NEW ISSUE -- FULL BOOK-ENTRY

Standard & Poor's Insured Rating: "AA/Stable"
Standard & Poor's Underlying Rating: "A+"
See "Ratings" herein

In the opinion of Parker & Covert LLP, Sacramento, California ("Bond Counsel"), based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Series C Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "Tax Matters."

RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)

$13,922,236.05 GENERAL OBLIGATION BONDS ELECTION OF 2018, SERIES C (Tax-Exempt)	$3,087,423.40 GENERAL OBLIGATION BONDS ELECTION OF 2018, SERIES D (Federally Taxable)

Dated: Date of Delivery **Due: August 1, as set forth on inside cover**

The Rio Elementary School District General Obligation Bonds, Election of 2018, Series C (Tax-Exempt) (the "Series C Bonds") and the Rio Elementary School District General Obligation Bonds, Election of 2018, Series D (Federally Taxable) (the "Series D Bonds," and together with the Series C Bonds, the "Bonds") are being issued by the Rio Elementary School District (the "District"), to provide funds to (i) finance school facility improvements authorized by the voters at the November 6, 2018 election, (ii) fund regularly scheduled lease payments in connection with the District's 2016 Refunding Certificates of Participation, (iii) pay capitalized interest, and (iv) pay costs of issuance of the Bonds. See "The Financing Plan."

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* property taxes levied within the territory of the District, which the Board of Supervisors of Ventura County is empowered and obligated to levy, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except upon certain personal property which is taxable at limited rates), for the payment of principal and accreted value of and interest on the Bonds when due. See "Security and Sources of Payment for the Bonds."

The Bonds will be issued in book entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See Appendix F - "Book Entry Only System."

The Series C Bonds will be issued as current interest bonds ("Current Interest Bonds") and capital appreciation bonds ("Capital Appreciation Bonds"). The Series D Bonds will be issued as Capital Appreciation Bonds. Interest on the Current Interest Bonds accrues from their date of delivery and is payable on August 1, 2020, and semiannually thereafter on February 1 and August 1 of each year. The Capital Appreciation Bonds are dated their date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2020. The Capital Appreciation Bonds do not pay current interest. Payments of principal or accreted value of and interest on the Bonds will be paid by U.S. Bank National Association, Los Angeles, California, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

Certain of the Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "The Bonds – Redemption."

The scheduled payment of principal of (or in the case of Capital Appreciation Bonds, the accreted value) 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" and Appendix G – "Specimen Municipal Bond Insurance Policy."

BAM
BUILD AMERICA MUTUAL

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

MATURITY SCHEDULE
(on inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will also be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Counsel to the Underwriter. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, on or about April 15, 2020.

RAYMOND JAMES

This Official Statement is dated March 25, 2020.

$13,922,236.05
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES C
(Tax-Exempt)

MATURITY SCHEDULE

$8,282,236.05 Capital Appreciation Serial Bonds

Maturity Date (August 1)	Initial Principal Amount	Accretion Rate	Yield to Maturity	Maturity Value	Price	CUSIP®†
2029	$511,345.20	3.250%	3.250%	$690,000.00	74.108	767032 HB4
2030	518,939.40	3.410%	3.410%	735,000.00	70.604	767032 HC2
2031	524,191.20	3.550%	3.550%	780,000.00	67.204	767032 HD0
2032	529,473.60	3.690%	3.690%	830,000.00	63.792	767032 HE8
2033	535,594.40	3.770%	3.770%	880,000.00	60.863	767032 HF5
2034	542,851.65	3.840%	3.840%	935,000.00	58.059	767032 HG3
2035	551,677.50	3.860%	3.860%	990,000.00	55.725	767032 HH1
2036	556,013.15	3.910%	3.910%	1,045,000.00	53.207	767032 HJ7
2037	560,831.70	3.960%	3.960%	1,105,000.00	50.754	767032 HK4
2038	566,900.10	4.000%	4.000%	1,170,000.00	48.453	767032 HL2
2039	570,829.35	4.040%	4.040%	1,235,000.00	46.221	767032 HM0
2040	572,741.00	4.080%	4.080%	1,300,000.00	44.057	767032 HN8
2041	578,173.75	4.110%	4.110%	1,375,000.00	42.049	767032 HP3
2042	579,575.05	4.140%	4.140%	1,445,000.00	40.109	767032 HQ1
2043	583,099.00	4.170%	4.170%	1,525,000.00	38.236	767032 HR9

$5,640,000 5.000% Current Interest Term Bond due August 1, 2047
Price: 112.706% - Yield: 3.240%(1) - CUSIP®† 767032 HS7

(1) *Yield to optional call date of August 1, 2028 at par.*

$3,087,423.40
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES D
(Federally Taxable)

MATURITY SCHEDULE

$702,018.40 Initial Principal Amount ($820,000 Maturity Value)
Capital Appreciation Term Bonds maturing August 1, 2024;
Yield 3.650%; Price 85.612%; CUSIP®† 767032 HU2

$1,514,205.00 Initial Principal Amount ($1,925,000 Maturity Value)
Capital Appreciation Term Bonds maturing August 1, 2026;
Yield 3.850%; Price 78.660%; CUSIP®† 767032 HV0

$871,200.00 Initial Principal Amount ($1,210,000 Maturity Value)
Capital Appreciation Term Bonds maturing August 1, 2028;
Yield 4.000%; Price 72.000%; CUSIP®† 767032 HT5

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2020 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above.

RIO ELEMENTARY SCHOOL DISTRICT
Ventura County, California

DISTRICT GOVERNING BOARD

DISTRICT ADMINISTRATION

John D. Puglisi, Ph.D., Superintendent
Wael Saleh, *Assistant Superintendent, Business Services*
Kevin Olson, *Director of Fiscal Services*

BOND COUNSEL AND DISCLOSURE COUNSEL
Parker & Covert LLP
Sacramento, California

FINANCIAL ADVISOR
Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

PAYING AGENT
U.S. Bank National Association
Los Angeles, California

UNDERWRITER
Raymond James & Associates, Inc.
Los Angeles, California

UNDERWRITER'S COUNSEL
Stradling Yocca Carlson & Rauth, a Professional Corporation
San Francisco, California

VERIFICATION AGENT
Causey Demgen & Moore
Denver, Colorado

DISTRICT CONSULTANT
Sage Realty Group
Westlake Village, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

Estimates and Forecasts. When used in this Official Statement and in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements." 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.

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

Involvement of Underwriter. 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.

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

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, 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.

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

District Website and Social Media. The District maintains an internet website and certain social media accounts. However, the information presented there is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

Insurer's Disclaimer. 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".

TABLE OF CONTENTS

TABLE OF CONTENTS

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OFFICIAL STATEMENT

RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)

$13,922,236.05 GENERAL OBLIGATION BONDS ELECTION OF 2018, SERIES C (Tax-Exempt)	$3,087,423.40 GENERAL OBLIGATION BONDS ELECTION OF 2018, SERIES D (Federally Taxable)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover pages, and attached appendices, is to set forth certain information concerning the issuance, sale, and delivery of the Rio Elementary School District, General Obligation Bonds, Election of 2018, Series C (Tax-Exempt) (the "Series C Bonds") and the Rio Elementary School District, General Obligation Bonds, Election of 2018, Series D (Federally Taxable) (the "Series D Bonds," and together with the Series C Bonds, the "Bonds"). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Paying Agent Agreement (as defined below).

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 pages, 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 District

The Rio Elementary School District (the "District") is an elementary school district established in 1885. The District covers approximately 15.5 square miles in Ventura County (the "County"), including a portion of the City of Oxnard, and unincorporated County territory. The District provides K-8 public education to more than 4,900 students in five elementary schools, two middle schools, a K-8 Dual Immersion Spanish/English academy and a new K-8 STEAM school, which opened in the 2018-19 school year. Annual average daily attendance in the District was 4,913 for fiscal year 2017-18, 5,032 for fiscal year 2018-19 and projected to be 5,029 for fiscal year 2019-20, 5,063 for fiscal year 2020-21, and 5135 for fiscal year 2021-22. However, as a result of the ongoing outbreak of COVID-19, District enrollment and ADA may be affected. See "Disclosure Relating to Coronavirus."

The District is governed by a five-member Board of Trustees (the "Board"), 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. The management and policies of the District are administered by a Superintendent, appointed by the Board, who is responsible for day-to-day District operations, as well as the supervision of the District's other personnel. John D. Puglisi, Ph.D. is the District Superintendent. See Appendix A – "The District – General and Financial Information" herein. The District's audited financial statements for the fiscal year ending June 30, 2019 are attached hereto as Appendix B, and should be read in their entirety.

Authority for Issuance of the Bonds

The Bonds are general obligation bonds to be issued under the provisions of the Constitution of the State of California (the "Constitution"), the State of California Government Code (the "Government Code") and the State of California Education Code (the "Education Code"), a resolution adopted by the Board of Trustees on March 18, 2020 (the "District Resolution"), and a first supplemental paying agent agreement dated April 1, 2020, by and between the District and U.S. Bank National Association, as paying agent (the "Paying Agent"), supplementing a paying agent agreement dated March 1, 2019, by and between the District and the Paying Agent (altogether, the "Paying Agent Agreement"). The Bonds represent the third and fourth series of bonds issued pursuant to an authorization approved by voters in the District on November 6, 2018. See "The Bonds – Authority for Issuance" for additional information.

Purpose of Issue

The Series C Bonds are being issued to provide funds to (i) finance the cost of the acquisition, construction, and completion of school facility improvements described in the measure approved by the voters on November 6, 2018 (the "Measure"), including all necessary legal, financial, engineering, and contingent costs in connection therewith; (ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series C Bonds; and (iii) pay capitalized interest on the Series C Bonds. The Series D Bonds are being issued to provide funds to (i) fund regularly scheduled lease payments in connection with the District's 2016 Refunding Certificates of Participation (the "2016 COPs") that advance refunded the District's 2007 Certificates of Participation, including all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series D Bonds.

Description of the Bonds

The Series C Bonds will be issued as current interest bonds ("Current Interest Bonds") and capital appreciation bonds ("Capital Appreciation Bonds"). The Series D Bonds will be issued as Capital Appreciation Bonds. The Current Interest Bonds will bear interest from their date of delivery and such interest is payable on August 1, 2020, and semiannually thereafter on February 1 and August 1 of each year (each, an "Interest Payment Date"). The Capital Appreciation Bonds are dated their date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2020. Payments of principal or accreted value of and interest on the Bonds will be paid by U.S. Bank National Association, Los Angeles, California, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are issuable in denominations of $5,000 (principal amount or accreted value at maturity) or any integral multiple thereof, except that one Capital Appreciation Bond may be issued in an odd denomination. The Bonds mature on August 1, in the years and amounts set forth on the inside cover pages hereof.

Registration

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") under the book-entry-only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds, but will instead receive credit balances on the books of their respective nominees. If use of the book-entry-only system is discontinued with respect to the Bonds, the Bonds will be registered in accordance with the Paying Agent Agreement, as described herein. See "The Bonds – Registration, Transfer and Exchange of Bonds" and Appendix F – "Book-Entry-Only System" for additional information.

Redemption

The Series C Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein. The Series D Bonds are not subject to optional redemption prior to maturity. See "The Bonds – Redemption."

Security for the Bonds

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within the District for the payment of the principal and accreted value of and interest on the Bonds. See "Security and Sources of Payment for the Bonds."

Risks Relating to Bond Insurance

In the event of default of the payment of principal or accreted value of or interest on the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy (as defined herein) issued by the Insurer (as defined herein) for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and accreted value of and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond Owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and accreted value of and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of principal and accreted value of and interest as such payments become due under the Policy, the Bonds are payable solely from *ad valorem* property taxes, as further described herein. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. For a description of the rating on the Bonds, see "RATINGS" herein.

The obligations of the Insurer are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about April 15, 2020.

Tax Matters

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Series C Bonds is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Series C Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Bonds or the accrual or receipt of such interest. See "Tax Matters."

Continuing Disclosure

To assist the Underwriter in complying with the Rule (as defined herein), the District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto.

Professionals Involved in the Offering

Parker & Covert LLP, Sacramento, California, is serving as Bond Counsel and Disclosure Counsel to the District for the issuance of the Bonds. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is serving as financial advisor to the District in connection with the sale of the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is serving as counsel to the Underwriter. Bond Counsel, Disclosure Counsel, the Financial Advisor, and Underwriter's Counsel will receive compensation contingent upon the sale and delivery of the Bonds. U.S. Bank National Association, Los Angeles, California, will serve as Paying Agent with respect to the Bonds and Escrow Agent (as defined herein) for the regularly scheduled lease payments for the 2016 COPs. Causey Demgen & Moore P.C., Denver, Colorado, will act as verification agent (the "Verification Agent") for the regularly scheduled lease payments for the 2016 COPs.

Changes Since Date of Preliminary Official Statement

Subsequent to the publication of the Preliminary Official Statement, the District, in consultation with its Financial Advisor and the Underwriter, determined to postpone the sale of the Rio Elementary School District 2020 General Obligation Refunding Bonds. As a result, the information provided in this Official Statement relates only to the Series C Bonds and the Series D Bonds. See "The Financing Plan."

This Official Statement has also been updated to describe certain actions taken and legislation passed at the federal and State levels, as well as by the District, in response to the COVID-19 (as defined herein) outbreak subsequent to the publication of the Preliminary Official Statement to the date of this Official Statement. See "Disclosure Relating to Coronavirus."

Other Information

The Official Statement contains brief descriptions of the Bonds, the Paying Agent Agreement, and other documents. Such descriptions are not comprehensive or definitive and are qualified in their entirety by reference to such documents. Copies of documents referred to herein and information concerning the Bonds are available from the District, 1800 Solar Drive, Oxnard, California 93030. The District may impose a charge for copying, mailing and handling.

THE FINANCING PLAN

The Bonds

The net proceeds of the Series C Bonds will be deposited with the County, in a building fund established at the District's request pursuant to Education Code section 15146, and used to finance projects approved by the voters at the November 6, 2018 election. See "The Bonds – Purpose of the Bonds."

The net proceeds of the Series D Bonds will be deposited and invested pursuant to an Escrow Agreement dated April 1, 2020 (the "Escrow Agreement"), between the District and U.S. Bank National Association, as escrow agent (the "Escrow Agent"). Funds on deposit under the Escrow Agreement will be deposited in a sub-account for the 2016 COPs (the "Prior Certificates Sub-Account") within the escrow fund (the "Escrow Fund") held pursuant thereto, invested in federal securities and irrevocably set aside for payment of regularly scheduled lease payments on the 2016 COPs, as the same becomes due and payable, through March 1, 2026. The sufficiency of the amounts on deposit in the Prior Certificates Sub-Account within the Escrow Fund, together with realizable interest and earnings thereon, to pay regularly scheduled lease payments on the 2016 COPs through March 1, 2026, as described above, will be verified by the Verification Agent. Following the application of proceeds of the Series D Bonds, as described above, and assuming the accuracy of the Verification Agent's and Underwriter's calculations, the portion of the 2016 COPs payable from the Prior Certificates Sub-Account within the Escrow Fund will be defeased, and the District's obligation to make lease payments in connection therewith will terminate.

The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, and any premium received upon the sale of the Bonds, are required to be held separate and apart by the County in an interest and sinking fund of the District established pursuant to Education Code section 15251, and used only for payment of principal and accreted value of and interest on Bonds. Funds on deposit in the building and the interest sinking fund will be invested through the County's pooled investment fund. See Appendix H – "Ventura County Investment Policy and Investment Results."

THE BONDS

Authority for Issuance

The Bonds are general obligation bonds to be issued under provisions of the Constitution of the State of California, the laws of the State, including Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506, and applicable provisions of Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the Education Code, commencing with Sections 15100 and 15264, respectively, and pursuant to the Paying Agent Agreement and the District Resolution. The Bonds represent part of an authorization of $59,200,000 approved by at least 55% of the votes cast by District voters on November 6, 2018 (the "2018 Authorization") to provide funding for improvements to school facilities. The Bonds are the third and fourth series of bonds issued pursuant to the 2018 Authorization, and following the issuance thereof, $17,680,340.55 of the 2018 Authorization will remain.

Purpose of the Bonds

Proceeds of the Series C Bonds will be applied to (i) finance school facility construction, improvements and modernization and/or other projects to enhance student learning as set forth in the Measure approved by the voters on November 6, 2018, (ii) pay costs of issuance thereof, and (iii) pay capitalized interest. Proceeds of the Series D Bonds will be applied to (i) fund regularly scheduled lease payments in connection with the District's 2016 COPs and (ii) pay costs of issuance thereof.

Description of the Bonds

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of DTC. Beneficial Owners of the Bonds will not receive physical certificates representing their interests in the Bonds, but will receive a credit balance on the books of the nominees for such Beneficial Owners.

The Series C Bonds shall be issued as Current Interest Bonds and Capital Appreciation Bonds and the Series D Bonds shall be issued as Capital Appreciation Bonds.

The Bonds are issuable in denominations of $5,000 (principal amount or accreted value at maturity) or any integral multiple thereof, except that one Capital Appreciation Bond may be issued in an odd denomination. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof.

The Current Interest Bonds are dated their date of delivery and will bear interest from such date. Interest on the Current Interest Bonds is payable on August 1, 2020, and semiannually thereafter on February 1 and August 1 of each year. Capital Appreciation Bonds do not pay current interest. The Capital Appreciation Bonds are dated their date of delivery and interest will accrete from such date. Interest on the Capital Appreciation Bonds will compound semiannually on February 1 and August 1 in each year, commencing August 1, 2020.

The principal or accreted value of and interest on the Bonds will be paid by the Paying Agent to DTC, which will in turn remit such payments to its DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. As long as Cede & Co. is the registered owner of the Bonds, the principal or accreted value of and interest on the Bonds is payable by wire transfer with same-day funds transferred by the Paying Agent to Cede & Co., as nominee for DTC.

As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See Appendix F – "Book-Entry-Only System" for more information about DTC. If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered as described under the caption "Registration, Transfer and Exchange of Bonds."

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

Redemption

Optional Redemption. Series C Current Interest Bonds. The Series C Current Interest Bonds maturing on or before August 1, 2028, are not subject to optional redemption prior to maturity. The Series C Current Interest Bonds maturing on or after August 1, 2029, are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2028, at the principal amount of Series C Current Interest Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

Series C Capital Appreciation Bonds. The Series C Capital Appreciation Bonds maturing on or before August 1, 2028, are not subject to optional redemption prior to maturity. The Series C Capital Appreciation Bonds maturing on or after August 1, 2029, are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2028, at a redemption price equal to the accreted value thereof to be redeemed, as of the date set for such redemption, without premium.

Series D Bonds. The Series D Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. Series C Bonds. The Series C Bonds maturing on August 1, 2047 (the "2047 Series C Term Bonds") are subject to mandatory redemption prior to maturity in part, by lot, from mandatory sinking fund payments on August 1 of each year, in accordance with the schedule set forth below. The 2047 Series C Term Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount thereof, together with interest thereon accrued to the redemption date, without premium, but which amounts will be reduced by the principal amount of such 2047 Series C Term Bonds, optionally redeemed.

2047 Series C Term Bonds

Mandatory Redemption Date (August 1)	Mandatory Sinking Fund Payment
2044	$1,605,000
2045	1,770,000
2046	1,950,000
2047*	315,000

* *Final Maturity*

Series D Bonds. The Series D Bonds maturing by their respective terms on August 1, 2024 (the "2024 Series D Term Bonds"), August 1, 2026 (the "2026 Series D Term Bond"), and August 1, 2028 (the "2028 Series D Term Bond," and together with the 2024 Series D Term Bond and the 2026 Series D Term Bond, the "Series D Term Bonds"), are subject to mandatory redemption by the District prior to their respective maturities in part, by lot, from mandatory sinking fund redemption payments on August 1 of each year, in accordance with the schedules set forth below. The Series D Term Bonds so called for mandatory sinking fund redemption shall be redeemed at the accreted value thereof as of the following redemption dates, without premium.

