	258	4.706	57.552	100,051,698	4.935	37.310
$400,000 - $424,999	251	4.579	62.131	103,428,869	5.102	42.412
$425,000 - $449,999	297	5.418	67.548	129,956,560	6.411	48.822
$450,000 - $474,999	266	4.852	72.401	122,819,993	6.059	54.881
$475,000 - $499,999	207	3.776	76.177	100,954,560	4.980	59.861
$500,000 and greater	1,306	23.823	100.000	813,710,803	40.139	100.000
Total	5,482	100.000%		$2,027,214,662	100.000%	

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

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which 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. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution” in Appendix A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively 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 the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Refunding Bonds to increase accordingly, so that the fixed debt service on the Refunding Bonds (and other outstanding general obligation bonds, if any) may be paid.

Typical Tax Rates

Below are historical typical tax rates in the tax rate area within the District for the years 2015-16 through 2019-20.

RIPON UNIFIED SCHOOL DISTRICT
TYPICAL TAX RATES
(TRA 5-008)[(1)]
Dollars per $100 of Assessed Valuation
FISCAL YEARS 2015-16 THROUGH 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.0000	1.0000	1.0000	1.0000	1.0000
Ripon Unified School District GO Bonds	.0507	.0520	.0481	.0468	.0448
Yosemite Community College District GO Bonds	.0270	.0231	.0242	.0260	.0240
Total	1.0777	1.0751	1.0723	1.0728	1.0688

(1) 2019-20 assessed valuation of TRA 5-008 is $1,193,411,206, which is 40.90% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

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Tax Levies and Delinquencies

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. Currently, the County includes the District's general obligation bond levies in its Teeter Plan.

So long as the Teeter Plan remains in effect and the County continues to include the District in the Teeter Plan, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%.

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Largest Property Owners

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2019-20. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

RIPON UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2019-20

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total (1)
1.	Wine Group LP	Winery	$117,133,270	3.86%
2.	Diamond Pet Food Processors Ripon LLC	Heavy Industrial	89,981,981	2.97
3.	McManis Family Vineyards Inc.	Winery	38,581,895	1.27
4.	Ripon Garden Apartments LLC	Apartments	22,476,687	0.74
5.	Albert Brocchino Farms Inc.	Agricultural	14,053,358	0.46
6.	G & E Te Velde Orchards Inc.	Agricultural	10,792,050	0.36
7.	Van Groningen & Sons Inc.	Food Processing	10,779,602	0.36
8.	Vander Schaaf Dairy Partnership	Agricultural	10,715,972	0.35
9.	Baycal Ontario Partners LLC	Supermarket	10,085,800	0.33
10.	Nulaid Foods Inc.	Warehouse	9,998,011	0.33
11.	Vander Schaaf Murphy Road	Agricultural	8,828,266	0.29
12.	Pilot Travel Centers LLC	Truck Terminal	8,630,306	0.28
13.	Steve Gikas Trust	Warehouse	8,385,088	0.28
14.	Riverside LHC Ltd.	Agricultural	8,075,000	0.27
15.	Altagas Ripon Energy Inc.	Industrial	7,454,094	0.25
16.	Loves Country Stores of Cal Inc.	Truck Terminal	6,939,250	0.23
17.	BMCH California LLC	Residential Properties	6,879,826	0.23
18.	Wildwood Acres LLC	Agricultural	6,818,415	0.22
19.	CMM Farms LP	Agricultural	6,731,524	0.22
20.	M & L Commodities Inc.	Warehouse	6,590,018	0.22
			$409,930,413	13.52%

(1) 2019-20 Local Secured Assessed Valuation: $3,032,650,942.
Source: California Municipal Statistics, Inc.

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Debt Obligations

Set forth below is a direct and overlapping debt report (the **"Debt Report"**) prepared by California Municipal Statistics, Inc. with respect to debt dated as of November 1, 2019. The Debt Report is included for general information purposes only. Neither the District nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither makes any 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.

RIPON UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of November 1, 2019

2019-20 Assessed Valuation: $3,111,212,850

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/19	
Yosemite Community College District	4.359%	$11,480,898	
Ripon Unified School District	**100.000**	**28,194,394**	(1)
California Statewide Community Development Authority 1915 Act Bonds	100.000	4,678,319	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$44,353,611	
OVERLAPPING GENERAL FUND DEBT:			
San Joaquin County Certificates of Participation	3.925%	$2,953,955	
TOTAL OVERLAPPING GENERAL FUND DEBT		$2,953,955	
OVERLAPPING TAX INCREMENT DEBT:			
Successor Agency to Ripon Redevelopment Agency	100.000 %	$22,780,000	
TOTAL OVERLAPPING TAX INCREMENT DEBT		$22,780,000	
COMBINED TOTAL DEBT		$70,087,566	(2)

Ratios to 2019-20 Assessed Valuation:
Direct Debt ($28,194,394).. 0.91%
Total Direct and Overlapping Tax and Assessment Debt.......... 1.43%
Combined Total Debt.. 2.25%

Ratios to Redevelopment Incremental Valuation ($583,382,523):
Overlapping Tax Increment Debt.. 3.90%

(1) Excludes Refunding Bonds to be issued.
(2) Excludes tax and revenue anticipation notes, enterprise bonds, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

The interest on the Refunding Bonds is not intended by the District to be excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation ("**Bond Counsel**"), San Francisco, California, interest on the Refunding Bonds is exempt from California personal income taxes.

The proposed form of opinion of Bond Counsel with respect to the Refunding Bonds to be delivered on the date of issuance of the Refunding Bonds is set forth in APPENDIX D.

Owners of the Refunding Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Refunding Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Refunding Bonds, the ownership, sale or disposition of the Refunding Bonds, or the amount, accrual or receipt of interest on the Refunding Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay, when due, the principal and interest when due of the Refunded Bonds.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

CERTAIN LEGAL MATTERS

Continuing Disclosure

The District has covenanted for the benefit of holders and beneficial owners of the Refunding Bonds to provide certain financial information and operating data relating to the District by not later than nine (9) months following the end of the District's fiscal year (which currently would be by March 31 each year based upon the June 30 end of the District's fiscal year), commencing March 31, 2020, with the report for the 2018-19 Fiscal Year (the **"Annual Report"**), and to provide notices of the occurrence of certain enumerated events. The Annual Report and any event notices will be filed by the District with the Municipal Securities Rulemaking Board (the **"MSRB"**). The specific nature of the information to be contained in an Annual Report or other notices is set forth below under the caption "APPENDIX E - Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the **"Rule"**).

The District has entered into prior continuing disclosure undertakings pursuant to the Rule. In the previous five years, the District's 2015-16 annual report with respect to the Series 2015B Bonds failed to include the total amount of bond proceeds spent to the date of such report. Such filing has since been remedied. Identification of such instances of non-compliance does not constitute a representation that such non-compliance was material. The District has undertaken training of District staff to act as its own dissemination agent and changed internal policies to ensure future timely compliance. The District serves as its own dissemination agent with respect to all of such undertakings pursuant to the Rule. Caldwell Flores Winters, Inc. acts as the District's continuing disclosure consultant.

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

Litigation

No litigation is pending or threatened concerning the validity of the Refunding Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Refunding Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Refunding Bonds.

The District may be or may become a party to lawsuits and claims which are unrelated to the Refunding Bonds or actions taken with respect to the Refunding Bonds and which have arisen in the normal course of operating the District. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. In the opinion of the District, there currently are no claims or actions pending which could have a material adverse effect on the financial position or operations of the District. The District cannot predict what types of claims may arise in the future.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (**"S&P"**) is expected to assign its rating of "__" to the Refunding Bonds, with the understanding that ______________ will issue its municipal bond insurance policy guaranteeing the payment of principal of and interest on the Refunding Bonds. Additionally, S&P has assigned an underlying rating of "AA-" to the Refunding Bonds. The District has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement). Such ratings reflects only the views of and an explanation of the significance of such rating and outlook may be obtained only from S&P. There is no assurance that any credit rating given to the Refunding Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Refunding Bonds.

UNDERWRITING

The Refunding Bonds are being purchased by Raymond James & Associates, Inc. (the "**Underwriter**"). The Underwriter has agreed to purchase the Refunding Bonds at a price of $__________ (which is equal to the initial principal amount of the Refunding Bonds, less net original issue discount of $________ and less Underwriter's discount of $_______). The purchase contract relating to the Refunding Bonds provides that the Underwriter will purchase all of the Refunding Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell Refunding Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The reference herein to the Bond Resolution, the Escrow Agreement and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to said documents. Copies of the documents mentioned under this heading are available from the Underwriter and following delivery of the Refunding Bonds will be on file at the offices of the Paying Agent in San Francisco, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available from upon written request to the District.

Caldwell Flores Winters, Inc. ("**Caldwell Flores**"), has contracted with the District, as approved by the Board of Trustees under separate agreements, for the provision of financial advisor services and professional consultant services for procuring State aid grants for the modernization and construction of school facilities. Caldwell Flores has also previously provided program management services, and planning services to the District. The planning services previously provided may influence the amount and frequency of bonds to be sold by the District.

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

EXECUTION

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

RIPON UNIFIED SCHOOL DISTRICT

By: ______________________________________
Superintendent

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APPENDIX A

DISTRICT GENERAL AND FINANCIAL INFORMATION

The information in this Appendix A concerning the operations of the District, its operating budget and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Refunding Bonds is payable from the general fund of the District. Following the Crossover Date, the Refunding Bonds are payable solely from the proceeds of an ad valorem *tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE REFUNDING BONDS" herein.*

DISTRICT GENERAL INFORMATION

The District

The District, located in the Central Valley in San Joaquin County (the "**County**"), encompasses approximately 50 square miles, serving the residents of the City of Ripon. The District currently operates five K-8 elementary schools (self-contained at all grade levels), one high school and one alternative high school. The District is governed by a five-member Board of Trustees. The District's 2018-19 enrollment was 3,268 students.

Administration

Board of Trustees. The District is governed by a five-member Board of Trustees, with each member elected to a four-year term in alternate slates of two and three. Current members of the Board of Trustees, together with their office and the date their current term expires, are listed below.

Name	Office	Current Term Expires
Dr. Kit Oase	President - Area 3	November 2022
Caroline Hutto	Vice President - Area 4	November 2020
Vince Hobbs	Member - Area 2	November 2020
Chad Huskey	Member - Area 1	November 2022
Christina Orlando	Member - Area 5	November 2020

Superintendent and Administrative Personnel. The day-to-day operations are managed by a board-appointed Superintendent of Schools. Dr. Siegrid "Ziggy" Robeson is currently serving as Superintendent. District finances are managed by Frank Jerome, the Chief Operations Officer.

<u>Superintendent Dr. Robeson</u>. Dr. Robeson has worked as a teacher, principal and school administrator for 37 years. Previously, Dr. Robeson was a Deputy Superintendent with the Twin Rivers Unified School District, a Director of Educational Service in the Rio Linda Union School District, an elementary and middle school principal in Rio Linda, and a classroom teacher. She earned her Bachelor of Arts Degree at California State University, Sacramento in social science and music with minors in German and English. Her Master of Arts Degree is also from California State University, Sacramento. She has a Doctorate in Education focusing on organization and

leadership from the University of San Francisco. She also earned her Chief Business Officer certificate from the University of Southern California.

Chief Operations Officer Frank Jerome: Mr. Jerome joined the District as the Chief Operations Officer in 2017. Prior to joining the District, Mr. Jerome worked as the Director of Fiscal Services and Accountability for Williams Unified School District. He has also worked for Cutler-Orosi Joint Unified School District as the Fiscal Director, and the Amador County Office of Education and Amador School District as the Accounting Director. Prior to working in education, he served as an officer in the U.S. Navy. Mr. Jerome earned an MBA from San Diego University and a J.D. from the Drivon School of Law.

Recent Enrollment Trends

The following table shows historical enrollment, with projected figures through fiscal year 2019-20.

RIPON UNIFIED SCHOOL DISTRICT
Annual Enrollment
Fiscal Years 2012-13 through 2019-20

School Year	Enrollment	Percent Change
2012-13	3,035	--
2013-14	3,066	1.0%
2014-15	2,995	(2.3)
2015-16	3,081	2.9
2016-17	3,165	2.7
2017-18	3,183	0.6
2018-19	3,268	2.7
2019-20(1)	3,288	0.6

(1) Projected.
Source: The District.

Employee Relations

Two unions represent District employees. The following table identifies the number of employees covered and the current status of the contracts with the bargaining units.

RIPON UNIFIED SCHOOL DISTRICT
EMPLOYEE BARGAINING GROUPS

Bargaining Unit	Type and Number of Employees Covered	Current Contract Expiration Date
Ripon Teachers' Association	155.0	June 30, 2020
California School Employees Association	76.0	June 30, 2020

Source: Ripon Unified School District.

Joint Powers Agreements

The District is a member of the San Joaquin County Schools Workers' Compensation Group, which provides workers compensation coverage for its members, and San Joaquin County Schools Property and Liability Group, which provides property and liability coverage for its members.

The District is also a member of San Joaquin County Schools Data Processing Center, which provides accounting, personnel and student attendance accounting, scheduling and testing services to the District.

The relationship between the District and the Joint Powers Authorities is such that they are not a component unit of the District for financial reporting purposes.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues which exceeded its revenue limit entitlement were deemed "Basic Aid Districts" and received full funding from local property tax revenues, and were entitled to keep those tax revenues which exceeded its revenue limit funding entitlement.

The fiscal year 2013-14 State budget package (the "**2013-14 State Budget**") replaced the previous K-12 finance system with a formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 50% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**"), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

Funding levels used in the LCFF target entitlement calculations, not including any supplemental or concentration grant funding entitlements, for fiscal year 2019-20 are set forth in the following table. Full implementation occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

Fiscal Year 2019-20 Base Grant* Under LCFF by Grade Span
(Targeted Entitlement)

Grade Span	2019-20 Base Grant Per ADA	2019-20 COLA (3.26%)	Grade Span Adjustments (K-3: 10.4%; 9-12: 2.6%)	2019-20 Base Grant/Adjusted Base Grant Per ADA
K-3	$7,459	$243	$801	$8,503
4-6	7,571	247	n/a	7,818
7-8	7,796	254	n/a	8,050
9-12	9,034	295	243	9,572

*Does not include supplemental and concentration grant funding entitlements.
Source: California Department of Education.

The new legislation included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 State Budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an 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.

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts.

District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District’s basis of accounting and fund accounting, see “APPENDIX B – Audited Financial Statements of the District for Fiscal Year Ended June 30, 2018 – Note 1 - Summary of Significant Accounting Policies” herein.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board (“**GASB**”) published its Statement No. 34 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments” on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management’s Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's Audited Financial Statements for the fiscal year ending fiscal year 2017-18 were prepared by James Marta & Company LLP, Certified Public Accountants, Sacramento, California. Audited financial statements for the District for the fiscal year ended June 30, 2017 and prior fiscal years are on file with the District and available for public inspection at the Ripon Unified School District, 304 North Acacia Avenue, Ripon, California 95366; telephone (209) 599-2131. See Appendix B hereto for the 2017-18 Audited Financial Statements. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District.

The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District.

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General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited general fund income and expense statements for the District for fiscal years 2013-14 through 2017-18.

RIPON UNIFIED SCHOOL DISTRICT
Summary of General Fund
Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2013-14 through 2017-18 (audited)

	Audited 2013-14	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18
SOURCES					
LCFF Sources(1)	$18,429,588	$18,940,724	$22,875,453	$23,337,644	$26,246,439
Federal revenue	1,186,228	1,002,493	1,042,305	1,070,181	1,115,967
Other state revenue	1,817,609	1,667,933	3,755,326	2,765,882	2,738,422
Other local revenue	1,888,939	1,981,224	1,670,081	2,081,036	1,717,584
Total Revenues	23,322,364	23,592,374	29,343,165	29,254,743	31,818,412
EXPENDITURES					
Instruction	13,413,857	16,039,921	17,647,400	18,198,786	-
Instruction-related services:					
Supervision of instruction	177,670	197,035	276,096	280,781	-
Library, media and technology	238,406	240,203	285,155	321,854	-
School site administration	1,552,609	1,863,913	2,060,380	2,077,629	-
Pupil services:					
Home-to-school transportation	338,506	380,978	347,440	325,654	-
All other pupil services	1,232,662	1,423,474	1,580,439	1,681,388	-
Administration	1,578,421	2,071,031	2,005,302	2,038,074	-
Data processing services		-	11,620		-
Plant services	1,930,560	2,278,327	2,945,660	2,530,100	-
Facility acquisition & construction	20,074	34,973	277,569	152,647	-
Ancillary services	91,669	94,132	110,224	248,880	-
Community services	365,200	417,196	461,502	389,910	-
Certificated salaries	-	-	-	-	13,692,958
Classified salaries	-	-	-	-	4,246,433
Employee benefits	-	-	-	-	6,420,437
Books and supplies	-	-	-	-	1,475,502
Services and other operating expenditures	-	-	-	-	2,987,145
Capital outlay	-	-	-	-	145,209
Other outgo	225,379	685,484	521,277	514,741	515,405
Debt service	219,427	229,839	1,520,038	127,915	134,878
Total Expenditures	21,384,440	25,956,506	30,050,102	28,897,359	29,617,967
Excess (deficiency) of revenues over (under) expenditures	1,937,924	(2,364,132)	(706,937)	357,384	2,200,445
Other Financing Sources (Uses)					
Interfund transfers in	-	-	-	-	-
Interfund transfers out	(11,519)	-	(13,659)	-	-
Total Other Financing Sources	(11,519)	-	(13,659)	-	-
Net change in fund balance	1,926,405	(2,364,132)	(720,596)	357,384	2,200,445
Fund Balance, July 1	9,941,616	11,868,021	9,503,889	8,783,293	9,140,677
Fund Balance, June 30	$11,868,021	$9,503,889	$8,783,293	$9,140,677	$11,341,122

(1) Local Control Funding Formula commenced in Fiscal Year 2013-14.
Source: Ripon Unified School District - Audited Financial Statements.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. 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.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the San Joaquin County Superintendent of Schools (the **"County Superintendent"**).

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (**"A.B. 1200"**) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that 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 is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the 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.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget Approval/Disapproval and Certification History. The District has not received any qualified or negative certifications of its financial reports in the past five years, nor have any of its budgets been disapproved. The District received a positive certification on its most recent interim report, the 2nd Interim Report for Fiscal Year 2018-19.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at Ripon Unified School District, 304 North Acacia Avenue, Ripon, California 95366; telephone (209) 599-2131.

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District's General Fund. The following table shows the general fund figures for the District for fiscal year 2018-19 (unaudited actuals) and 2019-20 (adopted budget).

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Year 2018-19 (Unaudited Actuals)
Fiscal Year 2019-20 (Adopted Budget) (1)
Ripon Unified School District

Revenues	**Unaudited Actuals 2018-19**	**Adopted Budget 2019-20**
LCFF Sources	$27,665,895	$29,595,112
Federal revenues	977,427	1,113,076
Other state revenues	4,264,218	2,360,527
Other local revenues	2,262,605	1,144,248
Total Revenues	35,170,145	34,212,963
Expenditures		
Certificated salaries	14,261,752	14,882,653
Classified salaries	4,593,048	4,366,067
Employee benefits	8,615,505	7,842,727
Books and supplies	1,883,151	2,209,636
Contract services & operating exp.	3,601,672	4,039,561
Capital outlay	166,167	260,411
Other outgo (excluding indirect costs)	401,295	420,868
Other outgo – transfers of indirect costs	0	(13,458)
Total expenditures	33,522,590	34,008,465
Excess of revenues over/(under) expenditures	1,647,555	204,498
Other financing sources (Uses)		
Operating transfers in	0	0
Operating transfers out	(110,000)	0
Total other financing sources (uses)	(110,000)	0
Net change in fund balance	1,537,555	204,498
Fund balance, July 1(2)	11,641,792	13,179,348
Fund balance, June 30	$13,179,348	$13,383,846

(1) Totals may not add due to rounding.
(2) 2018-19 beginning fund balance includes an audit adjustment of $742,635.
Source: Ripon Unified School District 2019-20 Adopted Budget.

District Reserves. In general, the State requires that the California school districts maintain the equivalent of 3% of annual general fund expenditures in reserve to be available during financial crisis. The District has historically had an unrestricted reserve in excess of the 3% minimum requirement.

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget (**"SB 858"**), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

On October 11, 2017, the Governor signed new legislation ("**SB 751**") amending Section 42127.01 of the Education Code, effective January 1, 2018. SB 751 raises the reserve cap established under SB 858 to no more than 10% of a school district's combined assigned or unassigned ending general fund balance and provides that the reserve cap will be triggered only if there is a minimum balance of 3% of the Proposition 98 reserve. Basic aid school districts and small districts with 2,500 or fewer ADA are exempt from the reserve cap.

Attendance - Revenue Limit and LCFF Funding

As described herein, prior to fiscal year 2013-14, school districts in California derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target.

The following table set forth historical and projected ADA and LCFF funding in the District.

ADA AND LCFF REVENUES
Fiscal Years 2013-14 through 2019-20 (Budgeted)
Ripon Unified School District

Fiscal Year	ADA[(1)]	LCFF Revenues
2013-14	2,889	$18,429,588
2014-15	2,903	20,993,260
2015-16	2,975	22,875,453
2016-17	3,059	23,337,644
2017-18	3,076	26,246,439
2018-19	3,163	28,681,580
2019-20	3,163	29,595,112

(1) P-2 for Fiscal Year 2013-14 through 2018-19; budgeted for fiscal year 2019-20.
Source: Ripon Unified School District.

Unduplicated Pupil Count. The unduplicated count of the District's students which are low-income, English learners and/or foster youth is approximately 37.27% in fiscal year 2018-19 for purposes of determining supplemental and concentration grant funding under LCFF.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Every Student Succeeds Act, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

For additional discussion of State aid to school districts, see "-State Funding of Education."

