NEW ISSUE – BOOK ENTRY ONLY **RATINGS:**
S&P: Insured: "AA"/Underlying: "A+"
(See "RATINGS" herein.)

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolution authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof. See "TAX MATTERS" herein.

$5,980,000
WINTERS JOINT UNIFIED SCHOOL DISTRICT
(Counties of Solano and Yolo, California)
2020 GENERAL OBLIGATION REFUNDING BONDS
(Bank Qualified)

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

The Winters Joint Unified School District (Counties of Solano and Yolo, California) 2020 General Obligation Refunding Bonds (the "Bonds") are being issued by the Winters Joint Unified School District (the "District") to (i) refund a portion of the District's outstanding 2010 General Obligation Refunding Bonds and a portion of the outstanding General Obligation Bonds, 2014 Election, 2014 Series A (together, the "Refunded Bonds") and (ii) pay certain costs of issuance associated therewith, as more fully described herein under the caption "PLAN OF REFUNDING." The Bonds are issued on a parity basis with all other outstanding general obligation bonds of the District.

The Bonds are general obligations of the District only and are not obligations of the County of Solano or the County of Yolo (together, the "Counties"), the State of California or any of its other political subdivisions. The Board of Supervisors of each of the Counties has the power and is obligated to levy and collect *ad valorem* property taxes without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2020. See ''THE BONDS'' herein.

The Bonds will be issued in book-entry form only, in denominations of $5,000 or integral multiples thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System."

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company. See "BOND INSURANCE" herein and "APPENDIX G –SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

MATURITY SCHEDULE
On Inside Cover

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

The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Dannis Woliver Kelley, Long Beach, California, Bond Counsel, and certain other conditions. Dannis Woliver Kelley, Long Beach, California, is also acting as Disclosure Counsel to the District. Certain matters will be passed upon for the underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds will be available for delivery in definitive form in New York, New York, through the facilities of DTC on or about May 4, 2020.

D|A DAVIDSON
D.A. Davidson & Co. member SIPC

The Date of this Official Statement is: March 31, 2020.

MATURITY SCHEDULE

$5,980,000
Winters Joint Unified School District
(Counties of Solano and Yolo, California)
2020 General Obligation Refunding Bonds
(Bank Qualified)

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] (976095)
2020	$370,000	3.000%	1.350%	JG5
2021	345,000	3.000	1.500	JH3
2022	360,000	3.000	1.560	JJ9
2023	430,000	3.000	1.620	JK6
2024	200,000	3.000	1.630	JL4
2025	215,000	3.000	1.670	JM2
2026	105,000	3.000	1.700	JN0

$385,000 2.000% Term Bonds due August 1, 2029; Yield 2.100%; CUSIP[1] 976095 JP5

$505,000 2.250% Term Bonds due August 1, 2032; Yield 2.550%; CUSIP[1] 976095 JQ3

$640,000 4.000% Term Bonds due August 1, 2035; Yield 2.080%*; CUSIP[1] 976095 JR1

$530,000 4.000% Term Bonds due August 1, 2037; Yield 2.230%*; CUSIP[1] 976095 JS9

$1,895,000 3.000% Term Bonds due August 1, 2043; Yield 3.110%; CUSIP[1] 976095 JT7

* Yield to par call on August 1, 2027.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Counties of Solano and Yolo, State of California

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Dannis Woliver Kelley
Long Beach, California

Municipal Advisor

Isom Advisors, a Division of Urban Futures, Incorporated
Walnut Creek,, California

Paying Agent, Transfer Agent, Registration Agent and Escrow Agent

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

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

* Dr. Cutler has announced that he will be leaving the District as of June 30, 2020. The District is beginning the search for a new Superintendent and intends to have a new Superintendent in place by July 1, 2020.

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

No dealer, broker, salesperson or other person has been authorized by the Winters Joint Unified School District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by the County of Yolo, the County of Yolo has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "THE YOLO COUNTY POOLED INVESTMENT FUND."

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

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

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, institutional investors, banks or others at prices lower or higher than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The 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 Bonds have not been registered or qualified under the securities laws of any state.

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

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

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 Bonds.

$5,980,000
WINTERS JOINT UNIFIED SCHOOL DISTRICT
(Counties of Solano and Yolo, California)
2020 GENERAL OBLIGATION REFUNDING BONDS
(Bank Qualified)

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, inside cover 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 Bonds to potential investors is made only by means of the entire Official Statement.

The Winters Joint Unified School District (the "District") proposes to issue $5,980,000 aggregate principal amount of its 2020 General Obligation Refunding Bonds (the "Bonds") in order to (i) refund its 2010 General Obligation Refunding Bonds (the "2010 Refunding Bonds") maturing on July 1, 2020 through July 1, 2025, inclusive, (ii) refund its General Obligation Bonds, 2014 Election, 2014 Series A (the "2014 Series A Bonds"), maturing August 1, 2023 through August 1, 2044, and (iii) pay certain costs of issuance associated therewith. See "PLAN OF REFUNDING" herein.

The 2010 Refunding Bonds were issued to refund a portion of the District's General Obligation Bonds, Election of 1997, Series 1998 (the "1998 Bonds") and a portion of the District's General Obligation Bonds, 1997 Election, Series 2000 (the "2000 Bonds"), each of which was issued pursuant to an authorization for the issuance and sale of not to exceed $5,500,000 of general obligation bonds approved by the qualified voters of the District voting on the proposition at a general election held on November 4, 1997 (the "1997 Authorization"), pursuant to which no additional general obligation bonds remain for issuance.

The 2014 Series A Bonds were issued pursuant to an authorization for the issuance and sale of not to exceed $15,000,000 of general obligation bonds approved by the qualified voters of the District voting on the proposition at a general election held on June 3, 2014 (the " 2014 Authorization"), pursuant to which no additional general obligation bonds remain for issuance. The Bonds are not counted against the 1997 Authorization or the 2014 Authorization and therefore, the District may issue the Bonds, as well as additional refunding bonds in the future, to refund outstanding general obligation bonds issued pursuant to the 1997 Authorization and 2014 Authorization.

The Bonds are issued on a parity basis with all outstanding general obligation bonds of the District.

Registration

The Bank of New York Mellon Trust Company, N.A. will act as the initial registrar, transfer agent and paying agent for the Bonds (the "Paying Agent"). As long as The Depository Trust Company, New York, New York ("DTC") is the registered owner of the Bonds and DTC's book entry-method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. See "THE BONDS – Description of the Bonds" herein.

The District

The District was established in 1965 and is located in the southwest portion of Yolo County and the northern portion of Solano County. The District is comprised of the City of Winters and unincorporated areas of the County of Yolo and the County of Solano. Approximately 81.1% of the total assessed value of the District is derived from property in Yolo County while approximately 18.9% of the total assessed value is derived from property in Solano County. The District is located approximately 30 miles west of the City of Sacramento and 68 miles northeast of the City of San Francisco. The District operates six schools including one preschool center, one elementary school providing transitional kindergarten through second grade education services, one intermediate school providing third through fifth grade education services, one middle school providing sixth through eighth grade education services, one high school and one continuation school. The District's budgeted average daily attendance ("ADA") for fiscal year 2019-20 is 1,494 students and the District has a 2019-20 total assessed valuation of $1,229,555,873. The District's audited financial statements for the fiscal year ended June 30, 2019 are attached hereto as APPENDIX B. For further information concerning the District, see the caption "WINTERS JOINT UNIFIED SCHOOL DISTRICT" herein.

Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of each of the Counties is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal and interest on the Bonds when due. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

Continuing Disclosure

The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the District in connection with the Bonds. See "THE BONDS – Continuing Disclosure Agreement," "CONTINUING DISCLOSURE" herein and APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT hereto.

Professionals Involved in the Offering

Dannis Woliver Kelley, Long Beach, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, is acting as registrar, transfer agent and paying agent for the Bonds as well as escrow agent for the Refunded Bonds. Isom Advisors, a Division of Urban Futures, Incorporated, is acting as Municipal Advisor to the District in connection with the issuance of the Bonds. Dannis Woliver Kelley, Isom Advisors, a Division of Urban Futures, Incorporated, and The Bank of New York Mellon Trust Company, N.A will receive compensation from the District contingent upon the sale and delivery of the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Closing Date

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about May 4, 2020.

Bank Qualified

The District has designated the Bonds as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct a portion of such institution's interest expense allocable to such qualified tax-exempt obligations, all as determined in accordance with Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

THE BONDS

Authority for Issuance

The Bonds are being issued by the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Articles 9 and 11 of the Government Code (commencing with Section 53550) (the "Act") and pursuant to a resolution of the Board of Trustees of the District adopted on March 5, 2020 (the "Resolution").

Purpose of Issue

The net proceeds of the Bonds will be applied to refund the Refunded Bonds. See "PLAN OF REFUNDING" herein.

Description of the Bonds

The Bonds will be dated their date of delivery and will be issued only as fully registered bonds in denominations of $5,000 principal amount or integral multiples thereof.

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

Book-Entry Only System

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

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or by wire transfer of same day funds by The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. See APPENDIX F – BOOK-ENTRY ONLY SYSTEM herein.

Payment of the Bonds

Interest on the Bonds is payable commencing August 1, 2020, and semiannually thereafter on February 1 and August 1 of each year (each, an "Interest Payment Date"). The Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof.

Interest on each Bond shall accrue from its dated date at the interest rates applicable thereto as set forth on the inside cover page hereof. Interest shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date (the "Record Date"). Interest will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of $1,000,000 or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2029 may be redeemed before maturity at the option of the District, in whole or in part, from any source of available funds, on any date on or after August 1, 2027 at a redemption price equal to the par amount to be redeemed, plus accrued interest to the date of redemption, without premium.

Mandatory Redemption. The Bonds maturing on August 1, 2029 are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2027	$115,000
2028	130,000
2029[(1)]	140,000

(1) Maturity.

In the event that a portion of the Bonds maturing on August 1, 2029 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

The Bonds maturing on August 1, 2032 are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2030	$155,000
2031	170,000
2032[(1)]	180,000

(1) Maturity.

In the event that a portion of the Bonds maturing on August 1, 2032 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

The Bonds maturing on August 1, 2035 are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2033	$195,000
2034	215,000
2035[(1)]	230,000

(1) Maturity.

In the event that a portion of the Bonds maturing on August 1, 2035 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

The Bonds maturing on August 1, 2037 are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2036	$255,000
2037[1]	275,000

[1] Maturity.

In the event that a portion of the Bonds maturing on August 1, 2037 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

The Bonds maturing on August 1, 2043 are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed
2038	$295,000
2039	320,000
2040	295,000
2041	310,000
2042	330,000
2043[1]	345,000

[1] Maturity.

In the event that a portion of the Bonds maturing on August 1, 2043 are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

Selection of Bonds for Redemption

If less than all of the Bonds are subject to such redemption and are called for redemption, such Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Bonds of any given maturity are called for redemption, the portions of such Bonds of a given maturity to be redeemed shall be determined by lot.

Notice of Redemption

When redemption is authorized, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall give notice of the redemption of the Bonds. Such redemption notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount, as appropriate, of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such redemption notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date in the case of Bonds, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Right to Rescind Notice of Redemption

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

Effect of Notice of Redemption

Notice having been given as required in the Resolution, and the moneys for redemption (including the interest to the applicable date of redemption) having been set aside for payment of the redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given, then from and after such redemption date, interest on the Bonds to be redeemed shall cease to accrue and become payable.

Transfer and Exchange

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

Defeasance

If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways: (a) by well and truly paying or causing to be paid the principal of and interest on all Bonds Outstanding, as and when the same become due and payable; (b) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or (c) by depositing with an institution to act as escrow agent selected by the District and which meets the requirements of serving as Paying Agent pursuant to the Resolution, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and described under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the District, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; then all obligations of the District and the Paying Agent under the Resolution with respect to such Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under the Resolution.

Continuing Disclosure Agreement

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the District will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in the form of APPENDIX D hereto, on or prior to the delivery of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain information as set forth therein. See "CONTINUING DISCLOSURE" herein and APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT hereto.

SOURCES AND USES OF FUNDS

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

Sources of Funds	
Principal Amount of Bonds	$5,980,000.00
Net Original Issue Premium	162,475.65
Total Sources	$6,142,475.65
Uses of Funds	
Deposit to Escrow Fund	$5,912,311.25
Costs of Issuance[1]	230,164.40
Total Uses	$6,142,475.65

(1) Includes payment of bond insurance premium, Underwriter's discount, Bond and Disclosure Counsel fees, municipal advisory fees, paying agent fees, rating agency fees and other costs of issuance.

District Investments

The Yolo County Treasurer-Tax Collector (the "Treasurer") manages, in accordance with California Government Code Section 53600 et seq., funds deposited with the Treasurer by school and community college districts located in the County of Yolo (the "County"), various special districts, and some cities within the State of California. State law generally requires that all moneys of the County, school and community college districts and certain special districts located in the County be held in the County's pooled investment fund (the "Pooled Investment Fund").

The composition and value of investments under management in the Pooled Investment Fund vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally. For a further discussion of the Pooled Investment Fund, see the caption "THE YOLO COUNTY POOLED INVESTMENT FUND" herein.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULES

The first of the following two tables summarizes the annual principal and interest payments on the Bonds, assuming no optional redemptions. The second table shows the annual debt service payments on all of the District's outstanding general obligation bonds, comprising the 2010 Refunding Bonds, the 2014 Series A Bonds, the General Obligation Bonds, 2014 Election, 2016 Series B (the "2014 Series B Bonds"), the General Obligation Bonds, 2014 Election, 2018 Series C (the "2014 Series C Bonds"), the General Obligation Bonds, 2016 Election, 2017 Series A (the "2016 Series A Bonds"), the General Obligation Bonds, 2018 Election, 2019 Series A (the "2018 Series A Bonds"), the General Obligation Bonds, 2016 Election, 2019 Series B (the "2016 Series B Bonds") and the Bonds, assuming no optional redemptions:

DEBT SERVICE ON THE BONDS

Bond Year Ending August 1	Principal	Interest	Total Debt Service
2020	$370,000	$44,336.77	$414,336.77
2021	345,000	172,362.50	517,362.50
2022	360,000	162,012.50	522,012.50
2023	430,000	151,212.50	581,212.50
2024	200,000	138,312.50	338,312.50
2025	215,000	132,312.50	347,312.50
2026	105,000	125,862.50	230,862.50
2027	115,000	122,712.50	237,712.50
2028	130,000	120,412.50	250,412.50
2029	140,000	117,812.50	257,812.50
2030	155,000	115,012.50	270,012.50
2031	170,000	111,525.00	281,525.00
2032	180,000	107,700.00	287,700.00
2033	195,000	103,650.00	298,650.00
2034	215,000	95,850.00	310,850.00
2035	230,000	87,250.00	317,250.00
2036	255,000	78,050.00	333,050.00
2037	275,000	67,850.00	342,850.00
2038	295,000	56,850.00	351,850.00
2039	320,000	48,000.00	368,000.00
2040	295,000	38,400.00	333,400.00
2041	310,000	29,550.00	339,550.00
2042	330,000	20,250.00	350,250.00
2043	345,000	10,350.00	355,350.00
Total	$5,980,000	$2,257,636.77	$8,237,636.77

WINTERS JOINT UNIFIED SCHOOL DISTRICT
DEBT SERVICE ON ALL OUTSTANDING BONDS[1]

Bond Year Ending August 1	2014 Series B Bonds	2014 Series C Bonds	2016 Series A Bonds	2018 Series A Bonds	2016 Series B Bonds	The Bonds	Total Debt Service
2020	$168,560.00	$330,700.00	$312,863.76	$1,063,387.50	$326,916.15	$414,336.77	$2,616,764.18
2021	173,260.00	262,100.00	320,663.76	750,387.50	844,112.50	517,362.50	2,867,886.26
2022	182,900.00	270,450.00	218,263.76	318,787.50	942,112.50	522,012.50	2,454,526.26
2023	172,100.00	243,500.00	227,823.76	318,787.50	471,712.50	581,212.50	2,015,136.26
2024	181,500.00	252,300.00	237,163.76	328,787.50	484,312.50	338,312.50	1,822,376.26
2025	185,700.00	265,800.00	241,283.76	338,387.50	506,312.50	347,312.50	1,884,796.26
2026	189,800.00	278,850.00	250,293.76	352,587.50	522,312.50	230,862.50	1,824,706.26
2027	198,800.00	285,650.00	258,093.76	361,187.50	542,512.50	237,712.50	1,883,956.26
2028	207,450.00	292,050.00	270,493.76	373,937.50	556,712.50	250,412.50	1,951,056.26
2029	210,875.00	308,050.00	277,293.76	385,937.50	580,112.50	257,812.50	2,020,081.26
2030	219,000.00	313,250.00	289,481.26	402,187.50	597,312.50	270,012.50	2,091,243.76
2031	226,875.00	323,050.00	301,200.00	417,437.50	618,512.50	281,525.00	2,168,600.00
2032	234,500.00	342,250.00	307,450.00	431,687.50	643,512.50	287,700.00	2,247,100.00
2033	241,350.00	350,450.00	322,250.00	444,937.50	662,112.50	298,650.00	2,319,750.00
2034	252,900.00	358,050.00	331,250.00	458,737.50	684,512.50	310,850.00	2,396,300.00
2035	264,000.00	375,050.00	344,650.00	476,737.50	710,512.50	317,250.00	2,488,200.00
2036	268,925.00	391,050.00	357,250.00	493,737.50	734,912.50	333,050.00	2,578,925.00
2037	278,500.00	401,050.00	369,562.50	509,737.50	757,712.50	342,850.00	2,659,412.50
2038	292,550.00	415,250.00	381,125.00	529,737.50	784,787.50	351,850.00	2,755,300.00
2039	301,850.00	425,500.00	391,937.50	548,537.50	815,762.50	368,000.00	2,851,587.50
2040	325,700.00	474,500.00	407,000.00	568,037.50	845,500.00	333,400.00	2,954,137.50
2041	338,650.00	495,250.00	422,500.00	585,787.50	871,500.00	339,550.00	3,053,237.50
2042	351,000.00	514,000.00	436,500.00	606,787.50	905,500.00	350,250.00	3,164,037.50
2043	365,000.00	540,750.00	454,000.00	625,787.50	932,100.00	355,350.00	3,272,987.50
2044	383,000.00	--	468,600.00	649,112.50	966,500.00	--	2,467,212.50
2045	519,800.00	--	482,000.00	670,987.50	1,005,000.00	--	2,677,787.50
2046	535,600.00	--	499,200.00	697,637.50	1,039,500.00	--	2,771,937.50
2047	--	--	--	721,400.00	--	--	721,400.00
2048	--	--	--	747,275.00	--	--	747,275.00
Total	$7,270,145.00	$8,508,900.00	$9,180,193.86	$15,178,462.50	$19,352,378.65	$8,237,636.77	$67,727,716.78

[1] Does not include debt service on the Refunded Bonds to be refunded by the Bonds described herein. See "PLAN OF REFUNDING."

SECURITY FOR THE BONDS

General

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes levied and collected within the District. The Board of Supervisors of each of the Counties has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the respective County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

The District is authorized to issue refunding bonds to refund its outstanding general obligation bonds (including general obligation refunding bonds) under the Government Code (commencing with section 53550 thereof). The Bonds are not counted against the 1997 Authorization or the 2014 Authorization and therefore, the District may issue the Bonds, as well as additional refunding bonds in the future, to refund outstanding general obligation bonds issued pursuant to the 1997 Authorization or the 2014 Authorization.

Property Taxation System

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

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

Restrictions on use of *Ad Valorem* Taxes and Statutory Lien on Debt Service – Senate Bill 222

Under State law, school districts may levy *ad valorem* taxes (in addition to their share of the 1% county tax to pay operating expenses) only to pay principal of and interest on general obligation bonds that, like the Bonds, are approved at an election to finance specified projects or are bonds issued to refund such general obligation bonds. Moreover, State law provides that the *ad valorem* taxes may be levied to pay the principal of and interest on bonds and for no other purpose. Consequently, under State law, the District is not authorized to divert revenue from *ad valorem* taxes levied to pay the Bonds to a purpose other than payment of the Bonds.

Pursuant to Section 53515 of the State Government Code, effective January 1, 2016, and added by California Senate Bill 222 (2015), the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

Pledge of Tax Revenues

Under the Resolution, the District has pledged, as security for the Bonds and the interest thereon, the proceeds from the levy of the *ad valorem* tax which the Counties levy and receive and all interest earnings thereon (the "Pledged Moneys"). The Pledged Moneys shall be used to pay the principal of, premium, if any, and interest on the Bonds when and as the same shall become due and payable.

The Bonds are the general obligations of the District, payable solely from Pledged Moneys and do not constitute an obligation of the County except as provided in the Resolution. No part of any fund or account of the Counties is pledged or obligated to the payment of the Bonds or the interest thereon. Other than the Pledged Moneys, no funds or accounts of the District are pledged to payment of the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix G to this Official Statement.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P,

including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $534.9 million, $132.5 million and $402.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

PLAN OF REFUNDING

The District intends to apply the net proceeds of the sale of the Bonds to (i) refund the 2010 Refunding Bonds maturing on July 1, 2020 through July 1, 2025, inclusive, (ii) refund the 2014 Series A Bonds maturing on August 1, 2023 through August 1, 2044, inclusive and (iii) pay the costs of issuance of the Bonds.

The 2010 Refunding Bonds intended to be refunded are shown in the table below:

WINTERS JOINT UNIFIED SCHOOL DISTRICT
2010 Refunding Bonds
Bonds to be Refunded

Maturity Date (July 1)	CUSIP No. (976095)[1]	Principal Amount to be Refunded	Redemption Date
2020	DR7	$305,000	N/A
2022	DT3	645,000	July 1, 2020
2025	DW6	580,000	July 1, 2020

[1] Copyright 2020, American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number is provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP number.

The 2014 Series A Bonds intended to be refunded are shown in the table below:

WINTERS JOINT UNIFIED SCHOOL DISTRICT
2014 Series A Bonds
Bonds to be Refunded

Maturity Date (August 1)	CUSIP No. (976095)[1]	Principal Amount to be Refunded	Redemption Date
2023	EH8	$60,000	August 1, 2020
2024	EJ4	65,000	August 1, 2020
2025	EK1	75,000	August 1, 2020
2026	EL9	85,000	August 1, 2020
2027	EM7	95,000	August 1, 2020
2028	EN5	110,000	August 1, 2020
2029	EP0	120,000	August 1, 2020
2030	EQ8	135,000	August 1, 2020
2031	ER6	150,000	August 1, 2020
2032	ES4	160,000	August 1, 2020
2033	ET2	180,000	August 1, 2020
2034	EU9	195,000	August 1, 2020
2035	EV7	210,000	August 1, 2020
2036	EW5	230,000	August 1, 2020
2037	EX3	250,000	August 1, 2020
2039[T]	EY1	565,000	August 1, 2020
2044[T]	EZ8	1,545,000	August 1, 2020

[T] Term bonds.

Upon the issuance of the Bonds, the District will deposit the net proceeds of the Bonds into an Escrow Fund (the "Escrow Fund") established pursuant to the Escrow and Deposit Agreement, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") thereunder, in order to i) pay principal of and interest on the 2010 Refunding Bonds maturing on July 1, 2020, ii) redeem the 2010 Refunding Bonds maturing after July 1, 2020 on July 1, 2020 at a redemption price of the principal amount of the 2010 Refunding Bonds to be redeemed plus accrued interest and iii) redeem the 2014 Series A Bonds on August 1, 2020 at a redemption price of 101% of the principal amount of the 2014 Series A Bonds to be redeemed plus accrued interest.

The sufficiency of amounts deposited into the Escrow Fund, together with investment earnings thereon, to effect the payment and redemption of the Refunded Bonds will be verified by Causey Demgen & Moore P.C., certified public accountants (the "Verification Agent"). See the caption "ESCROW VERIFICATION" herein.

As a result of the deposit and application of funds so provided in the Escrow and Deposit Agreement, and assuming the accuracy of the Underwriter's and the Verification Agent's computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for

[1] Copyright 2020, American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number is provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP number.

payment of the Refunded Bonds will be satisfied and discharged. Amounts deposited into the Escrow Fund are not available to pay debt service on the Bonds.

TAX BASE FOR REPAYMENT OF THE BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem taxes levied and collected by the Counties on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the Counties as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

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

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee's fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the fiscal year that are not secured by the assessee's fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer's enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent, if unpaid, on August 31 and are subject to a 10% delinquency penalty. Unsecured property taxes remaining unpaid on October 31 are also subject to an additional penalty of one and one half percent per month on the first day of each month thereafter. The additional penalties shall continue to attach until the time of payment or until the time a court judgment is entered for the amount of unpaid taxes and penalties, whichever occurs first.

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 respective County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

Assessed Valuations

The assessed valuation of property in the District is established by each of the County Assessors, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES" herein.

The State Constitution currently requires a credit of $7,000 of the taxable value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies. Current law also provides, upon application, a basis exemption of $100,000 increased by inflation for veterans with specified disabilities or for unmarried spouses of deceased veterans. The exemption may be raised to $150,000 if the applicant meets the income limit of $40,000.

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

The following tables presents the historical assessed valuation in the portion of the District lying in Yolo County, the portion of the District lying in Solano County and the aggregate assessed valuation in the District since fiscal year 2005-06. The District's total assessed valuation is $1,229,555,873 for fiscal year 2019-20, approximately 81.1% of which is derived from property in Yolo County and approximately 18.9% of which is derived from property in Solano County.