2024 Series D Term Bonds

Mandatory Redemption Date (August 1)	**Mandatory Sinking Fund Payment**
2021	$269,148.00
2022	172,088.85
2024*	335,000.00

* *Final Maturity*

2026 Series D Term Bonds

Mandatory Redemption Date (August 1)	**Mandatory Sinking Fund Payment**
2025	$895,199.40
2026*	995,000.00

* *Final Maturity*

2028 Series D Term Bonds

Mandatory Redemption Date (August 1)	**Mandatory Sinking Fund Payment**
2027	$581,501.80
2028*	605,000.00

* *Final Maturity*

Selection of Bonds for Redemption. In the case of any redemption at the election of the District of less than all the Outstanding Bonds, the District shall, at least 45 days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Paying Agent) notify the Paying Agent of such redemption date and of the principal amount of Bonds to be redeemed.

If less than all the Outstanding Bonds are to be redeemed, not more than 60 days prior to the redemption date the Paying Agent shall select the particular Bonds to be redeemed from the Outstanding Bonds that have not previously been called for redemption, in minimum amounts of $5,000 of principal amount or accreted value at maturity, by lot in any manner that the Paying Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, each $5,000 amount of principal or accreted value at maturity shall be deemed to be a separate Bond.

The Paying Agent shall promptly notify the District in writing of the Bonds so selected for redemption and, in the case of a Bond selected for partial redemption, the principal amount or accreted value thereof to be redeemed.

For purposes of the Paying Agent Agreement, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond that has been or is to be redeemed.

Notice of Redemption. When Bonds are being redeemed as described above, the Paying Agent shall mail notice of redemption not fewer than 20 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register. The Paying Agent shall also file such notice of redemption on the same day with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access (EMMA) website.

Each notice of redemption shall state (a) the date of such notice; (b) the series designation of the Bonds; (c) the date of issue of the Bonds; (d) the redemption date; (e) the Redemption Price; (f) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (g) the CUSIP number (if any) of the maturity or maturities; and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each notice of redemption shall either (a) explicitly state that the proposed redemption is conditioned on there being on deposit on the redemption date sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed; or (b) be sent only if sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed is on deposit. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount or accreted value at maturity thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption; (b) state that from and after such redemption date interest thereon shall cease to accrue; and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice.

Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice of any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise deliver notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed or delivered.

Effect of Notice of Redemption. Notice of redemption having been duly given as aforesaid and moneys for payment of the Redemption Price of the Bonds so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed shall become due and payable at the Redemption Price specified in such notice; (ii) interest on such Bonds shall cease to accrue; (iii) such Bonds shall cease to be entitled to any benefit or security under the respective Paying Agent Agreement; and (iv) the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by Paying Agent at the Redemption Price.

Registration, Transfer and Exchange of Bonds

If the book-entry-only system is discontinued, the provisions in the Paying Agent Agreement summarized below will govern the registration, exchange and transfer of the Bonds.

The Paying Agent will keep or cause to be kept, at the Paying Agent's Office, the Bond Register to provide for the registration and transfer of the Bonds. The Bond Register will be open to inspection by the District during normal business hours.

Upon surrender of a Bond for transfer at the Paying Agent's Office, the District shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, tenor, and maturity and for an equivalent aggregate principal amount or accreted value at maturity.

Bonds may be exchanged for an equivalent aggregate principal amount or accreted value at maturity of Bonds of other authorized denominations of the same series, tenor, and maturity, upon surrender of the Bonds for exchange at the Paying Agent's Office. Upon surrender of Bonds for exchange, the District shall execute and, if required, the Paying Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent that is duly executed by the Owner or by his attorney duly authorized in writing. All fees and costs of any transfer or exchange of Bonds shall be paid by the Bondholder requesting such transfer or exchange.

No transfer or exchanges of Bonds are required to be made (a) during the period established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

ESTIMATED SOURCES AND USES OF FUNDS

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

		Series C	Series D
Sources:			
	Principal Amount of Bonds	$13,922,236.05	$3,087,423.40
	Net Original Issue Premium	716,618.40	
	Total Sources:	$14,638,854.45	$3,087,423.40
Uses:			
	Deposit to Building Fund	$13,746,260.70	
	Deposit to Interest and Sinking Fund	588,349.22	
	Deposit to Escrow Fund		$3,022,523.45
	Costs of Issuance[(1)]	304,244.53	64,899.95
	Total Uses:	$14,638,854.45	$3,087,423.40

(1) Includes the premium for a policy of municipal bond insurance, fees of the financial advisor, Underwriter's discount, costs of printing, Paying Agent, Escrow Agent and Verification Agent fees, legal fees, rating agency fees, escrow verification, and miscellaneous other costs of issuance.

DEBT SERVICE SCHEDULES

The Bonds. Debt service on the Bonds, assuming no optional redemptions (except for mandatory sinking fund redemption), is as shown in the following tables.

General Obligation Bonds
Election of 2018, Series C

Year Ending (August 1)	Principal	Interest	Total
2020	--	$83,033.33	$83,033.33
2021	--	282,000.00	282,000.00
2022	--	282,000.00	282,000.00
2023	--	282,000.00	282,000.00
2024	--	282,000.00	282,000.00
2025	--	282,000.00	282,000.00
2026	--	282,000.00	282,000.00

Year Ending (August 1)	Principal	Interest	Total
2027	--	282,000.00	282,000.00
2028	--	282,000.00	282,000.00
2029	$511,345.20	460,654.80	972,000.00
2030	518,939.40	498,060.60	1,017,000.00
2031	524,191.20	537,808.80	1,062,000.00
2032	529,473.60	582,526.40	1,112,000.00
2033	535,594.40	626,405.60	1,162,000.00
2034	542,851.65	674,148.35	1,217,000.00
2035	551,677.50	720,322.50	1,272,000.00
2036	556,013.15	770,986.85	1,327,000.00
2037	560,831.70	826,168.30	1,387,000.00
2038	566,900.10	885,099.90	1,452,000.00
2039	570,829.35	946,170.65	1,517,000.00
2040	572,741.00	1,009,259.00	1,582,000.00
2041	578,173.75	1,078,826.25	1,657,000.00
2042	579,575.05	1,147,424.95	1,727,000.00
2043	583,099.00	1,223,901.00	1,807,000.00
2044	1,605,000.00	282,000.00	1,887,000.00
2045	1,770,000.00	201,750.00	1,971,750.00
2046	1,950,000.00	113,250.00	2,063,250.00
2047	315,000.00	15,750.00	330,750.00
Total	$13,922,236.05	$14,939,547.28	$28,861,783.33

General Obligation Bonds
Election of 2018, Series D

Year Ending (August 1)	Principal	Interest	Total
2021	$256,836.00	$12,312.00	$269,148.00
2022	158,382.20	13,706.65	172,088.85
2023	--	--	--
2024	286,800.20	48,199.80	335,000.00
2025	731,538.00	163,661.40	895,199.40
2026	782,667.00	212,333.00	995,000.00
2027	435,600.00	145,901.80	581,501.80
2028	435,600.00	169,400.00	605,000.00
Total	$3,087,423.40	$765,514.65	$3,852,938.05

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Ad Valorem Property Taxes

The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within the District subject to taxation by the District for the payment of principal and accreted value of and interest on the Bonds. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the County is not obligated to establish or maintain such a reserve, and the District can make no representations that the County will do so. Such taxes are required to be levied annually, in addition to all other taxes, during the period that any Bonds are outstanding in an amount sufficient to pay the principal and accreted value of and interest on the Bonds when due.

Such taxes, when collected, will be deposited into an interest and sinking fund maintained by the County for the District. The County will transfer monies from the taxes collected to the Paying Agent to the extent necessary to pay the principal or accreted value of and interest on the Bonds as the same become due and payable.

Although the County is obligated to levy *ad valorem* property taxes for the payment of Bonds, the Bonds are not a debt of the County.

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

Property Tax Collection Procedures

Taxes are levied by the County for each fiscal year on taxable real and personal property that is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector and Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property, which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the Consumer Price Index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners.

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the County Assessor, who may grant or refuse the request, and may appeal an assessment directly to the County Board of Equalization, which rules on appealed assessments whether or not settled by the County Assessor. The County Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Treasurer against all taxing agencies who received tax revenues, including the District.

A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

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

Property within the District has a total assessed valuation for fiscal year 2019-20 of $6,104,892,617. Shown in the following table are the assessed valuations for the District since fiscal year 2015-16, each as of the date the equalized assessment roll is established (in or about August of each year).

RIO ELEMENTARY SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2015-16 through Fiscal Year 2019-20

Fiscal Year	Local Secured	Utility	Unsecured	Total
2015-16	$4,787,383,101	$58,738	$228,035,049	$5,015,476,888
2016-17	5,067,221,509	58,738	245,254,567	5,312,534,814
2017-18	5,329,792,816	58,738	229,760,345	5,559,611,899
2018-19	5,606,686,422	58,738	236,994,000	5,843,739,160
2019-20	5,862,728,580	58,738	242,105,299	6,104,892,617

Source: California Municipal Statistics, Inc.

The land use of property in the District as of fiscal year 2019-20 is shown below, as measured by local secured assessed valuation and number of parcels.

RIO ELEMENTARY SCHOOL DISTRICT
Secured Roll Assessed Valuation and Parcels by Land Use
Fiscal Year 2019-2020

Non Residential:	2019-2020 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$227,089,062	3.87%	115	1.27%
Commercial/Office	1,309,732,475	22.34	268	2.96
Vacant Commercial	51,398,583	0.88	60	0.66
Industrial	822,951,530	14.04	185	2.04
Vacant Industrial	11,938,931	0.20	38	0.42
Recreational	19,518,416	0.33	4	0.04
Government/Social/Institutional	3,155,084	0.05	150	1.65
Miscellaneous	26,890,013	0.46	168	1.85
Subtotal Non-Residential	$2,472,674,094	42.18%	988	10.90%
Residential:				
Single-Family Residence	$1,726,090,465	29.44%	4,815	53.12%
Condominium	716,328,644	12.22	2,068	22.81
Mobile Home	12,893,374	0.22	795	8.77
Mobile Home Park	28,826,491	0.49	13	0.14
Hotel/Motel	75,466,587	1.29	9	0.10
2-4 Residential Units	65,397,260	1.12	205	2.26
5+Residential Units/Apartments	760,652,378	12.97	122	1.35
Vacant Residential	4,399,287	0.08	50	0.55
Subtotal Residential	$3,390,054,486	57.82%	8,077	89.10%
Total	$5,862,728,580	100.00%	9,065	100.00%

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

The following table shows the 2019-20 assessed valuation of property in the District by jurisdiction.

RIO ELEMENTARY SCHOOL DISTRICT
Assessed Valuation by Jurisdiction[1]
Fiscal Year 2019-20

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Camarillo	$47,565,482	0.78%	$14,008,816,863	0.34%
City of Oxnard	5,312,698,916	87.02	21,220,536,454	25.04
City of San Buenaventura	132,460	0.00	17,149,629,230	0.00
Unincorporated Ventura County	744,495,759	12.20	23,508,607,477	3.17
Total District	$6,104,892,617	100.00%		
Ventura County	$6,104,892,617	100.00%	$141,212,482,726	4.32%

Source: California Municipal Statistics, Inc.

Set forth in the following table is the per parcel assessed valuation of single family homes in the District for fiscal year 2019-20.

RIO ELEMENTARY SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2019-20

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	4,815	$1726,090,465	$358,482	$358,709

2019-20 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	15	0.312%	0.312%	$318,651	0.018%	0.018%
$25,000 - $49,999	128	2.658	2.970	5,609,403	0.325	0.343
$50,000 - $74,999	199	4.133	7.103	12,074,861	0.700	1.043
$75,000 - $99,999	88	1.828	8.930	7,606,931	0.441	1.484
$100,000 - $124,999	77	1.599	10.530	8,767,228	0.508	1.992
$125,000 - $149,999	105	2.181	12.710	14,575,982	0.844	2.836
$150,000 - $174,999	108	2.243	14.953	17,507,211	1.014	3.850
$175,000 - $199,999	156	3.240	18.193	29,684,770	1.720	5.570
$200,000 - $224,999	256	5.317	23.510	54,198,674	3.140	8.710
$225,000 - $249,999	202	4.195	27.705	48,162,112	2.790	11.500
$250,000 - $274,999	216	4.486	32.191	56,601,082	3.279	14.779
$275,000 - $299,999	230	4.777	36.968	66,093,431	3.829	18.609
$300,000 - $324,999	294	6.106	43.074	93,039,674	5.332	23.941
$325,000 - $349,999	259	5.379	48.453	87,398,997	5.063	29.004
$350,000 - $374,999	208	4.320	52.773	75,358,399	4.366	33.370
$375,000 - $399,999	219	4.548	57.321	85,056,224	4.928	38.298
$400,000 - $424,999	221	4.590	61.911	91,018,260	5.273	43.571
$425,000 - $449,999	252	5.234	67.144	110,089,287	6.378	49.949
$450,000 - $474,999	249	5.171	72.316	115,217,746	6.675	56.624
$475,000 - $499,999	255	5.296	77.612	124,428,733	7.209	63.833
$500,000 and greater	1,078	22.388	100.000	624,282,909	36.167	100.000
Total	4,815	100.000%		$1,726,090,465	100.000%	

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

The following table shows the secured tax charges and delinquencies for the District for fiscal years 2015-16 through 2019-20.

RIO ELEMENTARY SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2015-16 through 2019-20

	Secured Tax Charge[(1)]	Amount Delinquent June 30	% Delinquent June 30
2015-16	$9,138,767.72	$75,565.85	0.83%
2016-17	9,520,253.02	129,987.00	1.37
2017-18	10,061,099.55	81,587.71	0.81
2018-19	10,544,298.49	79,544.87	0.75
2019-20	11,076,604.63	80,797.42	0.73

(1) 1% General Fund apportionment.
Source: California Municipal Statistics, Inc.

Typical Tax Rates

The rate of the annual *ad valorem* property tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, a flood, a fire or wildfire, or other natural or man-made disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in tax rates.

The table below shows the tax rates on the secured roll during the past five fiscal years for Tax Rate Area No. 3-335, which is entirely within the District.

RIO ELEMENTARY SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation
Fiscal Years 2015-16 through 2019-20
(TRA 3-335/ 2019-20 Assessed Valuation: $819,971,602[(1)])

	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.000000	1.000000	1.000000	1.000000	1.000000
Rio School District	.058600	.046400	.047000	.043100	.063100
Oxnard High School District	.028200	.022100	.028700	.047500	.049100
Ventura Community College District	.013000	.015500	.015100	.015200	.014300
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
City of Oxnard	.067563	.047429	.068774	.062796	.060177
Total	1.170863	1.134929	1.163074	1.172096	1.190177

[(1)]13.43% of the District's assessed valuation.
Source: California Municipal Statistics, Inc.

[*Remainder intentionally left blank*]

Largest Property Owners

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2019-20. The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

RIO ELEMENTARY SCHOOL DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2019-20

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total (1)
1.	Procter-Gamble Paper Products	Industrial	$330,460,273	5.64%
2.	SOCM I LLC	Shopping Center	126,794,066	2.16
3.	Serenade Apts Prop Owner LLC	Apartments	113,725,656	1.94
4.	Essex Arbors LP	Apartments	105,660,171	1.80
5.	Essex Tierra Vista LP	Apartments	95,796,971	1.63
6.	G-I IX Esplanade Property LP	Shopping Center	94,995,300	1.62
7.	450 Forest Park Apts LLC	Apartments	77,110,900	1.32
8.	Duesenberg Investment Co.	Office Building	76,802,027	1.31
9.	MC Gaelic Group	Auto Dealership	74,682,788	1.27
10.	Champion Vines LLC	Apartments	59,832,591	1.02
11.	DCH CA Investments Inc.	Auto Dealership	59,527,735	1.02
12.	Artisan Garden Apt LLC	Apartments	55,443,740	0.95
13.	Wagon Wheel Junction 15 LLC	Apartments	55,408,679	0.95
14.	Mosaic Apartments LLC	Apartments	52,098,863	0.89
15.	Mission Produce Inc.	Industrial	50,454,807	0.86
16.	Clearwater at River Park LLC	Apartments	49,174,000	0.84
17	1701 Solar Drive LLC	Office Building	45,631,941	0.78
18.	PDN Retail Center LP, Lessor	Shopping Center	33,818,535	0.58
19.	Dignity Health	Office Building	33,802,995	0.58
20.	Rancho Solana Apt Prop Owner	Apartments	32,104,364	0.55
			$1,623,326,402	27.69%

(1) 2019-20 Local Secured Assessed Valuation: $5,862,728,580.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Discussed below, and included in Appendix A – "The District – General and Financial Information," is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated February 3, 2020. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from the Debt Report.

DISCLOSURE RELATING TO CORONAVIRUS

The recent outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19") has spread to other countries, including the United States (including cases confirmed in the State). The World Health Organization has declared a Public Health Emergency of International Concern. On March 4, 2020, the Governor declared a State of Emergency in order to make additional resources available, formalize emergency actions underway across multiple State agencies and departments, and assist the State in preparing for and slowing the spread of COVID-19. The State has continued to issue guidance on preparing and protecting its citizens from COVID-19 including limiting restaurants to drive-through or delivery, canceling gatherings with more than 250 people, and ensuring State funding of public school districts following physical closure so long as such funds are used for distance learning, school meals, and supervision of students during school hours, as practicable. On March 13, 2020, Governor Newsom issued Executive Order N-26-20, qualifying closure of schools to address COVID-19 as a condition preventing maintenance of schools wherein school districts would continue to receive State funding, and encouraging the implementation of distance learning strategies. On March 19, 2020, the State Department of Public Health issued an order for all individuals living in the State to stay home or at their place of residence, except as needed to maintain continuity of operation of the federal critical infrastructure sectors.

On March 17, 2020, the Governor signed Senate Bill 89 ("SB 89"), which 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. SB 89 further allows appropriations to be increased in $50 million increments up to a total not to exceed $1 billion. The Governor also signed Senate Bill 117 ("SB 117"), which 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. Additionally, SB 117 appropriates $100 million for local educational agencies to purchase protective equipment and supplies and labor related to cleaning school sites as a result of COVID-19.

On March 13, 2020, President Trump declared a national emergency, to contain and combat the spread of COVID-19 in the United States. As a result, as much as $50 billion in financial resources has been made available to assist those affected by the outbreak. Congress pass the Families First Coronavirus Response Act ("FFCRA"), and it was signed into law by President Trump on March 18, 2020. FFCRA provides funds to all businesses with fewer than 500 employees in order to provide their employees with paid leave for their own health or to care for family members during the COVID-19 outbreak.

The District does not expect to reopen its schools before the end of the academic year in accordance with guidance from the Ventura County Office of Education and the Ventura County Public Health Department and the Governor.

In response to the COVID-19 outbreak and actions taken by local, State and federal governments, businesses and citizens appear to be altering their behaviors in a manner that may have negative impacts on global and local economies. The financial markets have experienced significant volatility as a result of this outbreak.

The District expects the COVID-19 outbreak to spread further within California and that additional limits may be placed on businesses and citizens by the local, State, and federal governments. No assurance can be provided that COVID-19 or any other highly contagious or epidemic disease will not adversely impact the District. Further, due to the evolving nature of COVID-19 outbreak, the District cannot predict the outbreak's extent or duration or what impact this outbreak, and responses by federal, State or local authorities thereto may have on assessed value of real property within the District or the District's financial condition and operations. A temporary closure of the District, or responses by federal, state or local authorities to the COVID-19 outbreak, could reduce average daily attendance and could impact funding under the Local Control Funding Formula the District receives from the State. The District receives a significant portion of its revenues from State moneys and local property taxes, and the current COVID-19 outbreak may result in a material change in the State's financial position and budget, including decreased revenues, increased expenditures, and depletion of reserves. Declines in State revenues as a consequence of the impacts of the COVID-19 outbreak could result in a corresponding decline in revenues available for all school districts. See "Security and Sources of Payment for the Bonds" and Appendix A – "The District – General and Financial Information."