Other Local Revenues. In addition to local property taxes, the District receives additional local revenues from items such as interest earnings and other local sources, including a voter-approved parcel tax.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, as amended by GASB Statement No. 71, which imposes certain new pension accounting and financial reporting requirements in the notes to its audited financial statements commencing with financial statements for fiscal years ending after June 30, 2014. Statement No. 68, as amended, generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. As a result of the implementation of GASB Statement Nos. 68 and 71, the District was required to restate its beginning net position as of July 1, 2014. See "APPENDIX B - Audited Financial Statements of the District For Fiscal Year Ending June 30, 2015."

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's employer contributions to STRS for recent fiscal years are set forth in the following table.

STRS Contributions
Ripon Unified School District
Fiscal Years 2011-12 through 2019-20

Fiscal Year	Amount
2011-12	$787,112
2012-13	802,662
2013-14	858,882
2014-15	1,033,043
2015-16	1,353,149
2016-17	1,546,416
2017-18	1,957,621
2018-19(1)	3,609,756
2019-20(2)	3,864,071

(1) Unaudited Actuals (includes State on-behalf payments).
(2) Budgeted (includes State on-behalf payments).
Source: Ripon Unified School District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately $107.2 billion as of June 30, 2018 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 (**"AB 1469"**), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.88% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District's employer contribution rates for fiscal years 2015-16 through 2018-19 were 10.73%, 12.58%, 14.43% and 16.28%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2019-20 through fiscal year 2022-23 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2019-20 through 2022-23

Fiscal Year	Employer Contribution Rate(1)
2019-20	17.10%
2020-21	18.40
2021-22	18.60
2022-23	18.10

(1) Expressed as a percentage of covered payroll.
Source: AB 1469

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, the District is required to contribute an amount based on an actuarially determined employer rate. The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS Contributions
Ripon Unified School District
Fiscal Years 2011-12 through 2019-20

Fiscal Year	Amount
2011-12	$243,383
2012-13	500,216
2013-14	303,346
2014-15	364,122
2015-16	442,553
2016-17	515,192
2017-18	619,164
2018-19(1)	772,200
2019-20(2)	838,000

(1) Unaudited Actual.
(2) Budgeted.
Source: Ripon Unified School District.

Like the STRS program, the PERS program has maintained an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately $27.2 billion as of June 30, 2018 (the date of the last actuarial valuation). To address such unfunded liability, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In

November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate (its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

PERS Discount Rate
Fiscal Years 2018-19 through 2020-21

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, and 2018-19 were 11.847%, 13.888%, 15.531%, and 18.062% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2019-20 through fiscal year 2022-23 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2022-23(1)

Fiscal Year	Employer Contribution Rate(2)
2019-20	19.721%
2020-21	22.900
2021-22	24.600
2022-23	25.300

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.
(2) Expressed as a percentage of covered payroll.
Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. 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 a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. 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 have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information. Additional information regarding the District's retirement programs is available in the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Benefit Obligation

The Plan. The Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental and vision coverage for all employees who have completed 10 or more years with the District. Medical coverage ends when the retiree reaches 65.

Contributions. The contribution requirements of Plan member and the District are established and may be amended by the District and the Ripon Teachers' Association. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year

2017-18, the District did not make any contributions to the Plan. For fiscal year 2018-19, the District made contributions totaling $149,381 to the Plan.

Membership. At June 30, 2018, there were 24 retirees and beneficiaries receiving benefit payments and 228 active employees.

Net OPEB Liability and Expense of the District. The District's net OPEB liability of $3,749,773 and OPEB expense of $415,588 as measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2019, are shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
Ripon Unified School District

	Total OPEB Liability
Balance at June 30, 2018	$3,448,432
Changes for the year:	
Service Cost	176,513
Interest	103,667
Changes of benefit terms	126,482
Changes of assumptions	44,060
Benefit payments	(149,381)
Net changes	301,341
Balance at June 30, 2018	$3,749,773

For more information regarding the District's OPEB, see Note 8 of APPENDIX B to the Official Statement.

Long-Term Indebtedness

General Obligation Bonds. On May 23, 2012 the District issued $5,145,000 General Obligation Refunding Bonds (the "**2012 Refunding Bonds**"), currently outstanding in the aggregate principal amount of $2,965,000, for the purpose of refunding the District's 2002 Series B Bonds. The 2012 Refunding Bonds were privately placed.

On March 28, 2013 the District issued the Series 2013A Bonds as $4,135,861.45 initial denominational amount of capital appreciation bonds and $11,176,522.05 initial denominational amount of convertible capital appreciation bonds, which converted to current interest bonds on August 1, 2018. A portion of the Series 2013A Bonds were refunded on a crossover basis with proceeds of the 2017 Refunding Bonds, described below. The Series 2013A Bonds are currently outstanding in the aggregate principal amount of $14,195,804.25. The interest payment on the Series 2013A Bonds (including partial maturities refunded by the 2017 Refunding Bonds described below) due on February 1, 2019 was received late and payment was not remitted to investors until February 7, 2019. The delay in payment was not financial in nature, but was the result of administrative error. A portion of the outstanding Series 2013A Bonds are expected to be refunded with proceeds of the Refunding Bonds. See "THE REFINANCING PLAN."

On June 30, 2015 the District issued $9,920,000 General Obligation Bonds, Election of 2012, Series 2015B (the "**Series 2015B Bonds**"). The Series 2015B Bonds are currently outstanding in the aggregate principal amount of $9,815,000. A portion of the outstanding Series 2015B Bonds are expected to be refunded with proceeds of the Refunding Bonds. See "THE REFINANCING PLAN."

On September 14, 2017 the District issued $16,420,000 2017 General Obligation Refunding Bonds (2023 Crossover) (the "**2017 Refunding Bonds**") in order to refund certain maturities of the Series 2013A Bonds on a crossover basis. The 2017 Refunding Bonds are outstanding in the principal amount of $16,420,000.

The 2012 Refunding Bonds, the Series 2013A Bonds, the Series 2015B Bonds, the 2017 Refunding Bonds and the Refunding Bonds are all payable from *ad valorem* taxes levied on taxable parcels in the District.

For the remaining debt service due on the 2012 Refunding Bonds, the Series 2013A Bonds, the Series 2015B Bonds, the 2017 Refunding Bonds and the Refunding Bonds, see "DEBT SERVICE SCHEDULES" in the body of this Official Statement.

Investment of District Funds

Education Code Section 41001 et. seq. provides that all school district funds, except as otherwise set forth below, shall be deposited into the County Treasury to the credit of the proper fund of the district. Education Code Section 41015 provides that funds held in a special reserve fund or any surplus moneys not required for the immediate necessities of the district may be invested in investments specified in Section 16430 or 53601 of the Government Code. Accordingly, all funds of the District not subject to the exception, including cash receipts and other moneys received by the District for deposit to the general fund of the District are deposited with the County Treasury. Currently, the District has not established special reserve funds or identified surplus moneys for investments subject to the exception set forth above. Such current practices, however, should not be construed to predict the future investment practices of the District in accordance with applicable law. See Appendix F hereto for the County's investment policy and the most recent investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see "—State Funding of Education – Revenue Limits" above). State funds typically make up the majority of a district's LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" below.

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. School districts in California receive operating income primarily from two sources: (1) the State funded portion which is derived from the State's general fund, and (2) a locally funded portion, being a district's share of the 1% general *ad valorem* tax levy authorized by the California Constitution (see "DISTRICT FINANCIAL INFORMATION – Education Funding Generally" above). School districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. None of the District, the Underwriter or the County is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each House of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature, and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets

Certain information about the State budgeting process and the State budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. *The references to internet websites shown below 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 California State Treasurer internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State of California Official Statements, many of which contain a summary of the current State budget, past State budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State budgets.

- The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2018-19 State budget is balanced and projects a balanced budget for the foreseeable future, largely attributable to the additional revenues generated due to the passage of Proposition 55 at the November 8, 2016 statewide election, there can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2019-20 State Budget

On June 27, 2019, the Governor signed the 2019-20 State budget (the "**2019-20 State Budget**") into law. The 2019-20 State Budget calls for total spending of $214.8 billion, with $147.8 billion in general fund spending. The 2019-20 State Budget provides for $81.1 billion of funding through Proposition 98, the primary source of funding for K-12 school districts and community college districts, an increase of $2.7 billion, or 3.4%, from the 2018-19 State budget. Of that $81.1 billion, $62.9 billion will be distributed to K-12 school districts through the LCFF, which will be fully funded during fiscal year 2019-20, restoring every school district in the State to at least pre-recession funding levels.

The 2019-20 State Budget continues to build State reserves, with the rainy-day fund balance projected to grow to $16.5 billion by the end of the budget year. Additionally, revenues have been set aside in new savings funds, including a $900 million reserve for safety net programs. Other significant features of the 2019-20 State Budget include:

- $3.15 billion one-time payment on behalf of school districts and community college districts to STRS and PERS pools;

- $1.5 billion anticipated in Proposition 51 bond funds for school facilities and an additional $1.2 million of ongoing Proposition 51 bond funds;

- $5 million one-time funding for a long-term strategic plan to provide childcare and preschool for children from birth through age twelve;

- $300 million one-time funding to construct new or retrofit existing facilities to support full-day kindergarten programs;

- $645.3 million ongoing funding for special education, including $152.6 million to provide all Special Education Local Plan Areas with at least the statewide target rate for base special education funding.

- $147.4 million one-time and ongoing funding to address the shortage of teachers;

- $918 million in additional funding to identify and implement recommendations and solutions to reduce wildfire risk, bolster the state's emergency preparedness capacity and protect vulnerable communities;

- $518,000 one-time funding to reimburse cities, counties and special districts for 2018-2019 property tax losses and a corresponding $530,000 that will be used to backfill property tax revenue losses for K-14 schools in those cities, counties and districts;

- $460 million one-time general funding to increase the quality and availability of child care, including $263 million for child care and preschool facilities expansion and $195 million for childcare and preschool workforce development;

- one-time funding of $750 million to support local governments in increasing and accelerating housing production; and

- one-time funding of $650 million to support local governments in addressing homelessness, to be used for emergency shelters and navigation centers, rapid rehousing, permanent supportive housing, job programs and hotel/motel conversions.

Disclaimer Regarding State Budgets. The implementation of the foregoing 2019-20 State Budget and future State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2018-19 State Budget, or subsequent state budgets, will have on its own finances and operations. However, the Refunding Bonds are secured by *ad valorem* taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Refunding Bonds to provide State budget information to the District or the owners of the Refunding Bonds. Although they believe the sources of information listed below are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of State budget information set forth or referred to or incorporated in this Official Statement.

Availability of State Budgets. The complete 2019-20 State Budget is available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Refunding Bonds.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures, or possible future budget deficits. Future State budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest of the Refunding Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Refunding Bonds. The tax levied by the County for payment of the Refunding Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) 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 (which provided the authority for the issuance of the Refunded Bonds), and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Refunding Bonds falls within the exception described in (iii) of the immediately preceding sentence. 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". This full cash value may be increased at a rate not to exceed 2% 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.

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

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

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

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIIIB of the California Constitution

Article XIIIB ("**Article XIIIB**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

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

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

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

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

Unitary Property

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

Articles XIIIC and XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Refunding Bonds.

Proposition 98

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

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

Proposition 111

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

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

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

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

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

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the "**third test**"). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

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.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as **"Proposition 30"**), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

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

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales or excise tax increases of Proposition 30.

California Senate Bill 222

Senate Bill 222 ("**SB 222**") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections such as the Refunding Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018

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RIPON UNIFIED SCHOOL DISTRICT

OF SAN JOAQUIN COUNTY
RIPON, CALIFORNIA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

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RIPON UNIFIED SCHOOL DISTRICT

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RIPON UNIFIED SCHOOL DISTRICT

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ripon Unified School District
Ripon, CA

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 Ripon Unified 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

701 Howe Avenue, Suite E3, Sacramento, CA 95825 916-993-9494 fax 916-993-9489
jmarta@jpmcpa.com www.jpmcpa.com

Opinions

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

Other Matters

Change in Accounting Principle

As described in Note 1V to the financial statements, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions which required a restatement of net position as of July 1, 2017. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Ripon Unified School District (the "District") annual financial report presents management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the Independent Auditor's Report and the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Change in Fund Balances provide information about how District services were financed in the short-term, and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

⇒ Over the course of the year, net position decreased by $1,305,324 in addition to the prior period adjustment of $890,566 related to the recognition of the Proprietary Fund and Supplemental Retirement Plan and ($776,721) related to the implementation of GASB 75.

⇒ Capital assets, net of depreciation, increased by $6,007,761. Accumulated depreciation increased by $1,697,672.

⇒ Long-term liabilities have increased by $2,546,291 with bonds payable increasing by $1,293,650, supplemental retirement plan obligation decreasing by $115,936, net pension liability increasing by $1,203,004, net OPEB liability increasing by $175,418, and compensated absences decreasing by $9,845.

⇒ During fiscal year 2017-18, average daily attendance (ADA) for P2 of the District increased by 11 ADA.

⇒ The District maintains the required minimum reserves for economic uncertainty of 3% of General Fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2017-18, General Fund expenditures, transfers out, and other uses totaled $29,617,967. At June 30, 2018, the District had available reserves designated for economic uncertainties of $1,037,773, approximately 3.5% of General Fund expenditures, transfers out, and other uses.

THE FINANCIAL REPORT

The full annual financial report consists of three separate parts, including the basic financial statements, supplementary information, and Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, government-wide and funds.

⇒ Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

⇒ Individual parts of the District, which are reported as fund financial statements, comprise the remaining statements.

 ° Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.

 ° Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary fund statements.

Notes to the basic financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. They are an integral part of the financial statements. The required supplementary information provides further explanations and provides additional support for the financial statements.

Reporting the District as a Whole

The District as a whole is reported in the Government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

⇒ Increases or decreases in the net position of the District over time are indicators of whether its financial health is improving or deteriorating, respectively.

⇒ Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

Information included in the Statement of Net Position and the Statement of Activities, consists solely of the governmental activities of the District.

Governmental Activities:

The basic services provided by the District, such as regular and special education, administration, and transportation are included here, and are primarily financed by state apportionments, property taxes, impact aid, and other state and federal aid. Non-basic services, such as child nutrition, are also included here, but are financed by a combination of state and federal contract and grants, and local revenues.

Reporting the District's Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law, while other funds have been established to control and manage money for specific purposes.

Governmental Funds

The major governmental funds of Ripon Unified School District are the General Fund, Building Fund, and Capital Facilities Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances that remain at the end of the year. A modified accrual basis of accounting 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. Governmental fund information helps to determine the level of financial resources available in the near future to finance the District's programs.

Fiduciary Funds

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revised its annual operating budget at various times to reflect the most recent financial information available. The most significant budget adjustments made during the year fall into the following categories:

- ⇒ Budget revisions to the adopted budget required after approval of the State budget.
- ⇒ Budget revisions to adjust program revenues and expenditures to final awards.
- ⇒ Budget revisions to reflect changes in staffing and hiring

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

The District used the following assumptions in constructing the 2018/19 fiscal year budget. The information provided below is current as of July 1, 2018.

- Local Control Fund Formula (LCFF)
- The Local Control Funding Formula (LCFF) is the new finance system for K-12 education.
- The LCFF provides base, supplemental, and concentration grants in place of most previously existing funding sources, including revenue limits and most state categorical programs. As part of the LCFF, the district will be required to develop, adopt, and annually update three-year Local Control and Accountability Plan (LCAP) using a template adopted by the California State Board of Education.

In considering the District Budget for the 2017-2018 year, the governing board and management used the following criteria:

Expenditures are based on the following forecasts:

	Staffing Ratio
Grades kindergarten through third	24:1
Grades four through eight	27.7:1
Grades nine through twelve	19.9:1

The District plan is to be fiscally prudent, working with stakeholders on the continued development of the LCAP plan, improving the achievement gap with our subgroups, maximizing the usage of one time funding for professional development and develop a spending plan on the Clean Energy Act. The District's goal is to continue balancing the annual budget without the dependence on ADA growth.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Operating Officer at Ripon Unified School District, 304 North Acacia Avenue, Ripon, California 95366, or email at fjerome@sjcoe.net.

TABLE 04-01

Financial Analysis of the School District as a Whole

Comparative Statement of Net Position

	2018	2017*	Increase/ (Decrease)
Assets			
Cash	$ 31,750,120	$ 33,664,133	$ (1,914,013)
Receivables	1,410,591	1,374,146	36,445
Stores Inventory	7,056	7,056	-
Prepaid Expenditures	-	4,036	(4,036)
Capital Assets, Net	48,967,480	42,959,719	6,007,761
Total Assets	82,135,247	78,009,090	4,126,157
Deferred Outflows	10,879,486	7,261,836	3,617,650
Liabilities			
Other Liabilities	6,458,008	4,573,897	1,884,111
Long-term Debt Outstanding	66,027,580	63,481,289	2,546,291
Total Liabilities	72,485,588	68,055,186	4,430,402
Deferred Inflows	6,022,598	1,403,869	4,618,729
Net Position			
Net Investment in Capital Assets			
- Net of Related Debt	19,851,448	9,816,541	10,034,907
Restricted	14,815,912	23,099,169	(8,283,257)
Unrestricted	(20,160,813)	(17,103,839)	(3,056,974)
Total Net Position	$ 14,506,547	$ 15,811,871	$ (1,305,324)

*As restated

TABLE 04-02

Financial Analysis of the School District as a Whole

Comparative Statement of Activities

	2018	2017	Increase (Decrease)
Program Revenues:			
Charges for Services	$ 2,178,324	$ 1,918,105	$ 260,219
Operating Grants and Contributions	4,136,227	3,982,416	153,811
Capital Grants and Contributions	125,359	60,464	64,895
Total Program Revenues	6,439,910	5,960,985	478,925
General Revenues:			
Taxes Levied	8,057,258	7,890,681	166,577
Federal and State Aid	21,099,151	20,458,988	640,163
Interest and Investment Earnings	141,264	64,440	76,824
Miscellaneous	614,052	762,369	(148,317)
Total General Revenues	29,911,725	29,176,478	735,247
Program Expenses:			
Instruction	23,848,331	21,068,695	2,779,636
Instruction-Related Services	2,843,414	2,837,538	5,876
Pupil Services	3,401,694	3,201,800	199,894
General Administration	2,265,577	2,152,210	113,367
Community Services	629,182	403,042	226,140
Plant Services	2,783,405	2,665,713	117,692
Ancillary Services	307,540	247,002	60,538
Enterprise Activities	-	12,858	(12,858)
Interest on Long-Term Debt	1,062,411	1,556,725	(494,314)
Other Outgo	515,405	514,741	664
Total Expenses	37,656,959	34,660,324	2,996,635
Change in Net Position	$ (1,305,324)	$ 477,139	$ (1,782,463)

TABLE 04-03

Summary of Expenses for Governmental Functions

	2018	Percentage of Total
Expenses		
Instruction	$ 23,848,331	63.33%
Instruction-Related Services	2,843,414	7.55%
Pupil Services	3,401,694	9.03%
General Administration	2,265,577	6.02%
Community Services	629,182	1.67%
Plant Services	2,783,405	7.39%
Ancillary Services	307,540	0.82%
Interest on Long-Term Debt	1,062,411	2.82%
Other Outgo	515,405	1.37%
Total Expenses	$ 37,656,959	100.00%

TABLE 04-04

Comparative Statement of Capital Assets

	2018	2017
Land	$ 4,948,984	$ 4,948,984
Construction in Progress	16,228,572	11,241,760
Land Improvements	6,304,237	3,756,504
Buildings and Improvements	47,561,466	47,561,466
Furnitrure and Equipment	3,657,361	3,486,473
Subtotals	78,700,620	70,995,187
Less: Accumulated Depreciation	(29,733,140)	(28,035,468)
Capital Assets, net	$ 48,967,480	$ 42,959,719

TABLE 04-05

Financial Analysis of the School District as a Whole

Comparative Statement of Outstanding Long-Term Liabilities

	2018	2017
General Obligation Bonds	$ 33,738,323	$ 32,444,673
Supplemental Retirement Plan	395,725	511,661
Net Pension Liability	28,359,786	27,156,782
Net OPEB Liability	3,448,432	3,273,014
Compensated Absences	85,314	95,159
Totals	$ 66,027,580	$ 63,481,289

TABLE 04-06

Summary of Revenues for Governmental Functions

	2018	Percentage of Total
Program Revenues:		
Charges for Services	$ 2,178,324	5.99%
Operating Grants and Contributions	4,136,227	11.38%
Capital Grants and Contributions	125,359	0.34%
General Revenues:		
Taxes Levied	8,057,258	22.16%
Federal and State Aid	21,099,151	58.04%
Interest and Investment Earnings	141,264	0.39%
Miscellaneous	614,052	1.69%
Total Revenues	$ 36,351,635	100.00%

TABLE 04-07

Financial Analysis of the School District as a Whole

Comparative Statement of Fund Balances

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Increase/ (Decrease)
Governmental Funds			
General	$ 11,341,122	$ 9,140,677	$ 2,200,445
Building	3,635,420	10,293,871	(6,658,451)
Bond Interest and Redemption	1,901,011	1,670,582	230,429
Cafeteria	273,378	135,644	137,734
Deferred Maintenance	2,478,634	3,272,352	(793,718)
Capital Facilities	6,085,729	4,598,199	1,487,530
Special Reserve for Capital Outlay Projects	9,843	9,750	93
County School Facilities	29,985	29,697	288
Total	$ 25,755,122	$ 29,150,772	$ (3,395,650)
Proprietary Funds			
Farm Fund	$ 1,264,018	$ 1,402,227	$ (138,209)
Insurance Fund	108,936	142,888	(33,952)
Total	$ 1,372,954	$ 1,545,115	$ (172,161)

BASIC FINANCIAL STATEMENTS

RIPON UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2018

		Governmental Activities
ASSETS		
Cash (note 2)	$	31,750,120
Receivables		1,410,591
Other assets		7,056
Capital Assets - net of accumulated depreciation (note 5)		48,967,480
Total Assets		82,135,247
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on OPEB (note 8)		62,298
Deferred outflows on pensions (note 7)		10,817,188
Total Deferred Outflows		10,879,486
LIABILITIES		
Accounts payable and other current liabilities		6,450,436
Unearned revenue		7,572
Long-term liabilities (note 6)		
Due within one year		1,141,908
Due after one year		64,885,672
Total Liabilities		72,485,588
DEFERRED INFLOWS OF RESOURCES		
Deferred bond premium (note 6)		570,937
Deferred inflows on pensions (note 7)		5,451,661
Total Deferred Inflows		6,022,598
NET POSITION		
Net investment in capital assets		19,851,448
Restricted		13,442,958
Unrestricted		(18,787,859)
Total Net position	$	14,506,547

See accompanying notes to the basic financial statements.