[Remainder of page intentionally left blank]

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Summary of Assessed Valuations
Total District
Fiscal Years 2005-06 Through 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change
2005-06	$664,767,315	$180,023	$25,345,024	$690,292,362	--
2006-07	739,062,287	69,370	24,375,866	763,507,523	10.6%
2007-08	789,809,656	69,370	25,703,158	815,582,184	6.8
2008-09	817,375,026	61,310	34,517,567	851,953,903	4.5
2009-10	812,991,033	92,140	32,095,388	845,178,561	(0.8)
2010-11	765,247,214	92,140	30,605,060	795,944,414	(5.9)
2011-12	767,423,751	92,140	29,561,342	797,077,233	0.1
2012-13	778,753,999	75,890	32,328,362	811,158,251	1.8
2013-14	815,391,729	62,800	38,421,114	853,875,643	5.3
2014-15	869,317,611	62,800	39,449,881	908,830,292	6.4
2015-16	920,542,328	62,800	41,687,416	962,292,544	5.9
2016-17	971,945,702	62,800	46,824,993	1,018,833,495	5.9
2017-18	1,044,702,536	75,340	46,366,042	1,091,143,918	7.1
2018-19	1,106,637,566	141,718	48,099,825	1,154,879,109	5.8
2019-20	1,177,899,962	75,340	51,580,571	1,229,555,873	6.5

Source: California Municipal Statistics, Inc.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Summary of Assessed Valuations
Yolo County Portion
Fiscal Years 2005-06 Through 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change
2005-06	$534,053,825	$155,713	$23,873,507	$558,083,045	--
2006-07	599,305,450	45,060	22,813,670	622,164,180	11.0%
2007-08	638,707,631	45,060	23,975,398	662,728,089	6.5
2008-09	658,992,686	45,060	32,823,430	691,861,176	4.5
2009-10	651,323,223	75,890	30,774,050	682,173,163	(1.4)
2010-11	607,370,368	75,890	29,038,793	636,485,051	(6.7)
2011-12	605,967,720	75,890	27,873,269	633,916,879	(0.04)
2012-13	611,422,337	75,890	30,669,969	642,168,196	1.3
2013-14	639,653,956	62,800	34,823,085	674,539,841	5.0
2014-15	638,989,788	62,800	36,691,877	720,744,465	6.8
2015-16	723,555,315	62,800	38,731,014	762,349,129	5.8
2016-17	770,475,716	62,800	42,368,605	812,907,121	6.6
2017-18	834,548,098	75,340	42,024,907	876,648,345	7.8
2018-19	888,966,588	141,718	43,001,078	932,109,384	6.3
2019-20	953,484,386	75,340	43,943,815	997,503,541	7.0

Source: California Municipal Statistics, Inc.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Summary of Assessed Valuations
Solano County Portion
Fiscal Years 2005-06 Through 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total	Annual % Change
2005-06	$130,713,490	$24,310	$1,471,517	$132,209,317	--
2006-07	139,756,837	24,310	1,562,196	141,343,343	6.9%
2007-08	151,102,025	24,310	1,727,760	152,854,095	8.1
2008-09	158,382,340	16,250	1,694,137	160,092,727	4.7
2009-10	161,667,810	16,250	1,321,338	163,005,398	1.1
2010-11	157,876,846	16,250	1,566,267	159,459,363	(2.2)
2011-12	161,456,031	16,250	1,688,073	163,160,354	0.8
2012-13	167,331,662	0	1,658,393	168,990,055	3.6
2013-14	175,737,773	0	3,598,029	179,335,802	6.1
2014-15	185,327,823	0	2,758,004	188,085,827	4.9
2015-16	196,987,013	0	2,956,402	199,943,415	6.3
2016-17	201,496,986	0	4,456,388	205,926,374	3.0
2017-18	210,154,438	0	4,341,135	214,495,573	4.2
2018-19	217,670,978	0	5,098,747	222,769,725	3.9
2019-20	224,415,576	0	7,636,756	232,052,332	4.2

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as general market decline in property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the Counties to pay the debt service with respect to the Bonds. See "SECURITY FOR THE BONDS."

Recent California Drought Conditions and Wildfires. Water shortfalls resulting from the driest conditions in recorded State history caused Governor Brown, on January 17, 2014, to declare a State-wide Drought State of Emergency for California and directed State officials to take all necessary actions to prepare for water shortages. Following the Governor's declaration, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. Subsequent executive orders and Water Board regulations imposed reductions on water usage in response to the drought conditions. On April 7, 2017, the Governor announced the end of the State-wide drought in all but Fresno, Kings, Tulare and Tuolumne Counties in California but extended conservation measures indefinitely in order to prepare California for fluctuations in water conditions and potential future drought conditions. According to the U.S. Drought Monitor, as of March, 2019, California is not currently experiencing any drought conditions.

Additionally, in fall 2017, summer and fall 2018, and fall 2019, certain portions of the State were affected by large wildfires which destroyed both natural lands and residential and commercial properties and resulted in large-scale property value reductions in the impacted areas. The District was not impacted by the wildfires.

The District cannot make any representation regarding the effects that the drought or fire conditions has had, or may have on the value of taxable property within the District, or to what extent drought or fire could cause disruptions to agricultural production, destroy property, reduce land values and adversely impact other economic activity within the boundaries of the District.

Reassessments and Appeals of Assessed Valuations

Pursuant to California Proposition 8 of November 1978 ("Proposition 8"), property owners may apply for a reduction of their property tax assessment by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, an appeal is filed because the applicant believes that present market conditions (such as lower residential home sale 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. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values 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. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution."

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.

County assessors, at their discretion, may also, from time to time, review certain property types purchased between specific time periods (e.g., all single family homes and condominiums purchased shortly prior to widespread declines in the fair market value of residential real estate within the county, as occurred between 2009 and 2011) and may temporarily reduce the assessed value of qualifying properties to Proposition 8 assessed values without owner appeal therefor.

A property that has been reassessed under Proposition 8, whether pursuant to owner appeal or due to county assessor review, is subsequently reviewed annually to determine its lien date value. Assuming no change in ownership or new construction, and if and as market conditions improve, the assessed value of a property with a Proposition 8 assessed value in place may increase as of each property tax lien date by more than the standard annual inflationary factor growth rate allowed under Article XIIIA (currently, a 2% annual maximum) until such assessed value again equals the Article XIIIA base year value for such property as adjusted for inflation and years of ownership, at which point such property is again taxed pursuant to Article XIIIA and base year values may not be increased by more than the standard Article XIIIA annual inflationary factor growth rate. A change in ownership while a property is subject to a Proposition 8 reassessment assessed valuation will cause such assessed valuation to become fixed as a new Article XIIIA base year value for such property. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution" herein.

No assurance can be given that property tax appeals and reassessments in the future will not significantly reduce the assessed valuation of property within the District.

Assessed Valuation by Land Use

The table below sets forth the assessed valuation of the taxable property within the District by land use for fiscal year 2019-20.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
2019-20 Assessed Valuation and Parcels by Land Use

Non-Residential:	2019-20 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Agricultural	$327,962,894	27.84%	744	21.99%
Commercial	37,055,763	3.15	83	2.45
Vacant Commercial	4,121,635	0.35	21	0.62
Industrial	78,035,711	6.63	23	0.68
Vacant Industrial	2,473,581	0.21	17	0.50
Recreational	192,745	0.02	2	0.06
Government/Social/Institutional	1,779,579	0.15	71	2.10
Miscellaneous	533,667	0.05	3	0.09
Subtotal Non-Residential	$452,155,575	38.39%	964	28.49%
Residential:				
Single Family Residence	$685,442,940	58.19%	2,207	65.22%
Condominiums	1,786,261	0.15	6	0.18
Mobile Home	1,381,530	0.12	53	1.57
Mobile Home Park	3,177,009	0.27	4	0.12
2-4 Residential Units	10,307,697	0.88	49	1.45
5+ Residential Units/Apartments	16,252,312	1.38	21	0.62
Vacant Residential	7,382,638	0.63	80	2.36
Subtotal Residential	$725,730,387	61.61%	2,420	71.51%
Total	$1,177,885,962	100.00%	3,384	100.00%

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

[Remainder of page intentionally left blank]

Assessed Valuation of Single Family Homes

The following table sets forth ranges of assessed valuations of single family homes in the District for fiscal year 2019-20, including the median and average assessed value per single family parcel.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Per Parcel 2019-20 Assessed Valuation of Single Family Homes

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	2,207	$685,442,940	$310,577	$274,977

2019-20 Assessed Valuation	No. of Parcels [(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	10	0.453%	0.453%	$ 178,178	0.026%	0.026%
$25,000 - $49,999	82	3.715	4.169	3,234,424	0.472	0.498
$50,000 - $74,999	62	2.809	6.978	3,854,610	0.562	1.060
$75,000 - $99,999	79	3.580	10.557	6,903,379	1.007	2.067
$100,000 - $124,999	88	3.987	14.545	9,766,509	1.425	3.492
$125,000 - $149,999	87	3.942	18.487	11,949,135	1.743	5.235
$150,000 - $174,999	148	6.706	25.193	24,275,519	3.542	8.777
$175,000 - $199,999	152	6.887	32.080	28,654,836	4.180	12.958
$200,000 - $224,999	155	7.023	39.103	32,760,118	4.779	17.737
$225,000 - $249,999	127	5.754	44.857	30,071,301	4.387	22.124
$250,000 - $274,999	114	5.165	50.023	29,859,376	4.356	26.480
$275,000 - $299,999	98	4.440	54.463	28,094,946	4.099	30.579
$300,000 - $324,999	114	5.165	59.628	35,695,875	5.208	35.787
$325,000 - $349,999	118	5.347	64.975	39,649,403	5.784	41.571
$350,000 - $374,999	101	4.576	69.551	36,603,536	5.340	46.911
$375,000 - $399,999	94	4.259	73.811	36,442,993	5.317	52.228
$400,000 - $424,999	89	4.033	77.843	36,645,791	5.346	57.574
$425,000 - $449,999	90	4.078	81.921	39,296,638	5.733	63.307
$450,000 - $474,999	90	4.078	85.999	41,431,244	6.044	69.352
$475,000 - $499,999	56	2.537	88.536	27,192,370	3.967	73.319
$500,000 and greater	253	11.464	100.000	182,882,759	26.681	100.000
	2,207	100.000%		$685,442,940	100.000%	

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

[Remainder of page intentionally left blank]

Largest Taxpayers

The table below sets forth the largest local secured taxpayers within the District in fiscal year 2019-20.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
2019-20 Largest Total Secured Taxpayers

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total [1]
1.	Mariani Nut Company	Food Processing	$ 61,955,009	5.26%
2.	Bellevue North 250 LLC	Agricultural	17,552,717	1.49
3.	HBT of Winters Highlands LLC	Residential Land	8,386,075	0.71
4.	Pamunkey Yolo 89 LLC	Agricultural	8,318,373	0.71
5.	Pavestone LLC	Industrial	7,933,341	0.67
6.	Martinez Family LP	Agricultural	7,670,751	0.65
7.	Hotel Winters LLC	Hotel	7,614,614	0.65
8.	Crowne Communities Winters CA LLC	Agricultural	7,156,852	0.61
9.	Russell W. & Kathleen Lester	Agricultural	6,909,184	0.59
10.	Stanley E. & Sheri W. Lester	Agricultural	6,834,700	0.58
11.	McNamara R. & Juliet R. Craig	Agricultural	6,517,245	0.55
12.	Chickohominy Lands Inc.	Agricultural	6,431,815	0.55
13.	Haykingdom Inc.	Agricultural	6,185,157	0.53
14.	Putah Creek Land Co. LLC	Agricultural	5,883,339	0.50
15.	Sunsweet Dryers	Food Processing	5,823,285	0.49
16.	Mariani-Bonner LLC	Agricultural	5,176,369	0.44
17.	Paradise Farms LLC	Agricultural	4,883,138	0.41
18.	Martin A. & Theresa M. Mariani	Agricultural	4,825,192	0.41
19.	Mariani Family Trust	Agricultural	4,726,590	0.40
20.	Westside Transplant LLC	Nursery	3,620,799	0.31
			$194,404,545	16.50%

[1] 2019-20 local secured assessed valuation: $ 1,177,885,962
Source: California Municipal Statistics, Inc.

The top 20 taxpayers (on the secured roll) for 2019-20 account for 16.50% of the local secured assessed value in the District which is $1,177,885,962. According to California Municipal Statistics, Inc., the largest secured taxpayer in the District for 2019-20 was Mariani Nut Company, accounting for 5.26% of the total secured assessed value in the District. No other secured taxpayer accounted for more than 1.49% of the total secured assessed value in the District. The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner.

[Remainder of page intentionally left blank]

Tax Rates

The following table sets forth typical tax rates levied in Tax Rate Areas in each of the Counties within the District for fiscal years 2015-16 through 2019-20:

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Typical Tax Rate per $100 Assessed Valuation

Yolo County Portion (TRA 2-012[1])

	2015-16	2016-17	2017-18	2018-19	2019-20
General	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Winters Joint Unified School District	.096000	.092000	.148000	.143000	.160000
Solano Joint Community College District	.034918	.035043	.024425	.038889	.032035
Total	$1.130918	$1.127043	$1.172425	$1.181889	$1.192035

Solano County Portion (TRA 77-000[2])

	2015-16	2016-17	2017-18	2018-19	2019-20
General	$1.000000	$1.000000	$1.000000	$1.000000	$1.000000
Winters Joint Unified School District	.096000	.09 2000	.148000	.143000	.160000
Solano Joint Community College District	.034918	.035043	.024425	.038889	.032035
Total	$1.130918	$1.127043	$1.172425	$1.181889	$1.192035

(1) The 2019-20 assessed valuation of TRA 2-012 is $255,146,005 which is 20.75% of the District's total assessed valuation.
(2) The 2019-20 assessed valuation of TRA 77-000 is $94,790,167 which is 77.09% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

The Teeter Plan

The Boards of Supervisors of the County of Solano and the County of Yolo have approved the implementation of 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 for each County, each County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which such County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which each County acts as the tax-levying or tax-collecting agency, or for which either County Treasury is the legal depository of tax collections.

Under the Teeter Plan, the District will receive 100% of its *ad valorem* property tax levied on the secured roll with respect to the Bonds irrespective of actual delinquencies in the collection of property taxes by either County.

The Teeter Plan of each County is to remain in effect unless the Board of Supervisors of the respective County orders its discontinuance or unless, prior to the commencement of any fiscal year (which commences on July 1), the Board of Supervisors of the respective County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in that County. In the event the Board of Supervisors of either County orders discontinuance of its Teeter Plan, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which that County acts as the tax-levying or tax-collecting agency. In addition, if the delinquency rate for all *ad valorem* property taxes levied within the District exceeds 3%, the Board of Supervisors can terminate the Teeter Plan with respect to the District. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes would depend upon the collection of *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The District is not aware of any petitions for the discontinuance of the Teeter Plan now pending in either of the Counties.

Direct and Overlapping Debt

Numerous local agencies that provide public services overlap the District's service area. These local agencies have outstanding debt in the form of general obligation, lease revenue and special assessment bonds. The following table shows the District's estimated direct and overlapping bonded debt. The statement excludes self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations. The District has not reviewed this table and there can be no assurance as to the accuracy of the information contained in the table; inquiries concerning the scope and methodology of procedures carried out to compile the information presented should be directed to California Municipal Statistics, Inc.

The following table is a statement of the District's direct and estimated overlapping bonded debt as of March 1, 2020:

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Direct and Overlapping Bonded Indebtedness

2019-20 Assessed Valuation: $1,229,555,873

	% Applicable	Debt 3/1/20
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:		
Solano Joint Community College District	2.190%	$ 6,127,088
Winters Joint Unified School District	**100.000**	**38,810,000**(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$44,937,088
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Yolo County Certificates of Participation	3.451%	$1,293,969
Yolo County Board of Education Certificates of Participation	3.451	185,491
Solano County General Fund Obligations	0.400	247,040
Solano County Pension Obligation Bonds	0.400	81,500
Winters Joint Unified School District Certificates of Participation	**100.000**	**3,612,000**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$5,420,000
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$13,370,000
COMBINED TOTAL DEBT		$63,727,088(2)

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

Ratios to 2019-20 Assessed Valuation:
Direct Debt ($38,810,000)..3.16%
Total Direct and Overlapping Tax and Assessment Debt 3.65%
Combined Direct Debt ($42,422,000) 3.45%
Combined Total Debt...5.18%

Ratio to Redevelopment Incremental Valuation ($317,471,327):
Total Overlapping Tax Increment Debt 4.21%

Source: California Municipal Statistics, Inc.

District Financial Information

The information in this section concerning the operations of the District and the District's 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 and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters pursuant to all applicable laws and State Constitutional requirements, and required to be levied by each of the Counties on all taxable property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

State Funding of Education

On June 27, 2013, the State adopted a new method for funding school districts commonly known as the "Local Control Funding Formula." The Local Control Funding Formula ("LCFF") was implemented in stages, beginning in fiscal year 2013-14 and was fully implemented in fiscal year 2018-19. Prior to adoption of the LCFF, the State used a revenue limit system described below.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as a part of the 2013-14 State Budget (defined below) enacted the LCFF beginning in fiscal year 2013-14, which replaced the revenue limit funding system and many categorical programs. See "-Revenue Limit Funding System" below. The LCFF distributes resources to schools through a guaranteed base funding grant (the "Base Grant") per unit of ADA. The average Base Grant is $7,643 per unit of ADA, which is $2,375 more than the average revenue limit. Additional supplemental funding is made available based on the proportion of English language learners, low-income students and foster youth.

Under the LCFF, State allocations are provided on the basis of each Base Grants per unit of ADA assigned to each of four grade spans. Full implementation of the LCFF occurred over a period of several fiscal years and was complete in fiscal year 2018-19. Beginning in fiscal year 2013-14, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

For fiscal year 2019-20, the base grants per unit of A.D.A. for each grade span are as follows: (i) $8,563 for grades K-3; (ii) $7,818 for grades 4-6; (iii) $8,050 for grades 7-8; and (iv) $9,572 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of cost-of-living-adjustments will be subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Following full implementation of the LCFF, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

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

The following table sets forth the historical ADA and enrollment for the District for fiscal years 2010-11 through 2018-19.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Historical ADA and Enrollment
Fiscal Years 2010-11 through 2018-19

Fiscal Year	ADA	Enrollment
2010-11	1,543	1,629
2011-12	1,533	1,609
2012-13	1,450	1,522
2013-14	1,472	1,537
2014-15	1,449	1,521
2015-16	1,462	1,525
2016-17	1,471	1,555
2017-18	1,455	1,531
2018-19	1,471	1,549

The following table sets forth the ADA by grade span, enrollment and the percentage of EL/LI enrollment for fiscal years 2018-19 through 2021-22.

[Remainder of page intentionally left blank]

ADA, ENROLLMENT AND ENGLISH LANGUAGE/LOW INCOME ENROLLMENT
Fiscal Years 2018-19 through 2021-22
Winters Joint Unified School District

	ADA				Enrollment	
Fiscal Year	TK-3	4-6	7-8	9-12	Total Enrollment	% of EL/LI Enrollment
2018-19	485	290	240	457	1,549	69.10%
2019-20[1]	486	324	208	484	1,574	68.87
2020-21[2]	492	331	205	480	1,581	68.73
2021-22[2]	497	345	206	467	1,588	68.48

(1) Budgeted.
(2) Projected.
Source: Winters Joint Unified School District.

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

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

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

Accountability. The State Board of Education has promulgated regulations regarding the expenditure of supplemental and concentration funding, including a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such district on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school district can use supplemental or concentration funding on a school-wide or district-wide basis.

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

Support and Intervention. AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

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

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

Revenue Sources

The District categorizes its general fund revenues into four sources. Each of these revenue sources is briefly described below.

LCFF Sources. State funding under the LCFF consists of Base Grants and supplemental grants as described above. This category also includes local property taxes. See "- State Funding of Education – Local Control Funding Formula" above.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Every Student Succeeds.

Other State Revenues. The District receives some other State revenues. These other State revenues are primarily restricted revenues funding items such as instructional materials, and various block grants.

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 instructional material.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, interagency services and other local sources.

Developer Fees. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. In 2019-20, residential development is assessed a fee of $3.79 per square foot, and commercial development is assessed a fee of $0.61 per square foot. The following table lists the annual developer fees generated since fiscal year 2015-16 and a projection for 2019-20.

DISTRICT DEVELOPER FEES
Fiscal Years 2015-16 through 2019-20
Winters Joint Unified School District

Fiscal Year	Developer Fees Collected
2015-16	$277,545
2016-17	308,517
2017-18	157,944
2018-19	449,538
2019-20	650,000[1]

[1] Projected.
Source: The District.

[Remainder of page intentionally left blank]

The following table presents the District's percentage of general fund revenue by source.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Percentage of Revenue by Source
Fiscal Years 2015-16 through 2019-20

Revenue Source	2015-16	2016-17	2017-18	2018-19	2019-20[(1)]
LCFF sources	77.5%	80.5%	79.2%	78.5%	82.4%
Federal revenues	3.7	4.2	3.9	3.4	4.6
Other State revenues	12.9	9.6	9.5	13.5	8.0
Other local revenues	5.9	5.8	7.4	4.5	4.9

(1) Based on fiscal year 2019-20 First Interim Report.
Source: Winters Joint Unified School District.

Potential Decline in State Revenues

In late 2019, an outbreak of COVID-19, a respiratory virus, occurred in China, and since that time has been spreading globally. The global outbreak, together with measures underway to attempt to limit the spread of COVID-19 imposed by local and federal governments, has caused volatility in financial markets and well as restrictions and closures of many businesses.

On March 13, 2020, responding to the evolving COVID-19 situation, President Trump declared a national emergency, making available more than $50 billion in federal resources to combat the spread of the virus. On March 23, 2020 the Federal Reserve Bank lowered the federal funds rate to between zero and one quarter percent, announced a Treasury security and agency backed-mortgage security buying program and emergency credit and liquidity facilities for financial institutions. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in order to provide relief and stimulus to American businesses and individuals impacted by COVID-19. The CARES Act, in relevant part, i) creates a $349 billion loan program for small businesses, ii) provides a payment of $1,200 to each American earning $75,000 a year or less ($150,000 for couples filing jointly) and $500 for each child, iii) expands eligibility for unemployment and increases benefits by $600 per week for up to four months, iv) designates $339.8 billion for state and local governments with $274 billion for COVID-19 response efforts as well as an additional $13 billion for K-12 schools, v) allocates $500 billion in loans and investments to businesses, including $58 billion to the airline industry, vi) allocates $100 billion to hospitals and health providers and increases Medicare reimbursements for treating coronavirus and vii) delays federal student loan payments until September 2020.

Effect of Covid-19 Response on California School Districts

In response to the outbreak of COVID-19 in the State, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency. The declaration was intended to make additional resources available, formalize emergency actions underway across multiple State agencies and departments, and assist the State in preparing for the spread of COVID-19.

On March 13, the Governor issued Executive Order N-26-20, providing that school districts that initiate a school closure to address COVID-19 shall continue to receive state funding to support all of the following during the period of closure: (1) continued delivery of high-quality educational opportunities to students through, among other options, distance learning and/or independent study; (2) the provision of school meals in noncongregate settings; (3) arrangement for supervision for students during ordinary school hours; and (4) continued payment of school district employees. Executive Order N-26-20 also provides that statutory mandated maintenance of schools for a minimum of 175 days is waived for school districts that initiate a school closure to address COVID-19. On March 16, 2020, the Governor remarked that residents of the State should prepare for most schools to be closed for the remainder of the 2019-20 school year. On March 19, 2020, the Governor issued Executive Order N-33-20, a mandatory statewide shelter-in-place order applicable to all non-essential services.

The District, upon consultation with the County Department of Public Health and County Superintendent of Schools, determined to close its school campuses effective March 16, 2020 through at least May 1, and will monitor the COVID-19 situation as to a decision when to reopen its campus on a day-to-day basis thereafter.

To address the impacts of school closures and the COVID-19 response, the California legislature adopted and the Governor has signed Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117"), which bills take effect immediately. SB 89 amends the Budget Act of 2019 by appropriating $500,000,000 from the State General Fund for any purpose related to the Governor's March 4 Emergency Proclamation. The second bill, SB 117, addresses economic impacts to school districts directly. Among other things, SB 117 provides that, for all school districts that comply with Executive Order N-26-20, attendance during only full school months from July 1, 2019, to February 29, 2020, inclusive, will be reported for apportionment purposes. SB 117 will also hold harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak. SB 117 will also hold harmless grantees operating After School Education and Safety Programs that are prevented from operating such programs due to COVID-19, and credit such Program grantees with the ADA that the grantee would have received had it been able to operate but for COVID-19.

Under the 2019-20 State Budget (defined below), about 70% of the State's general fund revenue is projected to be derived from personal income tax receipts. Additionally, capital gains tax receipts are budgeted to account for about 10% of such receipts in fiscal year 2019-20. Given stock market declines and business closures in response to the COVID-19 outbreak and related shelter in place requirements, it is unknown whether personal income tax or capital gains tax receipts will be sufficient to fund the State budget for fiscal year 2019-20 and 2020-21 at the levels described below in "-State Budget Measures."

As noted in the table above under the caption "DISTRICT FINANCIAL INFORMATION – Revenue Sources," the District receives the large majority of its revenues from LCFF Sources which are comprised of local property taxes and State moneys. Should the State experience a decline in revenue resulting from the impacts of COVID-19, there may be a resulting decline in revenue available for funding school districts.

The District expects the COVID-19 outbreak to escalate locally within California but cannot predict the extent or duration of the outbreak or what impact it may have on District general fund revenues. However, the Bonds are general obligations of the District payable solely from *ad valorem* property taxes and are not payable from the general fund of the District.

Budget Procedures

State Budgeting Requirements. The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. In 2014, Assembly Bill 2585 was enacted, which repealed provisions authorizing schools districts to use a dual budget adoption cycle. Instead, all school districts must be on a single budget cycle. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

The county superintendent will 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, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of all school districts whose budget has been disapproved.

For districts whose budgets have been disapproved, the district must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than November 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reports. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county office of education 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 the subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the 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 the two subsequent fiscal years.

The District has filed positive certifications for each reporting period in the last five years.

General Fund Budget. The District's general fund adopted budgets for fiscal years 2015-16 through 2019-20, audited actuals for the fiscal years 2015-16 through 2018-19, and first interim report for fiscal year 2019-20 are set forth on the following page.