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

Notwithstanding the adverse impacts that this outbreak may have on the financial condition of the State and the District, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are *not* payable from the general fund of the District.

BOND INSURANCE

The following information has been furnished by BAM for use in this Official Statement. No representation is made by the District or the Underwriter as to the accuracy or completeness of such information or the absence of material adverse changes therein at any time subsequent to the date hereof. Reference is made to Appendix G for a specimen of BAM's Policy.

Bond Insurance Policy

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

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

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.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Article XIIIA of the California Constitution

Basic Property Tax Levy. Article XIIIA of the State Constitution limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness approved by two-thirds of the voters on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness approved by 55% of the voters of 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. As described under "The Bonds – Authority for Issuance," the District received authorization by the requisite percent of voters to issue the Bonds.

Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA permits reduction of the full cash value base in the event of a decline in property value caused by damage, destruction, or other factors. The full cash value base is not increased upon reconstruction of property damaged or destroyed in a disaster, if the fair market value of the property as reconstructed is comparable to its fair market value before the disaster. If the full cash value has been reduced owing to a decline in market value, the full cash value is restored to the full cash value base as quickly as the market price increases (without regard to the 2% limit on increases that otherwise applies).

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

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

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

Article XIIIB of the California Constitution

Under Article XIIIB of the California Constitution, state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain monies that are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriation of moneys that are excluded from the definition of "appropriations subject to limitation," such as appropriations for voter-approved debt service, appropriations required to comply with certain mandates of the courts or the federal government, and appropriations for qualified capital outlay projects (as defined by the Legislature).

The appropriations limit for each agency in each year is based on the agency's limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted where applicable for transfer to or from another governmental entity of financial responsibility for providing services. With respect to school districts, "change in cost of living" is defined as the percentage change in California per capita income from the preceding year and "change in population" means the percentage change in average daily attendance for the preceding year.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by an agency over such two-year period above the combined appropriations limit for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Under current statutory law, a school district that receives any proceeds of taxes in excess of the allowable limit need only notify the State Director of Finance and the District's appropriations limit is increased and the State's limit is correspondingly decreased by the amount of the excess.

Article XIIIC and Article XIIID of the California Constitution

Articles XIIIC and XIIID of the California Constitution, adopted by Proposition 218 in November 1996, impose certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property related fees and charges. The District does not impose any such taxes, assessments, fees or charges; and, with the exception of *ad valorem* property taxes levied and collected by the County under Article XIIIA of the California Constitution and allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The initiative power is, however, limited by the United States Constitution's prohibition against state or local laws "impairing the obligation of contracts." The District's general obligation bonds represent a contract between the District and the bondholder secured by the collection of *ad valorem* property taxes. While not free from doubt, it is likely that, once issued, the taxes needed to pay debt service on general obligation bonds would not be subject to reduction or repeal. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of, or consents to, any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

The interpretation and application of Proposition 218 and the U.S. Constitution's contracts clause will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Future Initiatives

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

LEGAL MATTERS

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Parker & Covert LLP, Sacramento, California, Bond Counsel for the District. The opinion of Bond Counsel with respect to the Bonds will be delivered in substantially the forms attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Parker & Covert LLP, as Disclosure Counsel. Certain matters will be passed on for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California.

TAX MATTERS

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Series C Bonds is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Series C Bonds is not a specific item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Complete copies of the proposed forms of Opinions of Bond Counsel are set forth in Appendix D.

The Internal Revenue Code of 1986, as amended, (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series C Bonds.

The District has made certain representations and has covenanted to comply with certain restrictions designed to assure that interest on the Series C Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series C Bonds being included in federal gross income, possibly from the date of issuance of the Series C Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Series C Bonds may adversely affect the tax status of interest on the Series C Bonds.

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

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal and/or state income taxation, or otherwise prevent Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal and/or state tax legislation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds, or obligations that present similar tax issues, will not affect the market price or liquidity of the Bonds.

The rights of the Owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") not later than nine months after the end of the District's fiscal year (which currently ends on June 30), commencing with the report for the 2019-20 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report and event notices will be filed by the District with the MSRB through its EMMA website. The specific nature of the information to be contained in the Annual Report and in the event notices is described in Appendix E – "Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2 12(b)(5) (the "Rule").

As of the date of this Official Statement, and except as stated herein, all required filings in the past five years have been made in connection with prior undertaking under the Rule. Certain financial statements related to Community Facilities Districts of the District were not properly attached to the CUSIPs, but such financial statements were filed on time. The District's audited financial statements for fiscal year 2018-19 in connection with the undertaking under the Rule for the Community Facilities Districts was filed after the due date. The District believes it has established processes to ensure it will make required filings on a timely basis in the future.

The District has engaged Isom Advisors, a Division of Urban Futures, Inc., to assist it in carrying out its continuing disclosure obligations.

LITIGATION

No Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a 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 that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

RATINGS

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insured rating of "AA/Stable" to the Bonds based upon the issuance by BAM of the Policy at the time of delivery of the Bonds. S&P has assigned its 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 from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it (which may include information and materials from the District which are not included in this Official Statement) and on investigations, studies and assumptions of its own.

There is no assurance the credit ratings given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Series C Bonds at a price of $14,510,585.27, which equals the par amount of the Series C Bonds ($13,922,236.05) (consisting of $5,640,000.00 Current Interest Bonds and $8,282,236.05 Capital Appreciation Bonds), plus net original issue premium ($716,618.40), less underwriter's discount ($83,533.42), and less premium of $44,735.76 to pay a ratable portion of the premium on the Policy. The Underwriter has agreed to purchase the Series D Bonds at a price of $3,068,898.86, which equals the par amount of the Series D Bonds ($3,087,423.40), and less underwriter's discount ($18,524.54). The purchase contract relating to the Bonds provide that the Underwriter will purchase all of the Bonds (if any are purchased) and provide that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter. The Underwriter has requested the following statement be included in this Official Statement: In the past, the Underwriter has contributed funds towards the Rio Schools Foundation Casino Night Fundraiser.

ADDITIONAL INFORMATION

The discussions herein about the Paying Agent Agreement and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

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

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

AUTHORIZATION

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

RIO ELEMENTARY SCHOOL DISTRICT

By: /s/ John D. Puglisi
John D. Puglisi, Ph.D.
Superintendent

APPENDIX A
THE DISTRICT
GENERAL AND FINANCIAL INFORMATION

The information in this section concerning the operations of the District and its finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem *property tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property in the District in an amount sufficient for the timely payment of principal and accreted value of and interest on the Bonds.*

Introduction

The Rio Elementary School District (the "District") is an elementary school district established in 1885. The District covers approximately 15.5 square miles in Ventura County (the "County"), including a portion of the City of Oxnard, and unincorporated County territory. The District provides K-8 public education to more than 4,900 students in five elementary schools, two middle schools, a K-8 Dual Immersion Spanish/English academy and a new K-8 STEAM school, which opened in the 2018-19 school year. Annual average daily attendance in the District was 4,913 for fiscal year 2017-18, 5,032 for fiscal year 2018-19 and projected to be 5,029 for fiscal year 2019-20, 5,063 for fiscal year 2020-21, and 5,135 for fiscal year 2021-22.

Governing Board

The District is governed by a five-member Board of Trustees ("Board"), 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, their offices, and the expiration of their terms of office are shown below.

RIO ELEMENTARY SCHOOL DISTRICT
Governing Board

Name	Office	Term Expires (December)
Linda Aguilar	Board President	2022
Eleanor Torres	Clerk	2022
Felix Eisenhauer	Trustee	2020
Joe Esquivel	Trustee	2020
Edith Martinez-Cortes	Trustee	2022

Superintendent and Administrative Personnel

The Superintendent of the District is appointed by and reports to the Board. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other District administrators.

John D. Puglisi, Ph.D., Superintendent. Dr. Puglisi joined the District in 2012. Prior to his appointment as Superintendent, Dr. Puglisi was Superintendent of the Mesa Union School District for eight years and the Warner Unified School District for 18 months. Dr. Puglisi is now entering his 30th year in public education. He received a Bachelor of Fine Arts degree from West Virginia University, a Masters in Educational Leadership from San Jose State University and a Doctorate from the University of California at Santa Barbara.

Wael Saleh, Assistant Superintendent, Business Services. Wael Saleh joined the District in August of 2018. Prior to his appointment of Assistant Superintendent of Business Services, Mr. Saleh was the Chief Business Officer at Redwood City School District for five years and a Chief Business Office at Cabrillo Unified School District (Half Moon Bay) for four years. Mr. Saleh was the Controller at Burlingame School District for four years and held other positions there in the Business Department before taking the role of Controller.

Mr. Saleh has a Bachelor of Science in Business with a concentration in Accounting. Mr. Saleh has also earned his MBA and is a licensed CPA in the State of California.

Employees

The following table sets forth the District's full-time equivalent employees in all categories for fiscal years 2014-15 through 2018-19, as well as the projection for Fiscal Year 2019-20. These employees, except management and some part-time employees, are represented by the two bargaining units as noted below.

RIO ELEMENTARY SCHOOL DISTRICT
District Employees

Year	Certificated	Classified	Total
2014-15	216.0	124.0	340.0
2015-16	230.1	136.0	366.1
2016-17	251.0	168.0	419.0
2017-18	267.0	180.0	447.0
2018-19	273.6	191.0	464.6
2019-20*	277.0	205.8	482.8

*Projected
Source: Rio Elementary School District.

Employee Relations

California law provides that employees of public school districts of the State are to be divided into appropriate bargaining units, which then are to be represented by an exclusive bargaining agent.

The certificated employees have assigned the Rio Teachers Association as their exclusive bargaining agent and are covered by a contract that expires on June 30, 2020. The contract included a 2.5% salary increase for 2018-19. As of the date of this Official Statement, the District and the Rio Teachers Association are engaged in ongoing negotiations.

The classified employees have assigned the California School Employees' Association ("CSEA") as their exclusive bargaining agent and are covered by a contract that expired on October 31, 2018. As of the date of this Official Statement, the District and CSEA are engaged in ongoing negotiations.

Retirement System

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

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System ("STRS") and classified employees are members of the Public Employees' Retirement System ("PERS").

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. 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 Teacher's Retirement Law. STRS is funded through a combination of investment earnings and statutorily set contributions from employee plan members, the District and the State. Both active plan members and the District are required to contribute at a statutorily established rate.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the statutory contributions were significantly less than the actuarially required amounts. As a result, and due in part to investment losses, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately $107.15 billion as of June 30, 2018 (the date of the last actuarial valuation).

In June 2014, the Governor signed into law Assembly Bill 1469 ("AB 1469"), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan by requiring increased state, employer and member contributions to the Teachers' Retirement Fund in order to eliminate the unfunded actuarial obligation of the Defined Benefit Program by June 30, 2046.

Starting July 1, 2014, the employee contribution rate increased over a three-year phase-in period as follows:

MEMBER CONTRIBUTION RATES
STRS Defined Benefit Program

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period as follows:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS Defined Benefit Program

Effective Date	K-14 School Districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469

SB 90, approved by the Governor on June 27, 2019 as a trailer bill in connection with the 2019-20 State Budget (as defined below in "2019-20 Adopted State Budget"), appropriated $2.246 billion to be transferred to the Teachers' Retirement Fund for the STRS Defined Benefit Program, for a portion of required employer contributions for the 2019-20 and 2020-21 fiscal years. As a result, school district employers will have to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. Pursuant to SB 90, the remainder of the payment not committed to reduce the school district employers' share of statutorily required employer contributions shown above, is required to be allocated to reduce such school district employers' share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. (See "2019-20 Adopted State Budget.")

The State's contribution to STRS reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. For fiscal year 2019-20, the State's contribution rate is 7.828%. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The District is part of the School Employer Pool, a "cost-sharing" pool for school employers within PERS. Active plan members enrolled in PERS prior to January 1, 2013 are required by statute to contribute 7.0% of their salaries, and those enrolled after January 1, 2013 are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary. The District is required to contribute an actuarially determined rate, which is 20.733% of eligible salary expenditures in fiscal year 2019-20. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each participant.

Similar to STRS, PERS has experienced an unfunded liability in recent years. The PERS unfunded liability was approximately $27.2 billion as of June 30, 2018 (the date of the last actuarial valuation).

Among other things, to address this issue, the PERS Board of Administration (the "PERS Board"), in April 2013, approved changes to the PERS amortization and smoothing policy in order to reduce volatility in employer contribution rates. Additionally, in April 2014, the PERS Board established new contribution rates, reflecting changes in actuarial and demographic assumptions, that were implemented for school districts in fiscal year 2016-17. Further, in November 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS discount rate in years of good investment returns, help pay down unfunded liability, and to provide greater predictability and less volatility in contribution rates for employers. The PERS Board, in December 2016 voted to lower its discount rate from 7.5% to 7.0% by fiscal year 2020-21. The goal for the new rates is to eliminate the unfunded liability in approximately 30 years.

Similar to the appropriation in the 2019-20 State Budget for the STRS Defined Benefit Program, SB 90 appropriated $144 million for fiscal year 2019-20 and $100 million for fiscal year 2020-21 to pay in advance, on behalf of school district employers, part of their required employer contributions to the Public Employees' Retirement Fund. Additionally, SB 90 appropriated $600 million to be applied to certain unfunded liabilities of school district employers. As a result, school district employers will have to contribute 1.00% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. (See "2019-20 Adopted State Budget.")

District Contributions. The District's retirement contributions for the fiscal year ended June 30, 2019, are as follows:

RIO ELEMENTARY SCHOOL DISTRICT
Retirement Contributions for Fiscal Year 2018-19

	Actual Number of Employees Covered	Total Employer Contributions	District's Fiscal Year 2018-19 Covered Payroll	Employer Contribution as a Percentage of Covered Payroll
STRS	289	$4,020,268	$24,695,749	16.28%
PERS	230	1,601,769	8,868,407	18.06

Source: Rio Elementary School District

For the 2019-20 Fiscal Year the District has budgeted $4,262,481 for STRS (reflecting a contribution rate of 18.13% of annual payroll) and $1,782,155 for PERS (reflecting a contribution rate of 19.72% of annual payroll).

State Pension Trusts. Both STRS and PERS issue a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from both 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 both STRS and PERS from their most recently released reports.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Plan)
(Dollar Amounts in Millions)[1]

Plan	Accrued Liability	Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS) School Plan	$92,071 [2]	$64,846 [3]	$27,225
State Teachers' Retirement Fund (STRS) Defined Benefit Program	297,603 [4]	190,451 [5]	107,152

(1) Amounts may not add due to rounding.
(2) June 30, 2018 Valuation Date.
(3) Reflects market value of assets as of June 30, 2018.
(4) June 30, 2018 Valuation Date.
(5) Reflects actuarial value of assets as of June 30, 2018.
Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2018; STRS Defined Benefit Program Actuarial Valuation dated June 30, 2018.

Unlike PERS, STRS contribution rates for participant employers, employees and the State are set by statute and do not vary from year-to-year based on actuarial valuations. Moreover, the employee and employer contributions rates prior to Fiscal Year 2014-15 had been long fixed at 8% and 8.25% of salaries. 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. However, AB 1469, as discussed above, in an effort to address the unfunded liabilities of the STRS pension plan, requires increased contributions in order to eliminate the unfunded actuarial obligation of the Defined Benefit Program by June 30, 2046. Employee contributions and eligibility for retirement vary depending on whether such employee was hired on or after January 1, 2013.

California Public Employees' Pension Reform Act of 2013. The California Public Employees' Pension Reform Act of 2013 ("PEPRA") was signed in to law by the Governor on September 12, 2012. PEPRA's impacts to the STRS and PERS program included (i) an increase in the retirement age for public employees depending on job function, (ii) a cap on the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) a requirement for public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits, and (iv) a requirement for final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date. Existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, as a result of negotiations with its employee bargaining units, and/or as a result of any legislative or administrative changes that may be adopted in the future regarding employer contributions to PERS and STRS. The District cannot predict whether any projected savings by PERS' and STRS' actuaries will be realized by the District.

The District can provide no assurances that the District's required contributions to PERS will not increase in the future.

Other Post-Employment Benefit Obligations

The District provides post-employment healthcare benefits ("OPEB") to all employees who retire from the District on or after attaining age 55 with at least 15 years of service for certificated and management employees hired prior to July 1, 1997, and classified employees hired prior to July 1, 1998. Twenty years of service are required for all other employees. Currently, 96 retirees meet those eligibility requirements. The District contributes from 50% to 100% of the amount of premiums incurred by retirees and their dependents depending on employment classification, hire date, and years of service at retirement; the retiree contributes the remainder. Expenditures for post-employment benefits are recognized on a pay-as-you-go basis as premiums are paid. The following expenditure amounts were recognized for retirees' health care benefits: $1,225,985 for the 2017-2018 fiscal year and $1,136,296 for the 2018-2019 fiscal year. The District has budgeted $1,023,528 for the 2019-2020 fiscal year.

The District hired Demsey Filliger and Associates of Encino, California, to conduct an actuarial study updated as of November 13, 2019. As of June 30, 2018, the District's net OPEB liability is $25,238,309. The District is on a "pay as you go" basis, and as a result, its fiduciary net position is $0.

For additional information related to the District's post-employment healthcare benefits plan, see Notes 1 and 10 of the audited financial statements attached as Appendix B hereto.

As of June 30, 2019, accrued vacation benefits amounted to approximately $402,094.

Insurance

The District is a member of the Ventura County Schools Self-Funding Authority ("VCSSFA") and the Self-Insured Schools of California ("SISC") public entity risk pools and the Ventura County Fast Action School Transit Authority ("VCFAST") joint powers authority ("JPA"). The District pays an annual premium to VCSSFA for its workers' compensation and property liability coverage (including coverage for cybersecurity incidents), and to SISC for its health benefits. Payments for courier services are paid to the VCFAST JPA. The relationships between the District, the pools, and the JPA are such that neither the pools nor the JPA are component units of the District for financial reporting purposes.

The District's property damage coverage is in the amount of $10,000,000, subject to a deductible of $5,000 to $6,000 depending on the type of claim. VCSSFA is self-insured for the first $350,000 of general liability insurance and excess reinsurance will provide general liability insurance up to $15,000,000. Excess liability coverage is provided by a private carrier, United Educators Insurers, in the amount of $5,000,000 per occurrence and Munich Reinsurance, in the amount of $10,000,000 per occurrence.

DISTRICT FINANCIAL INFORMATION

District Financial Statements

The District's Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the report dated December 16, 2019 of Eide Bailly LLP (the "Auditor") are included in this Official Statement as Appendix B. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the District's financial statements.

In connection with the inclusion of the financial statements and the report of the Auditor thereon in Appendix B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Accounting Practices

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

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available for the current period; and expenditures are recognized in the period in which the liability is incurred, although debt service expenditures are recorded only when payment is due. For more information on the District's accounting method, see Appendix B – "Audited Financial Statements of the District for Fiscal Year Ended June 30, 2019, Note 1 – "Summary of Significant Accounting Policies."

District Budget

The District is required by provisions of the California Education Code to maintain each year a balanced budget in which the sum of expenditures plus the ending fund balance for each year cannot exceed the revenues plus the carry-over fund balance from the previous year. The California State Department of Education imposes a uniform budgeting format for each school district in the State. The budget is subject to review and approval by the County Superintendent of Schools. The County Superintendent examines the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identifies technical corrections necessary to bring the budget into compliance, determines if the budget allows the district to meet its current obligations and determines if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. 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 has never had an adopted budget disapproved by the County Superintendent.