RIPON UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 23,848,331	$ 120,747	$ 2,612,120	$ 125,359	$ (20,990,105)
Instruction - related services:					
Supervision of instruction	245,811	-	39,263	-	(206,548)
Instructional library and technology	363,448	9,142	2,509	-	(351,797)
School site administration	2,234,155	-	66,812	-	(2,167,343)
Pupil Services:					
Home-to-school transportation	503,184	-	9,011	-	(494,173)
Food services	965,599	396,277	664,149	-	94,827
All other pupil services	1,932,911	2	393,658	-	(1,539,251)
General administration:					
All other general administration	2,265,577	-	24,616	-	(2,240,961)
Plant services	2,783,405	202,376	42,394	-	(2,538,635)
Ancillary services	307,540	2,314	10,023	-	(295,203)
Community services	629,182	279,303	51,541	-	(298,338)
Interest on long-term debt	1,062,411	-	-	-	(1,062,411)
Other outgo	515,405	1,168,163	220,131	-	872,889
Total governmental activities	$ 37,656,959	$ 2,178,324	$ 4,136,227	$ 125,359	(31,217,049)

General Revenues	
Taxes and subventions:	
Taxes levied for general purposes	6,378,388
Taxes levied for debt service	1,550,002
Taxes levied for other specific purposes	128,868
Federal and state aid not restricted to specific purposes	21,099,151
Interest and investment earnings	141,264
Miscellaneous	614,052
Total general revenues	29,911,725
Change in net position	(1,305,324)
Net position - beginning, July 1, 2017 as originally reported	15,698,026
Prior period adjustment (Note 1U)	890,566
Change in accounting principle (Note 1V)	(776,721)
Net Position - beginning, as restated	15,811,871
Net position - ending, June 30, 2018	$ 14,506,547

RIPON UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Building Fund	Capital Facilities Fund	All Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	$ 17,072,648	$ 4,622,291	$ 5,911,240	$ 2,242,291	$ 29,848,470
Accounts receivable	1,338,400	-	-	72,191	1,410,591
Stores	-	-	-	7,056	7,056
Due from other funds	61,594	13,659	174,489	2,522,560	2,772,302
Total assets	$ 18,472,642	$ 4,635,950	$ 6,085,729	$ 4,844,098	$ 34,038,419
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 4,411,958	$ 981,451	$ -	$ 110,014	$ 5,503,423
Due to other funds	2,711,990	19,079	-	41,233	2,772,302
Unearned revenue	7,572	-	-	-	7,572
Total liabilities	7,131,520	1,000,530	-	151,247	8,283,297
Fund balances					
Nonspendable	9,036	-	-	7,701	16,737
Restricted	1,515,293	3,635,420	6,085,729	2,206,516	13,442,958
Assigned	8,779,020	-	-	2,478,634	11,257,654
Unassigned	1,037,773	-	-	-	1,037,773
Total fund balances	11,341,122	3,635,420	6,085,729	4,692,851	25,755,122
Total liabilities and fund balances	$ 18,472,642	$ 4,635,950	$ 6,085,729	$ 4,844,098	$ 34,038,419

RIPON UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total fund balances - governmental funds		$ 25,755,122
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost:	$ 78,700,620	
Accumulated depreciation:	(29,733,140)	
Net:		48,967,480
Unamortized premiums: In governmental funds, bond premiums are recognized as revenues in the period they are received while bond discounts are recognized as expenditures in the period they are incurred. In the government-wide statements, premiums and discounts are amortized over the life of the debt. Unamortized premiums and discounts at year-end consist of:		
Unamortized portion of bond premiums		(570,937)
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:		(418,317)
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds payable	$ 33,738,323	
Supplemental Retirement Plan	395,725	
Net Pension Liability	28,359,786	
Net OPEB Liability	3,448,432	
Compensated absences payable	85,314	
		(66,027,580)
Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB		62,298
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 pension are reported.		
Deferred outflows of resources relating to pensions		10,817,188
Deferred inflows of resources relating to pensions		(5,451,661)
Internal service funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery bases. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds are:		1,372,954
Total net position, governmental activities		$ 14,506,547

See accompanying notes to the basic financial statements.

RIPON UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Building Fund	Capital Facilities Fund	All Non-Major Funds	Total
REVENUES					
LCFF sources	$ 26,246,439	$ -	$ -	$ -	$ 26,246,439
Federal revenue	1,115,967	-	-	628,489	1,744,456
Other state revenues	2,738,422	-	-	49,871	2,788,293
Other local revenues	1,717,584	125,071	1,489,602	1,964,420	5,296,677
Total revenues	31,818,412	125,071	1,489,602	2,642,780	36,075,865
EXPENDITURES					
Certificated salaries	13,692,958	-	-	-	13,692,958
Classified salaries	4,246,433	-	-	419,181	4,665,614
Employee benefits	6,420,437	-	-	117,035	6,537,472
Books and supplies	1,475,502	-	-	363,876	1,839,378
Services and other operating expenditures	2,987,145	375,650	2,072	56,765	3,421,632
Capital outlay	145,209	6,691,217	-	778,118	7,614,544
Other outgo	515,405	-	-	1,470,570	1,985,975
Debt service expenditures	134,878	-	-	-	134,878
Total expenditures	29,617,967	7,066,867	2,072	3,205,545	39,892,451
Excess of revenues over expenditures	2,200,445	(6,941,796)	1,487,530	(562,765)	(3,816,586)
OTHER FINANCING SOURCES (USES)					
Proceeds from Bond Issuance	-	16,420,000	-	-	16,420,000
All Other Financing Sources	-	-	-	137,591	137,591
Other uses	-	(16,136,655)	-	-	(16,136,655)
Total other financing sources (uses)	-	283,345	-	137,591	420,936
Net change in fund balances	2,200,445	(6,658,451)	1,487,530	(425,174)	(3,395,650)
Fund balances, July 1, 2017, As originally reported	8,838,892	10,293,871	4,598,199	5,103,056	28,834,018
Prior period audit adjustments	301,785	-	-	14,969	316,754
Beginning Balance, July 1, 2017	9,140,677	10,293,871	4,598,199	5,118,025	29,150,772
Fund balances, June 30, 2018	$ 11,341,122	$ 3,635,420	$ 6,085,729	$ 4,692,851	$ 25,755,122

RIPON UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

JUNE 30, 2018

Total net change in fund balances - governmental funds		$ (3,395,650)
Amounts reported for revenues and expenses 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:	$ 7,705,433	
Depreciation expense:	(1,697,672)	6,007,761
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:		15,841,862
Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount were:		(16,420,000)
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:		(197,904)
Accreted interest on capital appreciation bonds is not recognized as an expenditure in the governmental fund financial statements until paid. In the statement of activities, however, accreted interest is recognized as an expense as the capital appreciation bonds accrete in value. The amount of accreted interest recognized in the current year was:		(715,512)
Other postemployment benefits (OPEB): In government funds, OPEB expenses are recognized when employer OPEB contributions are made in the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:		(113,120)
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:		(2,393,949)
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 premium or discount, or deferred gain or loss from debt refunding, for the period is:		127,568
Internal Service Funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:		(172,161)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measure by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		9,845
Supplementary Retirement Plan: In governmental funds, employer costs are recognized when employer payments are made. In the statement of activities, employer costs are recognized on the accrual basis. The difference between employer costs and actual employer payments was:		115,936
Total change in net position - governmental activities		$ (1,305,324)

RIPON UNIFIED SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

TRUST AND AGENCY FUNDS

JUNE 30, 2018

	Trust Fund	Agency Funds	
	Scholarship	**Student Body**	**Total**
ASSETS			
Cash held in banks	$ 1,250	$ 783,064	$ 784,314
Total assets	$ 1,250	$ 783,064	$ 784,314
LIABILITIES			
Liabilities			
Accounts payable			$ -
Due to Student Groups		783,064	783,064
Total Liabilities	-	783,064	783,064
NET POSITION			
Held in Trust	$ 1,250	$ -	$ 1,250

See accompanying notes to the basic financial statements.

RIPON UNIFIED SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust Fund
	Foundation
REVENUES	
Donations	$ -
Total revenues	-
EXPENSES	
Scholarships Awarded	3,000
Total expenditures	3,000
Change in Net Position	(3,000)
Net Position, July 1, 2017	4,250
Net Position, June 30, 2018	$ 1,250

RIPON UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND – STATEMENT OF NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Farm Fund	Insurance Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,792,714	$ 108,936	$ 1,901,650
Total assets	$ 1,792,714	$ 108,936	$ 1,901,650
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 528,696	$ -	$ 528,696
Total liabilities	528,696	-	528,696
Fund balances			
Restricted	1,264,018	108,936	1,372,954
Total fund balances	1,264,018	108,936	1,372,954
Total liabilities and fund balances	$ 1,792,714	$ 108,936	$ 1,901,650

RIPON UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Farm Fund	Insurance Fund	Total
REVENUES			
Other local revenues	$ 396,099	$ 2,253	$ 398,352
Total revenues	396,099	2,253	398,352
EXPENDITURES			
Services and other operating expenditures	534,308	36,205	570,513
Total expenditures	534,308	36,205	570,513
Net change in fund balances	(138,209)	(33,952)	(172,161)
Fund balances, July 1, 2017, As originally reported	-	142,888	142,888
Prior period audit adjustments	1,402,227	-	1,402,227
Beginning Balance, July 1, 2017	1,402,227	142,888	1,545,115
Fund balances, June 30, 2018	$ 1,264,018	$ 108,936	$ 1,372,954

RIPON UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND - STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities - Enterprise Fund	Governmental Activities - Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from local revenues	$ 396,099	$ 2,253
Cash paid for services and other operating expenses	(6,147)	(36,205)
Net Cash Provided (Used) by Operating Activities	389,952	(33,952)
Net Increase (Decrease) in Cash and Cash Equivalents	389,952	(33,952)
Cash and Cash Equivalents - Beginning	1,402,762	142,888
Cash and Cash Equivalents - Ending	$ 1,792,714	$ 108,936
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ (138,209)	$ (33,952)
Increase/(Decrease) in:		
Accounts Payable	528,161	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 389,952	$ (33,952)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

The District accounts for its financial t ransactions 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 as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. REPORTING ENTITY

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For Ripon Unified School District, this includes general operations, food service and student related activities of the District. The District has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles generally accepted in the United States of America. The District and the Mello-Roos Community Facilities District #1 (the Facilities District) have a financial and operational relationship, which meets the reporting entity definition criteria of the GASB Statement No. 14, The Financial Reporting Entity for inclusion of the Facilities District as a component unit of the District. Accordingly, the financial activities of the Agency are reported as a non-major debt service fund in the financial statements of the District.

The following are those aspects of the relationship between the District and the Facilities District which satisfy GASB Statement No. 14 criteria:

<u>Manifestation of Oversight</u>

A. The Facilities District's Board of Directors are the same as the District's Governing Board.

<u>Accounting for Fiscal Matters</u>

A. The District is able to impose its will upon the Facilities District, based on the following:

   - All major financing arrangements, contracts, and other transactions of the Facilities District must have the consent of the District.
   - The District exercises significant influence over operations of the Facilities District as it is anticipated that the District will be the sole lessee of all facilities owned by the Facilities District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

B. The Facilities District provides specific financial benefits or imposes specific financial burdens on the District based upon the following:

- Any deficits incurred by the Facilities District will be reflected in the lease payments of the District.
- Any surpluses of the Facilities District will be reflected in the lease payments of the District.
- The District has assumed a "moral obligation", and potentially a legal obligation, of any debt incurred by the Facilities District.

Scope of Public Service and Financial Presentation

A. The Facilities District was formed for the sole purpose of providing financing assistance to the District for construction and acquisition of major capital facilities.

B. The Facilities District is a community facilities district pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended by Chapter 2.5 Part I, Division 2, Title 5 of the government code of the State of California on March 30, 1989.

C. The Facilities District's financial activity is presented in the financial statements as the Mello-Roos Community Facilities District #1 Fund.

C. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District’s assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: invested in capital assets, net of related debt; restricted or unrestricted.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense function. Interest on long-term liabilities is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District funds and account groups are as follows:

<u>Governmental Funds</u>

General Fund is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

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

The *Cafeteria Fund* is used to account for revenues received and expenditures made to operate the District's cafeterias.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FUND ACCOUNTING (CONTINUED)

The *Deferred Maintenance Fund* is used to account separately for revenues that are restricted or committed for deferred maintenance purposes

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains four capital projects funds:

The *Building Fund* is used 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.

The *Capital Facilities Fund* is used to account for community redevelopment agency revenues and capital outlay expenditures.

The *County School Facilities Fund* is used to account for new school facilities construction funded by state school facilities funding sources.

The *Special Reserve Fund for Capital Outlay Projects* is used to provide for the accumulation of general fund moneys for capital outlay purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The District maintains two debt service funds:

The *Bond Interest and Redemption Fund* is used to account for District taxes received and expended to pay bond interest and redeem bond principal.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The *Private Purpose Trust Funds* are used to account for assets held by the District as trustee. *Student Body Funds* are used to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body.

Proprietary Funds

Proprietary funds are used to account for activities that are more business-like than government-like in nature, which a fee is charged to external users or to other organizational units of the LEA, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

The Farm Fund is used to operate and maintain an agricultural education area for the students. The principal revenue sources in this fund are the revenues from the sale of agricultural produce.

The Self-Insurance Fund is used to pay for property and liability claims for the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FUND ACCOUNTING (CONTINUED)

These funds' activities are reported in a separate statement of fiduciary net position. These funds are custodial in nature and do not involve measurement of results of operations. Accordingly, the District presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

F. 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 Board of Trustees and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund and Major Special Revenue Funds as required supplementary information in the financial statements.

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

G. INVENTORY

Inventory in the Cafeteria fund consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

The cafeteria fund records supplies expense which includes a handling charge for the delivery of government surplus food commodities. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The supplies expenditures would have been greater had the District paid fair market value for the government surplus commodities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. CAPITAL ASSETS

Capital assets are those purchased or acquired with an original cost of $5,000 or more and are reported at historical cost or estimated historical cost and capital improvement, acquisition or construction with an original cost of $50,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expenses as incurred. Depreciation on all capital assets is computed using the straight-line basis over the following estimated useful lives:

Asset Class	Years
Sites and Improvements	10-36
Buildings and Improvements	7-40
Furniture and Equipment	5-15

I. COMPENSATED ABSENCES

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

J. ACCUMULATED SICK LEAVE

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure 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.

K. RESTRICTED NET POSITION

Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

L. UNEARNED REVENUE

Cash received for federal and state special projects and programs is recognized as revenue to the extent that the qualified expenditures have been incurred. Unearned revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. PROPERTY TAX

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

Secured property taxes are levied as an enforceable lien on property as of January 1. Taxes are payable in two installments, on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of San Joaquin bills and collects the taxes for the District.

Tax revenues are recognized by the District when received.

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

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

N. FUND BALANCE RESERVES AND DESIGNATIONS

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (e.g., prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Trustees. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District’s adopted policy, only the Board of Trustees is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. FUND BALANCE RESERVES AND DESIGNATIONS (CONTINUED)

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

O. 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 at June 30.

P. ESTIMATES

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

Q. ELIMINATIONS AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide statements, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

R. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. PENSIONS

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

T. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan (OPEB Plan) and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

U. PRIOR PERIOD ADJUSTMENT

The Proprietary Fund was misclassified as an Agency Fund. Additionally, the long term debt related to the Public Agency Retirement System (PARS) (Note 6) was not recorded in the prior period. The effect on the prior period net position is detailed below.

Proprietary Fund recognition	$ 1,402,227
PARS adjustment	(511,661)
Total prior period adjustment	$ 890,566

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2017, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), which supersedes GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement addresses accounting and financial reporting for other postemployment benefits offered by the District and requires various note disclosures (Note 8) and required supplementary information. As a result, beginning of year net position has been restated as follows:

Net position previously reported, June 30, 2017	$ 15,698,026
OPEB previously reported	2,496,293
Net OPEB liability	(3,273,014)
Prior period adjustment (note 1U)	890,566
Net position as restated	$ 15,811,871

Information on beginning of year deferred outflows and deferred inflows of OPEB resources, and all information for the prior years is not available and therefore such amounts have not been restated.

2. CASH AND INVESTMENTS

Cash and Investments as of June 30, 2018 consist of the following:

	Governmental Funds	Proprietary Funds	Governmental Activities Total	Fiduciary Activities
Cash in County Treasury	$ 29,267,671	$ 108,936	$ 29,376,607	$ -
Cash on hand and in banks	575,154	1,792,714	2,367,868	784,314
Cash in revolving fund	5,645	-	5,645	-
	$ 29,848,470	$ 1,901,650	$ 31,750,120	$ 784,314

2. CASH AND INVESTMENTS (CONTINUED)

A. CASH IN COUNTY TREASURY

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

Cash in County Treasury consists of District cash held by the San Joaquin County Treasury that is invested in the county investment pool. The Treasury permits negative cash balances so long as the District’s total cash in county treasury has a positive balance.

The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 482 days. The pool is rated AAA by Standard and Poor’s.

B. CASH IN REVOLVING FUNDS AND IN BANKS

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

Interest Rate Risk. The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2018, the District had no significant interest rate risk related to cash and investments held.

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2018 consisted of:

	General Fund	Non-Major Funds	Total
Federal government:			
Federal programs	$ 557,849	$ 72,191	$ 630,040
State government:			
Lottery	138,724	-	138,724
Other - State	41,587	-	41,587
Total state government	180,311	-	180,311
Local government:			
Other	600,240	-	600,240
Total local government	600,240	-	600,240
Totals	$ 1,338,400	$ 72,191	$ 1,410,591

4. INTERFUND TRANSACTIONS

Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year-end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables

Individual fund interfund receivable and payable balances at June 30, 2018 were as follows:

	Interfund Payables	Interfund Receivables
General Fund	$ 2,711,990	$ 61,594
Cafeteria Fund	41,233	3,481
Deferred Maintenance Fund	-	2,500,000
Building Fund	19,079	13,659
Capital Facilities Fund	-	174,489
Bond Interest and Redemption	-	19,079
	$ 2,772,302	$ 2,772,302

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. There were no interfund transfers for the year ended June 30, 2018.

5. CAPITAL ASSETS AND DEPRECIATION

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

	Balance June 30, 2017	Additions and Transfers	Deductions and Transfers	Balance June 30, 2018
Non-depreciable assets:				
Land	$ 4,948,984	$ -	$ -	$ 4,948,984
Construction in Progress	11,241,760	4,986,812	-	16,228,572
	16,190,744	4,986,812	-	21,177,556
Depreciable assets:				
Land Improvements	3,756,504	2,547,733	-	6,304,237
Buildings and Improvements	47,561,466	-	-	47,561,466
Furniture and Equipment	3,486,473	170,888	-	3,657,361
	54,804,443	2,718,621	-	57,523,064
Totals, at cost	70,995,187	7,705,433	-	78,700,620
Accumulated depreciation:				
Land Improvements	(2,581,423)	(367,467)	-	(2,948,890)
Buildings and Improvements	(22,491,492)	(1,196,795)	-	(23,688,287)
Furniture and Equipment	(2,962,553)	(133,410)	-	(3,095,963)
	(28,035,468)	(1,697,672)	-	(29,733,140)
Depreciable assets, net	26,768,975	1,020,949	-	27,789,924
Capital assets, net	$ 42,959,719	$ 6,007,761	$ -	$ 48,967,480

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 1,304,201
School Site Administration	7,166
Home-to-School Transportation	71,659
Food Services	10,033
All other administration	8,599
Plant Services	296,014
Total depreciation expense	$ 1,697,672

6. LONG-TERM LIABILITIES

A. GENERAL OBLIGATION BONDS

The District's outstanding general obligation bonded debt as of June 30, 2018 is as follows:

Description	Date Of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Outstanding July 1, 2017	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2018
2012 GO Refunding	2012	2.65%	2028	$ 5,145,000	$ 3,770,000	$ -	$ 310,000	$ 3,460,000
2012 Series 2013A	2013	4.50% - 5.00%	2043	15,312,384	18,824,673	715,512	15,531,862	4,008,323
2012 Series 2015B	2015	4.50% - 5.00%	2043	9,920,000	9,850,000	-	-	9,850,000
2017 GO Refunding	2017	3.00% - 4.00%	2042	16,420,000	-	16,420,000	-	16,420,000
			Totals	$ 46,797,384	$ 32,444,673	$ 17,135,512	$ 15,841,862	$ 33,738,323

On May 23, the 2012 General Obligation Refunding Bonds were issued in the amount of $5,145,000. The bonds were issued to refinance prior issuance June 2012 Series B bonds. The bonds were issued with an interest rate of 2.65 percent and mature in 2028.

On March 19, the Series 2013A General Obligation Bonds were issued by the District in the amount of $15,312,384. The bonds were issued to finance new construction and additions and modernization of school facilities. The bonds were issued with interest rates varying from 4.50 percent to 5.00 percent and a scheduled maturity date of 2043.

On June 15, the Series 2015B General Obligation Bonds were issued by the District in the amount of $9,920,000. The bonds were issued to finance renovation, construction and improvement of school facilities. The bonds were issued with interest rates varying from 4.50 percent to 5.00 percent and a scheduled maturity date of 2043.

On September 14, 2017, the 2017 General Obligation Refunding Bonds were issued by the District in the amount of $16,420,000. The bonds were issued to refinance the prior issuance Series 2013A and 2015B bonds. Then bonds were issued with interest rates ranging from 3.00 percent to 4.00 percent.