GENERAL FUND BUDGETING
Fiscal Years 2015-16 through 2019-20
Winters Joint Unified School District

	Adopted Budget 2015-16[1]	Audited Actuals 2015-16[1]	Adopted Budget 2016-17[1]	Audited Actuals 2016-17[1]	Adopted Budget 2017-18[1]	Audited Actuals 2017-18[1]	Adopted Budget 2018-19[1]	Audited Actuals 2018-19[1]	Adopted Budget 2019-20[2]	First Interim Report 2019-20[3]
REVENUES										
LCFF Sources	$12,785,614	$12,870,441	$13,697,177	$13,766,577	$16,647,887	$14,115,756	$16,975,791	$15,173,172	$16,302,143	$15,853,279
Federal	599,792	615,574	639,393	715,014	696,186	691,130	640,860	652,237	612,212	888,745
Other State	405,850	2,134,830	1,372,382	1,635,378	890,061	1,696,022	1,565,692	2,614,241	1,288,089	1,548,974
Other Local	803,149	971,425	693,230	986,678	1,121,221	1,309,796	974,293	872,008	853,362	950,931
Total Revenues	$14,594,405	$16,592,270	$16,402,182	$17,103,647	$19,355,355	$17,812,704	$20,156,636	19,311,658	$19,055,806	$19,241,929
EXPENDITURES										
Certificated Salaries	$ 6,665,396	$ 7,094,998	$ 7,615,015	$7,629,425	$7,703,572	$7,725,182	$7,783,797	$7,630,490	$ 8,230,914	$7,979,242
Classified Salaries	2,773,777	2,904,944	2,978,696	3,125,359	3,080,941	3,178,016	3,301,181	3,239,190	3,470,108	3,432,280
Employee Benefits	2,248,002	2,637,876	3,220,975	3,039,424	3,480,989	3,395,932	3,787,894	4,455,320	4,378,756	4,295,681
Books and Supplies	721,448	754,146	840,157	1,084,307	765,488	824,893	579,505	996,652	676,879	955,684
Services, Other Operating Expenses	1,459,158	1,962,146	1,668,598	2,019,010	1,775,024	2,030,052	1,895,705	2,380,494	2,225,756	2,511,331
Capital outlay	62,749	147,325	36,683	324,898	160,780	791,803	55,522	290,942	--	7,247
Other Outgo	257,793	226,779	227,361	91,219	207,232	154,532	212,390	315,948	331,798	352,798
Other Outgo – Transfers of Indirect Costs	(39,780)	(36,329)	(34,151)	--	--	--	--	--	(49,315)	(49,315)
Total Expenditures	$14,148,543	$15,691,885	$16,553,289	$17,313,642	$17,174,026	$18,100,410	$17,615,994	$19,309,036	$19,264,896	$19,484,948
EXCESS (DEFICIENCY) OR REVENUES OVER (UNDER) EXPENDITURES	$ 445,862	$ 900,385	$ (151,107)	$ (209,995)	$ 2,181,329	$ (287,706)	$2,540,642	$2,622	$ (209,090)	$ (243,019)
OTHER FINANCING SOURCES (USES)										
Interfund Transfers in	--	$ 12,083	--	--	--	$ 36,458	--	--	--	--
Interfund transfers out	(87,000)	(88,068)	(104,173)	(118,351)	(104,173)	(82,336)	(135,705)	(96,758)	$ (115,479)	$ (115,479)
Proceeds from debt issuances	--	--	--	--	--	--	--	40,197	--	--
Other sources	--	--	--	--	--	49,877	--	--	--	--
Total Other Financing Sources and Uses	$ (87,000)	$ (75,986)	$ (104,173)	$ (118,351)	$ (104,173)	$ 3,999	$(135,705)	$ (56,561)	$ (115,479)	$ (115,479)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	$ 358,862	$ 824,399	$ (255,280)	$ (328,346)	$ 2,077,156	$ (283,707)	$2,404,937	$ (53,939)	$ (324,569)	$ (358,498)
Beginning Fund Balance, July 1	2,248,479	2,248,479	3,072,878	3,072,878	2,744,532	2,744,532	2,460,825	2,460,825	2,456,761	2,456,761
Fund Balance, June 30	$ 2,607,341	$ 3,072,878	$ 2,817,598	$ 2,744,532	$ 4,821,688	$ 2,460,825	$4,865,762	$ 2,406,886	$ 2,132,192	$2,098,253

1 From the audited financial statements of the District for the given fiscal year.
2 From the adopted budget of the District for fiscal year 2019-20.
3 From the First Interim Report from 2019-20.
Source: The District

Comparative Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2019, and prior fiscal years are on file with the District and available for public inspection by contacting the District at 909 West Grant Avenue, Winters, California 95694. See APPENDIX B hereto for the 2018-19 Audited Financial Statements of the District.

The following table reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2015-16 to fiscal year 2018-19:

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES
Fiscal Years 2015-16 through 2018-19
Winters Joint Unified School District

	2015-16 Audit	2016-17 Audit	2017-18 Audit	2018-19 Audit
REVENUES				
Revenue Limit/LCFF Sources	$12,870,441	$13,766,577	$14,115,756	$15,173,172
Federal Revenues	615,574	715,014	691,130	652,237
Other State Revenues	2,134,830	1,635,378	1,696,022	2,614,241
Other Local Revenues	971,425	986,678	1,309,796	872,008
TOTAL REVENUES	16,592,270	17,103,647	17,812,704	19,311,658
EXPENDITURES				
Certificated salaries	7,094,998	7,629,425	7,725,182	7,630,490
Classified salaries	2,904,944	3,125,359	3,178,016	3,239,190
Employee benefits	2,637,876	3,039,424	3,395,932	4,455,320
Books and supplies	754,146	1,084,307	824,893	996,652
Services and other operating expenditures	1,962,146	2,019,010	2,030,052	2,380,494
Capital Outlay	147,325	324,898	791,803	290,942
Other outgo	190,450	91,219	154,532	315,948
TOTAL EXPENDITURES	15,691,885	17,313,642	18,100,410	19,309,036
Excess (Deficiency) of Revenues Over Expenditures	900,385	(209, 995)	(287,706)	2,622
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	12,083	--	36,458	--
Operating Transfers Out	(88,069)	(118,351)	(82,336)	(96,758)
Proceeds from debt issuances	--	--	49,887	--
Proceeds from capital leases	--	--	--	90,074
TOTAL OTHER FINANCING SOURCES (USES)	(75,986)	(118,351)	3,999	(6,684)
Net Change in Fund Balances	824,399	(328,346)	(283,707)	(4,062)
Fund Balance at Beginning of Year	2,248,479	3,072,878	2,744,532	2,460,825
Fund Balance at End of Year	$ 3,072,878	$ 2,744,532	$ 2,460,825	$2,456,763

Source: The District.

Accounting Practices

The accounting policies 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. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guaranty the accuracy or completeness of this information and has not independently verified such information.

2019-20 State Budget. On June 27, 2019, Governor Gavin Newsom signed the budget for the State for fiscal year 2019-20 (the "2019-20 State Budget"). Under the 2019-20 State Budget, general fund revenues and transfers are forecasted to total $150.6 billion with expenditures reaching $147.8 billion in fiscal year 2019-20. For fiscal year 2018-19, the 2019-20 State Budget includes revenues and transfers of $149.5 billion, an increase of $7.7 billion over the 2018-19 State Budget, and expenditures of $143 billion, approximately $5 billion greater than under the 2018-19 State Budget. The 2019-20 State Budget includes $14.3 billion for reserves and paying down debts which will bring the Rainy Day Fund to $16.5 billion at the end of fiscal year 2019-20. The 2019-20 State Budget also includes a $4.3 billion supplemental contribution to pay down the State's share of unfunded PERS liabilities and STRS liabilities. Current assumptions provide that the school district contribution rate to STRS would decrease from 18.13% to 16.7% in fiscal year 2019-20 and from 19.1% to 18.1% in fiscal year 2020-21 as a result of such one-time payment. See "DISTRICT FINANCIAL INFORMATION - Retirement Systems" herein.

The 2019-20 State Budget allocates total K-12 funding of $103.4 billion ($58.8 billion in Proposition 98 funds and $44.6 billion other funds). Total per-pupil funding would reach $17,423 in 2019-20 from all sources. LCFF funding includes an additional $1.9 billion in the form of a 3.26% COLA.

Significant features of the 2019-20 State Budget pertaining to K-12 education are as follows:

- Charter School Regulation — accountability requirements for charter schools to align governance, transparency and accountability requirements of school districts and charter schools.

- Special Education— $645.3 million Proposition 98 funds for special education allocated among school districts based on children ages 3 to 5 years old with exception needs served by a school district.

- Proposition 51 Bond Funds — $1.5 billion in bond funds to support school construction projects including new construction, modernization, retrofitting, career technical education, and charter school facility projects.

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

- Kindergarten Facilities — $300 million one-time non-Proposition 98 funds to construct new or retrofit existing facilities to support full-day kindergarten programs, which will increase participation in kindergarten by addressing barriers to access.

- New Teacher Grants — $89.8 million one-time non-Proposition 98 funds to provide grants of $20,000 for students enrolled in a professional teacher preparation program who commit to working in a high-need field at a priority school for at least four years.

- After School Education and Safety Program ("ASES") — $50 million ongoing Proposition 98 funds to provide an increase of approximately 8.3% to the per-pupil daily rate for ASES.

- Educator Workforce Grants — $37.1 million for the Educator Workforce Investment Grants for professional development in the following areas i) $22.1 million for social emotional learning, computer science, restorative practices, and ethnic studies; ii) $10 million implementation of the English-Learner Roadmap; iii) $5 million for special education and inclusive practices.

- 21st Century California Leadership Academy — $13.8 million federal funds to establish the 21st Century California Leadership Academy, to provide professional learning opportunities for public K-12 administrators and school leaders to acquire the knowledge, skills, and competencies necessary to successfully support the diverse student population served in California public schools.

- Classified Employees Summer Assistance Program — $36 million one-time Proposition 98 funds to provide a state match for classified employee savings used to provide income during summer months.

- Broadband Infrastructure — $7.5 million one-time non-Proposition 98 funds for broadband infrastructure.

- Longitudinal Data System — $10 million one-time non-Proposition 98 funds to plan for and develop a longitudinal data system to track impacts of investments in educational goals.

Proposed 2020-21 State Budget. Governor Newsom announced his proposal for the budget for the state for fiscal year 2020-21 (the "2020-21 Proposed Budget") on January 10, 2020 citing revenues and transfers for fiscal year 2020-21 of $156.9 billion and expenditures of $153 billion. Any increased revenues over the 2019-20 State Budget are directed to one-time spending (rather than programmatic expansion) in order to remain prepared for the possibility of an economic slowdown in the near future. The 2020-21 Proposed Budget predicts that revenue growth will slow in the next four years as compared to fiscal year 2019-20. The 2020-21 Proposed Budget includes a transfer of nearly $2 billion to the Budget Stabilization Account in 2020-21 and $1.4 billion over the succeeding two years. The Rainy Day Fund is projected to reach $19.4 billion by 2023-24.

Total per-pupil funding for K-12 education under the 2020-21 Proposed Budget is approximately $17,508 for fiscal year 2019-20 and $17,964 for fiscal year 2020-21. Proposition 98 funding totals $84 billion, which is the highest Proposition 98 funding level ever. The Proposed 2020-21 Budget increases LCFF funding $1.2 billion which equates to a 2.29% COLA.

Significant provisions of the 2020-21 Proposed Budget relating to K-12 education include the following:

- Educator Workforce Investment Grants — $350 million one-time Proposition 98 funds for the Educator Workforce Investment Grants for professional learning opportunities for teachers and paraprofessionals in special education; multi-tiered systems of support and mental health interventions; supporting English language learners; social-emotional learning and restorative practices; non-discrimination, anti-bullying, and affirmative supports for marginalized students; and computer science and science, technology, engineering, and math.

- California Collaborative for Educational Excellence — $18 million one-time Proposition 98 funds for the California Collaborative for Educational Excellence ("CCEE") to bolster awareness of available services and supports for all local educational agencies in the topics listed above, to strengthen the capacity of local educational agencies to improve student outcomes in state priority areas.

- Workforce Development Grant Program — $193 million one-time Proposition 98 funds to address workforce shortages in high-need subjects and areas.

- Teacher Residency Program — $175 million one-time Proposition 98 funds for locally sponsored, one-year intensive, mentored, clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need subject areas in high-need communities.

- California Teacher Credential Award Program — $100 million one-time Proposition 98 funds for $20,000 stipends for fully credentialed teachers who complete four years of teaching service in a high-need subject at a high-need school.

- California Classified School Employees Credentialing Program — $64.1 million one-time Proposition 98 funds to provides grants to K-12 local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.

- Exceptional Needs Preschoolers —$250 million ongoing Proposition 98 funds on a one-time basis to school districts based on the number of children ages 3 to 5 years with exceptional needs to increase or improve services for such children.

- SELPAs — $500,000 one-time Proposition 98 funds for a study of the current special education local plan area governance and accountability structure, and $600,000 one-time Proposition 98 funds for two workgroups to study improved accountability for special education service delivery and student outcomes

- Community School Grants — $300 million one-time Proposition 98 funds for local educational agencies supporting innovative community school models including integrated and coordinated student wrap-around services, collaborative leadership and support for educators and increased family and community engagement.

- Opportunity Grants — $300 million one-time Proposition 98 funds to establish opportunity grants for the state's lowest-performing schools and school districts and expand the capacity of the CCEE in its role within the statewide system of support.

- Public Preschool, K-12, and College Health and Safety Bond Act of 2020 — $15 billion general obligation bond measure in March 2020 to provide $9 billion to support K-12 facilities construction.

- Proposition 51 Bond Issuance — $1.5 billion Proposition 51 bond funds to support school construction projects.

- Inclusive Early Education Expansion Program — $75 million Proposition 98 funds to expand the Inclusive Early Education expansion Program to construct or modify preschool facilities to serve students with exceptional needs or severe disabilities.

Future Actions. The State has in past years experienced budgetary difficulties and has balanced its budget by requiring local political subdivisions to fund certain costs theretofore borne by the State. No prediction can be made as to whether the State will take further measures which would, in turn, adversely affect the District. Further State actions taken to address its budgetary difficulties could have the effect of reducing District support indirectly, and the District is unable to predict the nature, extent or effect of such reductions.

The District cannot predict whether the State will encounter budgetary difficulties in the current or future fiscal years. The District also cannot predict the impact future State Budgets will have on District finances and operations or what actions the State Legislature and the Governor may take to respond to changing State revenues and expenditures. Current and future State Budgets will be affected by national and State economic conditions and other factors which the District cannot control. The Bonds are secured by *ad valorem* taxes levied upon real property within the District.

Furthermore, the outbreak of COVID-19 has caused volatility in financial markets and required certain California businesses to close temporarily in compliance with the Governor's shelter in place order. See " -Potential Decline in State Revenue" above for a discussion of COVID-19 and its impact on the economy and K-12 education.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES

Article XIIIA of the California Constitution

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

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the base year value. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on outstanding general obligation bonds of the District, including the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

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

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the 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.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

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

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 State Board of Equalization ("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 County 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.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

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

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

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

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

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

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for certain 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, if a school district's revenues exceed its spending limit, such school 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 pursuant to Section 8.5 of Article XVI of the State Constitution. See "–Proposition 98" and "–Proposition 111" below.

Article XIIIC and Article XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school college 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. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (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

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 the State general fund revenues as the percentage appropriated to such districts in 1986-87, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also 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.

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

Proposition 111

On June 5, 1990, the voters of California approved the Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

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

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

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess is 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.

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

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

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (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. 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. As adopted, the constitutional amendment may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property, and property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement applies only if the local bond measure presented to the voters includes: (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 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate per $100,000 of taxable property value projected to be levied as the result of any single election be no more than $60 (for a unified school district), $30 (for a high school or elementary school district), or $25 (for a community college district), when assessed valuation is projected to increase in accordance with Article XIIIA of the Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Jarvis v. Connell

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

Proposition 1A and Proposition 22

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

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

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide. ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to such redevelopment agency will be allocated to the Successor Agency, to be used for the payment of pass-through payments to local taxing entities and to any other "enforceable obligations" (as defined in the Dissolution Act), as well to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally requirement payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations. Tax revenues in excess of such amounts, if any, will be distributed to local taxing entities in the same proportions as other tax revenues.

The District can make no representations as to the extent to which its property tax apportionments may be offset by the future receipt of pass through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

Proposition 30

On November 6, 2012, voters approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which 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, for storage, use, or other consumption in the State. 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 January 1, 2019, Proposition 30 increased 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 $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

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

Proposition 55

At the November 8, 2016 general election, the voters in the State approved the Tax Extension of Education and Healthcare Initiative ("Proposition 55") which extends the increase in personal income tax on high-income taxpayers imposed under Proposition 30 until 2030. Proposition 55 did not extend the sales and use tax increases imposed under Proposition 30 which expired at the end of 2016.

Proposition 51

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

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

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation that it will either pursue or qualify for Proposition 51 State facilities funding.

Proposition 2

Proposition 2, a legislatively referred Constitutional amendment approved by the voters in November, 2014 ("Proposition 2"), changed the way in which the State pays off existing debts, funds its reserves and draws from those reserves in times of economic slowdowns, as well as requires that reserves be set aside for schools and community colleges under certain circumstances. In addition, as a result of the passage of Proposition 2, new rules for school district reserves were implemented.

Under Proposition 2, the State is required annually to deposit 1.5% of general fund revenues into the Budget Stabilization Account ("BSA"). From fiscal year 2015-16 through 2029-30, under Proposition 2, one half of the amount required to be deposited to the BSA must be applied to the payment of debts for pension and retiree benefits and specified debts to local governments and certain other State accounts. In years when capital gains tax revenues exceed 8% of general fund revenues, a portion of such excess capital gains tax revenue is also required to be applied to the pay down of State debt. Deposits to the BSA are required until the amount on hand in the BSA reaches 10% of general fund revenues. Once the maximum has been reached, the required deposit amount may be applied to other expenditures.

In the event the Governor were to declare a budget emergency, Proposition 2 would permit a smaller deposit to the BSA. A budget emergency may be called if there is a natural disaster such as an earthquake or flood or general fund revenues reach a certain minimum level. Withdrawals from the BSA, under Proposition 2, are permitted upon a majority vote of the legislature only when the Governor has declared a budget emergency. If a budget emergency is called for two straight years in a row, in the second budget emergency year, the entire amount on hand might be withdrawn.

Public School System Stabilization Account. In the event capital gains tax revenues collected by the State in any given fiscal year exceed 8% of general fund revenues, a portion of such excess is required to be deposited into the newly established under Proposition 2 Public School System Stabilization Account (the "PSSSA") which serves as a reserve account for school funding in years when the State budget is smaller.

SB 858 and SB 751. State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district's ADA. SB 858, adopted in June 2014, imposed limitations relating to ending fund balances for school districts. Beginning in 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher than the state's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. SB 751, which was adopted in October 2017 and amended Section 42127.01 of the Education Code, placed certain restrictions on the amount of a school district's ending fund balances if a certain amount of funds is available in the State's PSSSA. In a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts for that fiscal year, (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES—Proposition 98"), a school district's adopted or revised budget may not contain an assigned or unassigned ending fund balance higher than 10% of expenditures and other financing uses. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period. SB 751 does not apply to school districts with an ADA of less than 2,501 students and basic aid school districts.

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The PSSA appears to be intended to provide a substitute for local reserves in the event of a future economic downturn.

The District is required to maintain a reserve for economic uncertainties at least equal to 3% of general fund expenditures and other financing uses. On June 30, 2018, the District had unassigned available reserves of $2,619,137. The District is unable to predict what the effect on its budget will be following implementation of these new rules. It is anticipated that if the cap is triggered, it will materially change the District's current policies on reserves.

Future Initiatives

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

WINTERS JOINT UNIFIED SCHOOL DISTRICT

Introduction

The District was established in 1965, and is located in the southwest portion of Yolo County and the northern portion of Solano County. The District is comprised of the City of Winters and unincorporated areas of the County of Yolo and the County of Solano. Approximately 81.1% of the total assessed value of the District is derived from property in Yolo County while 18.9% of the total assessed value is derived from property in Solano County. The District is located approximately 30 miles west of the City of Sacramento and 68 miles northeast of the City of San Francisco. The District operates six schools including one preschool center, elementary school providing transitional kindergarten through second grade education services, one intermediate school providing third through fifth grade education services, one middle school providing sixth through eighth grade education services, one high school and one continuation school. The District's budgeted ADA for fiscal year 2019-20 is 1,494 students, and the District has a 2019-20 total assessed valuation of $1,229,555,873. The District's audited financial statements for the fiscal year ended June 30, 2019 are attached hereto as APPENDIX B.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Winters Joint Unified School District, 909 West Grant Avenue, Winters, California 95694, Attention: Superintendent.

Administration

The District is governed by a five-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their offices and the date each member's term expires, are listed below:

BOARD OF TRUSTEES
Winters Joint Unified School District

Board Member	Office	Term Expires December
Rudolph Muldong	President	2020
Robert Warren	Clerk	2022
Ralph Anderson	Trustee	2020
Stephanie Chavez	Trustee	2020
Carrie Green	Trustee	2022

The Superintendent of the District is responsible for administering the day-to-day affairs of the District in accordance with the policies of the Board. A brief biography of the Superintendent follows:

Todd Cutler, Ed.D. Dr. Cutler has served as Superintendent of the District since July, 2015. Prior to joining the District, Superintendent Cutler served as the Western Regional Business Development Manager for Mac Graw-Hill Education, the Deputy Superintendent at Rocklin Unified School District and the Superintendent at Johnstonville Elementary School District and Lassen Union High School District. Dr. Cutler received a Bachelor's of Science in Secondary Education from New Mexico State University, a Master's Degree in Education Administration from the University of Phoenix and a Doctorate Degree in Educational Leadership from Nova Southeastern University.

Dr. Cutler has announced that he will be leaving the District as of June 30, 2020. The District is in the process of beginning the search for a new Superintendent and intends to have a new Superintendent in place by July 1, 2020.

Charter Schools

The State Legislature enacted the Charter Schools Act of 1992 (State Education Code Sections 47600-47663) to permit teachers, parents, students, and community members to establish schools that would be free from most state and district regulations. Revised in 1998, the State's charter school law states that local boards are the primary charter-approving agency and that county boards of education can approve a denied charter. State education standards apply, and charter schools are required to use the same student assessment instruments. Charter schools are exempt from state and local education rules and regulations, except as specified in the legislation.

The District has certain fiscal oversight and other responsibilities with respect to any independent and District-operated charter schools established within its boundaries. However, any independent charter schools would receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. Any District-operated charter schools would receive funding through the District, and such funding would be reflected in the District's audited financial statements.

On April 18, 2019, the Board approved a petition by Compass Charter Schools to operate within the District. Compass Charter Schools of Yolo County opened for the 2019-20 school year providing exclusively online kindergarten through twelfth grade education services to students in Yolo and surrounding counties.

The District can make no representations regarding how many District students will transfer to charter schools in the future or back to the District from such charter schools, and the corresponding financial impact on the District.

Labor Relations

The District employs approximately 82 full-time equivalent ("FTE") certificated employees, 74 FTE classified employees, and 16 FTE management, supervisor and confidential employees.

The certificated employees have assigned Winters Area Employees Association ("WAEA") as their exclusive bargaining agent and the contract between the District and WAEA expires on June 30, 2020.

The classified employees of the District have assigned the California School Employees Association ("CSEA") as their exclusive bargaining agent. The contract between the District and CSEA expires on June 30, 2020.

The probationary and permanent counselors and psychologists, program specialists, school nurses and speech and language therapists have assigned Winters Area Pupil Personnel Services Unit ("WAPPSU") as their exclusive bargaining agent. The contract between the District and WAPPSU expires on June 30, 2020.

District Retirement Systems

The information set forth below regarding the District's retirement 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.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. The District is currently required by such statutes to contribute 17.10% of eligible salary expenditures, while participants contribute either 10.25% or 10.205% of their respective salaries. The State also contributes to STRS, currently in an amount equal to 10.328% of teacher payroll for fiscal year 2019-20. The State's contribution reflects a base contribution of 2.017% and a supplemental contribution that will vary from year-to-year based on statutory criteria.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for STRS, increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate increased by 1.85% in fiscal year 2015-16 and will continue to increase annually until the employer contribution rate is 19.10% of covered payroll as further described below. Teacher contributions will also increase from 8.00% to a total of 10.25% of pay, phased in over the three year period from 2014-15 through 2017-18. The State's total contribution will also increase from approximately 3% in fiscal year 2013-14 to 6.30% of payroll in fiscal year 2016-17, plus the continued payment of 2.5% of payroll annually for a supplemental inflation protection program for a total of 8.80%. In addition, AB 1469 provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter to eliminate the STRS unfunded liability by June 30, 2046. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

Pursuant to A.B. 1469, school district's contribution rates will increase over a seven-year phase-in period in accordance with the following schedule:

SCHOOL DISTRICT CONTRIBUTION RATES
State Teachers' Retirement Fund

Effective Date (July 1)	School District Contribution Rate to STRS
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	17.10*
2020	18.40*

* The 2019-20 State Budget provided supplemental payments to STRS which reduces the employer contribution rate under A.B. 1469.

The District contributed $746,922 to STRS for fiscal year 2015-16, $884,704 for fiscal year 2016-17, $1,047,954 for fiscal year 2017-18 and $1,217,563 for fiscal year 2018-19. Such contributions were equal to 100% of the required contributions for the respective years. Such contributions were equal to 100% of the required contributions for the respective years. The District has budgeted a contribution of $1,342,496 for fiscal year 2019-20. With the implementation of AB 1469, the District anticipates that its contributions to STRS will increase in future fiscal years as compared to prior fiscal years. The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to STRS in future fiscal years.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended, with the Public Employees' Retirement Laws. The District is currently required to contribute to PERS at an actuarially determined rate, which is 19.721% of eligible salary expenditures for fiscal year 2019-20, while participants enrolled in PERS (whether enrolled prior to or subsequent to January 1, 2013) contribute 7% of their respective salaries.

On April 19, 2017, the Board of Administration of PERS adopted new contribution rates for school districts. The revised contribution rates are, as were the previous contribution rates, based on certain demographic assumptions adopted by the Board of Administration in February 2014 which took into account longer life spans of public employees from previous assumptions. Such demographic assumptions generally increase costs for the State and public agency employers (including school districts), which costs will be amortized over 20 years and were phased in over three years beginning in fiscal year 2014-15 for the State and amortized over 20 years and phased in over five years beginning in fiscal year 2016-17 for the employers. PERS estimated that the new demographic assumptions would cost public agency employers up to 5% of payroll for miscellaneous employees at the end of the five year phase in period. To the extent, however, that current and future experiences differ from PERS' assumptions, the required employer contributions may vary. The 2017-18 contribution rate also took into account increased payroll over 2016-17, a lowered discount rate (which was approved in December 2016) as well as lower than predicted investment returns in prior years. As a result of payments to be made by the State as part of the 2019-20 State Budget, the estimated future employer contribution rates to PERS were again revised downward for fiscal years 2019-20 through 2025-26 but remain subject to annual adoption by the PERS Board of Administration. See "DISTRICT FINANCIAL INFORMATION- State Budget Measures" herein.

The District contributed $328,725 to PERS for fiscal year 2015-16, $421,446 for fiscal year 2016-17, $484,331 for fiscal year 2017-18 and $589,882 for fiscal year 2018-19, which amounts equaled 100% of required contributions to PERS. The District has budgeted a contribution of $688,436 for fiscal year 2019-20.

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

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for PERS and STRS as of July 1, 2018.

FUNDED STATUS
STRS (DEFINED BENEFIT PROGRAM) and PERS
Actuarial Valuation as of July 1, 2018
(Dollar Amounts in Millions) [(1)]

Plan	Accrued Liability	Market Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS)	$92,071	$64,846	($27,225)
State Teachers' Retirement Fund Defined Benefit Program (STRS)	297,603	190,451	(107,152)

(1) Amounts may not add due to rounding.
Source: PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

Unlike PERS, STRS contribution rates for participant employers, employees hired prior to the Implementation Date (defined herein) and the State are set by statute and do not currently vary from year-to-year based on actuarial valuations. As a result of the Reform Act (defined below), the contribution rate for STRS participants hired after the Implementation Date will vary from year-to-year based on actuarial valuations. See "—California Public Employees' Pension Reform Act of 2013" below. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS has increased significantly. AB 1469 is intended to address this unfunded liability. The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make larger contributions to STRS in the future. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employee's Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for members not participating in social security, while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's proportionate shares of the net pension liability of STRS and PERS, as of June 30, 2019, are as shown in the following table.

Pension Plan	Proportionate Share of Net Pension Liability
PERS	$6,448,661
STRS	13,090,320
Total	$19,538,981

Source: The District.