Pursuant to State law, the District adopted on June 26, 2019, a fiscal line-item budget setting forth revenues and expenditures so that appropriations during Fiscal Year 2019-20 will not exceed the sum of revenues plus beginning fund balance.

Interim Reports on Financial and Budgetary Status

Every school district is required to file two interim certifications with the County Superintendent (the first on December 15 for the period ended October 31 and the second by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certifications and issues either a positive, negative, or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent in that fiscal year or in the next succeeding year.

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Comparative Financial Statements

The following table shows the District's Statement of General Fund Revenues, Expenditures and Changes in Fund Balance for Fiscal Years 2015-16 through 2019-20.

RIO ELEMENTARY SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balances for Fiscal Years 2015-16 through 2018-19 (Audited), and Fiscal Year 2019-20 (Second Interim Report)

	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Second Interim 2019-20
REVENUES					
Local Control Funding Formula	$42,856,790	$46,921,815	$48,213,297	$52,056,823	$53,763,663
Federal Revenue	2,397,451	2,703,634	2,429,625	2,827,358	2,749,996
Other State Revenue	6,374,099	5,533,215	5,728,278	7,607,155	3,558,460
Other Local Revenue	3,186,688	3,418,017	3,823,864	3,168,380	3,260,829
Transfers from Other Funds	--	--	--	--	--
Total Revenues	54,815,028	58,576,681	60,195,064	65,659,716	63,330,948
EXPENDITURES					
Certificated Salaries	--	--	--		26,034,627
Classified Salaries	--	--	--		9,059,267
Employee Benefits	--	--	--		15,802,590
Books and Supplies	--	--	--		3,411,588
Services & Other Operating Expenditures	--	--	--		7,773,184
Capital Outlay	--	--	--		117,202
Instruction	33,4787,086	37,570,283	37,750,672	42,458,725	--
Instruction-Related Activities:					
Supervision of Instruction	1,569,280	1,559,479	1,532,511	1,419,317	--
Instructional library, media & technology	948,815	1,056,286	1,536,110	1,197,414	--
School Site Administration	3,026,069	3,318,563	3,536,292	4,165,485	--
Pupil Services:					
Home-to-school transportation	791,023	886,063	1,133,869	1,610,158	--
Food services	--	9,743	14,639	79,932	--
All other pupil services	2,146,514	2,429,591	2,564,243	2,890,851	--
Administration:					
Data processing	625,371	603,325	718,236	850,000	--
All other administration	3,139,529	3,405,533	3,026,303	3,368,360	--
Plant Services	4,240,323	4,954,828	4,729,641	5,109,128	--
Facility acquisition and construction	481,564	702,471	90,187	318,424	--
Ancillary services	27,472	51,763	34,367	35,916	--
Community services	4,632	2,621	118	--	--
Enterprise services	--	--	--	481	--
Other outgo	2,477,810	2,513,340	2,591,912	2,421,404	1,968,011
Debt Service:					
Principal	133,243	610,942	310,000	300,000	--
Interest and other	192,644	265,670	315,733	246,360	--
Other Financing Uses	--	--	--	--	--
Total Expenditures	53,282,375	59,940,501	59,884,833	66,471,955	64,166,469
Excess (Deficiency) of Revenues Over (under) Expenditures	1,532,653	(1,363,820)	310,231	(812,239)	(835,521)
Other Financing Sources (Uses):					
Transfers In	--	--	--	399,450	654,636
Transfers Out	(589,733)	(427,108)	(285,833)	(77,624)	(30,000)
Net financing Sources (Uses)	(589,733)	(427,108)	(285,833)	321,826	624,636
Net Change in Fund Balances	942,920	(1,790,928)	24,398	(490,413)	(210,885)
Fund Balances - Beginning	6,348,099	7,291,019	5,500,091	5,524,489	3,713,313
Fund Balances – Ending	$7,291,019	$5,500,091	$5,524,489	$5,034,076	$3,502,428

Source: District's Audited Financial Statements for Fiscal Years 2014-15 through 2018-19 and Second Interim Report for Fiscal Year 2019-20.

Cap on School District Reserves

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, modified the law as it relates to ending fund balances for school districts. First, 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 (depending on whether a school district's ADA exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. Second, in a year immediately following a deposit into the Public School System Stabilization Account (Proposition 98 Rainy Day Fund) established in the State General Fund (see "State Funding of Education – Propositions 98 and 111 – Minimum Funding Guarantee," below), a school district's adopted or revised budget may not contain an ending fund balance higher than two to three times higher (depending on whether a school district's ADA exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period.

The requirements relating to ending fund balances for school districts established by SB 858 were further modified by SB 751, adopted in October 2017. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues appropriated for school district and allocated local tax proceeds for that fiscal year, a school district budget that is adopted or revised must not contain a combined assigned or unassigned ending General Fund balance that is in excess of 10% of such funds. Similar to SB 858, under certain circumstances, a county superintendent may grant an exemption from the ending fund balance requirements of SB 751. SB 751 does not apply to basic aid school districts (i.e., revenue limit funded only with local property taxes and no general purpose state aid) and small school districts (ADA of fewer than 2,501 students).

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 Public School System Stabilization Account appears to be intended to provide a substitute for local reserves in the event of a future economic downturn. However, there is no linkage between the sizes of the State and local reserves. The District is unable to predict what the effect on its budget will be following implementation of these new rules.

Included for the first time in a state budget, there is a constitutionally required deposit into the Public School System Stabilization Account of $376.5 million for fiscal year 2019-20, and another deposit proposed for fiscal year 2020-21. (See "2019-20 Adopted State Budget" and "2020-21 Proposed State Budget.") These amounts are below the threshold required to trigger the maximum local reserve levels for school districts created by SB 828 and SB 751 described above.

Sources of Funding for Operations

Funding for the District's operations is provided by a mix of (1) local property taxes; (2) State apportionments of general purpose and restricted purpose funds; (3) federal government grants; (4) development impact fees; (5) lottery funds; and (6) miscellaneous other revenues.

Property Taxes. Under current law, local agencies are not permitted to levy directly any property tax (except *ad valorem* taxes to pay debt service on voter-approved bonds and voter-approved non-*ad-valorem* property taxes for limited purposes). Instead, general purpose *ad valorem* property taxes are automatically levied by each county at the maximum 1% property tax rate permitted by Proposition 13, and property tax revenue is distributed by the county among all the local government taxing agencies (including school districts) within the county according to a statutory formula. See "District Financial Information – Property Taxes," below.

State Funding. Local Control Funding Formula. Beginning in Fiscal Year 2013-14, the bulk of apportionments of State funding to school districts for general purposes have been allocated pursuant to a new system referred to as the "Local Control Funding Formula" ("LCFF"). Under LCFF, revenue limits and most State-mandated categorical programs were eliminated. Instead, a locally-controlled system has been implemented whereby school districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. Now, apportionment to school districts are made on the basis of uniform, target base rates per unit of ADA for each of four grade spans, subject to several adjustments, as described below. The annual State general purpose apportionment received by a school district represents the difference between such district's total general purpose allocation and its share of the general purpose local property tax distributed to it by the county. A school district that has property tax revenues which exceed its entitlement under the LCFF is entitled to keep its local property tax revenues which exceed its LCFF funding entitlement.

The LCFF includes the following components:

• A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grant funding by grade span for fiscal year 2019-20 is set forth in the table below. The base rates for grades K-3 and 9-12 are increased (see table below), to cover the costs of class size reduction in the early grades and to support college and career readiness programs in high schools. These target base rates are to be updated each year for cost-of-living adjustments ("COLAs").

Grade Span	2018-19 Base Grant per ADA	2019-20 COLA (3.26%)	Grade Span Adjustments [(1)]	2019-20 Base Grant/ Adjusted Base Grant per ADA
K-3	$7,459	$243	$801	$8,503
4-6	7,571	247	N/A	7,818
7-8	7,796	254	N/A	8,050
9-12	9,034	295	243	9,572

[(1)] K-3 adjustment is 10.4% for class size reduction; 9-12 adjustment is 2.6% for career technical education.
Source: California Department of Education – Funding Rates and Information, Fiscal Year 2019-20

• The LCFF provides supplemental funds to school districts based on the three-year average of enrollment of students of limited English proficiency ("EL"), students from low income families that are eligible for free or reduced priced meals ("FRPM"), and foster youth. Students who are in more than one category are counted only once. Under the formula, each qualifying student generates an additional 20% of the student's adjusted grade-span base grant multiplied by the unduplicated percentage of EL, FRPM, and foster youth pupils.

• School districts whose qualifying student populations (i.e., EL, FRPM, and foster youth pupils) exceed 55% of their total enrollment will receive additional "concentration" funding equal to 50% of the applicable adjusted base rate multiplied by the percentage of such district's qualifying student enrollment above the 55% threshold.

• Funds for two existing categorical programs — the Targeted Instructional Improvement Block Grant and the Home-to-School Transportation program — are treated as add-ons to the LCFF. Districts that received funding from these programs in 2012–13 will continue to receive that same amount of funding in addition to what the LCFF provides each year.

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

The LCFF was implemented for fiscal year 2013-14 and was phased in over a multi-year period. School districts received annual funding increases based on the difference between their respective prior-year funding level and the target LCFF allocation at full implementation. In each year, every school district had the same proportion of its gap closed. Full implementation of LCFF occurred in fiscal year 2018-19 in connection with the adoption of the State budget for said fiscal year.

The LCFF includes a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments. The LCFF also includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

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

The following table shows the District's enrollment and ADA for each year from 2012-13 through 2018-19 and projected numbers for 2019-20. However, as a result of the ongoing outbreak of COVID-19, District enrollment and ADA may be affected. See "Disclosure Relating to Coronavirus" above.

There are no charter entities within the District boundaries.

RIO ELEMENTARY SCHOOL DISTRICT
Enrollment and Average Daily Attendance
Fiscal Years 2012-13 to 2019-20(1)

Fiscal Year	Enrollment	Average Daily Attendance
2012-13	4,692	4,512
2013-14	4,808	4,659
2014-15	4,991	4,776
2015-16	5,072	4,863
2016-17	5,182	4,963
2017-18	5,133	4,911
2018-19	5,219	5,032
2019-20(1)	5,317	5,104
2020-21(1)	5,349	5,135

(1) Projected.

Source: Rio Elementary School District

The following table shows a breakdown of the District's fiscal years 2015-16, 2016-17, 2017-18, 2018-19, 2019-2020 (projected), and 2020-221 (projected) ADA by grade span, total enrollment, and the percentage of students classified as English learners, low-income, of foster youth ("EL/LI"). However, as a result of the ongoing outbreak of COVID-19, District enrollment and ADA may be affected. See "Disclosure Relating to Coronavirus" above.

RIO ELEMENTARY SCHOOL DISTRICT
ADA by Grade Span, Total Enrollment, and EL/LI Enrollment
Fiscal Years 2015-16 through 2020-21

Average Daily Attendance [1]						
	(By Grade Span)					
Fiscal Year	K-3	4-6	7-8	Total District	Total District Enrollment	% EL/LI [2] Enrollment
2015-16	2,239.62	1,563.58	1,042.89	4,846.09	5,023	84.91
2016-17	2,257.19	1,687.32	1,018.17	4,962.68	5,182	82.98
2017-18	2,176.97	1,696.67	1,036.98	4,910.62	5,133	82.37
2018-19	2,232.72	1,688.04	1,111.72	5,032.48	5,219	78.45
2019-20[3]	2,196.50	1,718.40	1,148.20	5,063.00	5,317	76.47
2020-21[3]	2,234.90	1,741.40	1,158.70	5,135.00	5,349	76.47

(1) Except for fiscal years 2019-20 and 2020-21, ADA is as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year.

(2) The percentage is calculated on the basis of the average of the current fiscal year and the prior two fiscal years.

(3) Projected 2019-20 and 2020-21.

Source: Rio Elementary School District

Restricted Purpose Revenue. Other State revenues allocated to school districts are restricted by the Legislature to particular uses (categorical programs). The LCFF eliminates approximately three-quarters of categorical programs. Under the new system, several categorical programs remain outside the LCFF, including special education, after school safety and education programs, nutrition, and State preschool.

School districts in California have faced numerous challenges over the past several years due to financial difficulties at the State level. This has resulted in budget cuts and payment deferrals to school districts. On November 6, 2012, the Governor placed a measure on the ballot known as "Proposition 30" or the "November Tax Initiative," which asked California voters to increase State sales tax and raise income taxes on certain high income individuals, as well as taxes on gross receipts of retailers and certain excise taxes, in order to generate additional revenues at the State level. The moneys raised were applied to address State budget shortfalls and help fund educational programs. In particular, revenues generated pursuant to Proposition 30 increased school and community college district funding and paid expenses owed from previous years. The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends through 2030 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. Tax revenue received under Proposition 55 is allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Long-Term Debt

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

	Balance at July 1, 2018	Additions	Deductions	Balance at June 30, 2019	Due in One Year
2014 General obligation bonds, Series A	$18,855,000	-	-	$18,855,000	-
Premium on issuance	384,732	-	$14,338	370,394	-
2014 General obligation bonds, Series B	18,500,000	-	-	18,500,000	-
Premium on issuance	1,157,536	-	41,839	1,115,697	-
2016 General obligation refunding bonds	9,730,000	-	695,000	9,035,000	$730,000
Premium on issuance	1,750,816	-	150,070	1,600,746	-
2018 General obligation bonds, Series A	-	$23,000,000	-	23,000,000	-
Premium on issuance	-	2,343,627	78,121	2,265,506	-
2018 General obligation bonds, Series B	-	1,510,000	-	1,510,000	-
2016 Certificates of participation	5,300,000	-	955,000	4,345,000	-
Premium on issuance	495,566	-	98,476	397,090	-
Capital leases	1,286	-	1,286	-	-
Compensated absences	361,156	40,938	-	402,094	-
Supplemental retirement payments	54,000	2,000	-	56,000	-
Supplemental retirement PARS	556,638	-	185,546	371,092	185,546
Legal settlement	24,386	-	12,192	12,194	12,194
Net other postemployment benefits	26,226,249	-	695,730	25,530,519	-
Total	$83,397,365	$26,896,565	$2,927,598	$107,366,332	$927,740

Source: Rio Elementary School District, Annual Financial Report, June 30, 2019

General Obligation Bonds

On May 2, 2007, the District issued its 2007 General Obligation Refunding Bonds in the amount of $16,396,187, to refund portions of the 1997 General Obligation Bonds, Series A, B, and C (the "2007 Refunding Bonds"). On May 17, 2016, the District issued its 2016 General Obligation Refunding Bonds in the amount of $9,880,000 (the "2016 Refunding Bonds) to refund portions of the 2007 Refunding Bonds. On June 4, 2015, the District issued its Election of 2014, Series A Bonds in the amount of $20,000,000. On May 17, 2016, the District issued its Election of 2014, Series B Bonds in the amount of $18,500,000. The Series B Bonds were the second and final series of bonds issued pursuant to the Election of 2014 authorization. On March 13, 2019, the District issued its Election of 2018, Series A Bonds in the amount of $23,000,000 and its Election of 2018, Series B Bonds in the amount of $1,510,000. Upon the issuance of the Bonds, the District's combined debt service with respect to its general obligation bonds (assuming no optional redemptions) is as set forth in the following schedule.

[*Remainder intentionally left blank*]

RIO ELEMENTARY SCHOOL DISTRICT
COMBINED GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULES

Bond Year Ending August 1	2014 Series A Bonds	2014 Series B Bonds	2016 Refunding Bonds	2018 Series A Bonds	2018 Series B Bonds	2018 Series C Bonds	2018 Series D Bonds	Combined Debt Service
2020	$803,250	$714,600	$1,185,250	$1,079,200	$1,452,355	$83,033.33	--	$5,317,688.33
2021	893,250	714,600	1,186,750	1,949,200	102,875	282,000.00	$269,148.00	5,397,823.00
2022	962,350	764,600	1,181,250	1,644,400	--	282,000.00	172,088.85	5,006,688.85
2023	1,040,750	788,100	1,179,000	1,720,400	--	282,000.00	--	5,010,250.00
2024	1,115,950	825,850	1,174,750	1,442,400	--	282,000.00	335,000.00	5,175,950.00
2025	1,201,150	852,400	1,013,500	974,400	--	282,000.00	895,199.40	5,218,649.40
2026	1,285,000	891,600	1,013,000	974,400	--	282,000.00	995,000.00	5,441,000.00
2027	1,382,500	922,100	1,015,500	1,009,400	--	282,000.00	581,501.80	5,193,001.80
2028	1,473,350	960,600	1,010,750	1,053,000	--	282,000.00	605,000.00	5,384,700.00
2029	1,571,813	1,001,600	609,000	1,099,800	--	972,000.00	--	5,254,213.00
2030	1,677,975	1,043,200	--	1,149,600	--	1,017,000.00	--	4,887,775.00
2031	1,791,525	1,082,600	--	1,202,200	--	1,062,000.00	--	5,138,325.00
2032	1,912,131	1,129,800	--	1,252,400	--	1,112,000.00	--	5,406,331.00
2033	2,040,200	1,174,400	--	1,310,200	--	1,162,000.00	--	5,686,800.00
2034	2,174,700	1,221,400	--	1,370,200	--	1,217,000.00	--	5,983,300.00
2035	2,316,200	1,267,050	--	1,432,200	--	1,272,000.00	--	6,287,450.00
2036	2,464,513	1,320,750	--	1,496,000	--	1,327,000.00	--	6,608,263.00
2037	2,635,425	1,372,200	--	1,561,400	--	1,387,000.00	--	6,956,025.00
2038	2,820,563	1,426,400	--	1,633,200	--	1,452,000.00	--	7,332,163.00
2039	3,009,400	1,483,800	--	1,706,000	--	1,517,000.00	--	7,716,200.00
2040	3,221,675	1,542,400	--	1,785,500	--	1,582,000.00	--	8,131,575.00
2041	3,436,600	1,602,000	--	1,863,750	--	1,657,000.00	--	8,559,350.00
2042	3,653,600	1,667,400	--	1,950,500	--	1,727,000.00	--	8,998,500.00
2043	3,875,000	1,733,200	--	2,035,000	--	1,807,000.00	--	9,450,200.00
2044	4,110,600	1,804,200	--	2,127,000	--	1,887,000.00	--	9,928,800.00
2045	--	3,510,000	--	2,225,750	--	1,971,750.00	--	7,707,500.00
2046	--	--	--	2,325,500	--	2,063,250.00	--	4,388,750.00
2047	--	--	--	2,430,750	--	330,750.00	--	2,761,500.00
2048	--	--	--	2,535,750	--	--	--	2,535,750.00
TOTAL	$52,869,469	$32,816,850	$10,568,750	$46,339,500	$1,555,230	$28,861,783.33	$3,852,938.05	$176,864,520.38

2016 Certificates of Participation

Shown below are the net lease payments after the establishment of the Escrow Fund described herein.

Date (March 1)	Principal	Interest	Total
2020	--	--	--
2021	--	--	--
2022	$350,000.00	$83,600.00	$433,600.00
2023	355,000.00	153,200.00	508,200.00
2024	375,000.00	139,000.00	514,000.00
2025	390,000.00	124,000.00	514,000.00
2026	400,000.00	108,400.00	508,400.00
2027	420,000.00	92,400.00	512,400.00
2028	440,000.00	75,600.00	515,600.00
2029	445,000.00	64,600.00	509,600.00
2030	375,000.00	46,800.00	421,800.00
2031	390,000.00	31,800.00	421,800.00
2032	405,000.00	16,200.00	421,200.00
TOTAL	$4,345,000.00	$935,600.00	$5,280,600.00

[*Remainder intentionally left blank*]

Direct and Overlapping Debt

Shown below is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated February 3, 2020.