6. LONG-TERM LIABILITIES (CONTINUED)

A. GENERAL OBLIGATION BONDS (CONTINUED)

The annual requirements to amortize the refunding bonds as of June 30, 2018 are as follows:

Year Ended June 30	Principal	Interest	Total
2019	$ 1,010,000	$ 1,003,961	$ 2,013,961
2020	525,675	1,604,841	2,130,516
2021	580,675	1,595,463	2,176,138
2022	655,675	1,585,753	2,241,428
2023	725,675	1,575,312	2,300,987
2024-2028	4,353,374	5,484,222	9,837,596
2029-2033	6,812,975	4,317,636	11,130,611
2034-2038	9,986,001	3,228,355	13,214,356
2039-2043	12,528,500	1,706,925	14,235,425
2044	2,105,000	115,774	2,220,774
Totals	$ 39,283,550	$ 22,218,242	$ 61,501,792

B. SUPPLEMENTAL RETIREMENT PLAN

The Supplemental Retirement Plan (SRP) offered by the Public Agency Retirement Services (PARS) is a retirement incentive plan that offers a constructive and humane tool to reduce labor costs, restructure workforce, avoid layoffs, and retain skilled, newer employees.

C. SCHEDULE OF CHANGES IN LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2018, is shown below:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Balance Due In One Year
General Obligation Bonds	$ 32,444,673	$ 17,135,512	$ 15,841,862	$ 33,738,323	$ 1,010,000
Supplemental Retirement Plan	511,661	19,965	135,901	395,725	131,908
Net pension liability	27,156,782	1,203,004	-	28,359,786	-
Net OPEB liability	3,273,014	175,418	-	3,448,432	-
Compensated Absences	95,159	-	9,845	85,314	-
Totals	$ 63,481,289	$ 18,533,899	$ 15,987,608	$ 66,027,580	$ 1,141,908

7. EMPLOYEE RETIREMENT SYSTEMS

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 State Teachers' Retirement System (STRS), and classified employees are members of the Public Employees' Retirement System (PERS).

California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, CA 95811.

State Teachers' Retirement System (STRS)

Plan Description

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, CA 95605.

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

	CalPERS		CalSTRS	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	6%	10.25%	9.205%
Required employer contribution rates	15.531%	15.531%	14.43%	14.43%

7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

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. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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. Ripon Unified School District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS

Required member, employer, and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan were:

	CalPERS	STRS	Total
Contributions - employer	$ 619,164	$ 1,957,621	$ 2,576,785
On behalf contributions - state	-	1,027,120	1,027,120
Total	$ 619,164	$ 2,984,741	$ 3,603,905

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

As of June 30, 2018, Ripon Unified School District reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 7,009,966
STRS	21,349,820
Total Net Pension Liability	$ 28,359,786

7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Ripon Unified School District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. Ripon Unified School District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	CalPERS	STRS
Proportion - June 30, 2016	0.03004%	0.02624%
Proportion - June 30, 2017	0.02936%	0.02309%
Change - Increase (Decrease)	-0.00068%	-0.00315%

For the year ended June 30, 2018, the District recognized pension expense of $1,268,425 and $1,125,524 for CalPERS and STRS, respectively. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 619,164	$ -	$ 2,984,741	$ -	$ 3,603,905	$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2016-17.	-	131,345	-	757,954	-	889,299
Changes of Assumptions	761,373	209,006	3,390,260	-	4,151,633	209,006
Differences between Expected and Actual Experience	367,610	-	67,675	842,880	435,285	842,880
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	200,046	2,138,327	2,678,559	2,138,327	2,878,605
Net differences between projected and actual investment earnings on pension plan investments	488,038	-	-	631,871	488,038	631,871
Total	$ 2,236,185	$ 540,397	$ 8,581,003	$ 4,911,264	$ 10,817,188	$ 5,451,661

7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred (inflows)/outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	CalPERS	STRS	Total Deferred Outflows/ (Inflows) of Resources
2019	$ 98,362	$ (822,263)	$ (723,901)
2020	444,814	(158,438)	286,376
2021	484,949	104,322	589,271
2022	48,499	267,528	316,027
2023	-	474,108	474,108
Thereafter	-	819,741	819,741
Total	$ 1,076,624	$ 684,998	$ 1,761,622

Actuarial Assumptions

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

	CalPERS	STRS
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.75%	2.75%
Payroll Growth Rate	3.00%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

CalPERS

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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, 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 the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The table 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.

	CalPERS		
Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	100.0%		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

STRS

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occur midyear. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The table on the following page 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.

7. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	STRS	
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of
Global Equity	47.0%	6.30%
Private Equity	13.0%	9.30%
Real Estate	13.0%	5.20%
Fixed Income	12.0%	0.30%
Absolute Return/Risk Mitigating Strategies	9.0%	2.90%
Inflation Sensitive	4.0%	3.80%
Cash/Liquidity	2.0%	-1.00%
Total	100%	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	CalPERS		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 10,313,907	$ 7,009,966	$ 4,269,071

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability	$ 31,348,313	$ 21,349,820	$ 13,235,365

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2018, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2018.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan description. The plan provides med dental and vision coverage for all employees who have completed 12 or more years with the District. Coverage under the healthplan ends when the retiree reaches the age of 65.

Benefits provided. The postretirement health plans and the District's obligation vary by employee group as described below.

	Classified	Certificated	Certificated	Certificated
Benefit types provided	Medical only	Medical only	Medical only	Medical only
Duration of Benefits	Until Medicare Eligible	Until Medicare Eligible	Until Medicare Eligible	Two years per one year in management
Required Service	10 Years	12 Years	12 Years	12 Years
Minimum Age	55	55	55	55
Dependent Coverage	Yes	Yes*	Yes*	Yes
District Contribution %	100%	100% from 55 to 60 50% from 61	100% from 55 to 60 50% from 61	50%
District Cap	Active Cap	Active Cap	Active Cap	Active Cap

*Only prior to age 61

Contributions: The contribution requirements of Plan member and the District are established and may be amended by the District and the Ripon Teachers Association (RTA). The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2017-18, the District did not make any contributions to the Plan.

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	24
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	228
	252

Net OPEB Liability

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

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Valuation date	June 30, 2018
Measurement date	June 30, 2018
Funding method	Entry Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets ($0, plan is not yet funded)
Discount rates	3.13% as of June 30, 2017 2.92% as of June 30, 2018
Participats valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary increase	3.25% per year for CalPERS members and 3.50% per year for CalSTRS members; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Assumed wage inflation	3.0% per year; a component of assumed salary increases
General inflation rate	2.75% per year
Mortality Improvement	MacLeod Watts Scale 2017 applied generationally, from 2008 for CalPERS members and from 2016 for CalSTRS members

The discount rate of 2.92% is based on the applicable municipal bond index. We assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The mortality assumptions are based on the Scale MP-2016.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017	$ 3,273,014	$ -	$ 3,273,014
Changes for the year:			
Service cost	164,926	-	164,926
Interest	105,068	-	105,068
Differences between expected and actual experience	-	-	-
Contributions - employer	-	162,282	(162,282)
Changes of assumptions	67,706	-	67,706
Net investment income	-	-	-
Benefit payments	(162,282)	(162,282)	-
Administrative expense	-	-	-
Net changes	175,418	-	175,418
Balances at June 30, 2018	$ 3,448,432	$ -	$ 3,448,432

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.92 percent) or 1-percentage point higher (3.92 percent) that the current healthcare cost trend rates:

	1% Decrease (1.92%)	Discount Rate (2.92%)	1% Increase (3.92%)
Net OPEB liability (asset)	$ 3,799,664	$ 3,448,432	$ 3,142,552

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher that the current healthcare cost trend rates:

	-1% Decrease	Healthcare Cost Trend Rates	+1% Increase
Net OPEB liability (asset)	$ 2,973,648	$ 3,448,432	$ 4,075,949

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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 ($113,120). Certain types of TOL changes are subject to deferral, as are investment gains/losses. To qualify for deferral, gains and losses must be based on GASB 74/75 compliance valuations. Since this is the District's first valuation, it is not possible to calculation compliance gains and losses. At June 30, 2018, the District had the following deferred outflows and inflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	62,298	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Deferred contributions	-	-
Total	$ 62,298	$ -

At June 30, 2018, the District had no outstanding amount of contributions to the OPEB plan required.

9. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Funds	Total
Nonspendable:					
Revolving Cash	$ 5,000	$ -	$ -	$ 645	$ 5,645
Inventory	-	-	-	7,056	7,056
Prepaid Expenses	4,036	-	-	-	4,036
Total Nonspendable	9,036	-	-	7,701	16,737
Restricted:					
Medi-Cal Billing Option	64,279	-	-	-	64,279
Other Restricted Federal	31,701	-	-	-	31,701
California Clean Energy Jobs Act	82,225	-	-	-	82,225
Lottery: Instructional Materials	514,674	-	-	-	514,674
Educator Effectiveness	875	-	-	-	875
Special Education	64,057	-	-	-	64,057
College Readiness Block Grant	47,853	-	-	-	47,853
Ongoing & Major Maintenance Account	436,729	-	-	-	436,729
Other Restricted Local	272,900	-	6,085,729	1,910,854	8,269,483
Reserve for Bond Projects	-	3,635,420	-	-	3,635,420
Child Nutrition: School Programs	-	-	-	265,677	265,677
State School Facilities Projects	-	-	-	29,985	29,985
Total Restricted	1,515,293	3,635,420	6,085,729	2,206,516	13,442,958
Assigned:				-	
Other Assignments	8,779,020	-	-	2,478,634	11,257,654
Total Assigned	8,779,020	-	-	2,478,634	11,257,654
Unassigned:					
Unappropriated	1,037,773	-	-	-	1,037,773
Total Unassigned	1,037,773	-	-	-	1,037,773
Total Fund Balances	$ 11,341,122	$ 3,635,420	$ 6,085,729	$ 4,692,851	$ 25,755,122

10. JOINT POWERS AGREEMENTS

The District is a member with other school districts in Joint Powers Authorities (JPAs). San Joaquin County Schools Workers' Compensation Insurance Group (SJCSWCIG) and San Joaquin County Schools Property and Liability Group (SJCSPLIG) provide workers compensation coverage and property and liability coverage, respectively. San Joaquin County Schools Data Processing Center provides accounting, personnel and student attendance accounting, scheduling, and testing services to the District.

The following is a summary of latest financial information available for the JPAs:

	San Joaquin County Schools Workers' Compensation Insurance Group June 30, 2017*	San Joaquin County Schools Property and Liability Insurance Group June 30, 2017*	San Joaquin County Schools Data Processing Center June 30, 2017*
Total Assets	$ 14,891,239	$ 1,268,634	$ 2,572,786
Total Liabilities	1,953,792	250,505	18,756
Net Position	$ 12,937,447	$ 1,018,129	$ 2,554,030
Revenues	$ 8,997,545	$ 2,071,872	$ 3,186,035
Expenditures	8,653,864	1,976,224	3,142,301
Change in Net Position	$ 343,681	$ 95,648	$ 43,734

**Latest available audited reports*

Each member of the JPAs has an ongoing financial responsibility in the event of the JPA's total liabilities exceed its total assets.

The relationship between the District and the Joint Powers Authorities is such that they are not a component unit of the District for financial reporting purposes. Financial statements for the JPAs are available from the individual JPAs.

11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

Excess of expenditures over appropriations for the year ended June 30, 2018 were as follows:

	Excess Expenditures
General Fund	
Classified Salaries	$ 89,007

The excess is not in accordance with Education Code 42600. The excess General Fund classified salary expenditures are due to unbudgeted salary step increases.

12. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2018 financial statements for subsequent events through December 17, 2018, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
LCFF sources	$ 25,971,782	$ 26,042,838	$ 26,246,439	$ 203,601
Federal revenue	981,498	1,074,738	1,115,967	41,229
Other state revenues	2,085,327	2,591,495	2,738,422	146,927
Other local revenues	1,190,835	2,283,230	1,717,584	(565,646)
Total revenues	30,229,442	31,992,301	31,818,412	(173,889)
EXPENDITURES				
Certificated salaries	13,953,119	14,244,436	13,692,958	551,478
Classified salaries	3,956,346	4,157,426	4,246,433	(89,007)
Employee benefits	6,755,408	7,213,677	6,420,437	793,240
Books and supplies	1,882,950	2,226,519	1,475,502	751,017
Services and other operating expenditures	3,695,548	4,357,957	2,987,145	1,370,812
Capital outlay	221,788	281,313	145,209	136,104
Other outgo	549,401	551,570	650,283	(98,713)
Total expenditures	31,014,560	33,032,898	29,617,967	3,414,931
Net change in fund balances	(785,118)	(1,040,597)	2,200,445	3,241,042
Fund balances, July 1, 2017	9,140,677	9,140,677	9,140,677	-
Fund balances, June 30, 2018	$ 8,355,559	$ 8,100,080	$ 11,341,122	$ 3,241,042

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	2018
Total OPEB liability	
Service cost	$ 164,926
Interest	105,068
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	67,706
Benefit payments, including refunds of member contributions	(162,282)
Net change in total OPEB liability	175,418
Total OPEB liability - beginning	3,273,014
Total OPEB liability - ending (a)	$ 3,448,432
Plan fiduciary net position	
Contributions - employer	$ 162,282
Net investment income	-
Benefit payments, including refunds of member contributions	(162,282)
Administrative expense	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	$ -
District's net OPEB liability - ending (a) - (b)	$ 3,448,432
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%
Covered-employee payroll	$15,018,311
District's net OPEB liability as a percentage of covered-employee payroll	23.0%

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CalPERS	June 30, 2014 (1)	June 30, 2015 (1)	June 30, 2016 (1)	June 30, 2017 (1)
Proportion of the net pension liability	0.02559%	0.02909%	0.03004%	0.02936%
Proportionate share of the net pension liability	$ 2,904,778	$ 4,287,377	$ 5,933,195	$ 7,009,966
Covered-employee payroll (2)	$ 2,610,951	$ 3,199,494	$ 3,074,417	$ 3,348,368
Proportionate Share of the net pension liability as percentage of covered-employee payroll	111.25%	134.00%	192.99%	209.35%
Plans fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.90%	71.87%
Proportionate share of aggregate employer contributions (3)	$ 307,335	$ 379,044	$ 426,975	$ 520,035

STRS	June 30, 2014 (1)	June 30, 2015 (1)	June 30, 2016 (1)	June 30, 2017 (1)
Proportion of the net pension liability	0.02307%	0.02394%	0.02624%	0.02309%
Proportionate share of the net pension liability	$ 13,478,792	$ 16,117,044	$ 21,223,587	$ 21,349,820
Covered-employee payroll (2)	$ 9,544,583	$ 9,195,685	$ 11,154,364	$ 10,666,729
Proportionate Share of the net pension liability as percentage of covered-employee payroll	141.22%	175.27%	190.27%	200.15%
Plans fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%
Proportionate share of aggregate employer contributions (3)	$ 847,559	$ 986,697	$ 1,403,219	$ 1,539,209

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

(3) The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CalPERS	Fiscal Year 2013-14 [(1)]	Fiscal Year 2014-15 [(1)]	Fiscal Year 2015-16 [(1)]	Fiscal Year 2016-17 [(1)]
Actuarially Determined Contribution [(2)]	$ 307,335	$ 379,044	$ 426,975	$ 520,035
Contributions in relation to the actuarially determined contributions [(2)]	(364,122)	(442,553)	(515,192)	(619,164)
Contribution deficiency (excess)	$ (56,787)	$ (63,509)	$ (88,217)	$ (99,129)
Covered-employee payroll [(3)]	$ 2,610,951	$ 3,199,494	$ 3,074,417	$ 3,348,368
Contributions as a percentage of covered-employee payroll [(3)]	11.771%	11.847%	13.888%	15.531%

STRS	Fiscal Year 2013-14 [(1)]	Fiscal Year 2014-15 [(1)]	Fiscal Year 2015-16 [(1)]	Fiscal Year 2016-17 [(1)]
Actuarially Determined Contribution [(2)]	$ 847,559	$ 986,697	$ 1,403,219	$ 1,539,209
Contributions in relation to the actuarially determined contributions [(2)]	(1,033,043)	(1,367,389)	(1,546,416)	(1,957,621)
Contribution deficiency (excess)	$ (185,484)	$ (380,692)	$ (143,197)	$ (418,412)
Covered-employee payroll [(3)]	$ 9,544,583	$ 9,195,685	$ 11,154,364	$ 10,666,729
Contributions as a percentage of covered-employee payroll [(3)]	8.880%	10.730%	12.580%	14.430%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

RIPON UNIFIED SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

1. PURPOSE OF SCHEDULES

A - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of the Changes in the District's Net OPEB Liability

Benefit changes: There were no changes to benefits

Changes of Assumptions: The discount rate decreased from 3.17 percent as of June 30, 2017 to 2.92 percent as of June 30, 2018.

C - Schedule of Proportionate Share of the Net Pension Liability

Changes in assumptions

CalPERS

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Fiscal year 2015 was the first year of implementation, therefore only four years are shown.

CalSTRS

During fiscal year 2016-17, CalSTRS completed an experience study for the period starting July 1, 2010 and ending June 30, 2015. The experience study was adopted by the board in February 2017. The changes to the assumptions as a result of the experience study follow:

Assumption	As of June 30, 2017	As of June 30, 2016
Consumer Price Inflation	2.75%	3.00%
Investment Rate of Return	7.10%	7.60%
Wage Growth	3.50%	3.75%

Fiscal year 2015 was the first year of implementation, therefore only four years are shown.

D - Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

	CalPERS	STRS
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.75%	2.75%
Payroll Growth Rate	3.00%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

SUPPLEMENTARY INFORMATION

RIPON UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2018

	Cafeteria Fund	Special Reserve for Capital Outlay Fund	Deferred Maintenance Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total
ASSETS						
Cash and cash equivalents	$ 234,655	$ 9,867	$ 85,776	$ 30,061	$ 1,881,932	$ 2,242,291
Accounts receivable	72,291	(24)	-	(76)	-	72,191
Stores	7,056	-	-	-	-	7,056
Due from other funds	3,481	-	2,500,000	-	19,079	2,522,560
Total assets	$ 317,483	$ 9,843	$ 2,585,776	$ 29,985	$ 1,901,011	$ 4,844,098
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 2,872	$ -	$ 107,142	$ -	$ -	$ 110,014
Due to other funds	41,233	-	-	-	-	41,233
Total liabilities	44,105	-	107,142	-	-	151,247
Fund balances						
Nonspendable	7,701	-	-	-	-	7,701
Restricted	265,677	9,843	-	29,985	1,901,011	2,206,516
Assigned	-	-	2,478,634	-	-	2,478,634
Total fund balances	273,378	9,843	2,478,634	29,985	1,901,011	4,692,851
Total liabilities and fund balances	$ 317,483	$ 9,843	$ 2,585,776	$ 29,985	$ 1,901,011	$ 4,844,098

RIPON UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL NON-MAJOR FUNDS

JUNE 30, 2018

	Cafeteria Fund	Special Reserve for Capital Outlay Fund	Deferred Maintenance Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Total
REVENUES						
Federal revenue	$ 628,489	$ -	$ -	$ -	$ -	$ 628,489
Other state revenues	38,621	-	-	-	11,250	49,871
Other local revenues	402,377	93	9,504	288	1,552,158	1,964,420
Total revenues	1,069,487	93	9,504	288	1,563,408	2,642,780
EXPENDITURES						
Classified salaries	419,181	-	-	-	-	419,181
Employee benefits	117,035	-	-	-	-	117,035
Books and supplies	363,876	-	-	-	-	363,876
Services and other operating expenditures	31,661	-	25,104	-	-	56,765
Capital outlay	-	-	778,118	-	-	778,118
Other outgo	-	-	-	-	1,470,570	1,470,570
Total expenditures	931,753	-	803,222	-	1,470,570	3,205,545
Excess of revenues over expenditures	137,734	93	(793,718)	288	92,838	(562,765)
OTHER FINANCING SOURCES (USES)						
Other sources	-	-	-	-	137,591	137,591
Total other financing sources (uses)	-	-	-	-	137,591	137,591
Net change in fund balances	137,734	93	(793,718)	288	230,429	(425,174)
Fund balances, July 1, 2016, As originally reported	120,675	9,750	3,272,352	29,697	1,670,582	5,103,056
Prior period audit adjustments	14,969	-	-	-	-	14,969
Beginning Balance, July 1, 2017	135,644	9,750	3,272,352	29,697	1,670,582	5,118,025
Fund balances, June 30, 2018	$ 273,378	$ 9,843	$ 2,478,634	$ 29,985	$ 1,901,011	$ 4,692,851

RIPON UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

STUDENT BODY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assets:				
Cash on hand and in banks				
Ripon EL	$ 30,913	$ 46,431	$ 44,909	$ 32,435
Ripona	11,530	26,901	29,279	9,152
Weston	15,718	46,721	45,271	17,168
Colony Oak	7,814	25,370	25,787	7,397
Park View	28,343	53,495	54,455	27,383
Ripon High	399,134	727,660	560,869	565,925
Ag Scholarship	93,784	200	4,500	89,484
Charlotte Horton Scholarship	1,306	3	-	1,309
Joel M. Talbot Memorial	1,745	2,502	-	4,247
John Veurink Scholarship	36	-	-	36
Kristina Bowerman Memorial	679	-	-	679
Luis Memorial	4,850	300	500	4,650
Manuel Abeyta Scholarship	2,627	9	-	2,636
Memorial Fund	16,601	96	250	16,447
Richard Stevens Scholarship	1,987	7	200	1,794
Tim Lagier Scholarship	1,717	20	-	1,737
Tony Cardos Scholarship	585	-	-	585
Total cash on hand and in banks	619,369	929,715	766,020	783,064
Total Assets	$ 619,369	$ 929,715	$ 766,020	$ 783,064
Liabilities:				
Due to student groups	619,369	929,715	766,020	783,064
Total Liabilities	$ 619,369	$ 929,715	$ 766,020	$ 783,064

RIPON UNIFIED SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2018

The Ripon Unified School District was established in 1966 in the County of San Joaquin, California. There were no changes in the boundaries of the District during the current year. The District operates five elementary schools, one alternative school and one high school.