For further information about the District's contributions to PERS and STRS, see Note 6 in the District's audited financial statements for fiscal year ended June 30, 2019 attached hereto as APPENDIX B.

See also "STATE FUNDING OF EDUCATION – Potential Decline in State Revenues" hereinabove for information regarding economic volatility caused by COVID-19. The District cannot determine whether recent investment losses in the investment portfolios of either PERS or STRS as a result of such volatility might cause the District's contribution rates to PERS or STRS to increase in the future as a result of any declines in the value of investments. The District cannot predict the extent of such potential increases.

Early Retirement Incentive

During 2015-16, the District offered an early retirement incentive to certificated employees who were at least 60 years old and had worked for the District for at least 15 years. Four employees agreed to the incentive and will each receive a benefit of $5,000 annually until age 65. The outstanding balance at June 30, 2019 was $10,000.

Other Post-Employment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") pronounced Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions.* The pronouncement required public agency employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. The implementation date for this pronouncement was staggered in three phases based upon the entity's annual revenues, similar to the implementation for GASB Statement No. 34 and 35. GASB Statement No. 45 was effective for the District for the fiscal year ending June 30, 2009.

The District pays $1,000 annually towards Health & Welfare Benefits to qualified eligible classified employees who retire from the District on or after attaining age 60 with at least 10 years of service to the District. The District also pays an amount equal to half of the individual contribution for an active certificated employee to qualified certificated employees who retire on or after attaining age 60 with at least 25 years of service to the District. On June 30, 2019, two retirees met these qualifications. For employees who do not meet the eligibility requirements at retirement, Health & Welfare Benefits are available at the employee's expense between ages 55 and 65.

The following table shows the components of the District's annual Health and Welfare Benefits cost for the year, the amount actually contributed to fund Health and Welfare Benefits, and changes in the District's net Health and Welfare Benefits as of June 30, 2019.

WINTERS JOINT UNIFIED SCHOOL DISTRICT
Schedule of Changes in Net Liability for Health & Welfare Benefits

Total OPEB Liability	
Service Cost	$44,782
Interest	17,873
Changes of benefit terms	--
Differences between expected and actual experience	--
Changes of assumptions	(10,742)
Benefit payments, including refunds of member contributions	(19,779)
Net change in total OPEB liability	32,134
Total OPEB liability – beginning	457,832
Total OPEB liability – ending (a)	$489,966
Plan fiduciary net position	
Contributions – employer	$19,779
Net investment income	--
Benefit payments, including refunds of member contributions	(19,779)
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)	$489,966
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%
Covered-employee payroll	$11,227,655
District's net OPEB liability as a percentage of covered-employee payroll	4.4%

Source: The District.

Risk Management

The District is exposed to various risks of loss related to tortious liability, theft, damage or destruction of assets, errors or omissions, employee injuries or natural disasters.

The District participates in two joint powers agreements with the North Valley Schools Insurance Group ("NVSIG") and Central Valley Schools Joint Powers Authority ("CVSJPA"). NVSIG arranges and provides workers' compensation insurance for its members and has a self-insured retention of $250,000. Excess workers' compensation coverage up to $10,000,000 is provided by Schools Alliance for Workers' Compensation Excess Insurance II. Beyond the District's self-insured retention of $1,000, CVSJPA arranges and provides property and liability insurance through NorCal Relief up to $10,000 per occurrence. NorCal Relief provides excess property and liability coverage up to $1,000,000 per occurrence with Schools for Excess Risk Joint Powers Authority providing coverage up to $25,000,000 per occurrence.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards. The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes. See also "APPENDIX B – 2018-19 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 9" hereto.

District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the year ended June 30, 2019 is shown below:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Amounts Due Within One Year
General obligation bonds	$21,920,000	$7,900,000	$1,040,000	$28,780,000	$970,000
Certificates of Participation	911,000	-	62,000	849,000	67,000
Net Pension Liability	18,783,680	755,301	--	19,538,981	--
Compensated Absences	95,117	11,910	--	107,027	--
Capital Leases Payable	38,639	90,074	29,393	99,320	24,938
Other Postemployment Benefits	457,832	32,134	--	489,966	--
Other General Long-Term Debt	25,000	--	15,000	10,000	5,000
	$42,231,268	$8,789,419	$1,146,393	$49,874,294	$1,066,938

Source: The District.

General Obligation Bonds. The District issued its 2010 General Obligation Refunding Bonds on October 26, 2010 to refund certain outstanding general obligation bonds issued under an authorization in 1997 under which no further general obligation bonds remain for issuance. The District intends to refund the outstanding 2010 General Obligation Refunding Bonds with a portion of the net proceeds of the Bonds.

Pursuant to an authorization of the registered voters within the District on June 3, 2014 for the issuance and sale of not to exceed $15,000,000 in general obligation bonds (the "2014 Authorization"), on October 23, 2014, the District issued its General Obligation Bonds, 2014 Election, 2014 Series A in the aggregate principal amount of $5,000,000, on October 12, 2016, the District issued its General Obligation Bonds, 2014 Election, 2016 Series B in the aggregate principal amount of $5,000,000 and on March 1, 2018, the District issued its General Obligation Bonds, 2014 Election, 2018 Series C in the aggregate principal amount of $5,000,000. No further general obligation bonds remain available for issuance under the 2014 Authorization. The District intends to refund the outstanding 2014 Series A Bonds with a portion of the net proceeds of the Bonds.

Pursuant to an authorization of the registered voters within the District on November 8, 2016, for the issuance and sale of not to exceed $17,000,000 in general obligation bonds (the "2016 Authorization"), on May 23, 3017, the District issued its $6,000,000 General Obligation Bonds, 2016 Election, 2017 Series A in the aggregate principal amount of $6,000,000 and on November 6, 2019 the District issued its General Obligation Bonds, 2016 Election, 2019 Series B in the aggregate principal amount of $11,000,000. No further general obligations bonds remain available for issuance under the 2016 Authorization.

Pursuant to an authorization of the registered voters within the District on November 6, 2018, (the "2018 Authorization"), the qualified voters of the District approved the issuance of $20,000,000 aggregate principal amount of general obligation bonds. On January 31, 2019, the District issued its General Obligation Bonds, 2018 Election, 2019 Series A, in the aggregate principal amount of $7,900,000. $12,100,000 principal amount of general obligation bonds remain for issuance under the 2018 Authorization.

Certificates of Participation. On August 16, 2001, the District executed and delivered $1,650,000 principal amount of 2001 Certificates of Participation (the "2001 Certificates") which mature through 2031. In January, 2015, the District refinanced the 2001 Certificates through a private placement with J.P. Morgan Chase Bank.

Lease Purchase Agreement. In July 2019, the District entered into a Lease Purchase Agreement (the "Lease Purchase Agreement") which was privately placed with Banc of America Public Capital Corp. The Lease Purchase Agreement was in the amount of $2,797,000 with lease payments from March 1, 2020 through September 1, 2039.

The payments with respect to the refinanced 2001 Certificates (assuming no optional redemptions) and the Lease Purchase Agreement through maturity are as follows:

Fiscal year Ending June 30	Refunded 2001 Certificates	Lease Purchase Agreement	Total Payments
2020	$94,872	$51,170	$146,042
2021	91,644	183,932	275,576
2022	93,400	183,869	277,269
2023	90,072	183,720	273,792
2024	92,710	184,470	277,180
2025	94,197	184,119	278,316
2026	95,551	183,682	279,233
2027	90,821	184,145	274,966
2028	92,107	183,507	275,614
2029	93,260	183,768	277,028
2030	93,295	183,914	277,209
2031	--	183,945	183,945
2032	--	183,861	183,861
2033	--	183,662	183,662
2034	--	184,334	184,334
2035	--	183,876	183,876
2036	--	184,289	184,289
2037	--	183,572	183,572
2038	--	183,726	183,726
2039	--	183,736	183,736
2040	--	183,603	183,603
Total	$1,021,9297	$3,728,900	$4,750,8297

[Remainder of page intentionally left blank]

Capital Lease. On October 1, 2017, the District entered into a 60-month capital lease with Dell Financial Services LLC. For the fiscal year ending June 30, 2019, the District paid $11,248 of which $8,783 comprised principal. On August 1, 2018, the District entered into two 60-month capital leases with Dell Financial Services LLC. For the fiscal year ending June 30, 2019, the District paid $20,610 which was comprised of only principal.

The remaining payments on the capital leases are as follows:

Year ended June 30,	Principal	Interest	Total
2020	$24,938	$6,919	$31,857
2021	26,659	5,197	31,856
2022	28,501	3,357	31,858
2023	19,221	1,388	20,609
Total	$99,320	$16,860	$116,180

THE YOLO COUNTY POOLED INVESTMENT FUND

The Yolo County Investment Policy (the "Investment Policy") which governs investments in the Yolo County Pooled Investment Fund is prepared annually by the County Treasurer in accordance with the California Government Code and prudent asset management principles. Pursuant to Government Code sections 27133 and 53646, the Investment Policy is reviewed by the County Treasury Oversight Committee and approved by the Board of Supervisors at a public meeting. The 2019 Investment Policy was approved by the Board of Supervisors on December 11, 2018. The Investment Policy applies to the cash management and investment activities performed by the County for any local agency, public agency, public entity or public official that has funds on deposit in the County Treasury.

The Investment Policy requires that investments be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used is the "prudent investor" standard which states that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. This standard is applied in the context of managing an overall portfolio. Investment objectives, in descending order of priority, are i) safety of principal; ii) liquidity and iii) return on investment.

[Remainder of page intentionally left blank]

A summary of the Yolo County Pooled Investment Fund for the three months ending December 31, 2019 is set forth below.

COUNTY OF YOLO POOLED INVESTMENT FUND
SUMMARY
For the three months ended December 31, 2019

	December 31, 2019	November 30, 2019	October 31, 2019
GOVERNMENT INVESTMENT POOLS			
Local Agency Investment Fund (LAIF) Accounts:			
County Pooled Account	$64,959,292	$24,459,292	$25,459,291
Total held in LAIF	64,959,292	24,459,292	25,459,291
California Asset Management Program (CAMP):			
County Pooled Account	229,118,298	118,520,448	99,050,385
Total held in CAMP:	229,118,298	118,520,448	99,050,385
Total Government Investment Pools	294,077,590	143,979,740	124,514,676
INVSTMENTS MANAGED BY PFM			
County Pooled Account at Market Value	273,790,204	267,070,622	257,668,982
Accrued Interest	1,775,410	1,489,431	1,241,814
Total Managed by PFM	275,565,614	268,560,053	258,910,795
CASH IN BANKS			
River City Bank – County Pool MMA	15,869,745	15,841,276	15,812,325
Bank of America –County Pool Checking Account	533,662	513,930	879,097
U.S. BANK – County Pool Checking Account	4,000,000	7,435,409	7,373,955
Total Cash in Banks	20,403,406	23,790,615	24,065,377
CASH IN TREASURY	450,889	60,373	144,119
Total Pooled Portfolio	**$590,497,499**	**$436,390,782**	**$407,634,967**

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than 9 months following the end of the District's fiscal year (currently ending June 30), which date would be April 1, commencing with the report for the 2019-20 fiscal year, and to provide notices of the occurrence of certain enumerated events. The District has entered into a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") for the benefit of the Owners of the Bonds. The Annual Report and each notice of enumerated events will be filed by the District with the Electronic Municipal Markets Access system ("EMMA") of the Municipal Securities Rulemaking Board (the "MSRB"), or any other repository then recognized by the Securities and Exchange Commission. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT hereto. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Within the past five years, the District has not failed to comply, in all material respects, with the Rule.

LEGAL MATTERS

The legal opinion of Dannis Woliver Kelley, Long Beach, California, Bond Counsel to the District ("Bond Counsel"), attesting to the validity of the Bonds, will be supplied to the Underwriter of the Bonds without charge, a form of which is attached hereto as APPENDIX A. Dannis Woliver Kelley is also acting as Disclosure Counsel to the District. Bond Counsel and Disclosure Counsel will receive compensation contingent upon the sale and delivery of the Bonds.

Limitation on Remedies; Amounts Held in the County Treasury Pool

The opinion of Bond Counsel, the proposed form of which is attached hereto as APPENDIX A, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. The rights of the Owners of the Bonds are subject to certain limitations. Enforceability of the rights and remedies of the Owners of the Bonds, and the obligations incurred by the District, are limited by applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose, and the limitations on remedies against school and community college districts in the State. Bankruptcy proceedings, if initiated, could subject the beneficial owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Under Chapter 9 of the Federal Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code"), which governs the bankruptcy proceedings for public agencies, no involuntary petitions for bankruptcy relief are permitted. While current State law precludes school districts from voluntarily seeking bankruptcy relief under Chapter 9 of the Bankruptcy Code without the concurrence of the State, such concurrence could be granted or State law could be amended.

The Resolution and the Act require the respective Counties to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The Counties, on behalf of the District, are thus expected to be in possession of the annual *ad valorem* taxes and certain funds to repay the Bonds and may invest these funds in such County's Investment Pool. In the event the District or either of the Counties were to go into bankruptcy, a federal bankruptcy court might hold that the Owners of the Bonds are unsecured creditors with respect to any funds received by the District or either of the Counties prior to the bankruptcy, where such amounts are deposited into the respective County Treasury Pools, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the District's Interest and Sinking Fund where such amounts are invested in the respective County Investment Pools. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

Government Code Section 53515, added by SB 222, applicable to general obligations bonds issued after its effective date, removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds, and thus potentially improve ratings, interest rates and bond cost of issuance.

TAX MATTERS

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California. The form of Bond Counsel's anticipated opinion respecting the Bonds is included in APPENDIX A. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon the representations and certifications of the District made in a certificate (the "Tax Certificate") of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Resolution by the District subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service ("IRS" or the "Service") or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State of California. The Service has an ongoing program of auditing the tax status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the Owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the respective Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Accounting Treatment of Discount and Premium on Certain of the Bonds

The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. The tax rules requiring inclusion in income annually by the holder of a debt instrument having original issue discount of the daily portion of original issue discount for each day during a taxable year in which such holder held such debt instrument is inapplicable to the Bonds. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, and will be added to the holder's basis in the Discount Bond, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "TAX MATTERS." Such interest is considered to be accrued in accordance with the constant-yield-to-maturity method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial Owner prior to maturity, the amount realized by such Owner in excess of the basis of such Discount Bond in the hands of such Owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Bonds (the "Premium Bonds"), may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Form of Bond Counsel Opinion. The form of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as APPENDIX A.

LEGALITY FOR INVESTMENT

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

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its municipal bond rating of "AA" to the Bonds, with the expectation that the Insurer will issue the Policy at Closing. S&P has also assigned an underlying rating of "A+" to the Bonds. Such ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained as follows: S&P at Municipal Finance Department, 55 Water Street, New York, New York 10041, tel. (212)

208-8000. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

ESCROW VERIFICATION

The sufficiency of amounts on deposit in the Escrow Fund to pay principal of and interest on and the redemption price of the Refunded Bonds will be verified by Causey Demgen & Moore P.C., certified public accountants (the "Verification Agent"). The Verification Agent will deliver a report to that effect on the date of delivery of the Bonds.

UNDERWRITING

D.A. Davidson & Co. (the "Underwriter") has agreed to purchase the Bonds at the purchase price of $6,091,645.65 (reflecting the principal of the Bonds plus net original issue premium in the amount of $162,475.65 less an Underwriter's discount of $50,830.00), at the rates and yields shown on the inside cover hereof.

The Underwriter may offer and sell the Bonds to certain dealers and others at yields other than the yields stated on the cover page. The offering prices may be changed from time to time by the Underwriter.

NO LITIGATION

No litigation is pending concerning the validity of the Bonds, and the District's certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the Winters Joint Unified School District, 909 West Grant Avenue, Winters, California 95694.

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

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

WINTERS JOINT UNIFIED SCHOOL DISTRICT

By: /s/ Todd Cutler, Ed.D.
Superintendent

APPENDIX A

FORM OF BOND COUNSEL OPINION

[Closing date]

Board of Trustees
Winters Joint Unified School District
909 West Grant Avenue
Winters, California 95694

Re: $5,980,000 Winters Joint Unified School District (Counties of Solano and Yolo, California) 2020 General Obligation Refunding Bonds

Ladies and Gentlemen:

We have acted as bond counsel for the Winters Joint Unified School District (Counties of Solano and Yolo, California) (the "District"), in connection with the issuance by the District of $5,980,000 aggregate principal amount of the District's 2020 General Obligation Refunding Bonds (the "Bonds"). The Bonds are issued pursuant to the Government Code of the State of California (commencing at Section 53550), as amended and that certain resolution adopted by the Board of Trustees of the District on March 5, 2020 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and the Counties of Solano and Yolo (the "Counties") as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors, rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion herein with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding general obligations of the District.

2. The Bonds are payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.

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

4. Interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Code.

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

Ownership of tax-exempt obligations such as the Bonds may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Bonds or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Respectfully submitted,

Dannis Woliver Kelley

APPENDIX B

WINTERS JOINT UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019

[THIS PAGE INTENTIONALLY LEFT BLANK]

WINTERS JOINT UNIFIED SCHOOL DISTRICT

COUNTY OF YOLO
WINTERS, CALIFORNIA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

WWW.JPMCPA.COM

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX

WINTERS JOINT UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS

WINTERS JOINT UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Winters Joint Unified School District
Winters, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Winters Joint Unified School District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: (916) 993-9494 Fax: (916) 993-9489
e-mail: dbecker@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 Winters Joint Unified School District (the "District"), as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 the August 2019 Edition of the 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.

<u>Other Reporting Required by *Government Auditing Standards*</u>

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 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
November 12, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

WINTERS JOINT UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The Management Discussion and Analysis Section is management's view of the District's financial performance and condition during the fiscal year ending June 30, 2019. It should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements and required supplementary information. The Management Discussion and Analysis consists of six sections:

1. **Financial Highlights**

2. **Overview of the Financial Statements:** serves as a guide to reading the financial statements provided in the sections following the Management Discussion and Analysis.

3. **Financial Analysis of the District As a Whole**

4. **Financial Analysis of the District's Funds:** including a subsection on the District's General Fund and a subsection on Other Funds.

5. **Capital Asset and Debt Administration:** a look at the District's investment in capital assets and its level of debt.

6. **Factors bearing on the District's Financial Future:** a discussion of issues management sees as relevant to the future financial health of the District.

FINANCIAL HIGHLIGHTS

- ❖ Total government-wide revenue (all funds) for the 2018/19 fiscal year is $23 million. Expenses totaled $19.5 million.

- ❖ Capital assets, net of depreciation, total $32.4 million.

- ❖ On June 30, 2019 the District had several Work in Progress Projects totaling $15 million as follows:
    - Winters High School CTE Building
    - Winters High School 6-Classroom Building
    - Winters High School Student Union
    - Winters High School Track
    - Rominger Portable Relocation
    - Winters High School Administration Building
    - Winters High School 12-Classroom Building
    - WHS PE/Music Building

- ❖ The District's long term liabilities increased overall by $7,643,026. Decreases included $1,040,000 in General Obligation Bonds; $62,000 for the 2001 Certificate of Participation; $29,393 for Capital Lease payments and $15,000 for WAEA Early Retirement Incentives. Increases to the long-term debt are as follows: $7.9M for Measure P Series A Bond sale; $11,910 in Compensated Absences $90,074 in Capital Leases Payable for Dell Financial Services (computers for WMS & teacher laptops); $32,134 in the Net OPEB Liability and $755,301 in the Net Pension Liability (which all districts are required to list on their financial statements per GASB 68).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- ❖ The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the district's overall financial status.

- ❖ The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the district's operations in more detail than the government-wide statements.

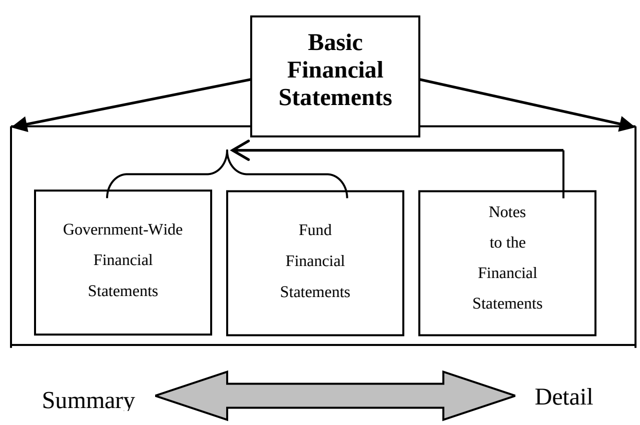
The fund financial statements can be further broken down into three types:

- ❖ *Governmental funds statements* provide information on how basic services, such as regular and special education, were financed in the short-term, as well as what remains for future spending.

- ❖ *Proprietary funds statements* provide short and long-term financial information about the activities the district operates like a business, such as self-insurance and retiree benefit funds.

- ❖ *Fiduciary funds statements* provide information about the financial relationships in which the district acts solely as trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year. The diagram presented here shows how the various parts of the annual financial report are arranged and relate to one another.



The chart below summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the Government-Wide and Fund Financial Statements

		Fund Statements		
	Government-Wide Statements	Government Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: self-insurance	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows	Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities both short-term and long-term; Standard funds do not currently contain non-financial assets, though they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating. To assess the overall health of the District, additional non-financial factors, including the condition of the District's school buildings and other facilities, must be considered.

In the government-wide financial statements, the District's activities are reported as Governmental activities. Most of the District's services are included here, such as regular and special education, transportation and administration. Funding received from the State of California through the Local Control Funding Formula (LCFF) and entitlements from the federal and state governments finance most of these activities.

Fund Financial Statements

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

❖ Some funds are required by state law and by bond covenants.

❖ The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

There are two types of funds that the District utilizes:

❖ *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps in the determination of whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. This information does not encompass the additional long-term focus of the government-wide statements, therefore additional information at the bottom of the governmental funds statements is provided that explains the relationship (or differences) between them.

❖ *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets in these funds are used only for their intended purposes and only by those to whom they belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These activities are excluded from the government-wide financial statements because the District cannot use these assets to finance operations.

When utilizing these financial statements to assess the overall health of the District, additional non-financial factors will need to be considered, such as the condition of school buildings and other facilities, and enrollment trends.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The comparison of the District's Net Position is presented by category in the table below:

Condensed Statement of Net Position

	June 30, 2019	June 30, 2018	Change	Percentage %
Assets:				
Current Assets	$ 17,632,211	$ 19,361,483	$ (1,729,272)	-8.9%
Capital Assets, Net	32,378,780	21,394,490	10,984,290	51.3%
Total Assets	50,010,991	40,755,973	9,255,018	22.7%
Deferred Outflows of Resources	8,684,251	5,535,184	3,149,067	56.9%
Liabilities:				
Current Liabilities	4,742,659	4,046,746	695,913	17.2%
Long-term Liabilities	48,807,356	41,105,485	7,701,871	18.7%
Total Liabilities	53,550,015	45,152,231	8,397,784	18.6%
Deferred Inflows of Resources	3,884,623	3,390,867	493,756	14.6%
Net Position:				
Net Investment in Capital Assets	69,227,380	9,350,150	59,877,230	640.4%
Restricted	10,435,087	13,763,426	(3,328,339)	-24.2%
Unrestricted	(78,401,863)	(25,365,517)	(53,036,346)	209.1%
Total Net Position	$ 1,260,604	$ (2,251,941)	$ 3,512,545	-156.0%

Net Position

The District's Net Position increased by 156% when compared to the June 30, 2018 audit. Capital assets, net of depreciation, increased by a total of $10,984,290 with the completion of many Measure R and Measure P funded building and modernization projects. Long-term debt increased by $7,701,871 as a result of an increase of $755,301 in the Net Pension Liability and the issuance of the sale of General Obligation Bond, Series A, Measure P in the amount of $7.9M. Current liabilities increased by $695,913. These areas are discussed in more detail later in this Management Discussion and Analysis Report.

It is important to note that land is accounted for at historical cost (acquisition cost), not market value, and is not depreciated. Many of our school sites have low values for today's market because the District acquired the land and buildings decades ago and most of the land was donated. This valuation of land and buildings is consistent with accounting rules set forth by the Governmental Accounting Standards Board.

While land and buildings owned by the District contribute to its net position, and because of the nature of school operations, the District will be fully utilizing these assets for the foreseeable future, so they are not available as assets that could be liquidated.

Changes in Net Position

A summary of total District revenues, expenses, and change in net position is presented in the table below:

Condensed Statement of Activities

	June 30, 2019	June 30, 2018	Change	Percentage %
Revenues:				
Charges for services	$ 94,600	$ 86,599	$ 8,001	9.2%
Operating Grants & Contributions	4,324,923	3,347,304	977,619	29.2%
Federal & State Aid	12,214,233	11,193,291	1,020,942	9.1%
Taxes Levied for General Purposes	3,549,401	3,439,364	110,037	3.2%
Taxes Levied for Debt Service	1,867,373	1,768,898	98,475	5.6%
Taxes Levied for Other Specific Purposes	140,949	127,067	13,882	10.9%
Interest & Investment Earnings	62,222	45,822	16,400	35.8%
Other General Revenues	774,244	935,184	(160,940)	-17.2%
Special and Extraordinary Items	4,392	57,676	(53,284)	-92.4%
Total Revenues	23,032,337	21,001,205	2,031,132	9.7%
Expenses:				
Instruction	10,055,731	12,451,332	(2,395,601)	-19.2%
Instruction Related Services	2,896,032	3,604,540	(708,508)	-19.7%
Pupil Services	1,925,619	2,359,214	(433,595)	-18.4%
General Administration	1,308,007	1,593,846	(285,839)	-17.9%
Plant Services	2,015,572	2,483,920	(468,348)	-18.9%
Other Expenses	1,318,831	1,124,787	194,044	17.3%
Total Expenses	19,519,792	23,617,639	(4,097,847)	-17.4%
Change in Net Position	3,512,545	(2,616,434)	6,128,979	-234.2%

For the 2018/19 fiscal year, total District revenues (from all funds) were $23,032,337. Total District expenses were $19,519,792. The difference of $3,512,545 is a 234% increase in the change in net position. The total net position at June 30, 2019 is $1,260,604, which equates to an increase of 156% when compared to the Net Position reported on the June 30, 2018 Financial Audit.