RIO ELEMENTARY SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of February 3, 2020

2019-20 Assessed Valuation: $6,104,892,617

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 2/1/20
Metropolitan Water District	0.171%	$82,166
Ventura Community College District	4.325	12,216,454
Oxnard Union High School District	13.366	34,566,750
Rio School District	**100.000**	**70,170,000** (1)
Rio School District Community Facilities District No. 1	100.000	64,865,000
City of Oxnard Community Facilities Districts	100.000	5,330,000
California Statewide Communities Development Authority Assessment District Bonds	100.000	129,394
City of Oxnard 1915 Act Bonds (Estimate)	73.580-86.200	7,711,807
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$195,071,571
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Ventura County General Fund Obligations	4.323%	$13,562,980
Ventura County Superintendent of Schools Certificates of Participation	4.323	379,776
Oxnard Union High School District Certificates of Participation	13.366	2,592,268
Rio School District Certificates of Participation	**100.000**	**4,345,000** (2)
City of Oxnard General Fund Obligations	25.036	20,432,807
Other City General Fund Obligations	Various	18,301
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$41,331,132
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$8,983,216
COMBINED TOTAL DEBT		$245,385,919(3)

(1) Excludes the Bonds to be sold.
(2) Does not reflect the funding of lease payments pursuant to the Escrow Agreement, as described in the front part of this Official Statement.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:	
Direct Debt ($70,170,000)	**1.15%**
Total Direct and Overlapping Tax and Assessment Debt	3.20%
Combined Direct Debt ($74,515,000)	**1.22%**
Combined Total Debt	4.02%
Ratio to Redevelopment Incremental Valuation ($1,165,937,348):	
Total Overlapping Tax Increment Debt	0.77%

Source: California Municipal Statistics, Inc.

Developer Fees

The District maintains a Capital Facilities Fund, separate and apart from the General Fund, to account for developer fees collected by the District. The District's developer fees can be utilized for any capital purpose related to growth.

RIO ELEMENTARY SCHOOL DISTRICT
District Developer Fees

Fiscal Year	Developer Fees Collected
2013-14	$304,247
2014-15	322,903
2015-16	311,189
2016-17	1,587,882
2017-18	462,074
2018-19	504,647

Source: Rio Elementary School District

As of June 30, 2019, a fund balance of $3,042,777 existed in the District's Capital Facilities Fund.

Property Taxes

General. See "Security and Sources of Payment of the Bonds" above for a general description of how property is assessed and how *ad valorem* property taxes are levied and collected.

Alternative Method of Tax Apportionment –Teeter Plan. The Board of Supervisors of the County adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701, *et seq*. of the California Revenue and Taxation Code, "to accomplish a simplification of the tax levying and tax apportioning process and an increased flexibility in the use of available cash resources." This alternative method is used for distribution of the District's share of general purpose *ad valorem* property tax revenues. The Teeter Plan currently applies to the *ad valorem* property taxes levied to pay debt service on the Bonds.

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

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

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors shall receive a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. In the event that the Teeter Plan were terminated, receipt of revenue of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

STATE FUNDING OF EDUCATION

As noted above, California school districts receive a significant portion of their general purpose funding from State appropriations. Variations in the level of State funding of school districts may affect this secondary source of security for payment of the Bonds.

Propositions 98 and 111 -- Minimum Funding Guarantee

Proposition 98, a constitutional and statutory amendment adopted by California voters in 1988 and amended by Proposition 111 in 1990, guarantees a minimum level of funding for public education from kindergarten through community college (K-14).

Proposition 98 guarantees a level of funding based on the greater of two amounts determined under three different methods of calculation. The first amount is based on a percentage of General Fund revenues. This amount is defined under "Test 1" as the amount produced by applying the same percentage of General Fund revenues appropriated to K-14 education in 1986-87, or about 40%. The second amount is determined under one of two methods, "Test 2" or "Test 3," the choice of which is determined based on the relative growth of per capita income and General Fund revenues.

In years of high or normal growth of General Fund revenues, Test 2 applies. Test 2 is designed to maintain prior-year service levels. The amount determined under Test 2 is the amount required to ensure that K-14 schools receive from State funds and local tax revenues the same amount received in the prior year, adjusted for changes in enrollment and for increases in per capita personal income. Test 3 is operative in years in which General Fund revenue growth per capita is more than 0.5% below growth in per capita personal income. The amount determined under Test 3 is the prior-year total level of funding from State and local sources, adjusted for enrollment growth and for growth in General Fund revenues per capita, plus 0.5% of the prior year level. If Test 3 is used in any year, the difference between the amount determined under Test 3 and Test 2 will become a credit (called the "maintenance factor") to be paid to K-14 schools in future years when State General Fund growth exceeds personal income growth.

The State's estimate of the total guaranteed amount varies through the stages of the annual budgeting process, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as various factors change. The guaranteed amount will increase as enrollment and per capita personal income grow. If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount may be suspended for one year at a time by enactment of an urgency statute. In subsequent years in which State General Fund revenues are growing faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount.

In the last few decades, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. In 1992-93, 1993-94, 2004-05, and 2005-06 the State required counties, cities, and special districts to shift property tax revenues to school districts, thereby relieving the State General Fund of some of the burden of the Proposition 98 guarantee. Proposition 1A, adopted by the voters in November 2004, prohibits the State from shifting property taxes from other local governments to school or community college districts without a two-thirds vote of both houses of the State Legislature. Proposition 22, approved by the voters in November 2010, eliminated the State's authority to shift property taxes temporarily during a severe financial hardship of the State that had been permitted by Proposition 1A. Legislation enacted in June 2011 (and upheld by the California Supreme Court in December 2011) dissolved every redevelopment agency in the State effective February 1, 2012, which may make more property tax revenues available to school districts.

The State has also sought to avoid or delay paying settle-up amounts when State revenues have lagged. The State has also sought to avoid increases in the base guaranteed amount through several devices: by treating any excess appropriations as advances (or loans) against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily or permanently deferring year-end apportionments of Proposition 98 funds from one fiscal year to the next to reduce the ending Fiscal Year's base; by suspending Proposition 98, as the State did in 2010-11; and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The California Teachers' Association, the State Superintendent and others sued the State or the Governor in 1995, 2005, 2009, and 2011 to force them to fund the full settle-up amounts. While legislation adopted to implement the settlements of these suits requires the State to pay down the obligation in annual installments, the repayments have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

Proposition 2, approved at the November 4, 2014, statewide election, among other things, revises the operation of Proposition 98 in some years. The measure creates a new State budget stabilization fund known as the "Public School System Stabilization Account." In years where capital gains tax revenues exceed 8% of total General Fund revenues, if a number of conditions are satisfied (including that Test 1 is operative, all maintenance factor obligations have been satisfied, and the Proposition 98 funding level is higher than the previous year), that part of the "excess" capital gains tax revenues accruing to the Proposition 98 guarantee, instead of being appropriated, would be deposited in the Public School System Stabilization Account, provided that the amount spent on schools and community colleges grows along with the number of students and the cost of living. The State would spend money out of the reserve in order to maintain spending on schools and community colleges in budgetary years in which such spending would otherwise decline from the prior year's level (adjusted for student population and cost of living). Proposition 2 thus changes when the State would otherwise be required to spend money on schools and community colleges but not the total amount of State spending for schools and community colleges over the long run. (See "Cap on School District Reserves.")

State Budget Process

The State Constitution requires the Governor to propose a budget to the State Legislature no later than January 10 of each year and requires the Legislature to adopt a final budget no later than June 15. The latter deadline was frequently missed when passage of the budget required a two-thirds majority of each house of the Legislature. The State's voters approved an amendment to the State Constitution in November 2010 that lowered the vote requirement to a simple majority of each house of the State Legislature. The lower vote requirement also applies to the budget trailer bills that specifically appropriate funds. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of each house of the State Legislature is still required to override any veto by the Governor. School district budgets must be adopted by the district's governing board by July 1 and then revised within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Possible Delays in Apportionments. If the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding may be treated differently. In 2002, a California Court of Appeal held in White v. Davis (also referred to as Jarvis v. Connell) that the State Controller cannot disburse State funds after the beginning of the fiscal year until the adoption of the budget bill or an emergency appropriation, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State constitution, such as appropriations for salaries of elected State officers, or (iii) required by federal law, such as payments to State workers (but at no more than minimum wage). The court specifically held that pre-budget disbursements of Proposition 98 funding for school districts are invalid. In 2003, the California Supreme Court upheld the decision of the Court of Appeal. During the 2003-04 State budget impasse, the State Controller nonetheless treated revenue limit (*i.e.*, general purpose) apportionments to school districts as continuous legislative appropriations under statute. The State Controller did not disburse certain categorical and other funds to school districts until the 2003-04 Budget Act was enacted.

Additional Delays in Apportionments. During the Great Recession (2007-2009), the Legislature authorized intra-year and inter-year deferrals of certain payments otherwise payable at earlier dates in the fiscal year to K-12 schools. The use of this cash-flow management device by the Legislature required some school districts to increase the size or frequency of their tax and revenue note borrowings.

2019-20 Adopted State Budget

On June 27, 2019, the Governor signed the 2019-20 State budget (the "2019-20 State Budget") into law. The 2019-20 State Budget assumes total spending of $208.9 billion (excluding federal and bond funds), resulting in an increase of 2 percent over the 2018-19 State budget. Specifically for K-12 school districts and community college districts, the 2019-20 State Budget provides for $81.1 billion of funding by way of Proposition 98 (see "State Funding of Education" above), an increase of $2.9 billion or 3.7% from the revised 2018-19 State budget. From the $81.1 billion, the 2019-20 State Budget allocates approximately $63 billion in LCFF funding for K-12 school districts. Of this amount, $51.4 billion is base funding, $6.4 billion is supplemental grant funding, $3.6 billion is concentration grant funding, and the remaining $1.6 billion if for various add ons.

The 2019-20 State Budget acknowledges the growth in California's economy, but also recognizes the increasing risks of slower economic growth in California and beyond. Accordingly, the 2019-20 State Budget continue to save and prepare for an uncertain economic future by, among other things, allocating $14.3 billion to eliminate debts and reverse deferrals, build reserves, and pay down unfunded retirement liabilities such as PERS. Additionally, the 2019-20 State Budget includes, for the first time, a constitutionally required deposit into the Public School System Stabilization Account (Proposition 98 Rainy Day Fund) (see "State Funding of Education" above) of $376.5 million. The amount is below the threshold required to trigger certain maximum local reserve levels for school districts created by State legislation approved in 2014 (and amended in 2017). (See "Cap on School District Reserves.")

The 2019-20 State Budget provides for certain adjustments in education spending, including the following:

LCFF. The 2019-20 State Budget provides $1.9 billion in new Proposition 98 funding for the LCFF, reflecting a 3.26% COLA.

Proposition 51. The 2019-20 State Budget includes Proposition 51 bond funding for school facilities. The State plans to issue $1.5 billion of general obligation bonds for school facilities. Further, the 2019-20 State Budget includes, on an ongoing basis, an additional $1.2 million of Proposition 51 bond funds for the Office of Public School Construction to hire ten additional staff to process the associated increase in school facility applications.

Special Education. The 2019-20 State Budget provides $153 million to bring low-funded Special Education Local Plan Areas (SELPAs) to the statewide target rate of $577 per student.

County Offices of Education. The 2019-20 State Budget includes several increases for County Offices of Education (COEs), including $21 million for 23 COEs that benefit from minimum state aid allocations, $13 million for baseline adjustments relating to updated student attendance estimates, and $10 million for COEs to support more school districts identified for targeted assistance.

Full-Day Kindergarten Grants. The 2019-20 State Budget includes $300 million one-time non-Proposition 98 General Fund for a second round of facility grants to promote more full-day kindergarten programs by constructing new or renovating existing classrooms.

Professional Development. The 2019-20 State Budget include $37.1 million (one-time non-Proposition 98 General Fund) for professional development for teachers and paraprofessionals, with certain amounts set aside for activities focused on English learners and students with disabilities.

California Department of Education. The 2019-20 State Budget provides the California Department of Education (CDE) with 17.5 additional positions and an associated $3.8 million (out of which $3.3 million is non-Proposition 98 General Fund) increase for accommodating new workload, including providing technical assistance to school districts with poor outcomes for students with disabilities, supporting implementation of the state and federal accountability systems, coordinating services for homeless youth, and reviewing school district waivers for reduction in student attendance following emergencies. One-time workload includes updating instructional guidance for several academic subjects, developing best practices for reviewing school safety plans, and coordinating statewide computer science efforts.

2020-21 Proposed State Budget

On January 10, 2020, Governor Newsom presents his proposed state budget for the 2020-21 fiscal year to the State Legislature. General Fund revenues total $151.6 billion under the proposed budget for 2020-21 and spending totals $153 billion. The 2020-21 proposed state budget assumes higher overall revenues for prior three fiscal years, and forecasts continued increases in personal income tax, sales and use tax, and corporation tax revenues.

Under the 2020-21 proposed state budget, the Proposition 98 minimum guarantee for K-12 school districts and community college would total $84 billion, of which almost 70% would be funded by the General Fund. This is an increase of $2.5 billion (3%) over the revised 2019-20 level. Higher property tax revenue and higher General Fund revenue each account for about half of the increase in the 2020-21 minimum guarantee.

Below are some of the highlights from the Governor's 2020-21 proposed state budget focused on education spending:

Payments on Debts and Liabilities. The proposed 2020-21 state budget includes $2 billion General Fund in constitutionally required debt payments for retiree health benefits, repayment of a 2017-18 loan from the State's cash resources that supports a supplemental pension payment to STRS, and a supplemental pension payment to STRS.

Public School System Stabilization Account. The proposed 2020-21 state budget projects that a deposit in the Public School System Stabilization Account will be required in an amount of $524.2 million, an increase of $147.7 million over the deposit projected in the 2019-20 State Budget. The amount continues to be below the threshold required to trigger certain maximum local reserve levels for school districts created by State legislation approved in 2014 (and amended in 2017). (See "Cap on School District Reserves.")

LCFF. The estimated COLA for 2020-21 is 2.29%.

Special Education. The proposed 2020-21 state budget continues to provide investments in special education, including $4 million one-time Proposition 98 General Fund for dyslexia research, training, and a statewide conference.

Teacher Investments. The 2020-21 state budget proposal includes over $900 million in one-time Proposition 98 funds to address California's persistent educator shortage in the following programs:

- $350 million to expand the Education Workforce Investment Grant program to, among other things, provide training to support students with disabilities and English learners, and develop educator capacity in various areas including social-emotional learning, non-discriminatory and anti-bullying supports for marginalized student groups, computer science and STEM fields;

- $193 million for the Workforce Development Grant Program and $175 million to expand the Teacher Residency Program to address teacher shortages in high-need subject areas;

- $100 million to provide stipends for teachers who participate in the California Teacher Credential Award Program and complete four years of teaching in a high-need subject at a high-need school; and

- $64.1 million to expand the Classified School Employees Credentialing Program to support classified staff who aspire to become credentialed teachers.

School Nutrition. The Governor proposed to increase funding for school nutrition by an ongoing $60 million Proposition 98 appropriation and to create a $10 million Preposition 98 fund to train school food service workers to provide healthier and more nutritious meals.

Low Performing Local Education Agencies. The proposed 2020-21 state budget includes a one-time $300 million investment to establish Opportunity Grants and expand the capacity of the California Collaborative for Educational Excellence to assist the lowest-performing school and school districts.

Legal Challenges to State Funding of Education

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

Additional Information for State Finances

The full text of proposed and adopted State budgets may be found at the internet website of the California Department of Finance, www.dof.ca.gov, under the heading "California Budget." The Legislative Analyst's Office's ("LAO") budget overviews and other analyses may be found at www.lao.ca.gov under the headings "The Budget" and "Publications." In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov or through the Municipal Securities Rulemaking Board's EMMA website at emma.msrb.org.

Periodic reports on revenues and/or expenditures during the Fiscal Year are issued by the Governor's Office, the State Controller's Office and the LAO. The Department of Finance issues a monthly Bulletin, which reports the most recent revenue receipts as reported by state departments, comparing them to Budget projections. The Governor's Office also formally updates its budget projections three times during each Fiscal Year, in January, May and at budget enactment. These bulletins and other reports are available on the internet.

The information referred to above is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Future State Budgets

The District cannot predict what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and state economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools as budgeted.

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APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2019

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Annual Financial Report
June 30, 2019

Rio Elementary School District

EDUCATING LEARNERS FOR THE 21ST CENTURY

RIO ELEMENTARY SCHOOL DISTRICT

TABLE OF CONTENTS
JUNE 30, 2019

RIO ELEMENTARY SCHOOL DISTRICT

TABLE OF CONTENTS
JUNE 30, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Governing Board
Rio Elementary School District
Oxnard, 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 Rio Elementary 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; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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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 Rio Elementary School District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14, budgetary comparison schedule on page 72, schedule of changes in the District's total OPEB liability and related ratios on page 73, schedule of the District's proportionate share of the net OPEB liability - MPP program on page 74, schedule of the District's proportionate share of the net pension liability on page 75, and the schedule of District contributions on page 76, 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 Rio Elementary School District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying unaudited other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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

Eide Bailly LLP

Rancho Cucamonga, California
December 16, 2019

This section of Rio Elementary School District's (the District) 2018-2019 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019, with comparative information for the year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities separately. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term obligations). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental, and fiduciary.

> The G*overnmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
>
> The *Fiduciary Funds* are agency funds, which are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Rio Elementary School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, one way to measure the District's *financial health*, or *financial position*. Over time, increases or decreases in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's *operating results.* Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we separate the District activities as follows:

Governmental Activities - Most of the District's services are reported in this category. This includes the education of kindergarten through grade eight students and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary,* for funds held on behalf of others, like our funds for associated student body activities and Community Facilities District (CFD) debt service. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $56,323,180 for the fiscal year ended June 30, 2019. Of this amount, $(60,076,913) was unrestricted (deficit). Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and changes in the net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2019	2018
Assets		
Current and other assets	$ 46,534,991	$ 40,226,700
Loan receivable	1,500,000	7,000,000
Capital assets	163,062,280	143,507,943
Total Assets	**211,097,271**	**190,734,643**
Deferred Outflows of Resources	**20,230,281**	**22,306,031**
Liabilities		
Current liabilities	8,433,657	8,287,546
Long-term obligations	107,366,332	83,397,365
Aggregate net pension liability	54,945,806	54,516,642
Total Liabilities	**170,745,795**	**146,201,553**
Deferred Inflows of Resources	**4,258,577**	**2,032,533**
Net Position		
Net investment in capital assets	104,981,974	108,462,865
Restricted	11,418,119	6,384,709
Unrestricted (Deficit)	(60,076,913)	(50,040,986)
Total Net Position	**$ 56,323,180**	**$ 64,806,588**

The $(60,076,913) in unrestricted (deficit) net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today, including all of our non-capital liabilities (bonds as an example), we would have a $(60,076,913) deficit.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 16. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities 2019	Governmental Activities 2018
Revenues		
Program revenues:		
Charges for services	$ 375,540	$ 232,814
Operating grants and contributions	13,919,356	10,933,806
Capital grants and contributions	62,334	22,882
General revenues:		
Federal and State aid not restricted	42,425,662	37,717,377
Property taxes	14,911,457	19,337,683
Other general revenues	4,849,171	240,792
Total Revenues	**76,543,520**	**68,485,354**
Expenses		
Instruction-related	59,740,609	50,623,009
Pupil services	8,996,919	7,928,404
Administration	4,849,457	4,011,356
Plant services	6,348,449	5,859,341
Other	5,091,494	4,848,978
Total Expenses	**85,026,928**	**73,271,088**
Special item: net gain on sale of land and buildings	-	9,071,768
Change in Net Position	**$ (8,483,408)**	**$ 4,286,034**

Governmental Activities

As reported in the *Statement of Activities* on page 16, the cost of all of our governmental activities this year was $85,026,928. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $14,911,457 (levied for general purposes and for debt service) because the cost was paid by those who benefited from the programs was $375,540, and by other governments and organizations who subsidized certain programs with grants and contributions was $13,919,356. We paid for the remaining "public benefit" portion of our governmental activities with $42,425,662 in unrestricted Federal and State funds, and $4,849,171 in interest and investment earnings and other revenues.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction including, special instruction programs and other instructional programs, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction-related activities	$ 59,740,609	$ 50,623,009	$ 49,984,411	$ 43,861,851
Pupil services	8,996,919	7,928,404	4,968,498	4,207,348
Administration	4,849,457	4,011,356	4,689,792	3,925,331
Plant services	6,348,449	5,859,341	6,329,462	5,840,916
All other services	5,091,494	4,848,978	4,697,535	4,246,140
Total	**$ 85,026,928**	**$ 73,271,088**	**$ 70,669,698**	**$ 62,081,586**

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $39,208,620, which is an increase of $6,368,020 over the last year.