GOVERNING BOARD

Name	Office	Term Expires December
Chad Huskey	President	2018
Kit Oase	Vice President	2018
Caroline Hutto	Clerk	2020
Christina Orlando	Member	2020
Ernie Tyhurst	Member	2018

ADMINISTRATION

Dr. Ziggy Robeson
Superintendent

Frank Jerome
Chief Operations Officer

Kathy Goldman
Director of Curriculum

Lisa Cheney
Director of Student Support Services

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Second Period Report	Annual Report
Elementary		
TK through third	926	929
Fourth through Eighth	1,229	1,230
Special Education	2	2
Extended Year	2	2
Subtotal	2,159	2,163
Secondary		
Ninth through Twelfth	914	912
Special Education	2	2
Extended Year	-	-
Subtotal	916	914
Total	3,075	3,077

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Grade Level	Standard Minutes Requirement	2017-2018 Actual Minutes	Instructional Days	Status
Kindergarten	36,000	50,400	180	In compliance
Grade 1	50,400	50,400	180	In compliance
Grade 2	50,400	50,400	180	In compliance
Grade 3	50,400	50,400	180	In compliance
Grade 4	54,000	65,290	180	In compliance
Grade 5	54,000	65,290	180	In compliance
Grade 6	54,000	65,110	180	In compliance
Grade 7	54,000	66,190	180	In compliance
Grade 8	54,000	66,190	180	In compliance
Grade 9	64,800	74,922	180	In compliance
Grade 10	64,800	74,922	180	In compliance
Grade 11	64,800	74,922	180	In compliance
Grade 12	64,800	74,922	180	In compliance

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Charter School ID Number	Charter Schools Chartered by the District	Included in the District Financial Statements, or Separate Report
There are currently no charter schools in the District.		

RIPON UNIFIED SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Summarized below are the fund balance reconciliations between the Annual Financial and Budget Report and the audited financial statements for the fiscal year ended June 30, 2018.

	General Fund	Building Fund	Capital Facilities Fund	All Non-Major Funds	Self Insurance Fund	Farm Fund
FUND BALANCE						
Balance, June 30, 2018, Unaudited Actuals	$ 10,900,271	$ 3,654,499	$ 6,085,729	$ 4,555,260	$ 108,936	$ 1,542,164
Increase in:						
Other state revenue	(1,111)	-	-	-	-	-
Books and supplies	(4,036)					
Professional/Consulting Services & Operating Expenditures	-	-	-	-	-	(278,146)
Decrease in:						
Other local revenue	(17,333)					
Professional/Consulting Services	463,331	-	-	-	-	-
Other financing sources	-	(19,079)	-	137,591	-	-
Balance, June 30, 2018, Audited Financial Statement	$ 11,341,122	$ 3,635,420	$ 6,085,729	$ 4,692,851	$ 108,936	$ 1,264,018

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number		Federal Expenditures
U.S. Department of Education				
Passed through California Department of Education				
	Special Education Cluster:			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	*	$ 375,324
84.027	Special Education: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115	*	8,927
84.173	Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	13430	*	8,966
84.027A	Special Ed: IDEA Preschool Local Entitlement, Part B, Section 611 (AGE 3-4-5)	13682	*	41,355
	Subtotal Special Education Cluster			434,572
84.010	NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	14329		528,725
84.330B	NCLB: Title II, Part A, Improving Teacher Quality Local Grants	14341		72,526
84.048	Carl D. Perkins Career and Technical Education: State Leadership, Section 124	14891		4,513
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346		18,482
	Total U.S. Department of Education			1,058,818
U.S. Department of Agriculture				
Passed through California Department of Education				
10.555	Child Nutrition: Meal Supplements in National School Lunch Program	13391		628,489
	Total Cash Assistance Subtotal			628,489
10.555	School Lunch Program - Nonmonetary Assistance	13391		92,728
	Total Non-Cash Assistance Subtotal			92,728
	Total U.S. Department of Agriculture			721,217
U.S. Department of Defense				
Direct payments				
12	JROTC program	N/A		57,149
	Total U.S. Department of Defense			57,149
	Total Federal Programs			$ 1,837,184

* Tested as a major program.

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Adopted Budget 2018/2019	Actuals 2017/2018	Actuals 2016/2017	Actuals 2015/2016
General Fund				
Revenues and Other Financial Sources	$ 33,732,738	$ 31,818,412	$ 29,254,743	$ 29,343,165
Expenditures	31,269,665	29,617,967	28,897,359	30,050,102
Other Uses and Transfers Out	-	-	-	13,659
Total Outgo	31,269,665	29,617,967	28,897,359	30,063,761
Change in Fund Balance	2,463,073	2,200,445	357,384	(720,596)
Ending Fund Balance	$ 13,804,195	$ 11,341,122	$ 9,140,677	$ 8,783,293
Available Reserves	$ 2,922,991	$ 1,037,773	$ 4,658,843	$ 1,803,824
Reserve for Economic Uncertainties	$ 2,922,991	$ 1,037,773	$ 4,658,843	$ 1,803,824
Unassigned Fund Balance	$ -	$ -	$ -	$ -
Available Reserves as a Percentage of Total Outgo	9.3%	3.5%	16.1%	6.0%
Total Long-Term Debt	$ 64,885,672	$ 66,027,580	$ 63,481,289	$ 55,838,180
Average Daily Attendance at P-2	3,105	3,075	3,064	2,975

The General Fund balance has increased by $1,837,233 over the past three years. The fiscal year 2018-19 budget projects an increase of $2,463,073. For a District this size, the State of California recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo). The District met this requirement.

The District has incurred an operating surplus in two of the past three fiscal years and anticipates a surplus in 2018-19.

Total long-term liabilities have increased by $10,189,400 over the past two years due to increases in the net pension liability, issuance of bonds, and recognition of the net OPEB liability due to the implementation of GASB 75.

Average Daily Attendance (ADA) has increased by 100 over the past two years and attendance is budgeted to increase for fiscal year 2018-19.

1. PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

The District participated in the Longer Day incentives and has not met or exceeded its target funding.

C. Schedule of Charter Schools

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

D. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

E. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The schedule on the following page provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

1. PURPOSE OF SCHEDULES (CONTINUED)

E. Schedule of Expenditures of Federal Awards (continued)

	Federal Catalog Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balance		$ 1,744,456
Reconciling items		
Food Distribution - Commodities	10.555	92,728
Total Schedule of Expenditures of Federal Awards		$ 1,837,184

F. Schedule of Financial Trends And Analysis

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

2. EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2018, the District did not adopt such a program.

OTHER INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees
Ripon Unified School District
Ripon, CA

Report on Compliance for Each State Program

We have audited Ripon Unified School District's (the "District") compliance with the types of compliance requirements described in the State of California's 2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed 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.

Local Education Agencies Other Than Charter Schools

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time for School Districts	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below

School Districts, County Offices of Education and Charter Schools

Description	Procedures Performed
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After/Before Schools Education and Safety Program	
General requirements	No, see below
After School	No, see below
Before School	No, see below
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	No, see below

Charter Schools

Description	Procedures Performed
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures related to Early Retirement Incentive Program, Juvenile Court Schools, After/Before School Education and Safety Program, Independent Study-Course Based, Apprenticeship: Related and Supplemental Instruction and Middle or Early College High School because the District did not offer these programs in the current year.

We did not perform any procedures related to Independent Study and Continuation Education because the Average Daily Attendance reported for the program is not material for compliance purposes.

We did not perform any procedures related to Kindergarten Continuance because the District did not have any students that repeated kindergarten in the current year.

We did not perform any procedures related to Contemporaneous Records of Attendance for Charter Schools, Mode of Instruction for Charter Schools, Nonclassroom-Based Instruction/Independent Study for Charter Schools, Determination of Funding for Nonclassroom-Based Instruction for Charter Schools, Annual Instructional Minutes-Classroom-Based for Charter Schools, and Charter School Facility Grant Program because the District did not have any charter schools.

Opinion

Basis for Qualified Opinion on Compliance with State Laws and Regulations

As described in Finding **2018-04** in the accompanying Schedule of Audit Findings and Questioned Costs, Ripon Unified School District did not comply with requirements regarding the Unduplicated Local Control Funding Formula Pupil Counts. Compliance with such requirements is necessary, in our opinion, for Ripon Unified School District to comply with state laws and regulations applicable to that program.

Qualified Opinion on Compliance with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Ripon Unified School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2018.

Unmodified Opinion on Each of the Other State Programs

In our opinion, Ripon Unified School District complied, in all material respects, with the other applicable state compliance requirements referred to above for the year ended June 30, 2018.

Other Matters

Ripon Unified School District's response to the finding identified in our audit is included in the accompanying Schedule of Audit Findings and Questioned Costs. We did not audit the District's response and, accordingly, express no opinion on it.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 17, 2018

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ripon Unified School District
Ripon, CA

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 Ripon Unified School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Ripon Unified School District's basic financial statements, and have issued our report thereon dated December 17, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs to be material weaknesses: **2018-01**, **2018-02**, and **2018-03**.

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Compliance and Other Matters

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

Ripon Unified School District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 17, 2018

REPORT ON COMLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Education
Ripon Unified School District
Ripon, CA

Report on Compliance for Each Major Federal Program

We have audited Ripon Unified School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Internal Control Over Compliance

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

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

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

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 17, 2018

FINDINGS AND RECOMMENDATIONS

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	X	Yes		No
Significant deficiency(ies) identified not considered to be material weakness(es)?	X	Yes		None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified			
Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?		Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a)?		Yes	X	No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.027, 84.173, 84.027A	Special Education

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

State Awards

Type of auditor's report issued on compliance for state programs**:**	Qualified			
Internal control over state programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?	X	Yes		None reported

Section II – Financial Statement Findings

2018-01 SIGNIFICANT DEFICIENCY – COMMINGLING OF FUNDS (30000)

Criteria
Per GASB 34, "Separate fiduciary fund statements also should be presented as part of the fund financial statements. Fiduciary funds should be used to report assets that are held in a trustee or agency capacity for others". GASB 34 also states "Separate financial statements should be presented for the primary government's governmental and proprietary funds.

Condition:
Cash was commingled between the agency and farm fund. During our review of the agency funds held by the District, it was noted that the District had $124,854 of agency fund cash and $1,792,714 of Proprietary Fund cash assets, for a total of $1,917,568 held in the same bank accounts and disclosed as agency funds.

Questioned Costs:
The $1,917,568 of assets may be inappropriately allocated between funds, or assets of one fund may be used by the other fund inappropriately.

Cause:
Management was unaware of the proprietary funds being commingled with the agency funds.

Effect:
Assets held by the funds may be over or under-reported.

Recommendation:
Management should have separate accounts to track the activity and assets of each of the funds separately. Additionally, management should disclose the balance and activity of the funds separately in their financial statements.

Management's Response
The COO and Superintendent are currently reviewing and will be determining where to hold the Proprietary Fund assets to separate them from the other funds.

2018-02 MATERIAL WEAKNESS – MISCLASSIFICATION OF FUNDS (30000)

Criteria

GASB 34 states that "Separate financial statements should be presented for the primary government's governmental and proprietary funds."

Condition:

The farm fund was not included in the prior year report. During our review of the agency funds held by the District, it was noted that a Proprietary Fund was misclassified and included in the agency funds. The Proprietary Fund was then included in the agency funds in the financial statements. Additionally, it was noted that the General Fund paid expenses associated with the Proprietary Fund. During fiscal year 2016-17, there were $250,551 of expenses for the Proprietary Fund paid for by the General Fund, but a liability was not accrued and the General Fund was not reimbursed. During fiscal year 2017-18 $278,146 of expenses for the Proprietary Fund were paid by the General Fund and neither a receivable for the General Fund or a liability for the Proprietary Fund was recorded.

Questioned Costs:

There was $1,792,714 of assets classified as agency assets instead of proprietary funds. Additionally, there was $1,402,227 of equity misclassified as liabilities. Additionally, $278,146 of liabilities was unrecognized, and $278,146 of expenses was recorded for the incorrect fund.

Cause:

The fund had not been separately reported and was included in the agency funds. Management did not properly account for expenses being paid for by the General Fund in the Proprietary Fund.

Effect:

Assets held by the funds may be over or under-reported and expenses were recognized in the incorrect fund.

Recommendation:

Management should have separate accounts to track the activity and assets of each of the funds separately. Additionally, management should disclosure the balance and activity of the funds separately in their financial statements. Expenses paid by the General Fund on behalf of the Proprietary Fund should be properly recognized as a receivable and a payable, respectively.

Management's Response

The District has separated the Proprietary Fund from the agency funds. Management will review financial activity to record in the proper fund. We will open a separate fund to track the activity separately.

2018-03 – MATERIAL WEAKNESS – UNRECORDED LIABILITY (30000)

Criteria

As part of GASB 34, all long-term liabilities are required to be disclosed on the Statement of Net Position.

Condition:

The Public Agency Retirement System (PARS) liability and program were not included in the financial report. During our review of debt payments during the year it was noted that debt payments were being made for PARS during the year, but the outstanding debt was not included on the Statement of Net Position.

Questioned Costs:

A prior period adjustment was posted to record the outstanding liability of $511,661 as of June 30, 2017. Current year payments decreased the outstanding liability to $395,725 as of June 30, 2018.

Cause:

Management had not disclosed the long-term liability in their financial statements in the prior year.

Effect:

Long term liabilities for the District were underreported by $511,661 as of June 30, 2017.

Recommendation:

Management should properly disclose all long-term liabilities on the statement of Net Position.

Management's Response

The District will ensure that all long-term debt is disclosed properly. If unsure, they will contact a third party for guidance for presentation and disclosure purposes.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

2018-04 SIGNIFICANT DEFICIENCY – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria:
Students classified as "English Learner" status and are not directly certified on the CALPADS 1.18 FRPM English Learner/Foster Youth-Student List Report must have supporting documentation that indicates the student was eligible for the designation. Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503, 2574(b)(3)(C), 44238.02(b)(3)(B), and 41020, Education Code.

Condition:
We discovered that one student reported as "English Learner" status with a "No" under the "Direct Certification" column in the CALPADS 1.18 had supporting documentation that signified they were "English Only". The District performed a 100% self-audit and identified three students who were misclassified.

Cause:
Management oversight led to pupils being misclassified on the CALPADS 1.18 report.

Fiscal Impact:
The Unduplicated Pupil Percentage for the District was originally reported at 37.79% and the revised District Unduplicated Pupil Percentage should be 37.76%; the fiscal impact is a reduction of LCFF revenues of approximately $631.

Recommendation:
The District should have a process of review in place to ensure the accuracy of the data contained in the CALPADS reports.

Corrective Action Plan
The Fiscal Services Director and Information Technology will meet on a regular basis to confirm that the FRPM counts and CALPADS counts reconcile. In addition, management will ensure adequate documentation is available to verify the students eligibility.

RIPON UNIFIED SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

No matters were reported.

APPENDIX C

GENERAL INFORMATION ABOUT SAN JOAQUIN COUNTY

*The following information concerning the County of San Joaquin (the "**County**") is included only for the purpose of supplying general information regarding the area of the District. The Refunding Bonds are not a debt of the City, the County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions, other than the District, is liable therefor.*

General

The County is one of California's original counties and was created at the time of statehood in 1850. The County covers an area of approximately 1,436 square miles, consisting of 1,399 square miles of land and 27 square miles of water. Captain Charles M. Weber was instrumental in developing the City of Stockton as the County Seat and as a Port of Entry. Today, ships still deliver cargo to the Port of Stockton by the channel Captain Weber had dug in the 1800s.

The County is adjacent to Stanislaus County to the south and southeast, Alameda and Contra Costa Counties to the west, Sacramento County to the north, Amador County to the northeast, Calaveras County to the east and a corner of Santa Clara County to the southwest.

Population

Population figures for the County and the State for the last six years are shown in the following table.

SAN JOAQUIN COUNTY AND THE STATE OF CALIFORNIA
Population Estimates
Calendar Years 2014 through 2019 as of January 1

Calendar Year	San Joaquin County	State of California
2014	712,134	38,568,628
2015	736,027	38,952,462
2016	736,027	39,214,803
2017	747,579	39,504,609
2018	757,279	39,740,508
2019	770,385	39,927,315

Source: State Department of Finance estimates.

[*Remainder of page intentionally left blank*]

Major Employers

The following table lists the major employers within the County, listed in alphabetical order without regard to the number of employees, as of September 2019.

SAN JOAQUIN COUNTY
Major Employers
As of September 2019

Employer Name	Location	Industry
A Sambado & Sons Inc	Linden	Nuts-Edible
Amazon Corpnet	Tracy	Internet & Catalog Shopping
Amazon Fulfillment Ctr	Stockton	Mail Order Fulfillment Service
Blue Shield of California	Lodi	Insurance
Dameron Hospital Assn	Stockton	Hospitals
Deuel Vocational Institution	Tracy	City Govt-Correctional Institutions
Foster Care Svc	Stockton	Government Offices-County
Leprino Foods Co	Tracy	Cheese Processors (mfrs)
Lodi Health Home Health Agency	Lodi	Home Health Service
Lodi Memorial Hospital	Lodi	Hospitals
Morada Produce	Stockton	Fruits & Vegetables-Growers & Shippers
NA Chaderjian Youth	Stockton	State Govt-Correctional Institutions
O-G Packing & Cold Storage Co	Stockton	Fruits & Vegetables-Growers & Shippers
Pacific Coast Producers	Lodi	Canning (mfrs)
Prima Frutta Packing Inc	Linden	Fruit & Produce Packers
Safeway Distribution Ctr	Tracy	Distribution Centers (whls)
San Joaquin County Human Svc	Stockton	Government Offices-County
San Joaquin County Sch	Stockton	Schools
San Joaquin General Hospital	French Camp	Hospitals
San Joaquin Sheriff's Office	French Camp	Government Offices-County
Sjgov	Stockton	Government Offices-County
St Joseph's Cancer Ctr	Stockton	Cancer Treatment Centers
Stockton Unified School Dist	Stockton	School Districts
University of the Pacific	Stockton	Schools-Universities & Colleges Academic
Walmart Supercenter	Stockton	Department Stores

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2019 2nd Edition.

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Employment and Industry

The District is included in the Stockton Metropolitan Statistical Area ("**MSA**"), which includes all of San Joaquin County. The unemployment rate in the County was 6.3% in July 2019, up from a revised 5.9% in June 2019, and above the year-ago estimate of 6.1%. This compares with an unadjusted unemployment rate of 4.4% for the State and 4.0% for the nation during the same period.

Set forth below is data from calendar years 2014 to 2018 reflecting the County's civilian labor force, employment and unemployment. These figures are county-wide statistics and may not necessarily accurately reflect employment trends in the Community Facilities District.

STOCKTON-LODI MSA
(San Joaquin County)
Annual Average Labor Force and Employment by Industry
Calendar Years 2014 through 2018
(March 2018 Benchmark)

	2014	**2015**	**2016**	**2017**	**2018**
Civilian Labor Force (1)	312,000	314,600	318,500	323,600	326,400
Employment	279,200	286,600	292,600	301,100	306,800
Unemployment	32,900	28,000	25,900	22,600	19,600
Unemployment Rate	10.5%	8.9%	8.1%	7.0%	6.0%
Wage and Salary Employment: (2)					
Agriculture	15,700	16,700	16,600	16,300	16,100
Mining and Logging	100	100	100	100	100
Construction	8,900	10,100	11,100	11,700	12,700
Manufacturing	18,600	18,700	18,900	19,400	19,700
Wholesale Trade	11,000	11,300	11,600	12,000	12,600
Retail Trade	25,700	26,000	26,500	26,800	26,600
Transportation, Warehousing and Utilities	18,300	20,400	23,600	26,700	28,400
Information	2,100	1,900	2,000	1,800	1,800
Financial Activities	7,500	7,400	7,500	7,800	8,100
Professional and Business Services	18,300	19,400	19,600	19,200	19,600
Educational and Health Services	35,900	36,500	36,400	38,200	38,500
Leisure and Hospitality	19,100	19,700	20,500	21,500	22,000
Other Services	6,900	7,200	7,500	7,600	7,600
Federal Government	3,100	3,000	3,000	3,100	3,100
State Government	5,800	6,200	6,400	6,600	6,700
Local Government	29,600	30,400	31,400	32,800	33,700
Total All Industries (3)	226,700	234,900	242,600	251,600	257,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Construction Activity

The tables below summarize building activity in the County from calendar years 2014 through 2018.

SAN JOAQUIN COUNTY
Building Permit Activity
For Calendar Years 2014 through 2018
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Permit Valuation					
New Single-family	$318,760.2	$455,877.1	$467,494.7	$652,308.1	$883,071.1
New Multi-family	4,726.9	48,792.9	66,794.5	62,635.8	99,601.4
Res. Alterations/Additions	78,511.0	42,764.8	99,049.9	86,516.1	95,073.4
Total Residential	$401,998.1	$547,434.8	$633,339.1	$804,460.0	$1,077,745.9
New Commercial	$42,976.5	$177,272.0	$205,510.1	$357,856.9	$498,359.0
New Industrial	29,357.4	85,322.6	61,687.0	179,728.4	240,073.7
New Other	41,819.6	44,373.1	42,074.7	27,794.7	31,904.4
Com. Alterations/Additions	89,630.8	193,659.3	298,721.9	269,172.8	249,142.4
Total Nonresidential	$203,784.3	$500,627.0	$607,993.7	$834,552.8	$1,019,479.5
New Dwelling Units					
Single Family	1,214	1,698	1,754	2,078	2,765
Multiple Family	19	387	550	516	293
TOTAL	1,233	2,085	2,304	2,594	3,358

Source: Construction Industry Research Board, Building Permit Summary.

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Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2015 through 2019.

SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, UNITED STATES
Effective Buying Income
2015 through 2019

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	San Joaquin County	$12,382	$44,235
	California	901,190	50,072
	United States	7,357,153	45,448
2016	San Joaquin County	$13,008	$46,491
	California	981,232	53,589
	United States	7,757,960	46,738
2017	San Joaquin County	$14,231	$48,149
	California	1,036,143	55,681
	United States	8,132,748	48,043
2018	San Joaquin County	$14,793	$49,883
	California	1,113,648	59,646
	United States	8,640,770	50,735
2019	San Joaquin County	$16,801	$55,534
	California	1,183,264	62,637
	United States	9,017,968	52,841

Source: *The Nielsen Company (US), Inc for years 2015 through 2018; Claritas, LLC for 2019.*

Commercial Activity

Total taxable sales during the first quarter of calendar year 2018 in the County were $3,019,083,970, a 10.74% increase over the total taxable sales of $2,726,400,144 reported during the first quarter of calendar year 2017.