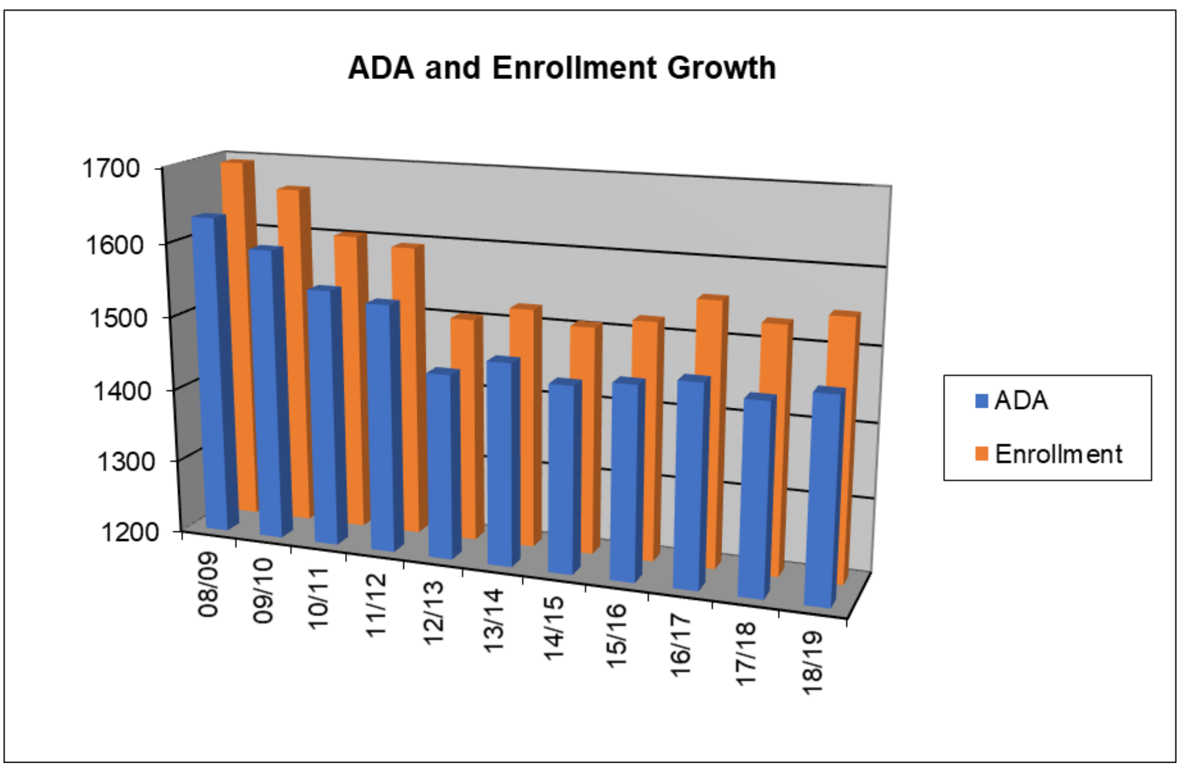
Compared to the 2017/18 year, the 2018/19 revenues increased by $2,031,132 (9.7%). The increase in the income is a combination of increased LCFF funding and state funding, including one-time payments for outstanding mandated claims, various CTE grants for WHS and the new State Low- Performing Students Block Grant.

The 2018/19 expenditures decreased by $4,097,847 when compared to the prior year. Expenses decreased in the areas of instruction, instruction related services, pupil services, general administration and plant services. Certified salaries were down in 2018/19 in a few categories due to unfilled positions and a reduction in other certificated salaries. In addition, capital outlay expenses were down in the General Fund #01 ($474K less), Capital Facilities Funds #25 & #26 ($168K less) and the Special Reserve Fund #40 ($117K less) due to one-time purchases that were made in 2017/18. The biggest factor in less expenditures in 2018/19 are the Work in Process Projects (once projects are completed the expenses will be added to the financial statements).

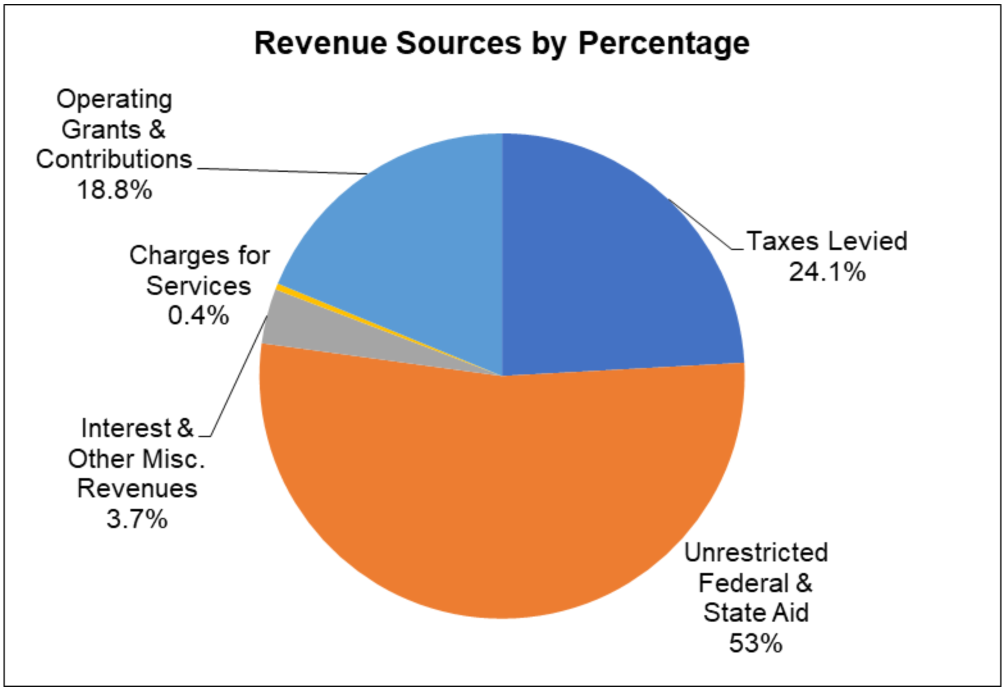
Approximately $19.3 million of the total revenues for the governmental funds was generated in the General Fund. Property taxes and the Local Control Funding Formula (LCFF) accounted for most of the District's revenue, making up about 79% of the District's general fund revenue. Another 17% came from state and federal aid for specific programs. The remaining 4% was generated by fees charged for services, interest earnings and miscellaneous sources.

The main source of revenue for the District is the Local Control Funding Formula (LCFF), which is included in the Unrestricted Federal and State Aid total. The LCFF calculation is based on Average Daily Attendance (ADA), the fractional proportion of the number of days a student attends school to the number of days the student is enrolled. This model includes additional Supplemental and Concentration Grant funding based on each District's unique unduplicated count of English learners (EL), free and reduced price meal (FRPM) program eligible students and Foster Youth. For Winters Joint Unified School District, the 2018/19 unduplicated pupil percentage was 68%, the 3-year average was 68.69%.

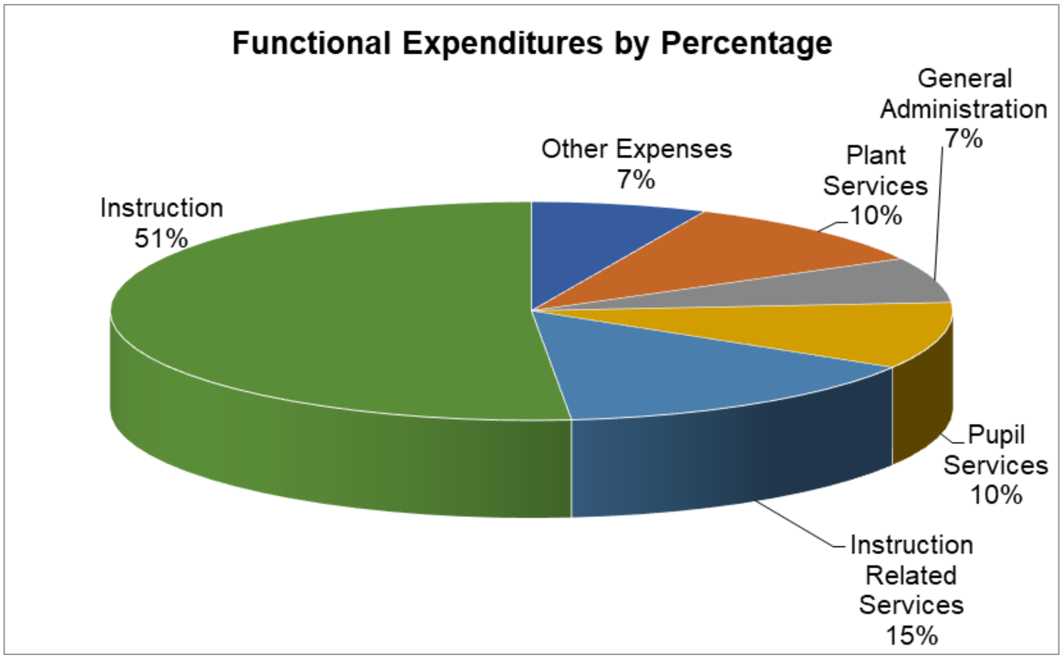
The District began experiencing declining enrollment back in 2002/03 and the graph presented below shows that the average enrollment continued to decrease from 2008/09-2012/13. In those years, the District had to use its prior year's ADA to maximize the Revenue Limit income. In 2013/14, the District's enrollment finally increased and the ADA of 1474 was 24 more than the previous year. In 2014/15 the District lost a few students and the P-2 ADA was 1452 which was 2 more than 2012/13. In 2015/16, enrollment was up ever so slightly with an average enrollment of 1521 students and ADA of 1462. In 2016/17, the District saw an increase in enrollment to 1555 students with ADA of 1471 (9 ADA higher the previous year). In 2017/18, the District experienced a decline again with 1531 students and 1455 ADA (16 ADA less than the previous year and in 2018/19 enrollment was up slightly to 1547 students and 1471 ADA (same ADA as 2016/17). Overall, the District's enrollment has been somewhat stagnant for the past 6 years.



The following graph displays the District's revenue sources by percentage:



The following graph displays the District's expenditures by function (expenditures grouped by related activities):



Governmental Activities

This table displays by function, the total and net cost of services provided for the 2017/18 and 2018/19 fiscal years. The net cost of services represents the total cost less operating and capital grants and contributions, and for revenue received where a charge is made for the service provided.

Governmental Activities Expenditures

	Total Cost of Services 2017/18	Total Cost of Services 2018/19	Net Cost of Services 2017/18	Net Cost of Services 2018/19
Instruction	$12,451,332	$10,055,731	$10,394,193	$ 7,389,511
Instruction Related Services	3,604,540	2,896,032	3,410,081	2,571,523
Pupil Services	2,359,214	1,925,619	1,676,864	1,166,161
General Administration	1,593,846	1,308,007	1,435,864	1,085,030
Plant Services	2,483,920	2,015,572	2,308,699	1,901,948
Other Expenses	1,124,787	1,318,831	958,035	986,096
Totals	$23,617,639	$19,519,792	$20,183,736	$15,100,269

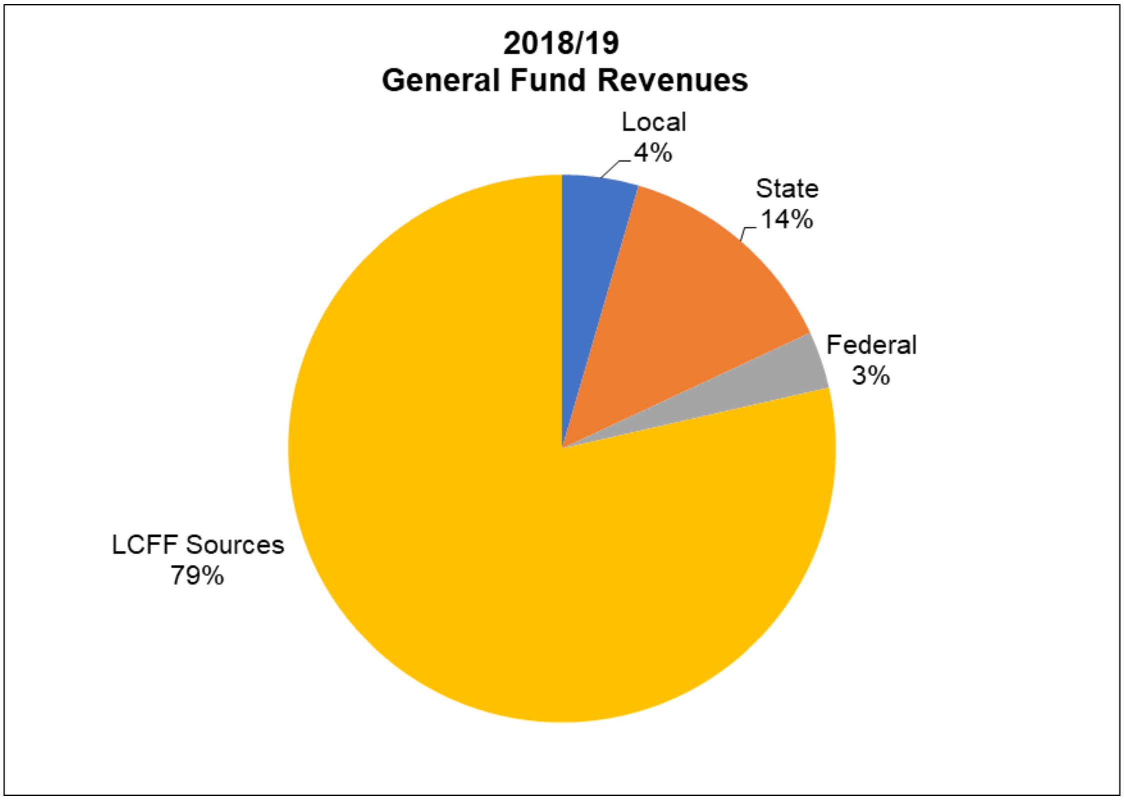
The total cost of services between the two years decreased by $4,097,847 (17.35%) and the net cost of services decreased by $5,083,467 (25%). The reduction a combination of less expenditures in the General Fund #01 for Other Certificated Salaries and Equipment and also in the Capital Facilities Funds #25 & #26 and the Special Reserve Fund #40. In addition, the District’s Work in Progress Projects at year-end was $15M. Once the projects are completed they will become assets of the District and will be added to future financial statements.

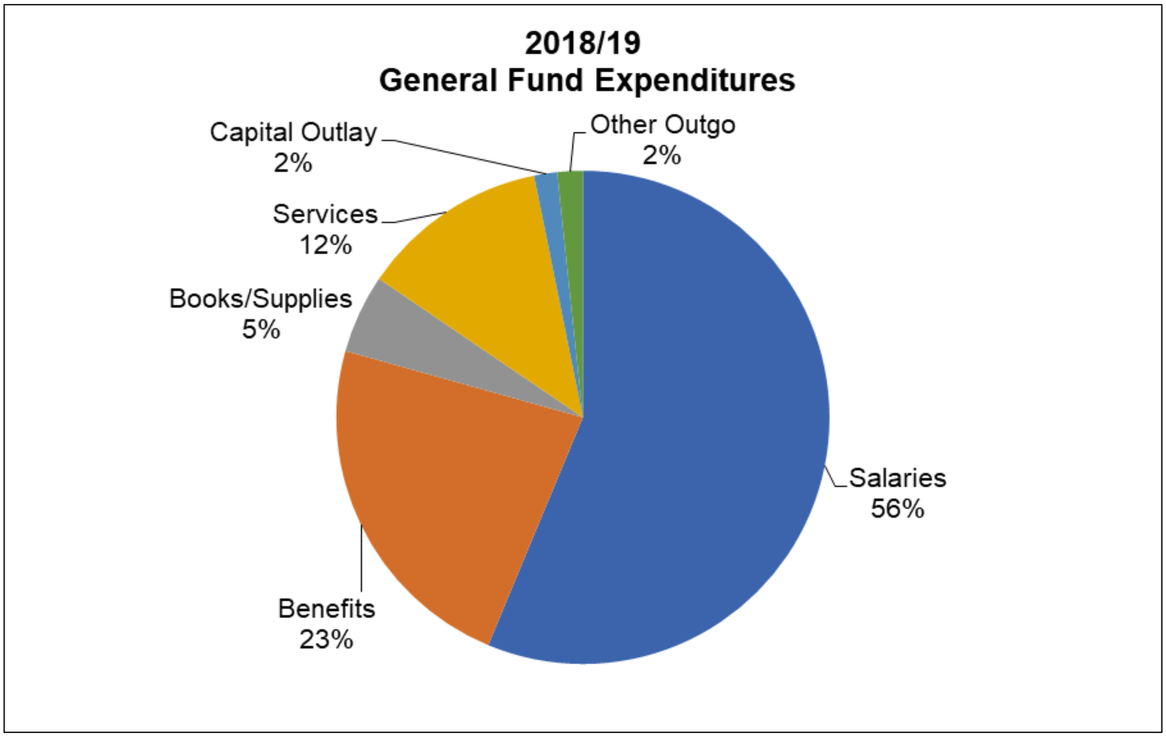
FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The strong financial performance of the District as a whole is reflected in its fund balances. The District strives to maintain a 5% Reserve for Economic Uncertainty in the General Fund, which is 2% greater than the state-required reserve for fiscal uncertainties, however this sometimes is challenging when other expenditures arise throughout the year. As the District completed the 2018/19 year, its funds reported a *combined* fund balance of $14,469,057 which is $2,465,677 less than the prior year. The changes in the combined fund balances was as follows: General Fund #01 <$4,062>; Bond Fund #21 <$3,705,019> due to the expenditures for construction projects; Bond Interest and Redemption Fund #51 +$729,426 and All Non Major Funds +$513,978 due to an increase in developer fee income.

General Fund Budgetary Highlights

The General Fund, which is the operating fund of the District, total revenues were $19.3 million and total expenditures were $19.3 million. In 2018/19, the Local Control Funding Formula (LCFF) revenues came in at 79%. The LCFF funding model began in 2013/14 and is now fully funded. The District’s expenses are predominantly related to educating and caring for students. In 2018/19 salaries and employee-related benefit expenditures were 79%.


2018/19
General Fund Revenues
Local
4%
State
14%
Federal
3%
LCFF Sources
79%


2018/19
General Fund Expenditures
Capital Outlay
2%
Other Outgo
2%
Services
12%
Books/Supplies
5%
Salaries
56%
Benefits
23%

The State Budget for 2018/19 was passed on time. The District revised its annual operating budget a total of 2 times during the year, at regular intervals, to reflect changes in income and expenses. The District also filed two positive Interim Reports with the Yolo County Superintendent of Schools in 2018/19.

On June 30, 2019, the General Fund ending balance was $2,456,763. Of this amount, $39,261 for site carryover not spent in the previous year, $27,701 Mandated Block Grant reserve, $38,855 in miscellaneous site specific reserves, $3,850 Revolving Fund Reserves, $619,557 in one-time funds for outstanding mandate claims, $252,808 in Unrestricted State Lottery funds, $187,563 in Restricted Lottery funds, $85,915 Low Performing Students Block Grant; Block Grant, $58,630 OPEB Obligation, $34,243 for WAEA Retirement Incentives, $15,000 for the Insurance Reserve, $7,255 Classified Professional Development; $928,180 unrestricted dollars for the Reserve for Economic Uncertainty, and $157,945 in unrestricted other/LCFF funding to be allocated for other purposes.

Other Funds Budgetary Highlights

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets at Year-End (Net of Depreciation)

	Government-Wide Activities	
	2017/18	2018/19
Land	$ 529,263	$ 529,263
Improvement of Sites	2,548,032	5,150,337
Buildings	11,744,734	11,089,298
Equipment	613,935	632,562
Construction in Progress	5,958,526	14,986,320
Totals	$21,394,490	$32,378,780

The capital assets in the table above are reflected at June 30, 2018 and 2019 net of depreciation. The District uses $5,000 as its capitalization threshold. Depreciation on each capitalized asset has been calculated using the straight-line method over applicable useful lives. As of June 30, 2019, the District had several Construction in Progress projects including multiple projects at Winters High School (CTE Building, 6-Classroom Building, Student Union, Track, Administration Building, 12-Classroom Building and the PE/Music Building). In addition, the Shirley Rominger Portable Relocation was also a Construction in Progress project.

Capital Assets

At the end of fiscal year 2018/19, the District had a total value of $32,378,780 in capital assets, including land, improvement of sites, buildings and equipment. Total accumulated depreciation amounted to $15,041,621**.** Equipment additions to capital assets in 2018/19 include miscellaneous kitchen appliances for the culinary room (freezer, dishwasher, floor mixer) $19,179; WHS Floriculture Cooler (walk-in) $9,813; WHS Ag Department laser engraver $19,345; John Deere Mower for grounds department $56,464; 2019 Transit 10 Passenger Wagon for the Ag Department $29,438; District Office Solar Panels $266,654; WMS Walkway/Ramp $17,250; Waggoner Pavement Project $151,164; John Clayton Site Improvements $39,951 and the WHS Stadium Project $2,347,489.

Debt Administration:

Outstanding Debt at Year-End

	Government-Wide Activities	
	2017/18	2018/19
General Obligation Bonds	$ 21,920,000	$ 28,780,000
Certificate of Participation	911,000	849,000
Net Pension Liability	18,783,680	19,538,981
Compensated Absences	95,117	107,027
Other General Long-Term Debt	25,000	10,000
Capital Leases Payable	38,639	99,320
Net OPEB Liability	457,832	489,966
Totals	$ 42,231,268	$ 49,874,294

Long-term Debt

The District ended the year with a total of $49,874,294 in outstanding financing obligations, excluding accrued interest. GASB 68 was implemented in 2014/15, which required the net pension liability to be recognized in the government-wide financial statements.

In January 2019, the District issued a $7.9M General Obligation Bond for Measure P, 2018 Election, Series A. These funds will be used for ongoing facility related new construction building projects (mainly at Winters High School). In 2018/19, the principal amounts paid against GO Bonds was $1,040,000.

Also part of the outstanding financing obligation as of June 30, 2019 is the $849,000 due on a Certificate of Participation originally issued in August 2001 (as "bridge financing" in lieu of delayed state funding for the purchase of the classrooms at SRIS). In 2014/15 the COP was refinanced with a lower fixed interest rate (3.35%) which is estimated to save the District over $120K over the life of the loan and will be paid off in 2031. The June 30, 2019 balance for Compensated Absences for employees who accrue vacation increased to $107,027. In 2015/16 the District offered WAEA members who met specific requirements an early retirement incentive. Four employees took advantage of this opportunity and as of year-end, the balance for this was $10,000. In 2017/18 and 2018/19 the District entered into a total of three 60-month Capital Leases with Dell Financial Services LLC for the purchase of new teacher laptops and new computers for the computer lab at Winters Middle School. GASB 75 replaced GASB 45 and now requires districts to recognize the Net OPEB Liability using the mandated actuarial methodology. The District's most recent actuarial study was completed in May 2018 and included the calculation of both the 2016/17 and 2017/18 Net OPEB Liabilities under the new requirements. The District continues to pay down its debt in accordance with scheduled long-term debt payments.

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

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

- ❖ This is the fifth year of the State's new funding formula, the Local Control Funding Formula (LCFF). The Winters Joint Unified School District continues to budget conservatively during difficult times, anticipating possible shortfalls in state funding and the impact of declining enrollment on revenues as well as the continuing increases in employer pension contributions. The District ended the year with a 5 percent level of reserves for economic uncertainty. The District maintained a positive cash flow for the entire year.

- ❖ The Winters Joint Unified School District experienced declining enrollment for 10 years beginning in 2002/03. Between 2013/14 and 2018/19 enrollment has increased from 1524 to 1547 (1.5%) and the 2018/19 P-2 ADA was 1471. Major development activity in the community has been occurring for the past several years. The District has seen significant increases in developer fee revenues as a result and expects these revenues to continue for the next couple of years. The District continues to be hopeful that more students will enroll in the local schools as a result of the new housing developments, but until the students show up, enrollment projections continue to be conservative.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, vendors, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or additional information requests should be directed to the Chief Business Officer at 909 West Grant Avenue, Winters, California 95694.