Table 4

	Balances and Activity			
	July 1, 2018	Revenues	Expenditures	June 30, 2019
General Fund	$ 5,524,489	$ 66,059,166	$ 66,549,579	$ 5,034,076
Building Fund	3,894,261	38,035,593	19,705,226	22,224,628
Cafeteria Fund	3,004	3,796,086	3,775,571	23,519
Capital Projects Fund for Blended Component Units	17,235,597	872,631	15,790,505	2,317,723
Capital Facilities Fund	942,843	2,514,334	414,400	3,042,777
County Schools Facilities Fund	2,765,647	62,334	1,981,848	846,133
Special Reserve Fund for Capital Outlay Projects	-	5,510,841	4,316,462	1,194,379
Bond Interest and Redemption Fund	2,474,759	6,610,920	4,560,294	4,525,385
Total	**$ 32,840,600**	**$ 123,461,905**	**$ 117,093,885**	**$ 39,208,620**

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 27, 2019. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 70.

1. The increase in other State revenue is primarily attributable to recognizing CalSTRS on behalf payment of $2,233,904 in actual State revenues, but was not included in the budgeted amounts. In addition, other funds are consolidated into the General Fund for reporting purposes. However, these funds revenues were not included in the General Fund budgets.

2. The District settled with bargaining units for 2.5 percent salary increase after the 2nd Interim Budget was finalized. This caused variances in the certificated and classified salary areas. The majority of the variance in reporting employee benefits is attributable to recognizing CalSTRS on behalf payment of $2,233,904 in actual revenues and expenditures, but not in the budgeted amounts. In addition, other funds are consolidated into the General Fund for reporting purposes. However, these funds revenues were not included in the General Fund budgets. Overall actual year-end expenditures were more than budgeted. As a note, categorical program budgets which were not fully expended are reserved and carried over to the next fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the District had $163,062,280 in a broad range of capital assets (net of depreciation), including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of $19,554,337, or 13.6 percent, from last year (Table 5).

Table 5

	Governmental Activities	
	2019	2018
Land	$ 11,079,879	$ 11,079,879
Construction in progress	591,025	30,558,628
Buildings and improvements	149,748,559	100,430,619
Equipment	1,642,817	1,438,817
Total	**$ 163,062,280**	**$ 143,507,943**

Long-Term Obligations

At the end of this year, the District had $107,366,332 in long-term obligations outstanding versus $83,397,365 last year, a decrease of 28.7 percent. The long-term obligations consisted of:

Table 6

	Governmental Activities	
	2019	2018
General obligation bonds	$ 70,900,000	$ 47,085,000
Premium on issuance	5,292,483	3,293,084
Certificates of participation	4,345,000	5,300,000
Premium on issuance	456,951	495,566
Capital lease obligations	-	1,286
Compensated absences	402,094	361,156
Supplemental retirement payments	56,000	54,000
Legal settlement	12,193	24,386
Supplemental early retirement - PARS	371,092	556,638
Net other postemployment benefits (OPEB) liability	25,530,519	26,226,249
Total	**$ 107,366,332**	**$ 83,397,365**

The District's general obligation bond rating for the last bond sale in April 2016 was "AA". The State limits the amount of general obligation debt that districts can issue to 1.25 percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of $70,900,000 is below the statutorily-imposed limit.

Other obligations include compensated absences payable, postemployment benefits (other than health benefits), and other long-term obligations. More detailed information regarding long-term obligations is reported in the financial statements.

Net Pension Liability (NPL)

At year-end, the District has a net pension liability of $54,945,806, versus $54,516,642 last year, an increase of $429,164, or 0.8 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District budget for the 2019-2020 year, the governing board and management used the following criteria:

Assumption	2019-2020
Revenues:	
Average Daily Attendance (ADA)	5141
Funded ADA *	5141
Cost of Living Adjustments	3.26%
LCFF Calculator	FCMAT
LCFF Gap Funding Percentage	100.00%
One Time Contribution to General Fund	$ -
Restricted Lottery Revenues	$53/ADA
Unrestricted Lottery	$151/ADA
Carryovers from Prior Year	Included
Expenditures:	
Step and Column Adjustments	Actual Cost
Salary Increases/Settlements	None
Certificated Staffing Changes	Budgeted
Administrator Staffing Changes	Budgeted
Classified Staffing Due Changes	Budgeted
STRS	16.7%
PERS	2.73%
Cost of Health Increase	Actual Cost
Carry-overs from Prior Year	Included
Utilities	Budgeted

As part of the District's Local Control Accountability Plan, the District continues class size reduction for first and second grade and kindergarten students, and a full day program for kindergarten students.

Expenditures are based on the following forecasts:

	Staffing Ratio	Enrollment
Grade kindergarten	24:1	637
Grades first through second	26:1	1153
Grade three	30:1	580
Grades four through eight	31:1	2948

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, at Rio School District, 2500 Vineyard Avenue, Oxnard, California, 93036, or e-mail at wsaleh@rioschools.org

RIO ELEMENTARY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS	
Deposits and investments	$ 43,374,899
Receivables	3,089,648
Prepaid expenses	31,221
Stores inventories	39,223
Loan receivable	1,500,000
Capital Assets	
Land and construction in process	11,670,904
Other capital assets	195,831,521
Less: accumulated depreciation	(44,440,145)
Total Capital Assets	163,062,280
Total Assets	211,097,271
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	689,500
Deferred outflows of resources related to pensions	19,255,372
Deferred outflows of resources related to net other postemployment benefits (OPEB) liability	285,409
Total Deferred Outflows of Resources	20,230,281
LIABILITIES	
Accounts payable	7,298,723
Accrued interest payable	1,107,286
Unearned revenue	27,648
Long-Term Obligations	
Current portion of long-term obligations other than pensions	927,740
Noncurrent portion of long-term obligations other than pensions	106,438,592
Total Long-Term Obligations	107,366,332
Aggregate net pension liability	54,945,806
Total Liabilities	170,745,795
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	2,961,775
Deferred inflows of resources related to net other postemployment benefits (OPEB) liability	1,296,802
Total Deferred Inflows of Resources	4,258,577
NET POSITION	
Net investment in capital assets	104,981,974
Restricted for:	
Debt service	3,418,099
Capital projects	7,401,012
Educational programs	598,954
Other activities	54
Unrestricted deficit	(60,076,913)
Total Net Position	$ 56,323,180

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

RIO ELEMENTARY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 51,305,030	$ 26,354	$ 9,392,561	$ 62,334	$ (41,823,781)
Instruction-related activities:					
Supervision of instruction	1,576,334	76	217,676	-	(1,358,582)
Instructional library, media, and technology	1,926,186	-	31,345	-	(1,894,841)
School site administration	4,933,059	36	25,816	-	(4,907,207)
Pupil services:					
Home-to-school transportation	1,773,854	24	88,167	-	(1,685,663)
Food services	3,924,503	329,997	3,079,325	-	(515,181)
All other pupil services	3,298,562	-	530,908	-	(2,767,654)
Administration:					
Data processing	910,824	-	-	-	(910,824)
All other administration	3,938,633	7,355	152,310	-	(3,778,968)
Plant services	6,348,449	510	18,477	-	(6,329,462)
Ancillary services	36,936	-	-	-	(36,936)
Community services	905	-	-	-	(905)
Enterprise services	3,530	3	103	-	(3,424)
Interest on long-term obligations	2,601,092	-	-	-	(2,601,092)
Other outgo	2,449,031	11,185	382,668	-	(2,055,178)
Total Governmental Activities	$ 85,026,928	$ 375,540	$ 13,919,356	$ 62,334	(70,669,698)

General Revenues and Subventions:	
Property taxes, levied for general purposes	11,744,802
Property taxes, levied for debt service	2,700,131
Taxes levied for other specific purposes	466,524
Federal and State aid not restricted to specific purposes	42,425,662
Interest and investment earnings	523,204
Miscellaneous	4,325,967
Subtotal, General Revenues	62,186,290
Change in Net Position	(8,483,408)
Net Position - Beginning	64,806,588
Net Position - Ending	$ 56,323,180

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

RIO ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Deposits and investments	$ 5,461,352	$ 26,304,898	$ 11,608,649	$ 43,374,899
Receivables	2,142,636	199,827	747,185	3,089,648
Due from other funds	1,052,547	785,000	1,503,364	3,340,911
Prepaid expenditures	27,721	2,000	1,500	31,221
Stores inventories	15,758	-	23,465	39,223
Total Assets	$ 8,700,014	$ 27,291,725	$ 13,884,163	$ 49,875,902
FUND BALANCES				
Liabilities:				
Accounts payable	$ 3,517,075	$ 3,569,313	$ 212,335	$ 7,298,723
Due to other funds	140,343	1,497,784	1,702,784	3,340,911
Unearned revenue	8,520	-	19,128	27,648
Total Liabilities	3,665,938	5,067,097	1,934,247	10,667,282
Fund Balances:				
Nonspendable	48,479	-	23,465	71,944
Restricted	598,954	22,224,628	10,732,072	33,555,654
Assigned	1,320,761	-	1,194,379	2,515,140
Unassigned	3,065,882	-	-	3,065,882
Total Fund Balances	5,034,076	22,224,628	11,949,916	39,208,620
Total Liabilities and Fund Balances	$ 8,700,014	$ 27,291,725	$ 13,884,163	$ 49,875,902

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

RIO ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2019

Total Fund Balance - Governmental Funds		**$ 39,208,620**
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, they are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 207,502,425	
Accumulated depreciation is	(44,440,145)	
Net Capital Assets		163,062,280
The District has refunded general obligation bonds and certificates of participation. The difference between the amounts that were sent to escrow agents for the payment of the old debt and the actual remaining debt obligations will be amortized as an adjustment to interest expense over the remaining life of the refunded debt. This balance represents unamortized deferred charges on refunding remaining as of June 30, 2019.		689,500
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(1,107,286)
Loan receivables related to the purchaser of land, land improvement and buildsings are not received in the near term (within a year) and therefore, are not reported as receivables in the governmental funds. This amount totaled $1,500,000 as of June 30, 2019.		1,500,000
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and are not reported in the District's funds. Deferred outflows of resources related to pensions at year end consist of:		
Pension contributions subsequent to measurement date	5,622,237	
Net change in proportionate share of net pension liability	4,686,552	
Differences between projected and actual earnings on pension plan investments	130,052	
Differences between expected and actual experience in the measurement of the total pension liability	1,160,651	
Changes of assumptions	7,655,880	
Total Deferred Outflows of Resources Related to Pensions		19,255,372

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (Continued)
JUNE 30, 2019

Deferred inflows of resources related to pensions represent a consumption of net position in a future period and are not reported in the District's funds.		
Deferred inflows of resources related to pensions at year end consist of:		
Net changed in proportionate share of net pension liability		
Net change in proportionate share of net pension liability	$ (888,748)	
Differences between projected and actual earnings on pension plan investments	(1,505,220)	
Differences between expected and actual experience in the measurement of the total pension liability	(567,807)	
Total Deferred Inflows of Resources Related to Pensions		$ (2,961,775)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(54,945,806)
consumption of net position in a future period and are not reported in the District's funds. Deferred outflows of resources related to OPEB		285,409
Deferred inflows of resources related to OPEB represent an acquisition of net position in a future period and are not reported in the District's funds. Deferred inflows of resources related to OPEB		(1,296,802)
Long-term obligations, including general obligation bonds, are not due and payable in the current period and, therefore, they are not reported as liabilities in the funds. However, long-term obligations are recognized in the government-wide financial statements.		
Long-term obligations at year-end consist of:		
General obligation bonds	(70,900,000)	
Unamortized premium	(5,292,483)	
Certificates of participation	(4,345,000)	
Unamortized premium	(456,951)	
Compensated absences (vacations)	(402,094)	
Supplement retirement payments	(56,000)	
Supplemental retirement PARS	(371,092)	
Legal settlement	(12,193)	
Net other postemployment benefits (OPEB) liability	(25,530,519)	
Total Long-Term Obligations		(107,366,332)
Total Net Position - Governmental Activities		**$ 56,323,180**

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

RIO ELEMENTARY SCHOOL DISTRICT

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Local Control Funding Formula	$ 52,056,823	$ -	-	$ 52,056,823
Federal sources	2,827,358	-	3,061,171	5,888,529
Other State sources	7,607,155	-	197,354	7,804,509
Other local sources	3,168,380	300,497	10,195,522	13,664,399
Total Revenues	65,659,716	300,497	13,454,047	79,414,260
EXPENDITURES				
Current				
Instruction	42,458,725	-	-	42,458,725
Instruction-related activities:			-	
Supervision of instruction	1,419,317	-	-	1,419,317
Instructional library, media and technology	1,197,414	-	-	1,197,414
School site administration	4,165,485	-	-	4,165,485
Pupil services:				
Home-to-school transportation	1,610,158	-	-	1,610,158
Food services	79,932	-	3,706,884	3,786,816
All other pupil services	2,890,851	-	-	2,890,851
Administration:				
Data processing	850,000	-	-	850,000
All other administration	3,368,360	-	125,866	3,494,226
Plant services	5,109,128	-	475,442	5,584,570
Ancillary services	35,916	-	-	35,916
Other outgo	2,421,404	-	27,627	2,449,031
Enterprise services	481	-	2,850	3,331
Facility acquisition and construction	318,424	19,705,226	5,249,505	25,273,155
Debt service				
Principal	300,000	-	696,286	996,286
Interest and other	246,360	-	2,371,539	2,617,899
Total Expenditures	66,471,955	19,705,226	12,655,999	98,833,180
Excess (Deficiency) of Revenues Over Expenditures	(812,239)	(19,404,729)	798,048	(19,418,920)
Other Financing Sources (Uses)				
Transfers in	399,450	14,735,096	2,059,472	17,194,018
Other sources - proceeds from issuance of general obligation bonds	-	23,000,000	1,510,000	24,510,000
Other sources - premium on issuance of general obligation bonds	-	-	2,343,627	2,343,627
Transfers out	(77,624)	-	(17,116,394)	(17,194,018)
Other uses - payments to certificates of participation escrow agent	-	-	(1,066,687)	(1,066,687)
Net Financing Sources (Uses)	321,826	37,735,096	(12,269,982)	25,786,940
NET CHANGE IN FUND BALANCES	(490,413)	18,330,367	(11,471,934)	6,368,020
Fund Balances - Beginning	5,524,489	3,894,261	23,421,850	32,840,600
Fund Balances - Ending	$ 5,034,076	$ 22,224,628	$ 11,949,916	$ 39,208,620

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

RIO ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds		**$ 6,368,020**
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and are allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlay exceeds depreciation expense in the period:		
Capital outlays	$ 24,382,976	
Depreciation expense	(4,828,639)	
Net Expense Adjustment		19,554,337
In the Statement of Activities, certain operating expenses - compensated absences (vacations), supplemental early retirement incentive, and special termination benefits (cash in lieu of medical benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences earned was more than amounts used by $40,938. The supplemental early retirement incentive paid was more than the amount offered by $185,546. Special termination benefits earned were more than the amounts paid by $2,000.		142,608
Proceeds received from issuance of debt is a revenue in the governmental funds, but it increases long-term obligations in the Statement of Net Position, and does not affect the Statement of Activities. This adjustment combines the net changes of the following balances:		
Proceeds from sale of 2018 General Obligation Bonds, Series A	(23,000,000)	
Proceeds from sale of 2018 General Obligation Bonds, Series B	(1,510,000)	
Combined adjustment		(24,510,000)
Governmental funds report the effect of premiums, and deferred amount on refunding when the debt is first issued, where as the amounts are deferred and amortiezed in the Statement of Activities. This is the net effect of these related items:		
Premium on issuance of general obligation bonds	(2,343,627)	
Deferred amount on refunding of general obligations bonds	376,751	
Combined adjustment		(1,966,876)

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(3,546,664)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows and net OPEB liability during the year.		(740,055)
Repayment of long-term obligations is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:		
General obligation bonds	$ 695,000	
Capital lease obligation	1,286	
Certificates of participation	955,000	
Combined adjustment		$ 1,651,286
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported when incurred, regardless of when financial resources are available. This adjustment combines the net changes of the following balances:		
Amortization of debt premium	382,844	
Amortization of deferred charge on refunding	(125,260)	
Combined adjustment		257,584
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The accrued interest on the general obligation bonds and certificates of participation ncreased by $205,480		(205,840)
The District received a payment of $5,500,00 toward a loan made in a prior year to the purchaser of surplus property. The payment reduces the balance of the outstanding note.		(5,500,000)
The District reached a settlement agreement during the 2005-2006 fiscal year. Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the government-wide financial statements, however, which are presented on the accrual basis, expenses and liabilities are reported when incurred, regardless of when financial resources are available. The amount of settlement paid in the current was more than the amount incurred.		12,192
Change in Net Position of Governmental Activities		**$ (8,483,408)**

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

RIO ELEMENTARY SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	CFD Debt Service Fund	ASB Funds	Total
ASSETS			
Deposits and investments	$ 8,226,448	$ 71,898	$ 8,298,346
Receivables	17,538	-	17,538
Stores inventories	-	22,087	22,087
Total Assets	$ 8,243,986	$ 93,985	$ 8,337,971
LIABILITIES			
Accounts payable	$ 24,000	$ 3,771	$ 27,771
Due to student groups	-	90,214	90,214
Due to bond holders	8,219,986	-	8,219,986
Total Liabilities	$ 8,243,986	$ 93,985	$ 8,337,971

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Rio Elementary School District (the District) was organized in September 1885 under the laws of the State of California. The District operates under a locally-elected five-member board form of government and provides educational services to grades K - eight as mandated by the State and/or Federal agencies. The District operates five elementary schools, two K - eight schools, and two middle schools.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Rio Elementary School District, this includes general operations, food services, and student-related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the benefit of the District.

The Public Property Financing Corporation of California's (the Corporation) financial activity is presented in the financial statements within the Capital Facilities Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually prepared financial statements are not prepared for the Public Property Financing Corporation of California.

The Rio Elementary School District Community Facilities District No. 1's (CFD) capital outlay activity is presented in the financial statements as the Capital Projects Fund for Blended Component Units.

Special tax bonds issued by the CFD are not included as long-term liabilities in the government-wide financial statements as they are not obligations of the District. Monies collected for this non-obligatory debt is accounted for in the CFD Debt Service Agency Fund. See Note 9 for additional information.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental, and fiduciary.

Governmental Funds Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically Fund 20, Special Reserve Fund for Postemployment Benefits, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

In addition, under the flexibility provisions of current statute that allow certain formerly restricted revenues to be used for any educational purpose, Fund 14, Deferred Maintenance Fund, does not currently meet the definition of special revenue funds as this fund is no longer primarily composed of restricted or committed revenue sources. As the District has not taken formal action to commit the flexed revenues formerly restricted to this program to the continued operation of the original programs, the revenue within this fund would be considered to be available for general educational purposes, resulting in Fund 14, Deferred Maintenance Fund being combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance of $1,320,761.