SAN JOAQUIN COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		**Total All Outlets**	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2013	8,754	$6,519,537	12,752	$9,466,015
2014	8,900	6,780,160	12,865	10,031,845
2015[(1)]	4,958	6,986,878	14,255	10,467,214
2016	9,480	7,380,226	14,682	10,922,271
2017	9,506	7,994,473	14,758	12,153,268

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.
Source: State Board of Equalization. Taxable Sales in California (Sales & Use Tax) for years 2013-2016. State Department of Tax and Fee Administration for year 2017.

Transportation

Major highways in the County include: Interstate 5, Interstate 205, Interstate 580, State Route 99, State Route 4 (Crosstown Freeway/California Delta Highway) and State Route 120. The San Joaquin Regional Transit District provides bus service within the City of Stockton in addition to routes throughout the County and commuter routes to Livermore, Pleasanton, Sacramento and Santa Clara County. Greyhound and Amtrak also provide service. The Stockton Metropolitan Airport serves the San Joaquin Valley with passenger and air freight facilities.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

________, 2019

Board of Trustees
Ripon Unified School District
304 North Acacia Avenue
Ripon, California 95366

OPINION: $_______ Ripon Unified School District (San Joaquin County, California) 2019 General Obligation Refunding Bonds (Federally Taxable)

Members of the Board of Trustees:

We have acted as bond counsel to the Ripon Unified School District (the "District") in connection with the issuance by the District of its Ripon Unified School District (San Joaquin County, California) 2019 General Obligation Refunding Bonds (Federally Taxable) in the aggregate principal amount of $_______ dated the date hereof (the "Bonds"), pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and a resolution of the Board of Trustees of the District (the "Board") adopted on October 7, 2019 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly created and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution and the Bonds.

2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of San Joaquin is obligated to levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_______
RIPON UNIFIED SCHOOL DISTRICT
(San Joaquin County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Continuing Disclosure Certificate

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Ripon Unified School District (the "District") in connection with the issuance of $_______ aggregate principal amount of Ripon Unified School District (San Joaquin County, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). The Bonds are being issued under a resolution adopted by the Board of Trustees of the District on October 7, 2019 (the "Bond Resolution"). The District 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 holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means the original purchaser of the Bonds, required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2020 with the report for the 2018-19 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide in a timely manner (or cause the Dissemination Agent to provide in a timely manner) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year:

(i) the average daily attendance in District schools on an aggregate basis;

(ii) pension plan contributions made by the District;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) property tax collection delinquencies for the District;

(vi) 20 largest owners of taxable property in the District as determined by secured assessed valuation; and

(vii) total assessed valuation of taxable properties in the District.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the 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 governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (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 Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made 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 an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, 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 proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto 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.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate prevents 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 Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ________, 2019

RIPON UNIFIED SCHOOL DISTRICT

By: ________________________________

Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	Ripon Unified School District
Name of Bond Issue:	$_______ aggregate principal amount of Ripon Unified School District (San Joaquin County, California) 2019 General Obligation Refunding Bonds (Federally Taxable)
Date of Issuance:	December 31, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Refunding Bonds as required by the Continuing Disclosure Certificate relating to the Refunding Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:____________

DISSEMINATION AGENT

By: _____________________________
Authorized Officer

cc: Ripon Unified School District

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APPENDIX F

DTC AND THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Refunding Bonds, payment of principal, interest and other payments on the Refunding Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Refunding Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Refunding Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Refunding Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Refunding Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. 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 Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Refunding 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 will be issued for each maturity of the Refunding Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Refunding 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 Refunding 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 Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Refunding Bonds is discontinued.

4. 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 nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Refunding 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.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Refunding Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Refunding Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will 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.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District 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 the Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Refunding 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 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 nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Refunding Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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APPENDIX G

COUNTY INVESTMENT POLICY

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SAN JOAQUIN COUNTY

Treasurer-Tax Collector

Investment Policy 2019

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PURPOSE

The Investment Policy establishes the criteria for the prudent investment of pool participant's surplus treasury funds and outlines the policies for maximizing the efficiency of the San Joaquin County (County) cash management system. In addition, the Investment Policy governs the deposit, safekeeping, and investment of all funds under the control of the County Treasurer (Treasurer), as well as all related transactions and investment activities. It does not apply to bond funds or other affiliated public agency assets that reside outside of the County's Investment Pool.

OBJECTIVE

The objective of the Investment Policy is to enhance the economic status of all Investment Pool participants while protecting their surplus treasury funds.

POLICY

The County operates its Investment Program under the "Prudent Investor Standard" set forth by Government Code Section 53600.3. This affords the County a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California.

The criteria and priority for selecting investments are as follows:

1. Safety. Safety of principal is the foremost objective of the County's Investment Program. The safety and risk associated with an investment refers to the potential loss of principal and/or interest. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the Investment Pool.

2. Liquidity. This refers to the ability to access cash at any time with a minimal risk of losing some portion of principal or interest. The Investment Pool will remain sufficiently liquid to enable the County to meet all anticipated operating requirements. Liquidity is an important investment quality, especially when an unanticipated need for funds occurs.

3. Yield. The yield is the potential dollar earnings that an investment can provide, and sometimes is referred to as the rate of return. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

GENERAL CONSTRAINTS

The following criteria represents the general framework within which the County's Treasury Investment Program shall be conducted:

1. The laws of the State of California and the Prudent Investor Standard shall be the primary standards by which all County treasury investments are transacted.

2. Surplus treasury fund management and investment transactions are the responsibility of the Treasurer.

3. The Treasurer strives to maintain the level of investment of all funds as near 100 percent as possible, through daily and projected cash flow forecasting.

4. The basic premise underlying the County's Investment Policy is to ensure that the pooled funds are always safe and available when needed.

5. Surplus treasury funds are all funds which are not required to meet the banks' demands on the Treasury to redeem warrants or cover other County disbursement obligations on any given day.

CONSTRAINTS SET BY GOVERNMENT CODE

Government Code Sections 53601 and 53635 impose restrictions on the investments of government entities. All such restrictions are to be adhered to in their entirety. In addition, the Treasurer may make further restrictions to investments if the Treasurer deems such action appropriate. Such action is deemed appropriate with the following section listing the only authorized investments of the County.

AUTHORIZED INVESTMENTS

The following investments are the only authorized investments to be made by the County. The restrictions specified in Government Code Sections 53601 and 53635 apply unless stated otherwise. Authorized investments are as follows:

1. United States Treasury Bills, Notes, and Bonds (Maximum of 100%)

   United States Treasury Bills, Notes, Bonds for which the full faith and credit of the United States are pledged for the principal and interest. Zero Coupon issues of these types of investments are authorized. There is no percentage limit on the total dollar amount that may be invested.

2. Obligations issued by the Federal Government (Maximum of 100%)

   Federal Agency issues of the Federal National Mortgage Association (also known as Fannie Mae and/or FNMA), and the Federal Home Loan Mortgage Corporation (also known as Freddie Mac and/or FHLMC), the Federal Farm Credit Bank System (also known as FFCB), and the Federal Home Loan Bank (also known as FHLB). Debentures, Zero

Coupon, Discount Notes, or Floaters of the above issuers are authorized. There is no percentage limit on the total dollar amount that may be invested.

3. Registered California State Warrants or Bonds (Maximum of 100%)

Registered California State Warrants or Treasury Notes or Bonds as defined in Government Code Section 53601. There is no percentage limit on the total dollar amount that may be invested.

4. Local Agency Investment Fund

Local Agency Investment Fund (LAIF) of the State of California is an investment alternative created pursuant to Government Code Section 16429.1 for California's local governments and special districts. LAIF purchases securities under the authority of Government Code Section 16430 and 16480.4. The deposit limit set by LAIF is $65 million.

5. California Asset Management Program

California Asset Management Program (CAMP) is a California Joint Powers Authority, short term, highly liquid money market account organized pursuant to Government Code Section 6509.7. The CAMP pool is a permitted investment under Government Code Section 53601(p). The CAMP deposit limit is calculated at 10% of their total portfolio. The Treasurer limits the maximum investment to $150 million.

6. Repurchase Agreements (Maximum of 100%)

Term repurchase agreements may be collateralized by either U.S. Treasury Securities or by any U.S. Federal Agency security.

Regardless of maturity, repurchase agreements must be collateralized at 102 percent (market value plus accrued interest). Repurchase agreements shall only be made with dealers with assets in excess of $500 million and having either the highest commercial paper rating, of A or higher rating for the issuer's debt, if any, as provided by a nationally recognized statistical-rating organization (NRSRO). There is no percentage limit on the total dollar amount that may be invested.

All Repurchase Agreements with brokers/dealers will be done through a "Tri-Party Custodian Agreement" that has been approved, in writing, by the Treasurer.

All Repurchase Agreements with commercial banks will be governed by a Public Securities Association (PSA) agreement that has been approved, in writing, by the Treasurer.

7. Banker's Acceptances (Maximum of 40%)

Bills of Exchange or Time Drafts (referred to as Banker's Acceptances). Banker's Acceptances may not exceed 40 percent of the investments and no more than 30 percent may be invested in the Banker's Acceptances of one commercial bank. The limit for each issuer may be specified in the Treasurer's "Approved Banker's Acceptance Issues".

8. Medium Term Notes (Maximum of 30%)

Corporate Debentures (Medium Term Notes), other than those of security or insurance firms that have a rating in the highest or second highest categories of an NRSRO. The maximum maturity of such issues is three years. Floaters of the above issues are authorized as long as the maximum maturity does not exceed three years. Medium Term Notes may not exceed 30 percent of the investments.

9. Time Deposits (Maximum of 30%)

Certificates of Deposits issued by nationally or state-chartered bank, savings association, federal association, or state-licensed branch of a foreign bank. The bank must have a branch or office in the County. The bank must have a rating in the highest or second highest categories of an NRSRO. The limit for each issuer is specified in the Treasurer's "Approved Negotiable Certificates Of Deposit List." Certificates of Deposit may not exceed one year maturity and may not exceed 30 percent of the investments.

10. Commercial Paper (Maximum of 30%)

Commercial Paper is an unsecured, short-term debt instrument issued by a corporation. Commercial Paper must have the highest categories of an NRSRO. The maximum maturity of commercial paper is 270 days. The limit for each issuer is specified in the Treasurer's "Commercial Paper Approved List". Commercial Paper may not exceed 30 percent of the investments.

11. Mutual Funds (Maximum of 20%)

Mutual Funds, as defined in Government Code Section 53601 that consist only of those investments authorized by the Investment Policy. Mutual Funds may not exceed 20 percent of the investments.

12. Bank Deposits (Maximum of 10%)

Bank Deposits are interest-bearing active deposits in a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company. These deposits must be properly collateralized at 110 percent in accordance with Government Code Section 53652. Deposits with any one depository may not exceed 10 percent of the Investment Pool.

13. Specific Securities (Maximum per Approval)

Specific securities as specified in the ordinance, resolution, indenture, or agreement for monies pledged to the payment or security of bonds or other indebtedness as governed by Government Code Section 53601(m) must receive written approval from the Treasurer.

MATURITY STRUCTURE

The maturity of investments, excluding investments that have been specifically matched to a bond issue maturity, are subject to the following restrictions at the time of purchase:

1. A minimum of 25 percent of the entire Investment Pool is to mature within 60 days.

2. A minimum of 50 percent of the entire Investment Pool is to mature within one year.

3. A minimum of 75 percent of the entire Investment Pool is to mature within three years.

4. A maximum of 25 percent of the entire Investment Pool may mature within three to five years.

If for any reason the Investment Pool is not in compliance with the maturity percentages, all new investments will be restricted to 60 days or less until compliance is achieved.

If the market value of all such securities is less than 95 percent of the original cost, then any further purchase of maturities of longer than one year is prohibited. Purchases of such securities may resume if the total market value is at least 95 percent of the original cost.

Securities that are purchased to specifically match the maturity of a bond issue are not included in the above requirements. Such securities shall be clearly designated in the appropriate investment reports and journals.

The Treasurer must give written approval for all purchases of securities with a maturity of one year or longer.

DEALER APPROVAL

All financial institutions used for the placement of investments, must have been approved by the Treasurer in writing. All financial institutions will be investigated by the Treasurer as to their credit-worthiness.

The Treasurer will not approve any broker, brokerage, dealer, or securities firm that has, within the past two years, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Treasurer, any member of the Board of Supervisors, or any candidate for these offices.

All brokers are provided with the updated investment policy on an annual basis.

COMPETITIVE BIDDING

Bids for any investment shall be taken from a minimum of two banks or broker/dealers. Awards will be made to the highest bidder, giving consideration to safety, a balanced Investment Pool, and diversification. If two bids for a similar investment security are unavailable, then the second bid may be for another investment security with a similar maturity.

SWAPS AND TRADES

Securities may be swapped and traded for other eligible securities after calculating the gain between the buy and sell candidates in the transaction, and approval by the Treasurer.

LOSSES

Generally, losses are acceptable on a sale before maturity and may be taken if reinvested proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment.

SAFEKEEPING

Securities purchased from broker/dealers shall be held in third party safekeeping by the trust department of the County's bank or other designated third party trust and in the County's name. No securities will be held by the broker/dealer from whom they were purchased.

Safekeeping of Repurchase Agreements and Collateralized Non-Negotiable Certificates of Deposit are stipulated in the section titled "Authorized Investments of the County".

CONFIRMATION

All investment confirmations are to be reviewed for conformity with the original transaction. Discrepancies are to be reported to the Treasurer.

INTERNAL CONTROLS

The Treasurer shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. The Treasurer shall also be responsible for ensuring that all investment transactions comply with the Investment Policy and the Government Code.

The Treasurer shall establish a process for daily, monthly, quarterly, and annual review and monitoring of investment program activity. Daily, the Treasurer or authorized treasury personnel shall review the investment activity, as well as corresponding custodial and commercial bank balances and positions for compliance with the Investment Policy and guidelines. The County Auditor-Controller's Office or the contracted external auditor shall conduct an annual audit of the investment program's activities.

CREDIT FOR INTEREST EARNINGS

Interest earnings from the Investment Pool shall be credited to participating entities quarterly. The credit is computed based on the average daily cash balance of funds on deposit during the quarter in the County Treasury.

Authorized costs of investing, depositing, banking, auditing, reporting or otherwise handling or managing funds will be subtracted from the total interest earnings before the interest earnings are apportioned.

DIRECTED INVESTMENTS

The Treasurer may allow special directed investments for Tax and Revenue Anticipation Note (TRANS) proceeds or other special purposes. The Treasurer will work with the entity to make a single directed investment. For proceeds between $10 million and $50 million that investment will be in a U.S. Treasury Bill. For proceeds in excess of $50 million the investment can be in either a U.S. Treasury Bill or a U.S. Treasury Note. Upon the maturity of the investment all funds will be put into the Investment Pool. Any funds from the TRANS sale not included in the investment will be placed in the Investment Pool. The charge for the investment will be $5,000, which is estimated to cover the actual expenses of the offices of the Treasurer and the County Auditor-Controller. These expenses may include paying agent, safekeeping, establishing of entity funds, tracking, and recording the investment. The Treasurer may negotiate a different charge if it is cost justified and appropriate. Directed investments will be separate from the Investment Pool.

OUTSIDE AGENCIES

Agencies not required to deposit funds with the County may place funds in the Investment Pool with the approval of the Treasurer. All agencies must comply with this Investment Policy. It is anticipated that most funds will be withdrawn from the Investment Pool by a warrant. Wire transfers must be arranged with the Treasurer's office.

WITHDRAWALS

The Treasurer has determined that withdrawals of less than $10 million will not affect the stability and predictability of the investments in the County Treasury. The Treasurer's office requires 24 hour notice on withdrawals of $1 million to $10 million, at least seven day notice on any withdrawals between $10 million and $25 million, and 30 days' notice for amounts over $25 million. The

Treasurer may waive or reduce the required notice. The Treasurer also reserves the right to work with any agency on the timing of a withdrawal above $10 million if that withdrawal might affect the stability or predictability of cash flow in the County Treasury. The Treasurer may refuse any withdrawal above $25 million or any series of withdrawals in one month which exceed $25 million which might affect the stability and predictability of cash flow in the County Treasury.

REPORTING

The Treasurer shall provide a monthly report to the County Board of Supervisors, County Administrator, County Auditor-Controller, and the County Treasury Oversight Committee showing all Treasury investments by the type of investment, institution, date of maturity, amount of investment, rate of interest, and for all securities the current market value. Securities will be valued based on information from either the trustee, broker, the Wall Street Journal, or other sources approved by the Treasurer. The market value for Certificates of Deposit, Repurchase Agreements of less than 30 days, and LAIF will be at cost. The report will include the weighted average maturity of the investments within the Treasury, and a statement denoting the ability of the local agency to meet its expenditure requirements for the next six months.

COUNTY TREASURY OVERSIGHT COMMITTEE

The County Treasury Oversight Committee (Committee) will review and monitor the Investment Policy. The Committee shall require an annual audit to be conducted to determine the County Treasury's compliance with the law and the Investment Policy.

The Committee shall not direct individual investment decisions, select individual investment advisors, brokers, dealers, or impinge on the day-to-day operations of the County Treasury.

A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of local Treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the County Treasury, in the previous three years or during the period that the employee is a member of the Committee (Government Code Section 27132.1).

A member may not directly or indirectly raise money for a candidate for local Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the Committee (Government Code Section 27132.2).

A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the Treasurer is doing business during the period that the person is a member of the Committee or for one year after leaving the Committee (Government Code Section 27132.3).

Committee meetings shall be open to the public and subject to the Ralph M. Brown Act.

INDEMNIFICATION

The standard of care to be used by the County’s officers or employees in all investment transactions shall be the Prudent Investor Standard (Government Code Section 53600.3), which is expanded as follows:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The above criteria are established as the standard for professional responsibility and shall be applied in the context of managing the Investment Pool. Investment officers acting in accordance with the Investment Policy shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICT OF INTEREST

No officer or employee or member of the Committee may directly or indirectly accept or solicit from any person, corporation, or group having a business relationship with the Treasurer or treasury related functions, any rebate, kickback, or anything of an economic value as a gift, gratuity, or honoraria.

No officer or employee of the Treasurer’s office shall, outside of working hours, engage in any profession, trade, business, or occupation, which is incompatible or involves a conflict of interest with his/her duties as a County officer or employee.

DISASTER RECOVERY

In the event the Treasurer or authorized staff is unable to invest, the Treasurer has an agreement with the custody bank for a daily sweep of all remaining idle funds into an interest bearing account until normal operations of the Treasurer’s office have been restored. The limitations on the size and the percentage restrictions by investment type would be allowed to exceed those approved in this Investment Policy.

Phonxay Keokham, CPA
San Joaquin County Treasurer

(Approved by the Board of Supervisors on December 4, 2018)

PHONXAY KEOKHAM, CPA
TREASURER-TAX COLLECTOR
SAN JOAQUIN COUNTY

Wyman Jeung
Assistant Treasurer-Tax Collector

Mandy Matta
Chief Deputy Treasurer

TREASURY BALANCE SUMMARY

October 31, 2019

I, Phonxay Keokham, Treasurer-Tax Collector, County of San Joaquin, State of California, do hereby certify under oath that on October 31, 2019, the books of said County showed that there was $3,200,089,295.16 (THREE BILLION, TWO HUNDRED MILLION, EIGHTY NINE THOUSAND, TWO HUNDRED NINETY FIVE DOLLARS AND SIXTEEN CENTS) in the Treasury as follows:

Currency		$	160,863.40
Summary of Investments (see attachment for details):			
Bank of the West - Sweep	47,788,523.33		
Bank of the West - Money Market Plus	50,000,000.00		
California Asset Management Program	150,000,000.00		
Local Agency Investment Fund	65,000,000.00		
Commercial Paper	470,931,388.19		
Medium Term Notes	29,785,000.00		
US Treasury	53,823,286.46		
Federal Agencies	2,312,593,440.06		
Total Investments			3,179,921,638.04
Bank Balance			
Bank of the West - Closing Ledger Balance			10,588,109.78
Bank of the West - Transactions not in CAPS (net)			9,418,683.94
Total Treasury Balance		$	3,200,089,295.16

All investments are in compliance with the County's Investment Policy. Market values are based on information from either the trustee, broker, Wall Street Journal, or other sources approved by the Treasurer-Tax Collector. Based on revenue and expenditure projections and information known to the Treasurer-Tax Collector, the Treasury will be able to meet its pool's expenditure requirement for the next six months. The weighted average maturity of the investments within the treasury pool, assuming all callable bonds are held to maturity, is 479 days.