FINANCIAL SECTION

WINTERS JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 15,865,308
Receivables	1,371,467
Prepaid expenses	368,000
Other current assets	27,436
Capital assets, net of accumulated depreciation	32,378,780
Total Assets	50,010,991
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding of bonds	30,941
Deferred outflows on OPEB (note 7)	3,147
Deferred outflows on pensions (note 6)	8,650,163
Total deferred outflows	8,684,251
LIABILITIES	
Accounts payable and other current liabilities	3,622,357
Unearned revenue	53,364
Long-term liabilities:	
Due within one year	1,066,938
Due in more than one year	48,807,356
Total Liabilities	53,550,015
DEFERRED INFLOWS OF RESOURCES	
Deferred bond premium revenue	1,332,157
Deferred inflows on OPEB (note 7)	10,074
Deferred inflows on pensions (note 6)	2,542,392
Total deferred inflows	3,884,623
NET POSITION	
Net investment in capital assets	69,227,380
Restricted	10,435,087
Unrestricted	(78,401,863)
Total Net Position	$ 1,260,604

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

WINTERS JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	$ 10,055,731	$ -	$ 2,666,220	$ (7,389,511)
Instruction - related services:				
Instructional supervision	1,074,733	-	93,103	(981,630)
Instructional library, media and technology	324,433	-	31,682	(292,751)
School site administration	1,496,866	-	199,724	(1,297,142)
Pupil Services:				
Home-to-school transportation	570,679	-	15,891	(554,788)
Food services	633,118	82,802	515,306	(35,010)
All other pupil services	721,822	-	145,459	(576,363)
General administration:				
Centralized data processing	82,023	-	1,621	(80,402)
All other general administration	1,225,984	4,604	216,752	(1,004,628)
Plant services	2,015,572	7,194	106,430	(1,901,948)
Ancillary services	6,985	-	6,914	(71)
Community services	11,711	-	-	(11,711)
Interest on long-term debt	728,986	-	-	(728,986)
Other outgo	571,149	-	325,821	(245,328)
Total governmental activities	$ 19,519,792	$ 94,600	$ 4,324,923	(15,100,269)

General Revenues	
Taxes and subventions:	
Taxes levied for general purposes	3,549,401
Taxes levied for debt service	1,867,373
Taxes levied for other specific purposes	140,949
Federal and state aid not restricted to specific purposes	12,214,233
Interest and investment earnings	62,222
Miscellaneous	774,244
Special and extraordinary items	4,392
Total general revenues	18,612,814
Change in net position	3,512,545
Net Position - beginning	(2,251,941)
Net Position, June 30, 2019	$ 1,260,604

WINTERS JOINT UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	$ 2,798,556	$ 8,609,726	$ 2,801,828	$ 1,655,198	$ 15,865,308
Accounts receivable	1,220,675	63,229	-	87,563	1,371,467
Prepaid expenses	-	-	368,000	-	368,000
Stores	-	-	-	27,436	27,436
Due from other funds	35,662	-	-	29	35,691
Total assets	$ 4,054,893	$ 8,672,955	$ 3,169,828	$ 1,770,226	$ 17,667,902
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 1,544,737	$ 1,552,675	$ -	$ 12,378	$ 3,109,790
Unearned revenue	53,364	-	-	-	53,364
Due to other funds	29	-	-	35,662	35,691
Total Liabilities	1,598,130	1,552,675	-	48,040	3,198,845
Fund balances					
Nonspendable	3,850	-	368,000	27,436	399,286
Restricted	281,306	7,120,280	2,801,828	231,673	10,435,087
Assigned	1,243,427	-	-	1,463,077	2,706,504
Unassigned	928,180	-	-	-	928,180
Total Fund Balance	2,456,763	7,120,280	3,169,828	1,722,186	14,469,057
Total liabilities and fund balances	$ 4,054,893	$ 8,672,955	$ 3,169,828	$ 1,770,226	$ 17,667,902

WINTERS JOINT UNIFIED SCHOOL DISTRICT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total fund balances - governmental funds		$ 14,469,057
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:	$ 47,420,401	
Accumulated depreciation:	(15,041,621)	
Net:		32,378,780
Unamortized costs: In governmental funds, debt issue costs and premiums are recognized in the period they are incurred. In the government-wide statements, debt issue costs and premiums are amortized over the life of the debt. Unamortized debt issue costs and premiums included in deferred inflows and outflows on the statement of net position are:		
Unamortized portion of bond premiums		(1,332,157)
Unamortized portion of loss on refunding of bonds		30,941
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:		(512,567)
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		8,650,163
Deferred inflows of resources relating to pensions		(2,542,392)
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 related to governmental activities consist of:		
General Obligation Bonds Payable	$ 28,780,000	
Other post employment benefits	489,966	
Compensated absences payable	107,027	
Certificates of participation payable	849,000	
Capital lease payable	99,320	
Net Pension Liability	19,538,981	
Supplemental Retirement Incentive Benefits	10,000	
		(49,874,294)
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		3,147
Deferred inflows of resources relating to OPEB		(10,074)
Total net position, governmental activities:		$ 1,260,604

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

WINTERS JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
REVENUES					
LCFF sources	$ 15,173,172	$ -	$ -	$ -	$ 15,173,172
Federal revenue	652,237	-	-	530,172	1,182,409
Other state revenues	2,614,241	-	13,930	269,053	2,897,224
Other local revenues	872,008	197,940	1,896,355	808,844	3,775,147
Total revenues	19,311,658	197,940	1,910,285	1,608,069	23,027,952
EXPENDITURES					
Certificated salaries	7,630,490	-	-	60,437	7,690,927
Classified salaries	3,239,190	-	-	312,539	3,551,729
Employee benefits	4,455,320	-	-	139,031	4,594,351
Books and supplies	996,652	1,971	-	321,927	1,320,550
Services and other operating expenditures	2,380,494	152,250	91,728	160,028	2,784,500
Capital outlay	290,942	11,648,738	-	59,558	11,999,238
Other outgo	315,948	-	-	45,330	361,278
Debt service expenditures	-	-	1,758,926	91,999	1,850,925
Total expenditures	19,309,036	11,802,959	1,850,654	1,190,849	34,153,498
Excess (deficiency) of revenues over expenditures	2,622	(11,605,019)	59,631	417,220	(11,125,546)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	96,758	96,758
Operating transfers out	(96,758)	-	-	-	(96,758)
Proceeds from debt issuance	-	7,900,000	-	-	7,900,000
Proceeds from capital leases	90,074	-	-	-	90,074
Other sources	-	-	670,545	-	670,545
Other uses	-	-	(750)	-	(750)
Total other financing sources (uses)	(6,684)	7,900,000	669,795	96,758	8,659,869
Net change in fund balances	(4,062)	(3,705,019)	729,426	513,978	(2,465,677)
Fund balances, July 1, 2018	2,460,825	10,825,299	2,440,402	1,208,208	16,934,734
Fund balances, June 30, 2019	$ 2,456,763	$ 7,120,280	$ 3,169,828	$ 1,722,186	$ 14,469,057

WINTERS JOINT UNIFIED SCHOOL DISTRICT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total net change in fund balances - governmental funds		$ (2,465,677)
Amounts reported for governmental activities in the statement of activities are different 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:	$ 11,999,238	
Depreciation expense:	(1,014,948)	
Net:		10,984,290
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:		1,131,393
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:		(7,990,074)
Supplemental Employee Retirement Plan (SERP): In governmental funds, SERP costs are recognized when employer payments are made. In the statement of activities, SERP costs are recognized on the accrual basis. This year, the difference between SERP costs and actual employer payments was:		15,000
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:		(18,353)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		(11,910)
Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer 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:		(39,061)
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:		2,531,579
Amortization of debt issue premium or discount or deferred gain or loss from 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:		(624,642)
Total change in net position - governmental activities		$ 3,512,545

WINTERS JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

JUNE 30, 2019

	Student Body Funds
ASSETS	
Cash on hand and in banks	$ 151,353
LIABILITIES	
Due to Student Groups	$ 151,353

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. HISTORY OF DISTRICT

Winters Joint Unified School District was formed in 1965. Prior to this time, four separate school systems operated. In Yolo County, the Winters school system consisted of a high school district and an elementary school district, each with its own five-member governing board. In Solano County, Wolfskill Elementary School District and Olive Pleasants Valley Elementary School District both operated grades 1-8 schools. Reorganization boards from Yolo, Napa, and Solano Counties presented the unification request to the California State Board of Education. These four districts were unified in 1965 by voter approval of a ballot initiative. A fifth district, Union Elementary School, located north of Winters, joined the newly unified school district through a two-year deferment agreement in order to allow students in that district to finish eighth grade.

B. REPORTING ENTITY

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

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

C. ACCOUNTING POLICIES

The Winters Joint Unified School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. For state entitlement programs, the District has elected to match the revenues in the period that program expenditures are made to be consistent with the accounting for grants and other revenues.

D. BASIS OF PRESENTATION

<u>Government-wide Financial Statements</u>

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.

D. BASIS OF PRESENTATION (CONTINUED)

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. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

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

<u>Fund Financial Statements</u>

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.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

<u>Government-Wide Financial Statements</u>

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. Expenses are recorded when liabilities are incurred.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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, 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.

F. 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 are as follows:

Governmental Funds:

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

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to expenditures for specific purposes. The District maintains two special revenue funds:

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

Governmental Funds (Continued):

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

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

1. The **Bond Interest and Redemption Fund** is maintained by the County Treasurer and is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and related costs.

The **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities, including capital outlays financed by general obligation bonds. The District maintains three capital projects funds:

1. The **Capital Facilities Fund** is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA), and Health and Safety Code Section 33676 redevelopment project funds.

2. The **Special Reserve Fund** is used to accumulate funds for major maintenance and capital outlay.

3. The **Building Fund** is used to account for proceeds from the sale of bonds and may not be used for any purpose other than those for which the bonds were issued.

Fiduciary Funds:

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the District's own programs. The District uses agency funds for student body funds to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body. These funds' activities are reported in a separate statement of fiduciary net position and a statement of changes in 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.

G. 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.

During the year, budget revisions by the District's governing board and district superintendent give consideration to unanticipated revenue and expenditures. The final revised budgets are presented 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 major object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account. The budgets are revised during the year by the District’s Board of Education and District Superintendent to provide for unanticipated revenues and expenditures.

H. ENCUMBRANCES

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

I. INVESTMENT VALUATION AND INCOME RECOGNITION

In accordance with *Education Code* Section 41001, the District maintains substantially all its cash in the Yolo County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is credited to each fund. Any investment losses are proportionately shared by all funds in the pool.

J. 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. 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	Estimated Useful Life in Years
Land Improvements	20
Buildings	50
Vehicles	8
Equipment	5,10,20 (case by case)

K. 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.

L. DEFERRED OUTFLOWS/INFLOWS 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.

M. 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.

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

N. LONG-TERM OBLIGATIONS

The District reports long-term debt of governmental funds at face value in the government-wide statements. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized during the current period.

O. 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.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then, unrestricted resources as they are needed.

P. FUND BALANCE

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g. inventories and prepaids) or that are legally or contractually required to be maintained intact. The District has classified it revolving cash account as being Nonspendable as it is required to be maintained intact.

- Restricted: This classification includes amounts constrained to specific purposes by their providers or by law. The District has classified federal and state categorical programs as being restricted because their use is restricted by Statute. Debt service resources are to be used for future servicing of the general obligation bonds and are restricted through debt covenants.

- Committed: This classification includes amounts constrained to specific sources by the Board. For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period of June 30, although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. The District did not have any committed resources as of June 30, 2019.

- Assigned: This classification includes amounts which the Board or its designee intends to use for a specific purpose but are neither restricted nor committed. The Board delegates authority to assign funds to the assigned fund balance to the Superintendent or designee and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Board has assigned funds for Other Capital Projects that are to be used for the repair and replacement of equipment.

- Unassigned: This classification includes the residual fund balance for the General Fund and includes the amount designated for economic uncertainties. To protect the District against unforeseen circumstances such as revenue shortfalls and unanticipated expenditures, the Board maintains a minimum unassigned fund balance which includes a reserve for economic uncertainties equal to at least one month of average general fund expenditures or 5% of general fund expenditures and other financing uses. If the unassigned fund balance falls below this level due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

When multiple types of funds are available for an expenditure, the District shall first utilize funds from the restricted fund balance as appropriate, then from committed fund balance, then from the Assigned fund balance, and lastly from the Unassigned fund balance.

Q. LOCAL CONTROL FUNDING FORMULA/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 Yolo 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.

R. 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.

S. 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.

T. 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 Winters Joint 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.

U. 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.

2. CASH AND EQUIVALENTS

Cash at June 30, 2019 consisted of the following:

	Governmental Activities	Fiduciary Activities
Cash in county treasury	$ 15,856,458	$ -
Cash with fiscal agent	5,000	-
Cash in revolving fund	3,850	-
Cash on hand and in banks	-	151,353
	$ 15,865,308	$ 151,353

A. Cash in Bank and Revolving Funds

Cash balances held in banks 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.

B. Cash with Fiscal Agent

Cash with Fiscal Agent represents funds held by third parties restricted for the repayment of General Obligation Bonds and Certificates of Participation.

C. Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Yolo County Treasury as part of the common investment pool. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to the participating funds. Any investment losses are proportionally shared by all funds in the pool.

The Yolo County Treasurer is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. At June 30, 2019, the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

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, 2019, District’s cash in county treasury is invested in a portfolio consisting of 40.69% in cash and short-term investments in government investment pools such as the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). LAIF has a weighted average maturity of 215 days while CAMP has a weighted average maturity of less than 60 days. The rest of the County Treasurer’s Pool is invested in an actively managed pool with a weighted- average days to maturity of 858 days.

3. 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

As of June 30, 2019, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 35,662	$ 29
Child Development Fund	29	5,654
Cafeteria Fund	-	30,008
Total	$ 35,691	$ 35,691

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2018-2019 fiscal year are as follows:

Transfer from General Fund to Child Development Fund for State Preschool Program expenses.	$ 23,628
Transfer from General Fund to Special Reserve for Capital Outlay Fund for deferred maintenance expenses	73,130
Total transfers	$ 96,758

A summary of transfers from the General Fund to Capital Facilities Fund to provide for lease obligations follows:

1992-1993	$ 170,000
1993-1994	160,000
Total	330,000

The District plans at some future date, if and when funds become available in the Capital Facilities Fund, to repay these funds to the General Fund. Since the timing of the repayment is uncertain, this transaction is not recorded as a temporary loan.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is shown below:

	Balance July 1, 2018	Additions and Transfers	Deductions and Transfers	Balance June 30, 2019
Non-depreciable assets:				
Land	$ 529,263	$ -	$ -	$ 529,263
Work in Progress	5,958,526	11,846,004	(2,818,210)	14,986,320
	6,487,789	11,846,004	(2,818,210)	15,515,583
Depreciable assets:				
Buildings	21,994,308	-	-	21,994,308
Improvement of Sites	4,968,323	2,854,704	-	7,823,027
Equipment	1,970,743	134,240	(17,500)	2,087,483
	28,933,374	2,988,944	(17,500)	31,904,818
Totals, at cost	35,421,163	14,834,948	(2,835,710)	47,420,401
Accumulated depreciation:				
Buildings	(10,249,574)	(655,436)	-	(10,905,010)
Improvement of Sites	(2,420,291)	(252,399)	-	(2,672,690)
Equipment	(1,356,808)	(107,113)	-	(1,463,921)
	(14,026,673)	(1,014,948)	-	(15,041,621)
Depreciable assets, net	14,906,701	1,973,996	(17,500)	16,863,197
Capital Assets, net	$ 21,394,490	$ 13,820,000	$ (2,835,710)	$ 32,378,780

Depreciation expense was charged to the governmental activities as follows:

Instructional supervision and administration	$ 591,343
Instructional library, media and technology	1,628
School site administration	35,914
Home-to-school transportation	110,812
Food Services	47,872
All other pupil services	20,115
All other general administration	24,242
Centralized data processing	7,590
Plant services	175,432
Total depreciation expense	$ 1,014,948

5. LONG-TERM LIABILITIES

General Obligation Refunding Bonds

On October 26, 2010, the District issued General Obligation Refunding Bonds (the "Bonds") in the aggregate principal amount of $3,875,000 for the purpose of refunding its outstanding general obligation bonds that were originally issued for authorized school purposes and to pay costs of issuance of the Bonds. The reacquisition price exceeded the net carrying amount of the old debt by $75,627. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The refunding decreased the District's total debt service payments by $430,739. The transaction resulted in an economic gain of (difference between the present value of the debt service on the old and the new bonds) of approximately $345,030.

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect on all taxable property in the District for the payment of interest, principal, and premium, if any. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 4% and mature in staggered amounts each year starting in July 1, 2011 up through July 1, 2025. The outstanding bonds as of June 30, 2019 are as follows:

Total Bond Principal	$ 1,825,000
Add Premiums unamortized	75,540
Less Deferred Loss unamortized	(30,941)
Net Bonds Payable	$ 1,869,599

A liability for unmatured interest of $36,500 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

The annual requirements to amortize the refunding bonds as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 295,000	$ 73,000	$ 368,000
2021	305,000	61,200	366,200
2022	315,000	49,000	364,000
2023	330,000	36,400	366,400
2024	345,000	23,200	368,200
2025-2029	235,000	14,200	249,200
Total	$ 1,825,000	$ 257,000	$ 2,082,000

5. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Refunding Bonds

On October 23, 2014, the District issued Measure R Series A General Obligation Refunding Bonds (the "Bonds") in the aggregate principal amount of $5,000,000 to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith.

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 4.5% and mature in staggered amounts each year starting in August 1, 2015 up through August 1, 2044. The outstanding bonds as of June 30, 2019 are $4,230,000.

A liability for unmatured interest of $66,176 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

The annual requirements to amortize the refunding bonds as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ -	$ 158,823	$ 158,823
2021	-	158,823	158,823
2022	-	158,823	158,823
2023	-	158,823	158,823
2024	60,000	158,133	218,133
2025-2029	430,000	761,873	1,191,873
2030-2034	745,000	673,366	1,418,366
2035-2039	1,155,000	512,111	1,667,111
2040-2044	1,500,000	249,171	1,749,171
2045-2049	340,000	7,650	347,650
Total	$ 4,230,000	$ 2,997,594	$ 7,227,594

5. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

On October 12, 2016, the District issued Measure R Series B General Obligation Bonds (the "Bonds") in the aggregate principal amount of $5,000,000 to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance associated therewith.

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 1.2% to 4% and mature in staggered amounts each year starting in August 1, 2017 up through August 1, 2046. The outstanding bonds as of June 30, 2019 are $4,265,000.

The outstanding bonds as of June 30, 2019 are as follows:

Total Bond Principal	$ 4,265,000
Add Premiums unamortized	149,520
Net Bonds Payable	$ 4,414,520

The annual requirements to amortize the refunding bonds as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 15,000	$ 143,740	$ 158,740
2021	25,000	143,560	168,560
2022	30,000	143,260	173,260
2023	40,000	142,900	182,900
2024	30,000	142,100	172,100
2025-2029	265,000	698,250	963,250
2030-2034	475,000	657,600	1,132,600
2035-2039	790,000	569,875	1,359,875
2040-2044	1,270,000	412,200	1,682,200
2045-2049	1,325,000	113,400	1,438,400
Total	$ 4,265,000	$ 3,166,885	$ 7,431,885

A liability for unmatured interest of $59,892 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

5. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

On May 23, 2017, the District issued 2016 Election, 2017 Series A General Obligation Bonds (the “Bonds”) in the aggregate principal amount of $6,000,000 to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District and to pay certain costs of issuance associated therewith.

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 4.5% and mature in staggered amounts each year starting in August 1, 2017 up through August 1, 2046. The outstanding bonds as of June 30, 2019 are $5,560,000.

The outstanding bonds as of June 30, 2019 are as follows:

Total Bond Principal	$ 5,560,000
Add Premiums unamortized	79,259
Net Bonds Payable	$ 5,639,259

The annual requirements to amortize the refunding bonds as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 425,000	$ 211,363	$ 636,363
2021	110,000	202,864	312,864
2022	120,000	200,664	320,664
2023	20,000	198,264	218,264
2024	30,000	197,284	227,284
2025-2029	285,000	972,329	1,257,329
2030-2034	595,000	902,675	1,497,675
2035-2039	1,025,000	758,838	1,783,838
2040-2044	1,610,000	501,938	2,111,938
2045-2049	1,340,000	109,800	1,449,800
Total	$ 5,560,000	$ 4,256,019	$ 9,816,019

A liability for unmatured interest of $88,068 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

5. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

On March 1, 2018, the District issued 2014 Election, 2018 Series C General Obligation Bonds (the "Bonds") in the aggregate principal amount of $5,000,000 to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District and to pay certain costs of issuance associated therewith.

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 2% to 5% and mature in staggered amounts each year starting in August 1, 2018 up through August 1, 2043. The outstanding bonds as of June 30, 2019 are $5,000,000.

The outstanding bonds as of June 30, 2019 are as follows:

Total Bond Principal	$ 5,000,000
Add Premiums unamortized	370,214
Net Bonds Payable	$ 5,370,214

The annual requirements to amortize the refunding bonds as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 235,000	$ 215,400	$ 450,400
2021	120,000	210,700	330,700
2022	55,000	207,100	262,100
2023	65,000	205,450	270,450
2024	40,000	203,500	243,500
2025-2029	385,000	989,650	1,374,650
2030-2034	750,000	887,050	1,637,050
2035-2039	1,240,000	700,450	1,940,450
2040-2044	2,110,000	340,000	2,450,000
Total	$ 5,000,000	$ 3,959,300	$ 8,959,300

A liability for unmatured interest of $107,308 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

5. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

On January 31, 2019, the District issued 2018 Election, 2019 Series A General Obligation Bonds (the "Bonds") in the aggregate principal amount of $7,900,000 to be used for the financing of the acquisition, construction, equipping, furnishing and improvement of certain capital facilities of the District and to pay certain costs of issuance associated therewith.

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the County of Solano and the Board of Supervisors of the County of Yolo are obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 3.625% to 5% and mature in staggered amounts each year starting in August 1, 2019 up through August 1, 2048. The outstanding bonds as of June 30, 2019 are $7,900,000.

The outstanding bonds as of June 30, 2019 are as follows:

Total Bond Principal	$ 7,900,000
Add Premiums unamortized	656,005
Net Bonds Payable	$ 8,556,005

The annual requirements to amortize the refunding bonds as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ -	$ 182,703	$ 182,703
2021	700,000	363,388	1,063,388
2022	415,000	335,388	750,388
2023	-	318,788	318,788
2024	-	318,788	318,788
2025-2029	170,000	1,584,888	1,754,888
2030-2034	575,000	1,507,188	2,082,188
2035-2039	1,130,000	1,338,688	2,468,688
2040-2044	1,915,000	1,019,938	2,934,938
2045-2049	2,995,000	491,409	3,486,409
Total	$ 7,900,000	$ 7,461,166	$ 15,361,166

A liability for unmatured interest of $152,253 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

5. LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation

On August 16, 2001, the District issued Certificates of Participation totaling $1,650,000. These certificates carried interest rates that range from 2.500% to 4.875% and were scheduled to mature in varying amounts through 2031. In January 2015, the District refinanced the Certificates of Participation for $1,148,000. These certificates carry 3.35% interest rates and mature in varying amounts through 2031. The annual requirements to amortize the Certificates of Participation payable outstanding as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 67,000	$ 27,872	$ 94,872
2021	66,000	25,644	91,644
2022	70,000	23,400	93,400
2023	69,000	21,072	90,072
2024	74,000	18,710	92,710
2025-2029	412,000	53,935	465,935
2030-2034	91,000	2,295	93,295
Total	$ 849,000	$ 172,927	$ 1,021,927

A liability for unmatured interest of $2,370 was recorded as part of Accounts Payable and Other Current Liabilities in the Statement of Net Position.

5. LONG-TERM LIABILITIES (CONTINUED)

Capital Lease

On October 1, 2017, the District entered into a 60-month capital lease with Dell Financial Services LLC. For the year ended June 30, 2019, the District paid $11,248 of which $8,783 comprised of principal.

On August 1, 2018, the District entered into two 60-month capital leases with Dell Financial Services LLC. For the year ended June 30, 2019, the District paid $20,610 which comprised of principal only.

The remaining payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	$ 24,938	$ 6,919	$ 31,857
2021	26,659	5,197	31,856
2022	28,501	3,357	31,858
2023	19,221	1,388	20,609
Total	$ 99,320	$ 16,860	$ 116,180

Other General Long-Term Debt

In 2015/16, the District offered a supplemental early retirement incentive. Four employees are receiving this benefit over a period of five years. The outstanding balance at June 30, 2019 was $10,000.

Schedule of Changes in Long-term Liabilities

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

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
General Obligation Bonds	$ 21,920,000	$ 7,900,000	$ 1,040,000	$ 28,780,000	$ 970,000
Certificates of Participation	911,000	-	62,000	849,000	67,000
Net Pension Liability (Note 6)	18,783,680	755,301	-	19,538,981	-
Compensated Absences	95,117	11,910	-	107,027	-
Capital Leases Payable	38,639	90,074	29,393	99,320	24,938
Net OPEB Liability (Note 7)	457,832	32,134	-	489,966	-
Other General Long-Term Debt	25,000	-	15,000	10,000	5,000
	$ 42,231,268	$ 8,789,419	$ 1,146,393	$ 49,874,294	$ 1,066,938

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the Capital Facilities Fund. Payments on the compensated absences are made from the fund for which the related employee worked. Payments on the capital leases are made from the General Fund.

6. 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 California Public Employees' Retirement System (CalPERS).

Plan Description

California Public Employees' Retirement System (CalPERS)

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, California 95811.

State Teachers' Retirement System (STRS)

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, California 95605.

The Plans' provisions and benefits in effect at June 30, 2019, 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%	7%	10.25%	10.205%
Required employer contribution rates	18.062%	18.062%	16.28%	16.28%

6. 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. The 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, 2019 the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for the Plan were:

	CalPERS	STRS	Total
Contributions - employer	$ 589,882	$ 1,217,563	$ 1,807,445
On behalf contributions - state	218,587	1,194,902	1,413,489
Total	$ 808,469	$ 2,412,465	$ 3,220,934

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

As of June 30, 2019, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 6,448,661
STRS	13,090,320
Total Net Pension Liability	$ 19,538,981

The 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, 2018, 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 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The District's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

	CalPERS	STRS
Proportion - June 30, 2017	0.02474%	0.01393%
Proportion - June 30, 2018	0.02419%	0.01424%
Change - Increase (Decrease)	-0.00055%	0.00032%

For the year ended June 30, 2019, the District recognized pension expense of $2,531,579. At June 30, 2019, 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	$ 808,469	$ -	$ 2,412,465	$ -	$ 3,220,934	$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2017-18	-	114,569	-	368,117	-	482,686
Changes of Assumptions	914,175	67,795	3,447,309	-	4,361,484	67,795
Differences between Expected and Actual Experience	470,129	-	68,812	545,252	538,941	545,252
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	90,974	117,921	-	926,092	90,974	1,044,013
Net differences between projected and actual investment earnings on pension plan investments	437,830	-	-	402,646	437,830	402,646
Total	$ 2,721,577	$ 300,285	$ 5,928,586	$ 2,242,107	$ 8,650,163	$ 2,542,392

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, 2020. Other amounts reported as deferred outflows/(inflows) 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
2020	$ 594,295	$ (57,636)	$ 536,659
2021	683,143	92,035	775,178
2022	324,806	201,531	526,337
2023	10,579	320,350	330,929
2024	-	503,494	503,494
Thereafter	-	214,240	214,240
Total	$ 1,612,823	$ 1,274,014	$ 2,886,837

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	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

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

CalSTRS changed the mortality assumptions based on the July 1, 2010, through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

CalPERS

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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	**Assumed Asset Allocation**	**Real Return Years 1 - 10 [a]**	**Real Return Years 11+ [b]**
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	77.00%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

[a] An expected inflation of 2.00% used for this period
[b] An expected inflation of 2.92% used for this period

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

STRS

The discount rate used to measure the total pension liability was 7.10%. 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. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments and administrative expenses 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 long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, the consulting actuary (Milliman) reviews the return assumptions for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class are summarized in the following table.

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

[a] 20-year average

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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/(Asset)	$ 9,602,646	$ 6,448,661	$ 4,100,533

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability	$ 18,748,612	$ 13,090,320	$ 7,865,664

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

As of June 30, 2019, the District had no outstanding required contributions to the pension plans.

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan description. The plan is a single-employer defined benefit plan. The District contributes $1,000 annually toward healthcare benefits to classified (CSEA) employees who retire from the District on or after attaining age 60 while in service with at least 10 years of service in the District in accordance with the current agreement with the CSEA. For the certificated employees, the District contributes an amount equal to half of the single person district contribution provided for an active member upon retirement if they are at least 60 years of age, have 25 years of full service credit in the District in accordance with the current agreement with Winters Area Education Association (WAEA). The benefit could be modified in the negotiations process. The District administers this plan. On June 30, 2019, two retirees met these eligibility requirements.

Benefits provided. Access to health and dental insurance is available to retirees age 55 to 65 at the retiree's own expense.

	Classified	Certificated
Benefit types provided	Medical only	Medical, dental, and vision
Duration of Benefits	Earlier of Medicare or age 65	Earlier of Medicare or age 65
Required Service	10 years	25 years
Minimum Age	60	60
Dependent Coverage	Yes	Yes
District Contribution %	100%	100%
District Cap	$1,000 per year	One-half contribution for medical, dental, and vision

The Plan has no assets, does not issue financial statements, and is not a trust.

Contributions. The contribution requirements of Plan members and the District are established and may be amended by the District, the Winters Area Education Association (WAEA), and the local California School Employees Association (CSEA) chapter. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2018/19, the District contributed $19,779 to the Plan, of which $19,779 was used for current premiums.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	148
	150

7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability

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

Actuarial assumptions. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal (EAN) cost method
Amortization method	Level percentage of pay
Amortization period	30 years
Asset valuation method	There are no plan assets
Inflation	2.75% per annum
Healthcare cost trend rates	4% per year
Salary increases	2.75% per annum, in aggregate
Investment rate of return	3.8% per annum net of administrative expenses.
Retirement age	Minimum retirement age of 60
Mortality	Certificated: 2009 CalSTRS Mortality Classified: 2009 CalSTRS Mortality for Active Miscellaneous Employees
Retirees' share of benefit-related costs	Based on actual retiree premium plus an implicit rate subsidy of 31.8% of non-Medicare medical premium

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study as of March 2019.