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

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

Cafeteria Fund The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* 38091 and 38100).

Non-Major Governmental Funds

Capital Project Funds The Capital Project Funds are used to account for and report financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition lA), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Capital Project Fund for Blended Component Units The Capital Project Fund for Blended Component Units is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Debt Service Funds The Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal and interest on general long-term obligations.

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a District (*Education Code* Sections 15125-15262).

Fiduciary Funds Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for the CFD Debt Service and the student body activities (ASB).

Basis of Accounting - Measurement Focus

Government - Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide financial statement of activities presents a comparison between direct expenses and program revenues for each governmental program, and excludes fiduciary activity. 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 the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund Financial Statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds All Governmental Funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Fiduciary Funds Fiduciary Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 90 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

Certain grants received before the eligibility requirements are met are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments held at June 30, 2019, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Prepaid Expenditures (Expenses)

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at lower of cost or market, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental-type funds.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial Statement of Net Position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition cost on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, five to 50 years; equipment, two to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the Statement of Net Position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to certain school employees who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, certificates of participation, and capital leases are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums, and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP 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.

Fund Balances - Governmental Funds

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other actions as approved by the governing board. The District did not have any committed fund balances.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

In fiscal year 2018-2019, the governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and liabilities. Net position net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $11,418,119 of restricted net position.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental columns of the Statement of Activities.

Estimates

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

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 11 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The District has implemented the provisions of this Statement as of June 30, 2019.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

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

The District has implemented the provisions of this Statement as of June 30, 2019.

New Accounting Pronouncements

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

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

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

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

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

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

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Early implementation is encouraged.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Governmental activities	$ 43,374,899
Fiduciary funds	8,298,346
Total Deposits and Investments	$ 51,673,245

Deposits and investments as of June 30, 2019, consist of the following:

Cash on hand and in banks	$	88,212
Cash in revolving		5,000
Investments		51,580,033
Total Deposits and Investments	$	51,673,245

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury

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

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County Treasury Investment Pool to provide the cash flow and liquidity needed for operations, and by purchasing a combination of shorter term and longer term investments and timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow necessary for debt service requirements.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the Ventura County Treasury Investment Pool and Invesco Private Capital - Treasury Portfolio are rated AAA by Standard and Poor's rating services.

Information about the sensitivity to fair values of the District's investments to market interest rate fluctuation and the actual rating as of year-end for each investment is provided by the following schedule that shows the distribution of the District's investment by type and maturity:

Investment Type	Reported Amount	Average Maturity in Days
Ventura County Treasury Investment Pool	$ 45,717,577	192
Invesco Private Capital - Treasury Portfolio	5,862,456	14
Total	$ 51,580,033	

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019, the District's bank deposits were not exposed to custodial credit risk because they were fully insured.

NOTE 3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Ventura County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2019:

		Fair Value Measurements Using	
Investment Type	Reported Amount	Level 2 Inputs	Uncategorized
Ventura County Treasury Investment Pool	$ 45,717,577	$ -	$ 45,717,577
Invesco Private Capital - Treasury Portfolio	5,862,456	5,862,456	-
Total	$ 51,580,033	$ 5,862,456	$ 45,717,577

All assets have been valued using a market approach, with quoted market prices.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2019, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Activities	Fiduciary Fund
Federal Government					
Categorical aid	$ 1,294,762	$ -	$ 507,481	$ 1,802,243	$ -
State Government					
Categorical aid	159,670	-	31,489	191,159	-
Lottery	234,516	-	-	234,516	-
Local Sources					
Interest	112,660	199,827	123,129	435,616	17,538
Other	341,028	-	85,086	426,114	-
Total	$ 2,142,636	$ 199,827	$ 747,185	$ 3,089,648	$ 17,538

NOTE 5 - CAPITAL ASSETS

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

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 11,079,879	$ -	$ -	$ 11,079,879
Construction in process	30,558,628	18,819,577	48,787,180	591,025
Total Capital Assets	41,638,507	18,819,577	48,787,180	11,670,904
Capital Assets Being Depreciated				
Land improvements	6,412,766	601,825	-	7,014,591
Buildings and improvements	128,473,341	52,923,618	-	181,396,959
Furniture and equipment	6,594,835	825,136	-	7,419,971
Total Capital Assets	141,480,942	54,350,579	-	195,831,521
Less Accumulated Depreciation				
Land improvements	3,229,591	339,029	-	3,568,620
Buildings and improvements	31,225,897	3,868,474	-	35,094,371
Furniture and equipment	5,156,018	621,136	-	5,777,154
Total Accumulated	39,611,506	4,828,639	-	44,440,145
Governmental Activities	$ 143,507,943	$ 68,341,517	$ 48,787,180	$ 163,062,280

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 3,766,412
School site administration	389,724
Home-to-school transportation	96,576
All other pupil services	96,576
Data processing	48,190
All other general administration	241,438
Plant services	289,723
Total Depreciation Expenses Governmental Activities	$ 4,928,639

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2019, between major and non-major governmental funds are as follows:

	Due From			
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
General Fund	$ -	$ 135,875	$ 916,672	$ 1,052,547
Building Fund	-	-	785,000	785,000
Non-Major Governmental Funds	140,343	1,361,909	1,112	1,503,364
Total	$ 140,343	$ 1,497,784	$ 1,702,784	$ 3,340,911

A balance of $435,000 is due to the General Fund from the Cafeteria Non-Major Governmental Fund for temporary operating loans.

A balance of $1,361,909 is due to the Capital Facilities Non-Major Governmental Fund from the Building Fund for reimbursement of expenditures related to capital outlay projects.

A balance of $785,000 is due to the Building Fund from the Capital Project Non-Major Governmental Fund for Blended Componet Units for reimbursement of qualifying capital outlay projects.

The remaining balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers for the year ended June 30, 2019, consisted of the following:

	Transfer From		
Transfer To	General Fund	Non-Major Governmental Funds	Total Governmental Funds
General Fund	$ -	$ 399,450	$ 399,450
Building Fund	-	14,735,096	14,735,096
Non-Major Governmental Funds	77,624	1,981,848	2,059,472
Total	$ 77,624	$ 17,116,394	$ 17,194,018

The General Fund transferred to the Cafeteria Non-Major Governmental Fund to cover salary increases and for a program contribution.	$ 77,624
The Bond Interest and Redemption Non-Major Governmental Fund transferred to the General Fund bond proceeds intended for COP debt service.	399,450
The County School Facilities Non-Major Governmental Fund transferred to the Capital Facilities Non-Major Governmental Fund for RDA funds received.	1,981,848
The Capital Project Non-Major Governmental Funds for Blended Component Units transferred to the Building Fund for reimbursement of capital outlay costs.	14,735,096
Total	$ 17,194,018

NOTE 7 – LOAN RECEIVABLE

The Rio Elementary School District sold a real property and as part of the sales transaction, the District provided a loan to the purchasing party (the borrower). The total amount of the loan provided to the borrower under the agreement was $7,000,000. Under the agreement, the borrower is required to make $1,000,000 by July 10, 2018 followed by another payment that is due on or before January 4, 2019. The remaining balance of $1,500,000 will be subject to a reduction based on specific development conditions stipulated in the agreement between Rio Elementary School District and the borrower. On June 30, 2019, the outstanding loan receivable balance was $1,500,000.

NOTE 8 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds	Fiduciary Activities
LCFF apportionment	$ 1,117,484	$ -	$ -	$ 1,117,484	$ -
Salaries and benefits	378,709	-	10,770	389,479	-
Materials and supplies	130,734	-	78,156	208,890	-
Services	340,581	389,119	123,409	853,109	-
Construction	-	3,180,194	-	3,180,194	-
Due to SELPA	1,321,429	-	-	1,321,429	-
Due to local governments	99,757	-	-	99,757	-
Other	128,381	-	-	128,381	27,771
Total	$ 3,517,075	$ 3,569,313	$ 212,335	$ 7,298,723	$ 27,771

NOTE 9 – TAX REVENUE AND ANTICIPATION NOTES (TRANS)

On July 12, 2018, the District issued $2,080,000 of Tax and Revenue Anticipation Notes bearing interest at 3.0 percent. The notes were issued to supplement cash flows. Interest and principal were due and payable on June 28, 2019. Repayment requirements were that a percentage of principal and interest be deposited with the Fiscal Agent each month beginning January 19, 2019, until 100 percent of principal and interest due was on account by June 28, 2019. The District was not required to make any additional payments on the notes.

Changes in the outstanding liabilities for the Tax and Revenue Anticipation Notes are as follows:

Issue Date	Rate	Maturity Date	Outstanding July 1, 2018	Additions	Payments	Outstanding June 30, 2019
7/12/2008	3.000%	6/29/2019	$ 2,080,000	$ -	$ 2,080,000	$ -

NOTE 10 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the year consisted of the following:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due in One Year
2014 General obligation bonds, Series A	$ 18,855,000	$ -	$ -	$ 18,855,000	$ -
Premium on issuance	384,732	-	14,338	370,394	-
2014 General obligation bonds, Series B	18,500,000	-	-	18,500,000	-
Premium on issuance	1,157,536	-	41,839	1,115,697	-
2016 General obligation refunding bonds	9,730,000	-	695,000	9,035,000	730,000
Premium on issuance	1,750,816	-	150,070	1,600,746	-
2018 GO Bonds, Series A	-	23,000,000	-	23,000,000	-
Premium on Issuance	-	2,343,627	78,121	2,265,506	-
2018 GO Bonds, Series B	-	1,510,000	-	1,510,000	-
2016 Certificates of participation	5,300,000	-	955,000	4,345,000	-
Premium on issuance	495,566	-	98,476	397,090	-
Capital leases	1,286	-	1,286	-	-
Compensated absences	361,156	40,938	-	402,094	-
Supplemental retirement payments	54,000	2,000	-	56,000	-
Supplemental retirement PARS	556,638	-	185,546	371,092	185,546
Legal settlement	24,386	-	12,192	12,194	12,194
Net other postemployment benefits (OPEB) liability	26,226,249	-	695,730	25,530,519	-
Total	$ 83,397,365	$ 26,896,565	$ 2,927,598	$ 107,366,332	$ 927,740

Payments on the General Obligation Bonds are made by the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made by the General Fund. Capital lease obligation payments are made by the Cafeteria Fund. The General Fund also makes payments for supplemental early retirement and legal settlement. The compensated absences were paid by the fund for which the employee worked. The net other postemployment benefits (OPEB) liability are generally paid by the General Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2018	Issued	Redeemed	Bonds Outstanding June 30, 2019
6/4/2015	8/1/2044	2.00-5.00%	20,000,000	$ 18,855,000	$ -	$ -	$ 18,855,000
4/26/2016	8/1/2045	3.00-5.00%	18,500,000	18,500,000	-	-	18,500,000
4/26/2016	8/1/2029	2.00-5.00%	9,880,000	9,730,000	-	695,000	9,035,000
2/28/2019	8/1/2048	4.00-5.00%	23,000,000	-	23,000,000	-	23,000,000
2/28/2019	8/1/2021	2.80-2.875%	1,510,000	-	1,510,000	-	1,510,000
				$ 47,085,000	$ 24,510,000	$ 695,000	$ 70,900,000

2014 General Obligation Bonds, Series A

On June 4, 2015, the Rio Elementary School District issued the 2014 General Obligation Bonds, Series A, in the amount of $20,000,000. The Series A represents the first series of the reauthorized bonds not to exceed $38,500,000 to be issued under the measure as approved by the voters. The Series A bonds were issued as current interest bonds with an aggregate principal debt service balance of $20,000,000. The bonds were issued at an aggregate price of $19,977,661 (representing the principal amount of $20,000,000 plus an original issue premium of $430,136 less cost of issuance of $452,475). The bonds have a final maturity to occur on August 1, 2044 with interest rates ranging from 2.00 to 5.00 percent. Proceeds from the sale of bonds will be used to finance the renovation, acquisition, and construction of District buildings and facilities. At June 30, 2019, the principal outstanding was $18,855,000, and unamortized premium received on issuance was $370,394.

2014 General Obligation Bonds, Series B

On April 26, 2016, the Rio Elementary School District issued the 2014 General Obligation Bonds, Series B, in the amount of $18,500,000. The Series B represents the second series of the reauthorized bonds not to exceed $38,500,000 to be issued under the measure as approved by the voters. The Series B bonds were issued as current interest bonds with an aggregate principal debt service balance of $18,500,000. The bonds were issued at an aggregate price of $19,398,978 (representing the principal amount of $18,500,000 plus an original issue premium of $1,255,160 less cost of issuance of $356,182). The bonds have a final maturity to occur on August 1, 2045 and interest rates of 3.00 to 5.00 percent. Proceeds from the sale of bonds will be used to finance the renovation, acquisition, and construction of District buildings and facilities. At June 30, 2019, the principal outstanding was $18,500,000. Unamortized premium received on issuance was $1,115,697.

2016 General Obligation Refunding Bonds

On April 26, 2016, the Rio Elementary School District issued the 2016 General Obligation Refunding Bonds in the amount of $9,880,000. The refunding bonds were issued as current interest bonds. The bonds were issued at an aggregate price of $11,790,301 (representing the principal amount of $9,880,000 and premium of $2,100,979, less cost of issuance of $190,678). The bonds have a final maturity which occurs on August 1, 2029, with interest rates of 2.00 to 5.00 percent. Proceeds from the sale of the bonds were used to provide partial advance refunding of the District's 2007 General Obligation Refunding Bonds in the amount of $11,115,000. The refunding resulted in a cumulative cash flow saving of $1,567,434 over the life of the new debt and an economic gain of $1,292,038 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.76 percent. As of June 30, 2019, the principal balance outstanding was $9,035,000, and unamortized premium on issuance and deferred amount on refunding were $1,600,746 and $210,209, respectively.

2018 General Obligation Bonds, Series A

On February 28, 2019, the Rio Elementary School District issued the 2018 General Obligation Bonds, Series A, in the amount of $23,000,000. The Series A represents the first of a series of bonds not to exceed $59,200,000 to be issued under the measure as approved by the voters. The Series A bonds were issued as current interest bonds with an aggregate principal debt service balance of $23,000,000. The bonds were issued at an aggregate price of $24,959,072 (representing the principal amount of $23,000,000 plus an original issue premium of $2,343,627 less cost of issuance of $384,555). The bonds have a final maturity to occur on August 1, 2048, with interest rates ranging from 4.00 to 5.00 percent. Proceeds from the sale of bonds will be used to finance the renovation, acquisition, and construction of District buildings and facilities. At June 30, 2019, the principal outstanding was $23,000,000 and unamortized premium received on issuance was $2,265,506.

2018 General Obligation Bonds, Series B

On February 28, 2019, the Rio Elementary School District issued the 2018 General Obligation Bonds, Series B, in the amount of $1,510,000. The Series B represents the second of a series of bonds not to exceed $59,200,000 to be issued under the measure as approved by the voters. The Series B bonds were issued as current interest bonds with an aggregate principal debt service balance of $1,510,000. The bonds were issued at an aggregate price of $1,482,373 (representing the principal amount of $1,510,000 less cost of issuance of $27,627). The bonds have a final maturity to occur on August 1, 2021, with interest rates ranging from 2.800 to 2.875 percent. Proceeds from the sale of bonds was be used to finance the partial repayment of the District’s outstanding 2016 Refunding Certificates of Participation. At June 30, 2019, the principal outstanding was $1,510,000 and deferred amount on refunding was $313,959

Debt Service Requirements to Maturity

The bonds mature through 2049 as follows:

Fiscal Year	Principal	Interest	Total
2020	$ 730,000	$ 2,942,057	$ 3,672,057
2021	2,180,000	3,015,665	5,195,665
2022	1,825,000	2,937,137	4,762,137
2023	1,575,000	2,862,925	4,437,925
2024	1,780,000	2,788,600	4,568,600
2025-2029	7,215,000	12,935,731	20,150,731
2030-2034	6,775,000	11,440,488	18,215,488
2035-2039	11,795,000	9,728,650	21,523,650
2040-2044	19,990,000	6,259,625	26,249,625
2045-2049	17,035,000	1,628,650	18,663,650
Total	$ 70,900,000	$ 56,539,528	$ 127,439,528

2016 Refunding Certificates of Participation

On May 18, 2016, the Rio Elementary School District issued the 2016 Refunding Certificates of Participation in the amount of $5,955,000. The refunding certificates were issued as current interest certificates. The certificates were issued at an aggregate price of $6,224,168 (representing the principal amount of $5,955,000 and premium of $579,232, less cost of issuance of $310,064). The certificates have a final maturity which occurs on March 1, 2032 with interest rates of 3.75 to 5.5 percent. Proceeds from the sale of the certificates were used to provide advance refunding of the District's 2007 Certificates of Participation in the amount of $6,860,000. The refunding resulted in a cumulative cash flow saving of $1,170,851 over the life of the new debt and an economic gain of $387,296 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 2.38 percent. As of June 30, 2019, the principal balance outstanding was $4,345,000, and unamortized premium on issuance deferred amount on refunding were $397,090, and $165,332, respectively.

The certificates mature through March 1, 2032, as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ -	$ -	$ -
2021	-	-	-
2022	350,000	167,200	517,200
2023	355,000	153,200	508,200
2024	375,000	139,000	514,000
2025-2029	2,095,000	465,000	2,560,000
2030-2032	1,170,000	94,800	1,264,800
Total	$ 4,345,000	$ 1,019,200	$ 5,364,200

Compensated absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2019, amounted to $402,094.

Capital Leases

The District has entered into an agreement to lease a dump truck. Such an agreement is, in substance, a purchase (capital lease) and is reported as a capital lease obligation. The District did not have any outstanding capital lease liability as of June 30, 2019.

Supplemental Retirement Payments

For all employees hired prior to July 1, 1992, the District will provide family medical, dental, and vision from retirement until age 65 if the employee has completed a minimum of 15 years with the District. The District will also provide the employee with supplemental retirement payments for every year of service with the District upon retirement. Employees have the option of receiving a lump-sum payment or payments in installments. As of June 30, 2019, there were a total of two employees eligible to receive the supplemental retirement payments. The current outstanding liability to the District is $56,000.

Supplemental Early Retirement Incentive

During the 2015-2016 fiscal year, the District offered a supplemental early retirement program payable to eligible District Employees with payments beginning in the 2016-2017 fiscal year. A total of 16 certificated and classified employees accepted the District's offer. The District will make five annual contributions to Public Agency Retirement Services (PARS) accounts participants. The District's obligation to the PARS Early Retirement Incentive is as follows:

Fiscal Year	Total
2020	$ 185,546
2021	185,546
Total	$ 371,092

Legal Settlement

During the 2005-2006 fiscal year, the District reached a settlement agreement with the former superintendent. The original agreement stipulated that the District will make five annual payments to the former superintendent and two annual payments for attorney fees. The total liability to the District was $36,578, including accrued interest. Since the original agreement, the District renegotiated the terms of the settlement numerous times to allow financial flexibility. During the 2018-2019 fiscal year, the District has renegotiated the terms of the settlement in accordance to the following schedule:

Fiscal Year	Total
2020	$ 12,194

Net other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2019, the District reported net OPEB liability, deferred outflows of resources, deferred inflows or resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 25,238,309	$ 285,409	$ 1,296,802	$ 1,193,996
Medicare Premium Payment (MPP) Program	292,210	-	-	(41,104)
Total	$ 25,530,519	$ 285,409	$ 1,296,802	$ 1,152,892

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75.