Phonxay Keokham

Phonxay Keokham, Treasurer-Tax Collector

Tracker

San Joaquin County

PORTFOLIO HOLDINGS

October 31, 2019

Quantity	Security Symbol	Settlement Date	Security	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
47,788,523.33	SWEEP3559	04/22/2010	Dreyfus Treasury & Agency Cash Management MM	47,788,523.33	100.00	47,788,523.33	0.00	47,788,523.33	1.50	1.700	NR	NR
50,000,000.00	MM0888	02/29/2012	Bank of the West - Money Market Plus MM	50,000,000.00	100.00	50,000,000.00	0.00	50,000,000.00	1.57	1.800	NR	NR
150,000,000.00	CAMP6088	04/12/2019	California Asset Management Program LGIP	150,000,000.00	100.00	150,000,000.00	0.00	150,000,000.00	4.70	2.050	NR	NR
65,000,000.00	LAIF9000	07/31/1988	Local Agency Investment Fund LGIP	65,000,000.00	100.00	65,000,000.00	0.00	65,000,000.00	2.04	2.190	NR	NR
312,788,523.33				312,788,523.33		312,788,523.33	0.00	312,788,523.33	9.81	1.935		
COMMERCIAL PAPER												
25,000,000.00	03785DC53	10/08/2019	Apple 0 3/5/2020	24,818,923.61	99.28	24,846,350.00	0.00	24,846,350.00	0.78	1.763	Moodys-P1	S&P-A1
50,000,000.00	16677KYS6	10/02/2019	Chevron 0 11/26/2019	49,856,388.89	99.71	49,941,135.00	0.00	49,941,135.00	1.57	1.885	Moodys-P1	S&P-A1
20,000,000.00	19121BYE3	04/24/2019	Coca-Cola 0 11/14/2019	19,716,666.67	98.58	19,987,322.00	0.00	19,987,322.00	0.63	2.536	Moodys-P1	S&P-A1
20,000,000.00	19121ACQ2	09/04/2019	Coca-Cola 0 3/24/2020	19,789,022.22	98.95	19,852,046.00	0.00	19,852,046.00	0.63	1.900	Moodys-P1	S&P-A1
10,000,000.00	19121ADF5	09/18/2019	Coca-Cola 0 4/15/2020	9,889,750.00	98.90	9,914,118.00	0.00	9,914,118.00	0.31	1.911	Moodys-P1	S&P-A1
20,000,000.00	2546R2BJ4	08/29/2019	Disney 0 2/18/2020	19,814,505.56	99.07	19,889,388.00	0.00	19,889,388.00	0.63	1.948	Moodys-P1	S&P-A1
30,000,000.00	2546R2CP9	09/24/2019	Disney 0 3/23/2020	29,713,416.67	99.04	29,779,680.00	0.00	29,779,680.00	0.94	1.918	Moodys-P1	S&P-A1
15,000,000.00	30229BYC5	09/26/2019	Exxon Mobil 0 11/12/2019	14,961,812.50	99.75	14,991,849.00	0.00	14,991,849.00	0.47	1.955	Moodys-P1	S&P-A1
10,000,000.00	30229BZ34	10/15/2019	Exxon Mobil 0 12/3/2019	9,974,819.44	99.75	9,985,049.00	0.00	9,985,049.00	0.31	1.855	Moodys-P1	S&P-A1
25,000,000.00	30229BZ42	10/11/2019	Exxon Mobil 0 12/4/2019	24,930,625.00	99.72	24,961,482.50	0.00	24,961,482.50	0.78	1.855	Moodys-P1	S&P-A1
50,000,000.00	45920GZ25	05/17/2019	IBM 0 12/2/2019	49,300,736.11	98.60	49,927,170.00	0.00	49,927,170.00	1.57	2.566	Moodys-P1	S&P-A1
15,000,000.00	59157UYF1	09/06/2019	MetLife 0 11/15/2019	14,941,958.33	99.61	14,989,812.00	0.00	14,989,812.00	0.47	1.998	Moodys-P1	S&P-A1
35,000,000.00	59087ABK4	08/14/2019	MetLife 0 2/19/2020	34,641,687.50	98.98	34,812,438.50	0.00	34,812,438.50	1.10	1.970	Moodys-P1	S&P-A1
25,000,000.00	64105HYD8	04/11/2019	Nestle 0 11/13/2019	24,640,000.00	98.56	24,985,282.50	0.00	24,985,282.50	0.78	2.435	Moodys-P1	S&P-A1
25,000,000.00	64105HZJ4	09/04/2019	Nestle 0 12/18/2019	24,857,812.50	99.43	24,945,465.00	0.00	24,945,465.00	0.78	1.961	Moodys-P1	S&P-A1
15,000,000.00	89233GA22	04/10/2019	Toyota 0 1/2/2020	14,721,318.75	98.14	14,956,765.50	0.00	14,956,765.50	0.47	2.552	Moodys-P1	S&P-A1
10,000,000.00	89233HZX5	04/08/2019	Toyota 0 12/31/2019	9,812,358.33	98.12	9,972,171.00	0.00	9,972,171.00	0.31	2.578	Moodys-P1	S&P-A1
25,000,000.00	89233GFC5	09/19/2019	Toyota 0 6/12/2020	24,632,875.00	98.53	24,721,092.50	0.00	24,721,092.50	0.78	2.010	Moodys-P1	S&P-A1
20,000,000.00	93114FYC2	10/09/2019	Walmart 0 11/12/2019	19,965,244.44	99.83	19,989,132.00	0.00	19,989,132.00	0.63	1.843	Moodys-P1	S&P-A1
30,000,000.00	93114FYJ7	10/17/2019	Walmart 0 11/18/2019	29,951,466.67	99.84	29,975,550.00	0.00	29,975,550.00	0.94	1.823	Moodys-P1	S&P-A1
475,000,000.00				470,931,388.19		473,423,298.50	0.00	473,423,298.50	14.90	2.063		
MEDIUM TERM NOTES												
20,000,000.00	037833DL1	09/11/2019	Apple 1.7 9/11/2022	20,000,000.00	100.00	20,001,400.00	47,222.22	20,048,622.22	0.63	1.700	Moodys-Aa1	S&P-AA+
10,000,000.00	459200HM6	05/15/2018	IBM 1.625 5/15/2020-14	9,785,000.00	97.85	9,990,700.00	74,930.56	10,065,630.56	0.31	2.737	Moodys-A1	S&P-A1+
30,000,000.00				29,785,000.00		29,992,100.00	122,152.78	30,114,252.78	0.94	2.046		
U.S. TREASURY												
20,000,000.00	912796RN1	12/06/2018	T-Bill 0 12/5/2019	19,484,333.33	97.42	19,971,800.00	0.00	19,971,800.00	0.63	2.654	Moodys-Aaa	S&P-AA+
10,000,000.00	9128284Q0	11/30/2018	T-Note 2.5 5/31/2020	9,970,703.13	99.71	10,050,000.00	104,508.20	10,154,508.20	0.31	2.701	Moodys-Aaa	S&P-AA+
25,000,000.00	912820US4	11/21/2018	T-SLGS 0 11/15/2019	24,368,250.00	97.47	24,984,500.00	0.00	24,984,500.00	0.78	2.620	Moodys-Aaa	S&P-AA+
55,000,000.00				53,823,286.46		55,006,300.00	104,508.20	55,110,808.20	1.72	2.647		
FEDERAL AGENCIES												
10,000,000.00	3133EFND5	11/05/2015	FFCB 1.37 11/5/2019	9,980,624.17	99.81	9,999,700.00	66,977.78	10,066,677.78	0.31	1.420	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EGRN7	08/17/2016	FFCB 1.47 2/17/2021-16	10,000,000.00	100.00	9,970,700.00	30,216.67	10,000,916.67	0.31	1.470	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKZY5	09/25/2019	FFCB 1.55 6/1/2022	24,981,750.00	99.93	24,987,500.00	75,347.22	25,062,847.22	0.78	1.578	Moodys-Aaa	S&P-AA+
15,000,000.00	3133EGNM3	07/26/2016	FFCB 1.56 7/26/2021-16	14,988,600.00	99.92	14,951,850.00	61,750.00	15,013,600.00	0.47	1.576	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EK3V6	10/28/2019	FFCB 1.6 12/28/2021	24,997,500.00	99.99	25,006,500.00	3,333.33	25,009,833.33	0.78	1.605	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EHEZ2	04/06/2017	FFCB 1.6 4/6/2020	25,045,250.00	100.18	24,996,500.00	27,777.78	25,024,277.78	0.78	1.538	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EG6T7	02/10/2017	FFCB 1.625 2/10/2020-17	9,998,000.00	99.98	10,000,100.00	36,562.50	10,036,662.50	0.31	1.632	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKS49	09/26/2019	FFCB 1.69 9/26/2022	25,000,000.00	100.00	25,143,750.00	41,076.39	25,184,826.39	0.78	1.690	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKS56	09/25/2019	FFCB 1.7 9/25/2023	25,000,000.00	100.00	25,167,500.00	42,500.00	25,210,000.00	0.78	1.700	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EG3E3	01/06/2017	FFCB 1.72 1/6/2020-17	10,000,000.00	100.00	10,000,200.00	54,944.44	10,055,144.44	0.31	1.720	Moodys-Aaa	S&P-AA+
23,000,000.00	3133EG3E3	01/06/2017	FFCB 1.72 1/6/2020-17	23,000,000.00	100.00	23,000,460.00	126,372.22	23,126,832.22	0.72	1.720	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKTG1	07/01/2019	FFCB 1.75 7/1/2022	25,000,000.00	100.00	25,177,000.00	145,833.33	25,322,833.33	0.78	1.750	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EEW55	06/15/2015	FFCB 1.8 6/15/2020	9,995,000.00	99.95	10,011,400.00	68,000.00	10,079,400.00	0.31	1.811	Moodys-Aaa	S&P-AA+
20,000,000.00	3133EKTN6	07/02/2019	FFCB 1.85 10/2/2020	19,985,720.00	99.93	20,048,600.00	29,805.56	20,078,405.56	0.63	1.909	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EH2S1	12/12/2017	FFCB 1.875 12/12/2019	9,997,500.00	99.98	10,003,500.00	72,395.83	10,075,895.83	0.31	1.888	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKRV0	06/24/2019	FFCB 1.9 6/24/2021	25,000,000.00	100.00	25,115,750.00	167,569.44	25,283,319.44	0.78	1.900	Moodys-Aaa	S&P-AA+
20,000,000.00	3133EKTV8	07/01/2019	FFCB 1.9 7/1/2024	20,036,620.00	100.18	20,303,400.00	126,666.67	20,430,066.67	0.63	1.861	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKM94	09/11/2019	FFCB 1.9 9/11/2023-20	25,000,000.00	100.00	25,001,000.00	65,972.22	25,066,972.22	0.78	1.900	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EG2L8	12/28/2016	FFCB 1.92 12/28/2020	25,019,000.00	100.08	25,046,750.00	164,000.00	25,210,750.00	0.78	1.900	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKG42	09/19/2019	FFCB 1.92 8/28/2023-20	24,922,500.00	99.69	25,003,500.00	84,000.00	25,087,500.00	0.78	2.002	Moodys-Aaa	S&P-AA+
9,550,000.00	3133EHXM0	12/06/2017	FFCB 1.93 12/6/2021-17	9,466,437.50	99.13	9,543,697.00	74,237.99	9,617,934.99	0.30	2.160	Moodys-Aaa	S&P-AA+

San Joaquin County

PORTFOLIO HOLDINGS

October 31, 2019

Quantity	Security Symbol	Settlement Date	Security	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
10,000,000.00	3133EHP31	11/02/2017	FFCB 1.95 11/2/2021	10,013,400.00	100.13	10,073,100.00	96,958.33	10,170,058.33	0.31	1.915	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EKN93	09/16/2019	FFCB 1.96 9/16/2024-20	10,000,000.00	100.00	9,989,200.00	24,500.00	10,013,700.00	0.31	1.960	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EHM91	11/01/2017	FFCB 2.08 11/1/2022	25,023,500.00	100.09	25,430,750.00	260,000.00	25,690,750.00	0.78	2.060	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EKRW8	06/24/2019	FFCB 2.1 6/24/2021-20	10,000,000.00	100.00	10,023,800.00	74,083.33	10,097,883.33	0.31	2.100	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EK3L8	10/22/2019	FFCB 2.15 4/22/2024-20	25,000,000.00	100.00	25,001,000.00	13,437.50	25,014,437.50	0.78	2.150	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EJRD3	06/05/2018	FFCB 2.39 12/5/2019	9,995,000.00	99.95	10,008,300.00	96,927.78	10,105,227.78	0.31	2.424	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EKHA7	04/16/2019	FFCB 2.4 12/16/2020	9,994,500.00	99.95	10,071,100.00	90,000.00	10,161,100.00	0.31	2.435	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKGL4	04/09/2019	FFCB 2.44 4/9/2021-20	24,993,500.00	99.97	25,057,250.00	37,277.78	25,094,527.78	0.78	2.453	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EJRL5	06/11/2018	FFCB 2.55 6/11/2020	9,996,300.00	99.96	10,049,300.00	99,166.67	10,148,466.67	0.31	2.569	Moodys-Aaa	S&P-AA+
20,000,000.00	3133EJNS4	05/10/2018	FFCB 2.7 5/10/2021	19,976,000.00	99.88	20,320,400.00	256,500.00	20,576,900.00	0.63	2.742	Moodys-Aaa	S&P-AA+
20,000,000.00	3133EJTF6	07/02/2018	FFCB 2.7 7/2/2021	20,000,000.00	100.00	20,354,000.00	178,500.00	20,532,500.00	0.63	2.700	Moodys-Aaa	S&P-AA+
10,000,000.00	3133EJ2R9	12/14/2018	FFCB 2.75 12/14/2020	9,993,230.00	99.93	10,109,400.00	104,652.78	10,214,052.78	0.31	2.785	Moodys-Aaa	S&P-AA+
25,000,000.00	313384PF0	09/26/2019	FHLB 0 11/14/2019	24,936,708.33	99.75	24,984,750.00	0.00	24,984,750.00	0.78	1.865	Moodys-Aaa	S&P-AA+
25,000,000.00	313384PN3	11/21/2018	FHLB 0 11/21/2019	24,351,111.11	97.40	24,976,750.00	0.00	24,976,750.00	0.78	2.628	Moodys-Aaa	S&P-AA+
25,000,000.00	313384PU7	12/14/2018	FHLB 0 11/27/2019	24,383,750.00	97.54	24,969,750.00	0.00	24,969,750.00	0.78	2.614	Moodys-Aaa	S&P-AA+
25,000,000.00	313384NX3	09/27/2019	FHLB 0 11/6/2019	24,952,777.78	99.81	24,994,250.00	0.00	24,994,250.00	0.78	1.703	Moodys-Aaa	S&P-AA+
25,000,000.00	313384QH5	10/09/2019	FHLB 0 12/10/2019	24,927,236.11	99.71	24,954,750.00	0.00	24,954,750.00	0.78	1.695	Moodys-Aaa	S&P-AA+
25,000,000.00	313384QJ1	10/29/2019	FHLB 0 12/11/2019	24,951,027.78	99.80	24,953,500.00	0.00	24,953,500.00	0.78	1.643	Moodys-Aaa	S&P-AA+
25,000,000.00	313384QL6	10/29/2019	FHLB 0 12/13/2019	24,948,750.00	99.80	24,951,250.00	0.00	24,951,250.00	0.78	1.643	Moodys-Aaa	S&P-AA+
25,000,000.00	313384TJ8	10/17/2019	FHLB 0 2/21/2020	24,860,652.78	99.44	24,874,750.00	0.00	24,874,750.00	0.78	1.589	Moodys-Aaa	S&P-AA+
25,000,000.00	313384UN7	10/17/2019	FHLB 0 3/20/2020	24,833,159.72	99.33	24,843,500.00	0.00	24,843,500.00	0.78	1.560	Moodys-Aaa	S&P-AA+
25,000,000.00	313384TY5	10/17/2019	FHLB 0 3/6/2020	24,845,291.67	99.38	24,859,250.00	0.00	24,859,250.00	0.78	1.590	Moodys-Aaa	S&P-AA+
25,000,000.00	313384VC0	10/17/2019	FHLB 0 4/3/2020	24,818,090.28	99.27	24,829,000.00	0.00	24,829,000.00	0.78	1.561	Moodys-Aaa	S&P-AA+
25,000,000.00	313384WW5	10/28/2019	FHLB 0 5/15/2020	24,783,333.33	99.13	24,783,500.00	0.00	24,783,500.00	0.78	1.574	Moodys-Aaa	S&P-AA+
15,000,000.00	3130A9VG3	11/01/2016	FHLB 1.2 11/1/2019-17	14,985,000.00	99.90	15,000,000.00	90,000.00	15,090,000.00	0.47	1.234	Moodys-Aaa	S&P-AA+
15,000,000.00	3130A9VG3	11/01/2016	FHLB 1.2 11/1/2019-17	14,985,000.00	99.90	15,000,000.00	90,000.00	15,090,000.00	0.47	1.234	Moodys-Aaa	S&P-AA+
15,000,000.00	3130A9UQ2	10/26/2016	FHLB 1.375 10/26/2020-17	15,000,000.00	100.00	14,967,300.00	2,864.58	14,970,164.58	0.47	1.375	Moodys-Aaa	S&P-AA+
25,000,000.00	3130A9BJ9	09/01/2016	FHLB 1.55 9/1/2021-16	24,987,500.00	99.95	24,927,500.00	64,583.33	24,992,083.33	0.78	1.560	Moodys-Aaa	S&P-AA+
10,000,000.00	3130A6PT8	10/29/2015	FHLB 1.57 4/29/2020-16	10,000,000.00	100.00	9,986,700.00	872.22	9,987,572.22	0.31	1.570	Moodys-Aaa	S&P-AA+
10,000,000.00	3130A9JZ5	09/27/2016	FHLB 1.6 9/27/2021-16	9,995,000.00	99.95	9,972,900.00	15,111.11	9,988,011.11	0.31	1.610	Moodys-Aaa	S&P-AA+
10,000,000.00	3130ABY34	11/29/2017	FHLB 1.613 5/29/2020	9,947,200.00	99.47	10,002,100.00	68,104.44	10,070,204.44	0.31	1.830	Moodys-Aaa	S&P-AA+
20,000,000.00	3130A9F89	09/30/2016	FHLB 1.625 9/30/2021-16	20,005,000.00	100.03	20,000,400.00	27,083.33	20,027,483.33	0.63	1.620	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AHDS9	10/18/2019	FHLB 1.68 10/18/2023-21	25,000,000.00	100.00	25,017,250.00	15,166.67	25,032,416.67	0.78	1.680	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AA2F4	11/23/2016	FHLB 1.7 11/23/2021-17	25,000,000.00	100.00	24,990,750.00	186,527.78	25,177,277.78	0.78	1.700	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ACN83	10/30/2017	FHLB 1.7 5/15/2020-19	24,972,500.00	99.89	25,008,250.00	195,972.22	25,204,222.22	0.78	1.744	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ACJT2	09/29/2017	FHLB 1.75 9/29/2020-18	25,000,000.00	100.00	25,009,250.00	38,888.89	25,048,138.89	0.78	1.750	Moodys-Aaa	S&P-AA+
25,000,000.00	3130A3UQ5	12/11/2017	FHLB 1.875 12/11/2020	24,937,500.00	99.75	25,059,750.00	182,291.67	25,242,041.67	0.78	1.961	Moodys-Aaa	S&P-AA+
20,000,000.00	3130AGZR9	09/24/2019	FHLB 1.95 9/24/2024-20	19,990,000.00	99.95	20,002,600.00	40,083.33	20,042,683.33	0.63	1.961	Moodys-Aaa	S&P-AA+
20,000,000.00	3130ADFP2	01/29/2018	FHLB 2.02 1/29/2020	19,949,360.00	99.75	20,014,200.00	103,244.44	20,117,444.44	0.63	2.150	Moodys-Aaa	S&P-AA+
10,000,000.00	3130AHGB3	10/30/2019	FHLB 2.02 10/30/2024-20	10,000,000.00	100.00	10,004,900.00	0.00	10,004,900.00	0.31	2.020	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AAA32	11/30/2016	FHLB 2.03 11/24/2021-17	25,000,000.00	100.00	25,003,500.00	221,326.39	25,224,826.39	0.78	2.030	Moodys-Aaa	S&P-AA+
10,000,000.00	3130AHFJ7	10/30/2019	FHLB 2.05 10/30/2024-20	10,000,000.00	100.00	10,004,100.00	0.00	10,004,100.00	0.31	2.050	Moodys-Aaa	S&P-AA+
8,000,000.00	3130ACW34	11/30/2017	FHLB 2.125 11/30/2021-18	7,988,000.00	99.85	8,000,320.00	70,833.33	8,071,153.33	0.25	2.164	Moodys-Aaa	S&P-AA+
5,000,000.00	3130ACZD9	12/29/2017	FHLB 2.125 12/29/2020-18	5,000,000.00	100.00	5,000,300.00	36,006.94	5,036,306.94	0.16	2.125	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AG5T8	03/27/2019	FHLB 2.375 3/27/2020	24,977,775.00	99.91	25,068,250.00	56,076.39	25,124,326.39	0.78	2.466	Moodys-Aaa	S&P-AA+
10,000,000.00	3130AG7D1	04/02/2019	FHLB 2.375 7/2/2020	9,994,050.00	99.94	10,049,900.00	78,506.94	10,128,406.94	0.31	2.425	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ADXD9	04/04/2018	FHLB 2.4 7/15/2020	25,000,000.00	100.00	25,141,500.00	176,666.67	25,318,166.67	0.78	2.400	Moodys-Aaa	S&P-AA+
15,500,000.00	3130ADXC1	04/04/2018	FHLB 2.4 8/7/2020	15,498,481.00	99.99	15,594,705.00	86,800.00	15,681,505.00	0.49	2.405	Moodys-Aaa	S&P-AA+
10,000,000.00	313378WG2	09/26/2019	FHLB 2.5 3/11/2022	10,211,900.00	102.12	10,213,100.00	34,722.22	10,247,822.22	0.31	1.617	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AECJ7	11/28/2018	FHLB 2.625 5/28/2020	24,947,000.00	99.79	25,143,000.00	278,906.25	25,421,906.25	0.78	2.770	Moodys-Aaa	S&P-AA+
20,000,000.00	3130A1XJ2	06/14/2019	FHLB 2.875 6/14/2024	20,906,400.00	104.53	21,142,800.00	218,819.44	21,361,619.44	0.63	1.920	Moodys-Aaa	S&P-AA+
10,000,000.00	3130AEJN1	06/29/2018	FHLB 3.1 6/29/2023-20	10,000,000.00	100.00	10,078,700.00	105,055.56	10,183,755.56	0.31	3.100	Moodys-Aaa	S&P-AA+
25,000,000.00	313371U79	12/11/2018	FHLB 3.125 12/11/2020	25,185,750.00	100.74	25,397,500.00	303,819.44	25,701,319.44	0.78	2.741	Moodys-Aaa	S&P-AA+
10,000,000.00	313370E38	12/12/2017	FHLB 3.375 6/12/2020	10,350,000.00	103.50	10,105,200.00	130,312.50	10,235,512.50	0.31	1.934	Moodys-Aaa	S&P-AA+
10,140,000.00	3134GAAV6	08/18/2016	FHLMC 1.32 2/21/2020-17	10,140,000.00	100.00	10,131,888.00	26,026.00	10,157,914.00	0.32	1.320	Moodys-Aaa	S&P-AA+
25,000,000.00	3137EADR7	11/01/2017	FHLMC 1.375 5/1/2020	24,850,000.00	99.40	24,969,000.00	171,875.00	25,140,875.00	0.78	1.621	Moodys-Aaa	S&P-AA+
10,000,000.00	3134GAYW8	11/28/2016	FHLMC 1.45 11/27/2019-17	9,989,900.00	99.90	9,998,800.00	62,027.78	10,060,827.78	0.31	1.485	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GAKR4	09/14/2016	FHLMC 1.47 9/14/2020-16	25,000,000.00	100.00	24,988,750.00	47,979.17	25,036,729.17	0.78	1.470	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GAJF2	08/30/2016	FHLMC 1.6 8/27/2021-17	24,993,903.50	99.98	24,946,750.00	71,111.11	25,017,861.11	0.78	1.605	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GASH8	10/12/2016	FHLMC 1.61 10/12/2021-17	25,000,000.00	100.00	24,950,000.00	21,243.06	24,971,243.06	0.78	1.610	Moodys-Aaa	S&P-AA+
15,000,000.00	3137EAEJ4	03/29/2018	FHLMC 1.625 9/29/2020	14,728,200.00	98.19	15,001,800.00	21,666.67	15,023,466.67	0.47	2.376	Moodys-Aaa	S&P-AA+
20,000,000.00	3134GASW5	10/18/2016	FHLMC 1.65 10/18/2021-17	20,000,000.00	100.00	19,976,000.00	11,916.67	19,987,916.67	0.63	1.650	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GASX3	10/21/2016	FHLMC 1.65 10/21/2021-17	25,000,000.00	100.00	24,967,750.00	11,458.33	24,979,208.33	0.78	1.650	Moodys-Aaa	S&P-AA+