7. OTHER POSTEMPLOYMENT BENEFITS (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, 2018	$ 457,832	$ -	$ 457,832
Changes for the year:			
Service cost	44,782	-	44,782
Interest	17,873	-	17,873
Differences between expected and actual experience	-	-	-
Change in assumptions	(10,742)	-	(10,742)
Contributions - employer	-	19,779	(19,779)
Net investment income	-	-	-
Benefit payments	(19,779)	(19,779)	-
Administrative expense	-	-	-
Net changes	32,134	-	32,134
Balances at June 30, 2019	$ 489,966	$ -	$ 489,966

Sensitivity of the net OPEB liability to changes in the discount rate and 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 a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability (asset)	$ 521,193	$ 489,966	$ 459,339

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 (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current healthcare cost trend rates:

	1% Decrease (3.0%)	Healthcare Cost Trend Rates (4.0%)	1% Increase (5.0%)
Net OPEB liability (asset)	$ 465,424	$ 489,966	$ 514,054

OPEB plan fiduciary net position. The plan has no assets.

7. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2019, the District recognized OPEB expense of $39,061. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	(10,074)
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions - subsequent to the measurement date	3,147	-
Total	$ 3,147	$ (10,074)

The District will recognize the contributions made subsequent to the measurement date in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2020	$ (668)
2021	(668)
2022	(668)
2023	(668)
2024	(668)
Thereafter	(6,734)
Total	$ (10,074)

Payable to the OPEB Plan

At June 30, 2019, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

8. FUND BALANCE

As of these financial statements, the District has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The following schedule is a summary of the components of the ending fund balance by fund type at June 30, 2019:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Funds	Total
Nonspendable:					
Revolving cash	$ 3,850	$ -	$ -	$ -	$ 3,850
Prepaid	-	-	368,000	-	368,000
Stores	-	-	-	27,436	27,436
	3,850	-	368,000	27,436	399,286
Restricted for:					
Lottery: Instructional Materials	187,563	-	-	-	187,563
Classified School Employee Professional Development Block Grant	7,255	-	-	-	7,255
Low-Performing Students Block Grant	85,915	-	-	-	85,915
Reserve for Future Bond Projects	-	7,120,280	-	-	7,120,280
Other Restricted Local	573	-	2,801,828	-	2,802,401
Child Nutrition: School Programs	-	-	-	205,610	205,610
Child Nutrition: Summer Food Service Program Operations	-	-	-	26,063	26,063
	281,306	7,120,280	2,801,828	231,673	10,435,087
Assigned to:					
Mandated Block Grant	27,701	-	-	-	27,701
One Time Mandate	619,557	-	-	-	619,557
SUMS Grant	24,939	-	-	-	24,939
Gardent Grant	1,994	-	-	-	1,994
School To Home	7,525	-	-	-	7,525
WMS CAPP Grant	160	-	-	-	160
WMS MTSS	2,463	-	-	-	2,463
PBIS	1,201	-	-	-	1,201
WAEA Early Retirement Obligation	34,243	-	-	-	34,243
CSEA OPEB Obligation	58,630	-	-	-	58,630
Insurance Reserve	15,000	-	-	-	15,000
School Site Carryover	39,261	-	-	-	39,261
Other/LCFF Reserves	157,945	-	-	-	157,945
Unrestricted Lottery Reserve	252,808	-	-	-	252,808
Cafeteria Reserve	-	-	-	7,175	7,175
Capital Facilities/Developer Fees Reserve	-	-	-	1,029,118	1,029,118
Capital Facilities RDA Reserve	-	-	-	210,780	210,780
Reserve for Capital Facilities/Projects	-	-	-	216,004	216,004
	1,243,427	-	-	1,463,077	2,706,504
Unassigned:					
Economic uncertainties	928,180	-	-	-	928,180
Total	$ 2,456,763	$ 7,120,280	$ 3,169,828	$ 1,722,186	$ 14,469,057

9. JOINT VENTURES

The Winters Joint Unified School District participates in two joint ventures under joint powers agreements (JPAs) with the North Valley Schools Insurance Group (NVSIG) and Central Valley Schools Joint Powers Authority (CVS JPA). The relationship between the Winters Joint Unified School District and the JPAs is such that the JPAs are not a component unit of the Winters Joint Unified School District for financial reporting purposes.

NVSIG - The JPA arranges for and provides workers compensation insurance for its members up to the JPA's self-insured retention (SIR). The JPA's governing board consists of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district is obligated to pay an amount commensurate with the level of coverage requested and may be subject to assessments and receipt of dividends.

CVS JPA – The JPA arranges and provides property and liability insurance through NorCal Relief. The JPA's governing board consists of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district is obligated to pay an amount commensurate with the level of coverage requested and may be subject to assessments and receipt of dividends.

<u>Nature of Participation</u>

Workers' Compensation (NVSIG)

JPA's SIR:	$ 250,000	
Excess Insurance:	$ 10,000,000	with Schools Alliance for Workers' Compensation Excess Insurance II (SAWCXII)

Property and Liability (CVS JPA)

District's SIR:	$ 1,000	per occurrence
JPA's SIR:	$ 1,000 – 10,000	per occurrence
Nor Cal Relief	$ 10,000 –1,000,000	per occurrence
SAFER JPA	$ 1,000,000 –5,000,000	per occurrence
SAFER JPA	$ 5,000,000 – 25,000,000	per occurrence

9. JOINT VENTURES (CONTINUED)

Total payments made in the current year for NVSIG and CVSJPA were $55,253 and $163,562, respectively. The most recent condensed financial information available for the year ended June 30, 2019 is as follows:

	2019 NVSIG	2018* CVSJPA
Total Assets	$ 3,371,324	$ 420,984
Total Liabilities	$ 1,639,652	$ 80,219
Net Position	1,731,672	340,765
Total Liabilities and Net Position	$ 3,371,324	$ 420,984
Total Revenues	$ 15,010,503	$ 699,078
Total Expenses	(14,848,552)	(714,978)
Change in Net Postion	$ 161,951	$ (15,900)

**Most recent information available*

10. 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, 2019 were as follows:

	Excess Expenditures
General Fund	
Employee benefits	$ 746,003

The excess is not in accordance with Education Code 42600. The excess General Fund employee benefit expenditures are due to additional STRS-on-behalf of contributions.

11. COMMITMENTS AND CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursement subsequently determined will not have a material effect on the District's financial position.

12. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2019 financial statements for subsequent events through November 12, 2019, the date the financial statements were available to be issued. Management is not aware of any other subsequent events other than the above that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

WINTERS JOINT 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, 2019

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
LCFF sources	$ 16,975,791	$ 17,670,577	$ 15,173,172	$ (2,497,405)
Federal revenue	640,860	908,691	652,237	(256,454)
Other state revenues	1,565,692	1,714,768	2,614,241	899,473
Other local revenues	974,293	937,323	872,008	(65,315)
Total revenues	20,156,636	21,231,359	19,311,658	(1,919,701)
EXPENDITURES				
Certificated salaries	7,783,797	7,641,378	7,630,490	10,888
Classified salaries	3,301,181	3,305,841	3,239,190	66,651
Employee benefits	3,787,894	3,709,317	4,455,320	(746,003)
Books and supplies	579,505	1,119,111	996,652	122,459
Services and other operating expenditures	1,895,705	2,531,542	2,380,494	151,048
Capital outlay	55,522	297,989	290,942	7,047
Other outgo	212,390	316,268	315,948	320
Total expenditures	17,615,994	18,921,446	19,309,036	(387,590)
Excess (deficiency) of revenues over expenditures	2,540,642	2,309,913	2,622	(2,307,291)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(135,705)	(98,130)	(96,758)	1,372
Proceeds from debt issuance	-	90,074	40,197	(49,877)
Total other financing sources (uses)	(135,705)	(8,056)	(56,561)	(48,505)
Net change in fund balances	2,404,937	2,301,857	(53,939)	(2,355,796)
Fund balances, July 1, 2018	2,460,825	2,460,825	2,460,825	-
Fund balances, June 30, 2019	$ 4,865,762	$ 4,762,682	$ 2,406,886	$ (2,355,796)

WINTERS JOINT UNIFIED SCHOOL DISTRICT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2019*	2018*
Total OPEB liability		
Service cost	$ 44,782	$ 43,583
Interest	17,873	15,047
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(10,742)	-
Benefit payments, including refunds of member contributions	(19,779)	(19,018)
Net change in total OPEB liability	32,134	39,612
Total OPEB liability - beginning	457,832	418,220
Total OPEB liability - ending (a)	$ 489,966	$ 457,832
Plan fiduciary net position		
Contributions - employer	$ 19,779	$ 19,018
Net investment income	-	-
Benefit payments, including refunds of member contributions	(19,779)	(19,018)
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)	$ 489,966	$ 457,832
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%
Covered payroll	$11,227,655	$11,262,025
District's net OPEB liability as a percentage of covered payroll	4.4%	4.1%

*GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Since this is the second year of implementation, only results for fiscal years 2018 and 2019 are shown in this table.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CalPERS	June 30, 2014 [1]	June 30, 2015 [1]	June 30, 2016 [1]	June 30, 2017 [1]	June 30, 2018 [1]
Proportion of the net pension liability (asset)	0.02207%	0.02255%	0.02412%	0.02474%	0.02419%
Proportionate share of the net pension liability (asset)	$ 2,505,253	$ 3,323,576	$ 4,764,329	$ 5,905,176	$ 6,448,661
Covered payroll [2]	$ 2,251,839	$ 2,480,248	$ 2,468,743	$ 2,820,655	$ 2,743,057
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%
Proportionate share of aggregate employer contributions [3]	$ 265,064	$ 293,835	$ 342,859	$ 438,076	$ 495,451

STRS	June 30, 2014 [1]	June 30, 2015 [1]	June 30, 2016 [1]	June 30, 2017 [1]	June 30, 2018 [1]
Proportion of the net pension liability (asset)	0.01362%	0.01364%	0.01384%	0.01393%	0.01424%
Proportionate share of the net pension liability (asset)	$ 7,958,120	$ 9,180,438	$ 11,197,151	$ 12,878,504	$ 13,090,320
Covered payroll [2]	$ 5,635,293	$ 5,237,959	$ 5,884,825	$ 6,434,317	$ 6,720,190
Proportionate Share of the net pension liability (asset) as percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%
Proportionate share of aggregate employer contributions [3]	$ 500,414	$ 562,033	$ 740,311	$ 928,472	$ 1,094,047

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

(2) Covered payroll is the payroll on which contributions to a pension plan are based.

(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 as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CalPERS	Fiscal Year 2014-15 [1]	Fiscal Year 2015-16 [1]	Fiscal Year 2016-17 [1]	Fiscal Year 2017-18 [1]	Fiscal Year 2018-19 [1]
Contractually required contribution [2]	$ 265,064	$ 293,835	$ 342,859	$ 438,076	$ 495,451
Contributions in relation to the contractually required contribution [2]	(288,461)	(328,725)	(432,206)	(484,331)	(589,882)
Contribution deficiency (excess)	$ (23,397)	$ (34,890)	$ (89,347)	$ (46,255)	$ (94,431)
Covered payroll [3]	$ 2,251,839	$ 2,480,248	$ 2,468,743	$ 2,820,655	$ 2,743,057
Contributions as a percentage of covered payroll [3]	11.771%	11.847%	13.888%	15.531%	18.062%

STRS	Fiscal Year 2014-15 [1]	Fiscal Year 2015-16 [1]	Fiscal Year 2016-17 [1]	Fiscal Year 2017-18 [1]	Fiscal Year 2018-19 [1]
Contractually required contribution [2]	$ 500,414	$ 562,033	$ 740,311	$ 928,472	$ 1,094,047
Contributions in relation to the contractually required contribution [2]	(553,450)	(746,922)	(884,704)	(1,047,954)	(1,217,563)
Contribution deficiency (excess)	$ (53,036)	$ (184,889)	$ (144,393)	$ (119,482)	$ (123,516)
Covered payroll [3]	$ 5,635,293	$ 5,237,959	$ 5,884,825	$ 6,434,317	$ 6,720,190
Contributions as a percentage of covered payroll [3]	8.880%	10.730%	12.580%	14.430%	16.280%

(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 contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required 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 payroll is the payroll on which contributions to a pension plan are based.

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 and Related Ratios

Benefit changes. There were no changes to benefits.

Changes of assumptions. The investment rate of return changed from 3.5% to 3.8%.

Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

Actuarial cost method	Entry age normal (EAN) cost method
Amortization method	Level percentage of pay
Amortization period	30 years
Asset valuation method	There are no plan assets
Inflation	2.75% per annum
Healthcare cost trend rates	4% per year
Salary increases	2.75% per annum, in aggregate
Investment rate of return	3.8% per annum net of administrative expenses.
Retirement age	Minimum retirement age of 60
Mortality	Certificated: 2009 CalSTRS Mortality Classified: 2009 CalSTRS Mortality for Active Miscellaneous Employees
Retirees' share of benefit-related costs	Based on actual retiree premium plus an implicit rate subsidy of 31.8% of non-Medicare medical premium

PURPOSE OF SCHEDULES (CONTINUED)

C - Schedule of Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Assumptions
In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. There were no changes in the assumptions used in the calculation of the STRS collective net pension liability.

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

Fiscal year 2015 was the first year of implementation, therefore only five 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. In the future, as data becomes available, ten years of information will be presented.

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

	CalPERS	STRS
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	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

WINTERS JOINT UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2019

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Fund	Total
ASSETS					
Cash and cash equivalents	$ 3,675	$ 200,121	$ 1,236,651	$ 214,751	$ 1,655,198
Accounts receivable	1,950	77,228	6,822	1,563	87,563
Stores	-	27,436	-	-	27,436
Due from other funds	29	-	-	-	29
Total assets	$ 5,654	$ 304,785	$ 1,243,473	$ 216,314	$ 1,770,226
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ 8,493	$ 3,575	$ 310	$ 12,378
Due to other funds	5,654	30,008	-	-	35,662
Total Liabilities	5,654	38,501	3,575	310	48,040
Fund balances					
Nonspendable	-	27,436	-	-	27,436
Restricted	-	231,673	-	-	231,673
Assigned	-	7,175	1,239,898	216,004	1,463,077
Total Fund Balance	-	266,284	1,239,898	216,004	1,722,186
Total liabilities and fund balances	$ 5,654	$ 304,785	$ 1,243,473	$ 216,314	$ 1,770,226

WINTERS JOINT UNIFIED SCHOOL DISTRICT

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

ALL NON-MAJOR FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve for Capital Outlay Fund	Total
REVENUES					
Federal revenue	$ -	$ 530,172	$ -	$ -	$ 530,172
Other state revenues	217,907	51,146	-	-	269,053
Other local revenues	939	183,308	604,444	20,153	808,844
Total revenues	218,846	764,626	604,444	20,153	1,608,069
EXPENDITURES					
Certificated salaries	60,437	-	-	-	60,437
Classified salaries	85,064	227,475	-	-	312,539
Employee benefits	58,737	80,294	-	-	139,031
Books and supplies	3,318	300,836	1,234	16,539	321,927
Services and other operating expenditures	20,469	72,089	20,822	46,648	160,028
Capital outlay	-	-	42,308	17,250	59,558
Other outgo	15,321	30,009	-	-	45,330
Debt service expenditures	-	-	91,999	-	91,999
Total expenditures	243,346	710,703	156,363	80,437	1,190,849
Excess(deficiency) of revenues over expenditures	(24,500)	53,923	448,081	(60,284)	417,220
OTHER FINANCING SOURCES (USES)					
Operating transfers in	23,628	-	-	73,130	96,758
Total other financing sources (uses)	23,628	-	-	73,130	96,758
Net change in fund balances	(872)	53,923	448,081	12,846	513,978
Fund balances, July 1, 2018	872	212,361	791,817	203,158	1,208,208
Fund balances, June 30, 2019	$ -	$ 266,284	$ 1,239,898	$ 216,004	$ 1,722,186

WINTERS JOINT UNIFIED SCHOOL DISTRICT

ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Student Body Funds	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Assets:				
Cash on hand and in banks				
Waggoner Elementary	$ 11,415	$ 29,406	$ (33,701)	$ 7,120
Shirley Rominger Intermediate	3,680	19,995	(17,733)	5,942
Winters Middle	47,921	77,373	(69,871)	55,423
Winters High	63,672	295,633	(276,437)	82,868
Total Assets	$ 126,688	$ 422,407	$ (397,742)	$ 151,353
Liabilities:				
Due to student groups	$ 126,688	$ 422,407	$ (397,742)	$ 151,353
Total Liabilities	$ 126,688	$ 422,407	$ (397,742)	$ 151,353

WINTERS JOINT UNIFIED SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2019

The District, situated in parts of Solano and Yolo counties, was formed through a unification election held on October 6, 1964. Valley, Union, Winters, and Wolfskill Elementary Districts and Winters Joint Union High School District were combined to form the District. There were no changes in the boundaries of the District during the year. The District is currently operating one elementary school, one intermediate school, one middle school, one high school, and one continuation high school.

GOVERNING BOARD

Name	Office	Term Expires December
Robert Warren	President	2022
Ralph Anderson	Member	2020
Michael Olivas	Clerk	2022
Rudolph Muldong	Member	2020
Carrie Green	Member	2022

ADMINISTRATION

Todd Cutler
Superintendent

Mary Kay Callaway
Interim Director of Fiscal Services/CBO

Kathy Colagrossi
Fiscal Analyst

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Second Period Report	Revised Second Period Report*	Annual Report
Elementary			
TK through Third	484.53	484.20	485.75
Fourth through Sixth	289.25	289.81	290.30
Seventh through Eighth	238.13	238.55	238.64
Special Education	1.30	1.30	1.95
	1,013.21	1,013.86	1,016.64
Secondary			
Ninth through Twelfth	435.18	435.18	432.39
Special Education	0.96	0.96	1.39
Continuation Education	21.34	21.34	21.51
	1,470.69	1,471.34	1,471.93

* The revisions to the P-2 Period of Attendance report were not the result of the audit.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Grade Level	Standard Minutes Requirement	2018-19 Actual Minutes	Instructional Days*	Status
Transitional Kindergarten	36,000	36,900	179*	In compliance
Kindergarten	36,000	48,600	179*	In compliance
Grade 1	50,400	51,060	179*	In compliance
Grade 2	50,400	51,060	179*	In compliance
Grade 3	50,400	51,060	179*	In compliance
Grade 4	54,000	55,260	179*	In compliance
Grade 5	54,000	55,260	179*	In compliance
Grade 6	54,000	62,640	179*	In compliance
Grade 7	54,000	62,640	179*	In compliance
Grade 8	54,000	62,640	179*	In compliance
Grade 9	64,800	65,550	179*	In compliance
Grade 10	64,800	65,550	179*	In compliance
Grade 11	64,800	65,550	179*	In compliance
Grade 12	64,800	65,550	179*	In compliance

* The District received an approval for school closure due to poor air quality for one day.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR FISCAL YEAR ENDED JUNE 30, 2019

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 chartered by the District

See the accompanying notes to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

There were no adjustments made to any funds of the District.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal CFDA Number	Grantor and Program Title	Pass-Through Entity Identifying Number		Federal Expenditures
	U.S. Department of Education			
	Passed through California Department of Education			
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	14329		$ 208,109
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894		16,576
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341		22,224
84.365	ESEA (ESSA): Title III, English Learner Student Program	14346		63,343
84.365	ESEA (ESSA): Title III, Immigrant Student Program	15146		3,344
	Special Education Cluster (IDEA)			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	13379	*	276,095
84.027A	Special Ed: IDEA Preschool Local Entitlement, Part B, Section 611 (AGE 3-4-5) (17-18)	13682	*	28,968
84.173	Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	13430	*	7,686
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	13431	*	104
	Subtotal Special Education Cluster (IDEA)			312,853
	Total U.S. Department of Education			626,449
	U.S. Department of Agriculture			
	Passed through California Department of Education			
	Child Nutrition Cluster			
10.555	Child Nutrition: Meal Supplements in National	13391	*	480,796
10.559	Child Nutrition: Summer Food Service Program Operations School Lunch Program	13004	*	18,476
	Total Cash Assistance Subtotal			499,272
10.555	School Lunch Program - Nonmonetary Assistance	13391	*	30,900
	Total Non-Cash Assistance Subtotal			30,900
	Total U.S. Department of Agriculture			530,172
	U.S. Department of Health and Human Services			
	Passed through California Department of Education			
93.778	Unrestricted: Medi-Cal Administrative Activities (MAA)	10060		25,788
	Total U.S. Department of Health and Human Services			25,788
Total Federal Programs				$ 1,182,409

* Tested as a major program

See the accompanying notes to supplementary information.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Adopted Budget 2019/2020	Actuals 2018/2019	Actuals 2017/2018	Actuals 2016/2017
General Fund				
Revenues and Other Financial Sources	$ 19,055,806	$ 19,401,732	$ 17,899,039	$ 17,103,647
Expenditures	19,264,896	19,309,036	18,100,410	17,313,642
Other Uses and Transfers Out	115,479	96,758	82,336	118,351
Total Outgo	19,380,375	19,405,794	18,182,746	17,431,993
Change in Fund Balance	(324,569)	(4,062)	(283,707)	(328,346)
Ending Fund Balance	$ 2,132,194	$ 2,456,763	$ 2,460,825	$ 2,744,532
Available Reserves *	$ 780,892	$ 928,178	$ 909,136	$ 877,334
Designated for Economic Uncertainties	$ 780,892	$ 928,178	$ 909,136	$ 877,334
Undesignated Fund Balance	$ -	$ -	$ -	$ -
Available Reserves as a Percentage of Total Outgo	4.0%	4.8%	5.0%	5.0%
All Funds				
Total Long-Term Debt	$ 48,807,356	$ 49,874,294	$ 42,231,268	$ 35,126,353
Average Daily Attendance at P-2	1,495	1,471	1,455	1,471

*Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund.

The general fund balance has decreased by $616,115 over the past three years. 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 had incurred an operating deficit in all of the past three fiscal years and anticipates a deficit in 2019/20.

Total long-term liabilities have increased by $14,717,941 over the past two years due to increases to the net pension and net OPEB liabilities and issuance of bonds.

Average Daily Attendance (ADA) has remained consistent over the past two years. The District anticipates an increase of 24 ADA in 2019/20.

1. 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.

2. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District neither met nor exceeded its target funding. 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. Districts must maintain their instructional minutes in accordance with the State’s standard requirement as required by Education Code Section 46201(b).

3. Schedule of Charter Schools

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

4. 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.

5. 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. The August 2019 Edition of the 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 did not elect to use the 10% de minimis cost rate.

6. 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.

OTHER INDEPENDENT AUDITOR'S REPORTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

Board of Education
Winters Joint Unified School District
Winters, California

Report on Compliance for Each State Program

We have audited the compliance of Winters Joint Unified School District (the "District") with the types of compliance requirements described in the State of California's 2018-19 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, 2019.

Management's Responsibility

Compliance with the requirements of state laws and regulations is the responsibility of District's management.

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 State of California's 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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.

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

Local Education Agencies Other Than Charter Schools

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	Yes
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
Comprehensive School Safety Plan	Yes
District of Choice	No, see below

School Districts, County Offices of Education and Charter Schools

Description	Procedures Performed
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 for Independent Study because the Average Daily Attendance reported for the program is not material for compliance purposes.

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

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 Findings **2019-1** and **2019-2** in the accompanying Schedule of Audit Findings and Questioned Costs, Winters Joint Unified School District did not comply with requirements regarding School Accountability Report Card and Comprehensive School Safety Plan. Compliance with such requirements is necessary, in our opinion, for Winters Joint Unified School District to comply with state laws and regulations applicable to these programs.

Qualified Opinion on Compliance with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Winters Joint Unified School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2019.

Unmodified Opinion on Each of the Other State Programs

In our opinion, Winters Joint Unified School District complied, in all material respects, with the other applicable state compliance requirements referred to above for the year ended June 30, 2019.

Other Matters

Winters Joint 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
November 12, 2019

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 Education
Winters Joint Unified School District
Winters, California

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Winters Joint Unified School District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 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.

701 Howe Avenue, Suite E3, Sacramento, CA 95825 (916) 993-9494 fax (916) 993-9489
e-mail: dbecker@jpmcpa.com www.jpmcpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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
November 12, 2019

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Winters Joint Unified School District
Winters, California

Report on Compliance for Each Major Federal Program

We have audited Winters Joint Unified School District's (the "District") compliance with the types of compliance requirements described in the August 2019 Edition of the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2019. 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 the August 2019 Edition of the 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, 2019.

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
November 12, 2019

FINDINGS AND RECOMMENDATIONS

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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?	______	Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______	Yes	X	None reported
Noncompliance material to financial statements noted?	______	Yes	X	No

Federal Awards

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
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)?	______	Yes	X	No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.027, 84.027A, 84.173, 84.173A	Special Education Cluster
10.555, 10.559	Child Nutrition Cluster

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

State Awards

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
Type of auditor's report issued on compliance for state programs:	Qualified			

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

2019-1 School Accountability Report Card (SARC) (72000)

Criteria:
Education Code Sections 33126(b)(8) states: "The information on safety, cleanliness and adequacy of school facilities contained in the School Accountability Report Card (SARC) should be consistent with the information indicated in the "Facility Inspection Tool (FIT), School Facility Conditions Evaluation" developed by the Office of Public School Construction and approved by the State Allocation Board."

Condition:
Upon review of the SARC's for fiscal year 2017-18 we noted the following item:

a. For the three sites tested, we noted the comments on the FIT forms were not consistent with the comments reported on the SARC.

Cause:
There was no process of review to identify inconsistencies in the SARC to ensure completeness and accuracy.

Effect:

a. Readers of the report may not be aware of repairs needed, completed, or planned.
b. Repairs and maintenance may not occur at the school sites as needed.

Recommendation:
It is recommended that management ensures oversight and a process of review of the School Accountability Report Cards to ensure they are complete and accurate.

Corrective Action Plan:
The District will implement appropriate review and oversight of the School Accountability Report Cards for all sites to ensure they are consistent with the Facility Inspection Tool.

2019-2 Comprehensive School Safety Plan (40000)

Criteria:
Education Code Sections 32280-32289 requires all California public schools operated by school districts develop a comprehensive school safety plan that addresses the safety concerns identified through a systematic planning process, reviewed, updated, and adopted by March 1.

Condition:
The District developed a Violence Prevention & Emergency Operations Plan encompassing all the schools within the District. The Plan did not contain all the required elements of a comprehensive school safety plan as listed in Education Code Section 32282. Additionally, plans were not created for each school site.

Cause:
There was an oversight on the District's review of the compliance requirements of the plan.

Effect:
The District's plan did not comply with all elements of the Comprehensive School Safety Plan.

Recommendation:
It is recommended that management ensures oversight and a process of review and understanding of the school sites' comprehensive school safety plan to ensure they are in compliance with statutory requirements.

Corrective Action Plan:
The District will review the Comprehensive School Safety Plan to verify that it meets all requirements established by Ed Code 32282. The District will also ensure that the Plan is adopted by the Board in a timely fashion.

WINTERS JOINT UNIFIED SCHOOL DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

No matters were reported.

APPENDIX C

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE COUNTY OF YOLO

The following information concerning Yolo County (the "County") is included only for the purpose of supplying general information regarding the area served by the District. The Bonds are not a debt of the County.

Introduction

The District is located primarily in the County with a small portion of the District lying in Solano County. Yolo County was one of the original 27 counties created when California became a state in 1850. The towns of Yolo County first developed along the Sacramento River. The first town, Fremont, was founded in 1849 along the confluence of the Sacramento and Feather Rivers. Yolo County encompasses approximately 1,021 square miles in the rich agricultural regions of California's Central Valley and the Sacramento River Delta. The incorporated cities in Yolo County include Davis, Woodland, Winters and West Sacramento. Woodland is the County seat.

Population

The following table shows historical population statistics for the cities in the County as well as the County for calendar years 2015 through 2019.

CITIES OF THE COUNTY
AND THE COUNTY OF YOLO
Calendar Years 2015 through 2019
(as of January 1)

	2015	2016	2017	2018	2019
Davis	66,556	67,109	68,040	68,999	69,761
West Sacramento	51,763	53,333	53,610	53,693	53,911
Winters	6,902	6,927	7,130	7,427	7,417
Woodland	58,318	59,022	59,863	60,178	60,292
Balance of County	27,539	29,022	30,030	30,878	31,200
County Total	211,078	215,413	218,673	221,175	222,581

Source: California State Department of Finance.

Employment

The County civilian labor force figures are shown in the following table for the years 2015 through 2019. These figures are County-wide and may not necessarily reflect employment trends in the District.

YOLO COUNTY, CALIFORNIA, AND UNITED STATES
Labor Force, Employment, and Unemployment[(1)]

Year and Area	Labor Force	Employment	Unemployment	Unemployment Rate[(2)]
2015				
Yolo County	104,700	98,000	6,700	6.4%
California	18,981,800	17,798,600	1,183,200	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
Yolo County	106,400	100,100	6,300	5.9%
California	19,102,700	18,065,000	1,037,700	5.4
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
Yolo County	107,000	101,600	5,400	5.1%
California	19,224,100	18,302,800	921,300	4.8
United States	160,597,000	154,021	6,576,000	4.1
2018				
Yolo County	108,500	104,000	4,600	4.2%
California	19,398,200	18,582,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
Yolo County	109,400	105,000	4,500	4.1%
California	19,544,500	18,786,800	757,700	3.9
United States	164,556,000	158,803,000	5,753,000	3.5

(1) Data reflects employment status of individuals by place of residence.
(2) Unemployment rate is based on unrounded data.
Source: California State Employment Development Department and U.S. Department of Labor.

Industry

The University of California is the largest employer in the County followed by agriculture, trade and manufacturing. The table below shows the estimated employment by industry group for 2014 through 2018, the most recent annual data available.

COUNTY OF YOLO
EMPLOYMENT BY INDUSTRY
ANNUAL AVERAGES

	2014	2015	2016	2017	2018
Agriculture Total	5,700	5,900	6,100	5,500	5,900
Mining, logging and construction	3,200	3,700	3,700	3,800	3,900
Manufacturing	6,200	6,400	6,000	6,100	6,500
Trade, transportation and utilities	19,200	19,600	20,100	20,600	21,000
Information	1,000	1,000	1,000	1,000	900
Finance	2,500	2,500	2,500	2,500	2,500
Professional and business services	8,000	8,300	9,000	9,000	9,100
Educational and health services	9,300	9,700	9,700	10,200	10,400
Leisure and hospitality	7,100	7,600	7,600	8,100	8,100
Other Services	2,300	2,300	2,400	2,300	2,300
Government	37,300	38,600	39,100	40,200	40,900
Non Agriculture Total	96,000	99,600	101,000	103,700	105,600

Source: California Employment Development Department.

[Remainder of page intentionally left blank]

Major Employers Within the County

The County is host to a diverse mix of major employers representing industries ranging from education and government to recreation and retail. The following table lists the County's major employers in alphabetical order.

COUNTY OF YOLO
2020 MAJOR EMPLOYERS

Employer	Location	Industry
Cache Creek Casino Resort	Brooks	Casinos
Capital Express Lines	West Sacramento	Trucking-Motor Freight
City of Davis-City Manager Office	Davis	Government Offices-City, Village, Township
D&G Mortgage Group Inc.	Davis	Internet Service
Dennis Blazona Constr Inc.	West Sacramento	Construction Companies
Fedex Freight	West Sacramento	Trucking-Motor Freight
IKEA	West Sacramento	Furniture-Dealers-Retail
Mariani Nut Co	Winters	Nuts-Edible
Mcguire & Hester	West Sacramento	General Contractors
Nor-Cal Beverage Co	West Sacramento	Vending Machines-Manufacturers
Pacific Coast Producers	Woodland	Canning
Procurement Office	West Sacramento	State Government-General Offices
Promega Corp	Madison	Biotechnology Products & Services
Raley's	West Sacramento	Grocers-Retail
Rite Aid Distribution Center	Woodland	Distribution Centers
Sutter Davis Hospital	Davis	Hospitals
Target Distribution Center	Woodland	Distribution Centers
Teachers' Retirement System	West Sacramento	Government Offices-State
Tony's Fine Foods	West Sacramento	Food Products-Retail
University of California Davis	Davis	Schools-Universities & Colleges Academic
UPS Customer Center	West Sacramento	Mailing & Shipping Services
Walmart Supercenter	West Sacramento	Department Stores
Woodland Healthcare	Woodland	Health Care Management
Woodland Healthcare Foundation	Woodland	Health Services
Yolo County District Attorney	Woodland	Government Offices-County

Source: California Employment Development Department.

Transportation

U.S. Interstate 505 and U.S. Interstate Highway 5 provide access from the County to the rest of California and the western United States. Interstate 505 passes through the City of Winters connecting the San Francisco Bay area with the northern Sacramento Valley. Transportation between the County and the rest of California is provided by Amtrak rail passenger service. Yolobus, operated by Yolo County Transportation District, provides local bus service throughout the County of Yolo as well as to Sacramento and has connections available to San Francisco. Yolo County Airport is a general aviation airport for public use owned and operated by the County of Yolo featuring a 6,000 foot runway.

Education

The County is the home of the University of California, Davis, a 5,300 acre public research university with approximately 1,878 faculty members. In addition, five public school districts provide kindergarten through twelfth grade educational services throughout the County.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by Winters Joint Unified School District (the "District") in connection with the execution and delivery of $5,980,000 aggregate principal amount of the District's 2020 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on March 5, 2020 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Bondholders and in order to assist the original purchaser in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Dissemination Agent" shall mean any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Agent has evidenced its acceptance in writing. Initially, the Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Incorporated.

"Financial Obligation" shall mean 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 MSRB consistent with the Rule.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Agreement.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its electronic municipal market access system, which can be found at http://emma.msrb.org/, or any repository of disclosure information that may be designated by the Securities and Exchange Commission for purposes of the Rule.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated March 31, 2020 ("Final Official Statement").

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than 9 months after the end of the District's fiscal year (currently ending June 30), which date would be April 1, commencing with the report for the fiscal year ending June 30, 2020, which would be due on April 1, 2021, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District shall send a notice in a timely manner to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine the name and address of the MSRB each year prior to the date established hereunder for providing the Annual Report; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) The District's most recently adopted general fund budget;

(ii) Assessed valuations of taxable property in the jurisdiction of the District;

(iii) Assessed valuation of the largest local secured taxpayers;

(iv) Secured tax charges and delinquencies, only if the County of Yolo or the County of Solano terminates or discontinues the Teeter Plan within the District, and only with respect to the portion of secured tax charges and delinquencies in the County no longer on the Teeter Plan; and

(v) such further information, if any, as may be necessary to make the statements made pursuant to (ii) and (ii) of this Section 4, in light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Significant Events.

(a) The District agrees to provide or cause to be provided to the MSRB, in readable PDF or other electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies.

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

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

(iv) Substitution of or failure to perform by any credit provider.

(v) Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) Tender Offers;

(vii) Defeasances;

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the obligated person which reflect financial difficulties.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications of rights to Bondholders;

(iii) Optional, unscheduled or contingent Bond calls;

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

(v) Non-payment related defaults;

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

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation of the obligated person 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.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 6(a) hereof, or determines that knowledge of a Listed Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) Business Days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the

Dissemination Agent specifically set forth in the Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Dissemination Agent.

The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Agreement, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Agreement shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Agreement upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Agreement in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, cost or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Agreement and the Bonds.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement under the following conditions, provided no amendment to this Agreement shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Agreement.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated: May 4, 2020

WINTERS JOINT UNIFIED SCHOOL DISTRICT

By:____
Superintendent

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Winters Joint Unified School District

Name of Issue: $5,980,000 2020 General Obligation Refunding Bonds

Date of Issuance: May 4, 2020

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Agreement dated May 4, 2020. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: __________________________

[ISSUER/DISSEMINATION AGENT]

By:____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

YOLO COUNTY INVESTMENT POLICY STATEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

County of Yolo

Administrative Policies and Procedures Manual

TITLE: INVESTMENT POLICY	DEPARTMENT: FINANCIAL SERVICES
TYPE: POLICY	DATE: DECEMBER 17, 2019

A. Purpose

This document is known as the annual investment policy and represents the policies of the Board of Supervisors of the County of Yolo related to the investment of funds under the control of the Chief Financial Officer. The office of the Auditor-Controller and the Treasurer-Tax Collector have been consolidated. All statutory duties, responsibilities, and budgets of the Auditor-Controller and Treasurer-Tax Collector are consolidated into the office known as the Chief Financial Officer as per Yolo County code section 2-5.113 effective January 5, 2015.

The Department of Financial Services was established to consolidate and perform all functions of the offices of the Auditor, Controller, Tax Collector, and Treasurer, and any other county-wide fiscal functions directed by the board as per county code sec. 2-5.2001.

This policy is prepared annually by the Chief Financial Officer in accordance with the California Government Code and prudent asset management principles. Pursuant to Government Code sections 27133 and 53646 this policy has been reviewed by the Financial Oversight Committee and approved by the Board of Supervisors at a public meeting.

B. Applicability

This policy will cover the period of January 1, 2020 through December 31, 2020.

This policy applies to the cash management and investment activities performed by County personnel and officials for any local agency, public agency, public entity or public official that has funds on deposit in the county treasury pool. The terms "County" and "county treasury pool" are used interchangeably and include all such funds so invested.

The investment of bond proceeds will be governed by the provisions of relevant bond and related legal documents.

The investment of endowment funds will be governed by the underlying laws, regulations and specific governmental approvals under those laws pursuant to which the endowments were created. Endowment fund investments will primarily focus on the preservation of principal and use of investment income for operational purpose.

The investment of the Section 115 Trusts related to OPEB and Pension will be invested in compliance with the County Policies on “Accounting, Funding and Recovery of OPEB Costs” and the “Pension Funding Policy” and legal documents associated with the Section 115 Trusts.

C. Standard of Care

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard which states that “when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

This standard shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

D. Public Trust

All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the County's ability to govern effectively

E. Objectives

The primary objectives, in descending priority order, of the investment activities of the County shall be:

Safety. Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

Liquidity. The investment portfolio shall be maintained in such a manner as to provide sufficient liquidity to meet the operating requirements of any of the participants.

Return on Investment. The investment portfolio of the County shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and liquidity considerations.

F. Delegation of Authority

Subject to Section 53607 the authority of the Board of Supervisors to invest or to reinvest funds of the pooled investments, or to sell or exchange securities so purchased, may be delegated for a one-year period by ordinance in accordance with Government Code Sections 27000.1 and 27000.3.

The Board of Supervisors has designated the Chief Financial Officer as its agent authorized to make investment decisions in consultation with the Finance and Investment Committee of the Board after considering the strategy proposed by the investment advisor.

G. Ethics and Conflict of Interest

Individuals performing the investment function and members of the Financial Oversight Committee (FOC) shall maintain the highest standards of conduct.

County Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. These individuals should follow the Code of Ethics for Procurement approved by the Board of Supervisors and comply with all relevant provisions of the Political Reform Act, especially the requirements of Chapter 7 – Conflict of Interest and Chapter 9.5 – Ethics. The key requirements are listed below:

1. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could affect their ability to make impartial decisions.
2. Officers and employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the County.
3. Officers and employees shall not accept gifts or gratuities with a value exceeding $500 in any one year from any bank, broker, dealer, or any other person, firm, or organization who conducts business with the Department of Financial Services.
4. No person with investment decision-making authority in the County Administrator's office or the Department of Financial Services may serve on the board of directors or any committee appointed by the board or the credit committee or supervisory committee of a state or federal credit union which is a depository for County funds.

The Financial Oversight Committee Charter includes the following requirements for members of the committee:

1. A member shall disclose to the committee at a regular meeting any activities that directly or indirectly raised money for a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the committee. For purposes of this subsection, raising money includes soliciting, receiving, or controlling campaign funds of a candidate, but not the member's individual campaign contributions or non-financial support. This section does not apply to a member raising money for his or her own campaign.

2. A member shall disclose to the Committee at a regular meeting any contributions, in the previous three years or during the period that the employee is a member of the committee, by an employer 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.

3. A member cannot secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, financial services firms, financial institutions, and municipal advisors with whom the County is doing business during the member's Financial Oversight Committee membership period or for one year after leaving the Financial Oversight Committee. This subsection only applies to employment or soliciting employment, and not other relationships with such companies with whom the County is doing business.

4. A member shall disclose to the Committee any honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons who conduct business with the Department of Financial Services while a member of the Committee. All members shall also comply with the requirements of the Political Reform Act or any other law or regulation regarding to receipt and disclosure of financial benefits and conflicts.

H. Internal Controls

Internal control procedures shall be established and maintained by the Department of Financial Services that provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, misuse, or mismanagement. The internal controls shall be reviewed as part of the regular annual independent audit. The controls and procedures shall be designed to prevent employee error, misrepresentations by third parties, and imprudent or illegal actions by employees or officers of the County.

I. Cash Management

In determining the amount that can be invested County personnel shall take into account the liquidity needs of the County and the agencies in the Treasury pool, and shall take reasonable steps to ensure that cash flow requirements of the County and pool participants are met for the next six months, barring unforeseen actions from the State Controller or other funding sources, such as deferral of cash payments.

County personnel shall maintain separate accounting for cash funds and monitor aggregate cash balances of the County and each agency in the Treasury pool, and shall notify the County Administrator or agency management of unhealthy trends in aggregate cash balances. Unhealthy trends may include but are not limited to deferral of cash payments from State, Federal grantors, or other funding sources, significant declines in available aggregate cash balances, or near-deficit aggregate balances. Agencies that are so notified are expected to take immediate action to cure any deficit and improve cash balances. Continuing deficits shall be reported to the Board of Supervisors for further action.

The Chief Financial Officer shall provide quarterly reports on total cash flows and balances of the Treasury Pool to the Financial Oversight Committee.

J. Authorized Financial Dealers and Qualified Institutions

The County may secure the services of an Investment Advisor. Precautionary contractual language with such an adviser shall include: delivery versus payment methods, third-party custody arrangements, prohibitions against self-dealings, independent audits, and other appropriate internal control measures as deemed necessary by the Chief Financial Officer.

The County or the County's Investment Advisor shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment transaction purposes, and it shall be the policy of the County to purchase securities only from those authorized institutions or firms. Authorized brokers/dealers must either (i) be classified as Reporting Dealers affiliated with the New York Federal Reserve Bank as Primary Dealers or (ii) be registered to conduct business in the State of California and be licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code.

No broker/dealer shall be selected which has within any consecutive 48-month period made a political contribution to any member of the Board of Supervisors or to any candidate for these offices in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board.

K. Permitted Investment Instruments

1. **United States Treasury Obligations**. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. **Federal Agency Obligations**. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

3. **California Municipal Obligations**. Obligations of the State of California, this local agency or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state, this local agency or any local agency or by a department, board, agency or authority of the state or any local agency that is rated in a rating category of "A" long term or "A-1" short term, the equivalent or higher by a nationally recognized statistical rating organization (NRSRO). Any investment in obligations of this local agency shall be in a ratio proportionate to the County's share of the pooled investments.

4. **Other 49 State Municipal Securities**. Registered treasury notes or bonds issued by any of the other 49 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state that is rated in a rating category of "A" long term or "A-1" short term, the equivalent or higher by a NRSRO.

5. **Repurchase Agreements**. Agreements to be used solely as short-term investments not to exceed 90 days.

   The County may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

   The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described above in (K)(1) and (K)(2), will be acceptable collateral.

   All securities underlying Repurchase Agreements must be delivered to the County's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed, 102 percent of the total dollar value of the money invested by the County for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly.

Market value must be calculated each time there is a substitution of collateral.

The County or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.
The County will have properly executed a PSA agreement with each counter party with which it enters into Repurchase Agreements.

6. **Banker's Acceptances**. Issued by domestic or foreign banks, the short-term paper of which is rated in the highest category by a nationally recognized statistical rating organization (NRSRO).

   Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of the County's investment portfolio.

7. **Commercial Paper**. Of prime quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions shown in either paragraph (A) or paragraph (B):

   A. The entity meets the following criteria:
      i. Is organized and operating in the United States as a general corporation.
      ii. Has total assets in excess of five hundred million dollars ($500,000,000).
      iii. Has debt other than commercial paper, if any, that is rated in a rating category of “A”, the equivalent or higher by a nationally recognized statistical-rating organization (NRSRO).

   B. The entity meets the following criteria:
      i. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      ii. Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
      iii. Has commercial paper that is rated in a rating category “A-1", the equivalent or higher by a nationally recognized statistical-rating organization (NRSRO).

   Purchases of eligible commercial paper may not exceed 270 days maturity. No more than 40 percent of the County’s investment portfolio may be invested in eligible commercial paper.

8. **Medium-Term Corporate Notes**. Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A", the equivalent or higher by a nationally recognized statistical rating organization (NRSRO). Purchase of medium-term corporate notes may not exceed 30 percent of the County's investment portfolio.

9. **Non-Negotiable Certificates of Deposit**. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code Section 53651, either at 150% by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) or at 110% by eligible marketable securities listed in subsections (a) through (l) and (n) and (o). The County, at its discretion and by majority vote of the Board of Supervisors, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance. Alternatively, the County may invest in deposits, including certificates of deposit, at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit as provided for in Government Code section 53635.8.

10. **Negotiable Certificates of Deposit**. Negotiable certificates of deposit issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally-licensed or a state-licensed branch of a foreign bank that is rated in a rating category of “A” long-term or “A-1 short-term, the equivalent or higher by a nationally recognized statistical rating organization (NRSRO). Purchases of all negotiable certificates of deposit may not exceed 30 percent of the County's investment portfolio.

11. **Local Government Investment Pools**. (Either state-administered or through joint powers statutes and other intergovernmental agreement legislation.) Investments may be maximized to the level allowed by the State and should be reviewed periodically. Investment objectives, limitations, and controls of each pool must be consistent with this policy.

12. **Money Market Funds**. Shares of beneficial interest issued by diversified management companies that are money market mutual funds registered with Securities and Exchange Commission under the Investment Company Act of 1940. To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the largest nationally recognized statistical rating organizations or (2) have retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience investing in securities and obligations authorized by Government Code Section 53601 and with assets under management in excess of $500,000,000. Money Market Funds shall not exceed 20 percent of the investment portfolio of the County as recorded at purchase price on date of purchase.

13. **Asset-Backed Securities.** Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Eligible securities must be rated, by a nationally recognized statistical rating organization, as "AAA", and have a maximum remaining maturity of five years or less . No more than 20 percent of the County’s investment portfolio may be invested in this type of security.

14. **Reverse Repurchase Agreements**. Reverse repurchase agreements shall be used primarily as a cash flow management tool and subject to all the following conditions:

    A. The security to be sold using a reverse repurchase agreement has been owned and fully paid for by the County for a minimum of 30 days prior to sale.

B. The total of all reverse repurchase agreements on investments owned by the County does not exceed 20 percent of the base value of the portfolio. The base value of the County's portfolio for this section is defined as that dollar amount obtained by totaling all cash balances placed in the portfolio by all participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

C. The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

D. Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement, unless the reverse repurchase agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

E. Investments in reverse repurchase agreements or similar investments in which the County sells securities prior to purchase with a simultaneous agreement to repurchase the security shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency. A significant banking relationship is defined by any of the following activities of a bank:

i. Involvement in the creation, sale, purchase, or retirement of the County's bonds, warrants, notes, or other evidence of indebtedness.
ii. Financing of the County's activities.
iii. Acceptance of the County's securities or funds as deposits.

15. **Supranationals**. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA”, the equivalent or higher by a NRSRO. Purchases of these securities shall not exceed 30 percent of the County’s portfolio.

The Chief Financial Officer may make permitted investments (as described above) pursuant to the California Government Code (including Section 53601 et. seq.) or deposit funds for safekeeping in state or national banks, savings association, credit unions, or federal insured industrial loan companies (as described in Section 53635.2).

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased. Should a security owned by the County be downgraded below “A” the Investment Advisor shall immediately notify the Chief Financial Officer who will report to the Board of Supervisors, at their next regularly scheduled meeting, the circumstances of the downgrade and any action taken or recommended.

M. Ineligible Investments

The County shall not invest any funds in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. Any other security not specifically permitted by Section K is prohibited.

N. Maximum Maturity

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the County to meet all projected obligations.

Unless otherwise specified in this policy or authorized by the Board of Supervisors, no investment shall be made in any security, other than a security underlying a repurchase agreement as authorized by this policy that at the time of the investment has a term remaining to maturity in excess of five years.

The Board of Supervisors has specifically approved investment maturities beyond five years for certain three long-term portfolios: Yolo County Landfill Closure Trust Fund, the Yolo County Cache Creek Maintenance and Remediation Fund, and the Demeter Endowment (funds deallocated from the Ceres Tobacco Endowment Fund).

O. Diversification & Percentage Limitations

The County shall limit the County’s investments in any one issuer to no more than 5 percent of the County’s total investments at the time of purchase, except for U.S. Treasuries, Federal Agencies, supranationals, repurchase and reverse repurchase agreements, and pooled investments such as local government investment pools, LAIF, and money market funds

All percentage limitations apply at the time of the investment (purchase date).

Q. Reporting Requirements

The Chief Financial Officer shall render a quarterly investment report to the Board of Supervisors that includes, at a minimum, the following information for each investment:

- Type of investment instrument (e.g., U.S. Treasury note, Federal Agency note)
- Issuer name (e.g., General Electric Capital Corp.)
- Credit quality
- Purchase date
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation
- Current amortized or book value
- Accrued interest
- Original yield to maturity
- Overall portfolio yield based on cost
- New investment transactions

The quarterly report shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of the County's funds, investments or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement explaining the ability of the County to meet its cash flows requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

This quarterly report shall be available within 30 days following the end of the quarter, and submitted to the Board of Supervisors at the earliest reasonable opportunity, with copies published and available to all pool participants.

R. Annual Review of Investment Policy

The Chief Financial Officer shall annually prepare an investment policy that will be reviewed by the County Financial Oversight Committee and submitted to the Board of Supervisors for approval in a public meeting. Any change to the investment policy shall be reviewed and approved by the Board in a public meeting.

S. Safekeeping and Custody

All securities, whether negotiable, bearer, registered or non-registered shall be delivered either by book entry or physical delivery to the County's third party custodian.

Monthly safekeeping statements are received from custodians where securities are held. Authorized personnel, other than the person handling daily investments, shall review the statements to confirm that investment transactions have settled and been delivered to the County's third party custodian.

T. Apportionment of Earnings and Costs

The manner of calculating and apportioning the cost of investing, depositing, banking, auditing, reporting, or otherwise handling or managing funds is as follows:

Investment earnings shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. Earnings are computed on an accrual basis and the effective date that earnings are deposited into each fund is the first day of the following quarter (January 1, April 1, July 1, and October 1).

Direct and Administrative (including indirect) costs associated with investing, depositing, banking, auditing, reporting, safekeeping, or otherwise handling or managing funds shall be netted against any moneys received pursuant to state mandated reimbursements and deducted from the gross investment earnings in the quarter received.

U. Criteria for Considering Requests to Withdraw Funds

Withdrawal of funds from county treasurer pool may occur pursuant to Government Code Section 27136 and approval of the Board of Supervisors.

Assessment of the effect of a proposed withdrawal on the stability and predictability of the investment in the County Pool will be based on the following criteria:

- Size of withdrawal
- Size of remaining balances of:
  - Pool
  - Agency
- Current market conditions
- Duration of withdrawal
- Effect on predicted cash flows
- A determination if there will be sufficient balances remaining to cover costs
- Proof that adequate information has been supplied in order to make a proper finding that other pool participants will not be adversely affected.

The Chief Financial Officer reserves the right to mark a fund balance to market value prior to allowing a withdrawal if it is deemed necessary to be equitable to the remaining funds.

W. Terms and Conditions for Non-Statutory Combined Pool Participants

All entities qualifying under California Government Code Section 27133 (g) may deposit funds for investment purposes providing all of the following has been accomplished: (1) the agency's administrative body has requested the privilege, (2) has agreed to terms and conditions of an investment agreement as prescribed by the County's Board of Supervisors, (3) has by resolution identified the authorized officer acting on behalf of the agency; and (4) the Chief Financial Officer has prescribed the appropriate accounting procedures.

X. Audit

Annual Compliance Audit - The Financial Oversight Committee is not designated a Treasury Oversight Committee however the FOC may cause an annual audit pursuant to Government Code section 27134 at its discretion which may include issues relating to the structure of the investment portfolio and risk. The costs of complying with this article shall be County charges and may be included with those charges enumerated under Section 27013.

Quarterly Review and Annual Financial Audit – The Chief Financial Officer shall cause quarterly reviews to be made of the Treasury Division records relative to the type and amount of assets in the treasury, pursuant to Government Code sections 26920 - 26923. The Chief Financial Officer shall also cause an annual financial audit to be made of the Treasury Division's records as of June 30. In addition to an opinion on the statement of assets held in the treasury this audit shall include a review of the adequacy of internal controls.

The annual compliance audit and the annual financial audit may be combined.

The Chief Financial Officer shall report audits that contain significant audit findings to the Audit Committee of the Board of Supervisors immediately and to the full Board at the earliest reasonable opportunity. Copies of the audit reports shall be provided to the Financial Oversight Committee.

All audit recommendations shall be addressed timely and in a manner acceptable to the Board of Supervisors' Audit Committee.

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 and www.dtc.org. *The foregoing internet addresses are included for reference only, and the information on these internet sites is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in St. Paul, Minnesota. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least $1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent, initially located in St. Paul, Minnesota, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

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

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

CALIFORNIA

ENDORSEMENT TO

MUNICIPAL BOND INSURANCE POLICY

NO.

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

____

Authorized Officer