San Joaquin County

PORTFOLIO HOLDINGS

October 31, 2019

Quantity	Security Symbol	Settlement Date	Security	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
20,000,000.00	3134GUMQ0	10/29/2019	FHLMC 1.65 10/29/2021-20	20,000,000.00	100.00	20,015,600.00	1,833.33	20,017,433.33	0.63	1.650	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GAWV2	11/15/2016	FHLMC 1.65 11/15/2021-17	25,000,000.00	100.00	24,966,500.00	190,208.33	25,156,708.33	0.78	1.650	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GAWV2	11/15/2016	FHLMC 1.65 11/15/2021-17	25,000,000.00	100.00	24,966,500.00	190,208.33	25,156,708.33	0.78	1.650	Moodys-Aaa	S&P-AA+
9,950,000.00	3134GAAM6	08/25/2016	FHLMC 1.65 8/25/2021-16	9,950,000.00	100.00	9,923,433.50	30,098.75	9,953,532.25	0.31	1.650	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GT6E8	09/09/2019	FHLMC 1.8 9/9/2024-20	25,000,000.00	100.00	25,001,000.00	65,000.00	25,066,000.00	0.78	1.800	Moodys-Aaa	S&P-AA+
10,000,000.00	3134GB6C1	12/18/2017	FHLMC 2 12/18/2020-18	9,996,500.00	99.97	10,045,000.00	73,888.89	10,118,888.89	0.31	2.012	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GUDH0	09/20/2019	FHLMC 2 9/20/2022-20	25,000,000.00	100.00	25,015,250.00	56,944.44	25,072,194.44	0.78	2.000	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GUDC1	09/19/2019	FHLMC 2.09 9/18/2024-20	25,000,000.00	100.00	25,020,000.00	60,958.33	25,080,958.33	0.78	2.090	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GTXX6	06/28/2019	FHLMC 2.1 6/26/2024-20	25,012,500.00	100.05	25,038,750.00	179,375.00	25,218,125.00	0.78	2.089	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GUCP3	09/20/2019	FHLMC 2.1 9/20/2021-19	25,000,000.00	100.00	25,002,500.00	59,791.67	25,062,291.67	0.78	2.100	Moodys-Aaa	S&P-AA+
15,000,000.00	3134GSAL9	12/18/2017	FHLMC 2.125 3/18/2021-18	15,000,000.00	100.00	15,007,200.00	38,072.92	15,045,272.92	0.47	2.125	Moodys-Aaa	S&P-AA+
15,000,000.00	3134GTYH0	07/02/2019	FHLMC 2.125 7/2/2021-20	15,000,000.00	100.00	15,003,000.00	105,364.58	15,108,364.58	0.47	2.125	Moodys-Aaa	S&P-AA+
20,000,000.00	3134GTXT5	07/02/2019	FHLMC 2.125 7/2/2021-20	20,000,000.00	100.00	20,005,800.00	140,486.11	20,146,286.11	0.63	2.125	Moodys-Aaa	S&P-AA+
15,000,000.00	3134GUJK7	10/15/2019	FHLMC 2.15 10/15/2024-20	15,000,000.00	100.00	14,968,800.00	14,333.33	14,983,133.33	0.47	2.150	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GBM74	09/29/2017	FHLMC 2.15 9/29/2022-18	24,975,000.00	99.90	25,005,750.00	47,777.78	25,053,527.78	0.78	2.171	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GUDD9	09/19/2019	FHLMC 2.25 9/19/2024-19	25,000,000.00	100.00	24,999,500.00	65,625.00	25,065,125.00	0.78	2.250	Moodys-Aaa	S&P-AA+
15,000,000.00	3134GTE58	07/15/2019	FHLMC 2.275 7/15/2024-20	15,000,000.00	100.00	15,037,500.00	100,479.17	15,137,979.17	0.47	2.275	Moodys-Aaa	S&P-AA+
20,000,000.00	3134GTSC8	06/06/2019	FHLMC 2.67 6/6/2024-19	20,000,000.00	100.00	20,009,200.00	215,083.33	20,224,283.33	0.63	2.670	Moodys-Aaa	S&P-AA+
25,000,000.00	3134G95C7	08/02/2016	FHLMC Step 8/2/2021-17	25,000,000.00	100.00	24,944,000.00	92,708.33	25,036,708.33	0.78	1.615	Moodys-Aaa	S&P-AA+
15,000,000.00	3135G0R96	11/29/2016	FNMA 1.15 11/29/2019-17	14,854,500.00	99.03	14,994,600.00	72,833.33	15,067,433.33	0.47	1.482	Moodys-Aaa	S&P-AA+
15,000,000.00	3135G0R96	11/29/2016	FNMA 1.15 11/29/2019-17	14,854,500.00	99.03	14,994,600.00	72,833.33	15,067,433.33	0.47	1.482	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G4FY4	11/08/2016	FNMA 1.25 11/8/2019-17	24,996,250.00	99.99	24,998,000.00	150,173.61	25,148,173.61	0.78	1.255	Moodys-Aaa	S&P-AA+
15,000,000.00	3135G0F73	11/30/2018	FNMA 1.5 11/30/2020	14,617,500.00	97.45	14,984,850.00	93,750.00	15,078,600.00	0.47	2.820	Moodys-Aaa	S&P-AA+
10,000,000.00	3135G0F73	11/30/2018	FNMA 1.5 11/30/2020	9,748,850.00	97.49	9,989,900.00	62,500.00	10,052,400.00	0.31	2.800	Moodys-Aaa	S&P-AA+
25,000,000.00	3135G0T29	02/28/2017	FNMA 1.5 2/28/2020	24,967,500.00	99.87	24,991,750.00	65,625.00	25,057,375.00	0.78	1.544	Moodys-Aaa	S&P-AA+
20,000,000.00	3135G0D75	12/22/2017	FNMA 1.5 6/22/2020	19,780,000.00	98.90	19,983,400.00	107,500.00	20,090,900.00	0.63	1.953	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G4CW1	09/30/2016	FNMA 1.5 9/30/2021-17	24,987,000.00	99.95	24,919,000.00	31,250.00	24,950,250.00	0.78	1.511	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G4DK6	09/30/2016	FNMA 1.51 9/30/2021-17	25,000,000.00	100.00	24,931,250.00	31,458.33	24,962,708.33	0.78	1.510	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G4EG4	10/12/2016	FNMA 1.55 10/12/2021-17	25,000,000.00	100.00	24,951,750.00	20,451.39	24,972,201.39	0.78	1.550	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G34M4	08/24/2016	FNMA 1.55 8/24/2021-17	24,987,500.00	99.95	24,959,750.00	72,118.06	25,031,868.06	0.78	1.560	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G35Q4	09/15/2016	FNMA 1.55 9/15/2021-17	24,975,000.00	99.90	24,958,250.00	49,513.89	25,007,763.89	0.78	1.571	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G3T21	07/27/2016	FNMA 1.6 7/27/2021-17	25,000,000.00	100.00	24,991,750.00	104,444.44	25,096,194.44	0.78	1.600	Moodys-Aaa	S&P-AA+
25,000,000.00	3136G4PK3	09/28/2017	FNMA 1.75 9/28/2020-18	24,995,000.00	99.98	25,018,500.00	40,104.17	25,058,604.17	0.78	1.757	Moodys-Aaa	S&P-AA+
25,000,000.00	3135G0H55	12/28/2017	FNMA 1.875 12/28/2020	24,898,600.00	99.59	25,071,250.00	160,156.25	25,231,406.25	0.78	2.015	Moodys-Aaa	S&P-AA+
20,000,000.00	3135G0T45	04/05/2018	FNMA 1.875 4/5/2022	19,490,000.00	97.45	20,146,400.00	27,083.33	20,173,483.33	0.63	2.550	Moodys-Aaa	S&P-AA+
2,316,140,000.00				2,312,593,440.06		2,319,639,703.50	9,151,326.16	2,328,791,029.66	72.63	1.892		
TOTAL PORTFOLIO /AVERAGE												
3,188,928,523.33				3,179,921,638.04		3,190,849,925.33	9,377,987.14	3,200,227,912.47	100	1.941		

San Joaquin County

TRANSACTION SUMMARY

From October 1, 2019 to October 31, 2019

Security	Security	YTM @	Trade	Settlement	Maturity	Quantity	Principal	Price	Interest/Dividends	Total	Broker/Dealer
PURCHASES											
Apple 0 10/29/2019	03785EXV1	1.731	10/15/2019	10/15/2019	10/29/2019	25,000,000.00	24,983,180.56	99.932722	0.00	24,983,180.56	BNP Paribas Securities
Apple 0 3/5/2020	03785DC53	1.763	10/08/2019	10/08/2019	03/05/2020	25,000,000.00	24,818,923.61	99.275694	0.00	24,818,923.61	Bank of the West
Chevron 0 11/26/2019	16677KYS6	1.885	10/01/2019	10/02/2019	11/26/2019	50,000,000.00	49,856,388.89	99.712778	0.00	49,856,388.89	BNP Paribas Securities
Exxon Mobil 0 12/3/2019	30229BZ34	1.855	10/15/2019	10/15/2019	12/03/2019	10,000,000.00	9,974,819.44	99.748194	0.00	9,974,819.44	BNP Paribas Securities
Exxon Mobil 0 12/4/2019	30229BZ42	1.855	10/10/2019	10/11/2019	12/04/2019	25,000,000.00	24,930,625.00	99.7225	0.00	24,930,625.00	BNP Paribas Securities
FFCB 1.6 12/28/2021	3133EK3V6	1.605	10/25/2019	10/28/2019	12/28/2021	25,000,000.00	24,997,500.00	99.99	0.00	24,997,500.00	Bank of the West
FFCB 2.15 4/22/2024-20	3133EK3L8	2.150	10/15/2019	10/22/2019	04/22/2024	25,000,000.00	25,000,000.00	100	0.00	25,000,000.00	Union Bank
FHLB 0 12/10/2019	313384QH5	1.695	10/08/2019	10/09/2019	12/10/2019	25,000,000.00	24,927,236.11	99.708944	0.00	24,927,236.11	BNP Paribas Securities
FHLB 0 12/11/2019	313384QJ1	1.643	10/29/2019	10/29/2019	12/11/2019	25,000,000.00	24,951,027.78	99.804111	0.00	24,951,027.78	BNP Paribas Securities
FHLB 0 12/13/2019	313384QL6	1.643	10/29/2019	10/29/2019	12/13/2019	25,000,000.00	24,948,750.00	99.795	0.00	24,948,750.00	BNP Paribas Securities
FHLB 0 2/21/2020	313384TJ8	1.589	10/17/2019	10/17/2019	02/21/2020	25,000,000.00	24,860,652.78	99.442611	0.00	24,860,652.78	BNP Paribas Securities
FHLB 0 3/20/2020	313384UN7	1.560	10/17/2019	10/17/2019	03/20/2020	25,000,000.00	24,833,159.72	99.332639	0.00	24,833,159.72	BNP Paribas Securities
FHLB 0 3/6/2020	313384TY5	1.590	10/17/2019	10/17/2019	03/06/2020	25,000,000.00	24,845,291.67	99.381167	0.00	24,845,291.67	BNP Paribas Securities
FHLB 0 4/3/2020	313384VC0	1.561	10/17/2019	10/17/2019	04/03/2020	25,000,000.00	24,818,090.28	99.272361	0.00	24,818,090.28	BNP Paribas Securities
FHLB 0 5/15/2020	313384WW5	1.574	10/28/2019	10/28/2019	05/15/2020	25,000,000.00	24,783,333.33	99.133333	0.00	24,783,333.33	BNP Paribas Securities
FHLB 1.68 10/18/2023-21	3130AHDS9	1.680	10/16/2019	10/18/2019	10/18/2023	25,000,000.00	25,000,000.00	100	0.00	25,000,000.00	Wells Fargo
FHLB 2.02 10/30/2024-20	3130AHGB3	2.020	10/30/2019	10/30/2019	10/30/2024	10,000,000.00	10,000,000.00	100	0.00	10,000,000.00	Raymond James
FHLB 2.05 10/30/2024-20	3130AHFJ7	2.050	10/30/2019	10/30/2019	10/30/2024	10,000,000.00	10,000,000.00	100	0.00	10,000,000.00	Raymond James
FHLMC 1.65 10/29/2021-20	3134GUMQ0	1.650	10/28/2019	10/29/2019	10/29/2021	20,000,000.00	20,000,000.00	100	0.00	20,000,000.00	BNP Paribas Securities
FHLMC 2.15 10/15/2024-20	3134GUJK7	2.150	10/10/2019	10/15/2019	10/15/2024	15,000,000.00	15,000,000.00	100	0.00	15,000,000.00	UBS Financial Services
Walmart 0 11/12/2019	93114FYC2	1.843	10/09/2019	10/09/2019	11/12/2019	20,000,000.00	19,965,244.44	99.826222	0.00	19,965,244.44	BNP Paribas Securities
Walmart 0 11/18/2019	93114FYJ7	1.823	10/16/2019	10/17/2019	11/18/2019	30,000,000.00	29,951,466.67	99.838222	0.00	29,951,466.67	Union Bank
Sub Total / Average Buy						515,000,000.00	513,445,690.28		0.00	513,445,690.28	
CALLED											
FFCB 2.06 12/14/2020-18	3133EH3A9	0.000	10/10/2019	10/10/2019	12/14/2020	15,000,000.00	15,000,000.00	0.00	99,566.67	15,099,566.67	Wells Fargo
FFCB 2.28 6/27/2022-19	3133EKTB2	0.000	10/09/2019	10/09/2019	06/27/2022	15,000,000.00	15,000,000.00	0.00	96,900.00	15,096,900.00	Raymond James
FFCB 2.47 7/1/2024-19	3133EKSX5	0.000	10/11/2019	10/11/2019	07/01/2024	25,000,000.00	25,000,000.00	0.00	171,527.78	25,171,527.78	Union Bank
FHLB 2.52 10/9/2020-19	3130AG5X9	0.000	10/09/2019	10/09/2019	10/09/2020	10,000,000.00	10,000,000.00	0.00	0.00	10,000,000.00	Wells Fargo
FHLMC 2.25 7/15/2021-19	3134GTA60	0.000	10/15/2019	10/15/2019	07/15/2021	25,000,000.00	25,000,000.00	0.00	140,625.00	25,140,625.00	BNP Paribas Securities
FHLMC 2.7 10/11/2022-19	3134GTFS7	0.000	10/11/2019	10/11/2019	10/11/2022	10,000,000.00	10,000,000.00	0.00	0.00	10,000,000.00	UBS Financial Services
Sub Total / Average Called						100,000,000.00	100,000,000.00		508,619.45	100,508,619.45	
INTEREST											
FFCB 1.6 4/6/2020	3133EHEZ2	0.000	10/06/2019	10/06/2019	04/06/2020	0.00	0.00	0.00	200,000.00	200,000.00	BNP Paribas Securities
FFCB 1.85 10/2/2020	3133EKTN6	0.000	10/02/2019	10/02/2019	10/02/2020	0.00	0.00	0.00	92,500.00	92,500.00	Wells Fargo
FFCB 2.44 4/9/2021-20	3133EKGL4	0.000	10/09/2019	10/09/2019	04/09/2021	0.00	0.00	0.00	305,000.00	305,000.00	Union Bank
FHLB 1.375 10/26/2020-17	3130A9UQ2	0.000	10/26/2019	10/26/2019	10/26/2020	0.00	0.00	0.00	103,125.00	103,125.00	BNP Paribas Securities
FHLB 1.57 4/29/2020-16	3130A6PT8	0.000	10/29/2019	10/29/2019	04/29/2020	0.00	0.00	0.00	78,500.00	78,500.00	BNP Paribas Securities
FHLB 2.52 10/9/2020-19	3130AG5X9	0.000	10/09/2019	10/09/2019	10/09/2020	0.00	0.00	0.00	126,000.00	126,000.00	Wells Fargo
FHLMC 1.61 10/12/2021-17	3134GASH8	0.000	10/12/2019	10/12/2019	10/12/2021	0.00	0.00	0.00	201,250.00	201,250.00	UBS Financial Services
FHLMC 1.625 10/30/2019-18	3134GBR95	0.000	10/30/2019	10/30/2019	10/30/2019	0.00	0.00	0.00	81,250.00	81,250.00	Union Bank
FHLMC 1.65 10/18/2021-17	3134GASW5	0.000	10/18/2019	10/18/2019	10/18/2021	0.00	0.00	0.00	165,000.00	165,000.00	UBS Financial Services
FHLMC 1.65 10/21/2021-17	3134GASX3	0.000	10/21/2019	10/21/2019	10/21/2021	0.00	0.00	0.00	206,250.00	206,250.00	BNP Paribas Securities
FHLMC 2.7 10/11/2022-19	3134GTFS7	0.000	10/11/2019	10/11/2019	10/11/2022	0.00	0.00	0.00	135,000.00	135,000.00	UBS Financial Services
FNMA 1.4 10/29/2019-16	3136G2SD0	0.000	10/29/2019	10/29/2019	10/29/2019	0.00	0.00	0.00	70,000.00	70,000.00	Wells Fargo
FNMA 1.55 10/12/2021-17	3136G4EG4	0.000	10/12/2019	10/12/2019	10/12/2021	0.00	0.00	0.00	193,750.00	193,750.00	BNP Paribas Securities
FNMA 1.875 4/5/2022	3135G0T45	0.000	10/05/2019	10/05/2019	04/05/2022	0.00	0.00	0.00	187,500.00	187,500.00	BNP Paribas Securities
Sub Total / Average Interest						0.00	0.00		2,145,125.00	2,145,125.00	
MATURED											
Apple 0 10/1/2019	03785EX17	0.000	10/01/2019	10/01/2019	10/01/2019	35,000,000.00	35,000,000.00	0.00	0.00	35,000,000.00	BNP Paribas Securities
Apple 0 10/29/2019	03785EXV1	0.000	10/29/2019	10/29/2019	10/29/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
Eli Lilly 0 10/16/2019	53245QXG6	0.000	10/16/2019	10/16/2019	10/16/2019	50,000,000.00	50,000,000.00	0.00	0.00	50,000,000.00	BNP Paribas Securities
Exxon Mobil 0 10/7/2019	30229BX77	0.000	10/07/2019	10/07/2019	10/07/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
FFCB 0 10/22/2019	313312NG1	0.000	10/22/2019	10/22/2019	10/22/2019	10,000,000.00	10,000,000.00	0.00	0.00	10,000,000.00	BNP Paribas Securities
FHLB 0 10/1/2019	313384MK2	0.000	10/01/2019	10/01/2019	10/01/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
FHLB 0 10/17/2019	313384NB1	0.000	10/17/2019	10/17/2019	10/17/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
FHLB 0 10/28/2019	313384NN5	0.000	10/28/2019	10/28/2019	10/28/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
FHLB 0 10/29/2019	313384NP0	0.000	10/29/2019	10/29/2019	10/29/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
FHLB 0 10/4/2019	313384MN6	0.000	10/04/2019	10/04/2019	10/04/2019	20,000,000.00	20,000,000.00	0.00	0.00	20,000,000.00	BNP Paribas Securities
FHLB 0 10/7/2019	313384MR7	0.000	10/07/2019	10/07/2019	10/07/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities

FHLMC 0 10/18/2019	313396NC3	0.000	10/18/2019	10/18/2019	10/18/2019	25,000,000.00	25,000,000.00	0.00	0.00	25,000,000.00	BNP Paribas Securities
FHLMC 1.625 10/30/2019-18	3134GBR95	0.000	10/30/2019	10/30/2019	10/30/2019	10,000,000.00	10,000,000.00	0.00	0.00	10,000,000.00	Union Bank
FNMA 1.4 10/29/2019-16	3136G2SD0	0.000	10/29/2019	10/29/2019	10/29/2019	10,000,000.00	10,000,000.00	0.00	0.00	10,000,000.00	Wells Fargo
Walmart 0 10/16/2019	93114FXG4	0.000	10/16/2019	10/16/2019	10/16/2019	30,000,000.00	30,000,000.00	0.00	0.00	30,000,000.00	Union Bank
Sub Total / Average Matured						365,000,000.00	365,000,000.00		0.00	365,000,000.00	