Plan Membership

At June 30, 2019, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	96
Active employees	433
	529

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

The benefit payment requirements of Plan members and the District are established and may be amended by the District, the Rio Teachers Association (RTA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on pay-as-you-go financing requirements as determined annually through the agreements with the District, RTA, CSEA and the unrepresented groups. For measure period ending June 30, 2018, the District paid $412,837 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $25,238,309, was measured as of June 30, 2018, and the total 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 assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	3.62 percent
Healthcare cost trend rates	5.00 percent for 2018

The discount rate was based on the Municipal Bond 20-Year High Grade Rate Index.

Mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2018 valuation were based on the result of an actual experience study for the period July 1, 2017 to June 30, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	$ 25,892,935
Service cost	460,137
Interest	804,038
Changes of assumptions or other inputs	(1,505,964)
Benefit payments	(412,837)
Net change in total OPEB liability	(654,626)
Balance at June 30, 2019	$ 25,238,309

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

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

Discount Rate	Total OPEB Liability
1% decrease (2.13%)	$ 28,454,239
Current discount rate (3.13%)	25,238,309
1% increase (4.13%)	22,527,608

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (4.00%)	$ 22,160,355
Current healthcare cost trend rate (5.00%)	25,238,309
1% increase (6.00%)	28,921,045

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

For the year ended June 30, 2019, the District recognized OPEB expense of $1,193,996. 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
OPEB contributions subsequent to measurement date	$ 285,409	$ -
Changes of assumptions	-	1,296,802
Total	$ 285,409	$ 1,296,802

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2020	$ (209,162)
2021	(209,162)
2022	(209,162)
2023	(209,162)
2024	(209,162)
Thereafter	(250,992)
	$ (1,296,802)

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB)Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2019, the District reported a liability of $292,210 for its proportionate share of the net OPEB liability for the MPP Program. The 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 June 30, 2017. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.0763 percent, and 0.0792 percent, resulting in a net decrease in the proportionate share of 0.0029 percent.

For the year ended June 30, 2019, the District recognized OPEB expense of $(41,104).

Actuarial Methods and Assumptions

The June 30, 2018 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total OPEB liability to June 30, 2018, using the assumptions listed in the following table:

Measurement Date	June 30, 2018	June 30, 2017
Valuation Date	June 30, 2017	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.87%	3.58%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 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 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 459 or an average of 0.27 percent of the potentially eligible population (171,593).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2018, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2018, is 3.87 percent. The MPP Program is funded on a pay-as-you-go basis as described in Note 1, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.87 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2018, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 0.29 percent from 3.58 percent as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.87%)	$ 323,199
Current discount rate (3.87%)	292,210
1% increase (4.87%)	264,230

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net pension liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 266,466
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	292,210
1% increase (4.7% Part A and 5.1% Part B)	319,898

NOTE 11 - COMMUNITY FACILITIES DISTRICT BONDS (NON-OBLIGATORY DEBT)

These bonds are authorized to the Mello-Roos Community Facilities Act of 1982 as amended and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the Community Facilities District. Neither the faith and credit nor taxing power of the Rio Elementary School District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the Rio Elementary School District has no duty to pay the delinquency out of any available funds of the District. The Rio Elementary School District acts solely as an agent for those paying taxes levied and the bondholders. The Rio Elementary School District Community Facilities District No. 1 Special Tax Bonds, Series 2013, Series, 2014, and Series 2016 have remaining balances as of June 30, 2019, of $68,245,000.

NOTE 12 - FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Building Fund	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	$ 5,000	$ -	$ -	$ 5,000
Stores inventories	15,758	-	23,465	39,223
Prepaid expenditures	27,721	-	-	27,721
Total Nonspendable	48,479	-	23,465	71,944
Restricted				
Legally restricted	598,954	-	54	599,008
Capital Projects	-	22,224,628	6,206,633	28,431,261
Debt services	-	-	4,525,385	4,525,385
Total Restricted	598,954	22,224,628	10,732,072	33,555,654
Assigned				
Postemployment benefits	1,320,607	-	-	1,320,607
Deferred maintenance	154	-	-	154
Other	-	-	1,194,379	1,194,379
Total Assigned	1,320,761	-	1,194,379	2,515,140
Unassigned				
Reserve for economic uncertainties	1,859,559	-	-	1,859,559
Remaining unassigned	1,206,323	-	-	1,206,323
Total Unassigned	3,065,882	-	-	3,065,882
Total	$ 5,034,076	$ 22,224,628	$ 11,949,916	$ 39,208,620

NOTE 13 - RISK MANAGEMENT

Description

The Rio Elementary School District's risk management activities are recorded in the General Fund. Employee health programs are administered by the General Fund through payments made to Self-Insured Schools of California (SISC), a public entity risk pool. The District also participates in the Ventura County Schools Self-Funding Authority public entity risk pool for the workers' compensation, property, and liability programs. Refer to Note 16 for additional information regarding the public entity risk pools.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Employee Medical Benefits

The District has contracted with the SISC to provide employee health benefits. SISC is a shared risk pool comprised of numerous members in California. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating entities. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 14 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2019, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 39,090,215	$ 14,573,102	$ 2,906,146	$ 5,748,034
CalPERS	15,855,591	4,682,270	55,629	3,420,867
Total	$ 54,945,806	$ 19,255,372	$ 2,961,775	$ 9,168,901

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

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

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required State contribution rate	9.828%	9.828%

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the District's total contributions were $4,020,468.

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

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total Net Pension Liability, Including State Share:

District's proportionate share of net pension liability	$ 39,090,215
State's proportionate share of the net pension liability associated with the District	22,380,977
Total	$ 61,471,192

The net pension liability was measured as of June 30, 2018. 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 school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.0425 percent and 0.0438 percent, resulting in a net decrease in the proportionate share of 0.0013 percent.

For the year ended June 30, 2019, the District recognized pension expense of $5,748,034. In addition, the District recognized pension expense and revenue of $2,629,260, for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 4,020,468	$ -
Net change in proportionate share of net pension liability	4,358,647	833,119
Differences between projected and actual earnings on pension plan investments	-	1,505,220
Differences between expected and actual experiences in the measurement of the total pension liability	121,217	567,807
Changes of assumptions	6,072,770	-
Total	$ 14,573,102	$ 2,906,146

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2020	$ 326,825
2021	(237,154)
2022	(1,262,821)
2023	(332,070)
Total	$ (1,505,220)

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2020	$ 2,147,152
2021	2,147,152
2022	2,147,150
2023	1,621,346
2024	1,233,503
Thereafter	(144,595)
Total	$ 9,151,708

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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 its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. 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, CalSTRS consulting actuary (Milliman) reviews the return assumption 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 for the year ended June 30, 2018, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the 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 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP'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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount rate	Net Pension Liability
1% decrease (6.10%)	$ 57,262,591
Current discount rate (7.10%)	39,090,215
1% increase (8.10%)	24,023,552

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:
ttps://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	18.062%	18.062%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the total District contributions were $1,601,769.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $15,855,591. The net pension liability was measured as of June 30, 2018. 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 school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2018 and June 30, 2017, respectively, was 0.0595 percent and 0.0588 percent, resulting in a net increase in the proportionate share of 0.0007 percent.

For the year ended June 30, 2019, the District recognized pension expense of $3,420,867. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,601,769	$ -
Net change in proportionate share of net pension liability	327,905	55,629
Differences between projected and actual earnings on pension plan investments	130,052	-
Differences between expected and actual experiences in the measurement of the total pension liability	1,039,434	-
Changes of assumptions	1,583,110	-
Total	$ 4,682,270	$ 55,629

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2020	$ 473,026
2021	113,119
2022	(362,508)
2023	(93,585)
Total	$ 130,052

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.0 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2020	$ 1,407,936
2021	1,114,664
2022	372,220
Total	$ 2,894,820

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2017, and rolling forward the total pension liability to June 30, 2018. The financial reporting actuarial valuation as of June 30, 2017, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7. 15%
Investment rate of return	7. 15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Global debt securities	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount rate	Net Pension Liability
1% decrease (6.15%)	$ 23,084,982
Current discount rate (7.15%)	15,855,591
1% increase (8.15%)	9,857,776

Social Security

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

District and employee contributions are determined by statute.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $2,427,899 (9.828 percent of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves, but have not been included in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule*.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018–2019 contribution on behalf of school employers of $2.246 billion for CalSTRS and $904 million for CalPERS. A proportionate share of these contributions has been recorded in these financial statements. On behalf payments related to these additional contributions have been excluded from the calculation of available reserves and have not been included in the budgeted amounts reported in the *General Fund – Budgetary Comparison Schedule and Major Special Revenue Fund – Budgetary Comparison Schedule.*

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2019.

NOTE 16 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWER AUTHORITIES

The District is a member of the Ventura County Schools Self-Funding Authority (VCSSFA) and the Self-Insured Schools of California (SISC) public entity risk pools. The District pays an annual premium to VCSSFA and SISC for its workers' compensation and property liability coverage, and health benefits, respectively. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2019, the District made payments of $353,265, and $6,982,088, to VCSSFA and SISC, respectively, for services received.

REQUIRED SUPPLEMENTARY INFORMATION

RIO ELEMENTARY SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final
	Original	Final	(GAAP Basis)	to Actual
REVENUES				
Local Control Funding Formula	$ 50,825,484	$ 51,939,165	$ 52,056,823	$ 117,658
Federal sources	2,439,892	2,672,542	2,827,358	154,816
Other State sources	2,195,525	3,583,365	7,607,155	4,023,790
Other local sources	2,745,243	2,948,074	3,168,380	220,306
Total Revenues [1]	58,206,144	61,143,146	65,659,716	4,516,570
EXPENDITURES				
Current				
Certificated salaries	24,003,944	24,863,861	25,543,698	(679,837)
Classified salaries	7,232,696	7,845,412	8,595,896	(750,484)
Employee benefits	14,381,549	14,679,923	18,444,747	(3,764,824)
Books and supplies	2,461,476	2,891,435	2,552,877	338,558
Services and operating expenditures	6,420,116	7,694,116	8,102,057	(407,941)
Capital outlay	360,812	609,639	329,458	280,181
Other outgo	2,732,823	2,387,924	2,356,862	31,062
Debt service - principal	300,000	-	300,000	(300,000)
Debt service - interest	198,900	99,450	246,360	(146,910)
Total Expenditures [1]	58,092,316	61,071,760	66,471,955	(5,400,195)
Excess (Deficiency) of Revenues Over Expenditures	113,828	71,386	(812,239)	(883,625)
Other Financing Sources (Uses)				
Transfers in	97,021	615,548	399,450	(216,098)
Transfers out	-	(76,914)	(77,624)	(710)
Net Financing Sources (Uses)	97,021	538,634	321,826	(216,808)
NET CHANGE IN FUND BALANCE	210,849	610,020	(490,413)	(1,100,433)
Fund Balance - Beginning	5,524,489	5,524,489	5,524,489	-
Fund Balance - Ending	$ 5,735,338	$ 6,134,509	$ 5,034,076	$ (1,100,433)

[1] On behalf payments of $2,427,899 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts. In addition, due to the consolidation of Fund 11, Adult Education Fund/Fund 14, Deferred Maintenance Fund, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, and Fund 20, Special Reserve Fund for Postemployment Benefits for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the Actual (GAAP Basis) revenues and expenditures, however are not included in the original and final General Fund budgets. On behalf payments of $1,677,851 relating to Senate Bill 90 are included in the actual revenues and expenditures but have not been included in the budgeted amounts.

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Total OPEB Liability		
Service cost	$ 460,137	$ 446,171
Interest	804,038	779,814
Changes of assumptions	(1,505,964)	-
Benefit payments	(412,837)	(490,717)
Net change in total OPEB liability	(654,626)	735,268
Total OPEB liability - beginning	25,892,935	25,157,667
Total OPEB liability - ending	$ 25,238,309	$ 25,892,935
Covered payroll	N/A[1]	N/A[1]
District's total OPEB liability as a percentage of covered payroll	N/A[1]	N/A[1]

[1] The District's OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019

Year ended June 30,	2019	2018
District's proportion of the net OPEB liability	0.0763%	0.0792%
District's proportionate share of the net OPEB liability	$ 292,210	$ 333,314
District's covered payroll	N/A[1]	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.40%	0.01%

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalSTRS		
District's proportion of the net pension liability	0.0425%	0.0438%
District's proportionate share of the net pension liability	$ 39,090,215	$ 40,470,585
State's proportionate share of the net pension liability associated with the District	22,380,977	23,942,056
Total	$ 61,471,192	$ 64,412,641
District's covered payroll	$ 23,190,353	$ 21,335,533
District's proportionate share of the net pension liability as a percentage of its covered payroll	168.56%	189.69%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%
CalPERS		
District's proportion of the net pension liability	0.0595%	0.0588%
District's proportionate share of the net pension liability	$ 15,855,591	$ 14,046,057
District's covered payroll	$ 7,853,371	$ 7,453,420
District's proportionate share of the net pension liability as a percentage of its covered payroll	201.90%	188.45%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%

Note : In the future, as data becomes available, ten years of information will be presented.

2017	2016	2015
0.0425%	0.0381%	0.0323%
$ 34,362,794	$ 25,663,257	$ 18,873,130
19,562,126	13,573,034	11,396,411
$ 53,924,920	$ 39,236,291	$ 30,269,541
$ 21,466,618	$ 17,692,838	$ 16,207,657
160.08%	145.05%	116.45%
70%	74%	77%
0.0595%	0.0528%	0.0493%
$ 11,755,335	$ 7,778,797	$ 5,599,658
$ 7,310,632	$ 5,666,366	$ 5,185,512
160.80%	137.28%	107.99%
74%	79%	83%

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CalSTRS		
Contractually required contribution	$ 4,020,468	$ 3,346,368
Contributions in relation to the contractually required contribution	(4,020,468)	(3,346,368)
Contribution deficiency (excess)	$ -	$ -
District's covered payroll	$ 24,695,749	$ 23,190,353
Contributions as a percentage of covered payroll	16.28%	14.43%
CalPERS		
Contractually required contribution	$ 1,601,769	$ 1,219,707
Contributions in relation to the contractually required contribution	(1,601,769)	(1,219,707)
Contribution deficiency (excess)	$ -	$ -
District's covered payroll	$ 8,868,171	$ 7,853,371
Contributions as a percentage of covered payroll	18.06%	15.53%

Note : In the future, as data becomes available, ten years of information will be presented.

2017	2016	2015
$ 2,684,010	$ 2,302,249	$ 1,571,124
(2,684,010)	(2,302,249)	(1,571,124)
$ -	$ -	$ -
$ 21,335,533	$ 21,466,618	$ 17,692,838
12.58%	10.72%	8.88%
$ 1,035,131	$ 865,950	$ 666,988
(1,035,131)	(865,950)	(666,988)
$ -	$ -	$ -
$ 7,453,420	$ 7,310,632	$ 5,666,366
13.89%	11.85%	11.77%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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 and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

At June 30, 2019, the following District's General Fund exceeded the budgeted amount in total as follows:

	Expenditures		
	Budget	Actual	Excess
General Fund	$ 61,071,760	$ 66,471,955	$ 5,400,195

The General Fund expenditures include $4,105,750 in contributions to CalSTRS and CalPERS on behalf of the District.

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

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **–** There were no changes in benefit terms during the year.

Changes of Assumptions **–** The plan rate of investment return assumption was changed from 3.13 percent to 3.62 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefits Terms – There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions – The plan rate of investment return assumption was changed from 3.58 percent to 3.87 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

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

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

Changes of Assumptions **–** There were no changes in economic assumptions for either CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

79

Supplementary Information

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through California Department of Education			
Title I, Part A - Low Income and Neglected	84.010	14329	$ 924,690
Title II, Part A - Supporting Effective Instruction	84.367	14341	136,651
English Language Acquisition Program			
Title III, Part A - Immigrant Student Program	84.365	15146	4,689
Title III, Part A - English Learner Student Program	84.365	14346	331,657
Subtotal English Language Acquisition Program			336,346
Title IV, Part A - Student Support and Academic Enrichment	84.424	15396	21,386
Passed through Ventura County Office of Education SELPA			
Special Education (IDEA) Cluster:			
Local Assistance Entitlement	84.027	13379	976,895
Preschool Grant, Part B	84.173	13430	36,582
Subtotal Special Education (IDEA) Cluster			1,013,477
Total U.S. Department of Education			2,432,550
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Health Services			
Medicaid Cluster			
Medi-Cal Billing Option	93.778	10013	126,094
Medi-Cal Administrative Activities	93.778	10060	188,745
Subtotal Medicaid Cluster			314,839
Total U.S. Department of Health and Human Services			314,839
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13396	1,662,211
Basic Breakfast Program	10.553	13525	30,632
Especially Needy Breakfast Program	10.553	13526	594,315
Commodities	10.555	13396	254,670
Summer Food Service Program	10.559	13004	84,091
Subtotal Child Nutrition Cluster			2,625,919
Child and Adult Care Food Program	10.558	13393	435,252
Total U.S. Department of Agriculture			3,061,171
Total Federal Programs			$ 5,808,560

See accompanying note to supplementary information.

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2019

ORGANIZATION

The Rio Elementary School District was established in 1885 and consists of an area comprising approximately 40 square miles. The District operates five elementary schools two K to 8 schools, and two middle schools. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Joe Esquivel	President	2020
Linda Aguilar	Clerk	2022
Felix Eisenhauer	Member	2020
Edith Martinez-Cortez	Member	2022
Eleanor Torres	Member	2022

ADMINISTRATION

Dr. John Puglisi	Superintendent
Oscar Hernandez	Assistant Superintendent, Educational Services
Wael Saleh	Assistant Superintendent, Business Services

See accompanying note to supplementary information.

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2019

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	2,227.02	2,225.31
Fourth through sixth	1,680.08	1,677.68
Seventh and eighth	1,107.91	1,105.53
Total Regular ADA	5,015.01	5,008.52
Extended Year Special Education		
Transitional kindergarten through third	5.69	5.69
Fourth through sixth	5.23	5.23
Seventh and eighth	1.65	1.65
Total Extended Year Special Education	12.57	12.57
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	1.37	0.88
Seventh and eighth	0.92	0.92
Total Special Education, Nonpublic, Nonsectarian Schools	2.29	1.80
Total ADA	5,029.87	5,022.89

See accompanying note to supplementary information.

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019

Grade Level	1986-87 Minutes Requirement	2018-19 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	54,354	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		52,992	180	N/A	Complied
Grade 2		52,992	180	N/A	Complied
Grade 3		52,992	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,758	180	N/A	Complied
Grade 5		55,758	180	N/A	Complied
Grade 6		61,467	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		61,467	180	N/A	Complied
Grade 8		61,467	180	N/A	Complied

See accompanying note to supplementary information.

RIO ELEMENTARY SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2019.

See accompanying note to supplementary information.

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

	(Budget) 2020 [1]	2019	2018	2017
GENERAL FUND [3]				
Revenues	$ 61,182,092	$ 61,428,126	$ 57,843,945	$ 58,458,384
Other sources and transfers in	654,636	662,822	1,001,967	95,046
Total Revenues and Other Sources	61,836,728	62,090,948	58,845,912	58,553,430
Expenditures	61,875,090	61,952,605	57,650,929	59,940,500
Other uses and transfers out	139,523	32,667	285,833	427,108
Total Expenditures and Other Uses	62,014,613	61,985,272	57,936,762	60,367,608
INCREASE (DECREASE) IN FUND BALANCE	$ (177,885)	$ 105,676	$ 909,150	$ (1,814,178)
ENDING FUND BALANCE	$ 3,535,430	$ 3,713,315	$ 3,607,639	$ 2,698,489
AVAILABLE RESERVES [2]	$ 2,858,782	$ 3,065,882	$ 2,125,454	$ 1,825,831
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO [4]	4.61%	5.30%	3.82%	3.13%
LONG-TERM OBLIGATIONS	N/A	$107,366,332	$83,397,365	$ 92,823,989
ATTENDANCE AT P-2	5,107	5,030	4,913	4,966

The General Fund balance has increased by $1,014,826 over the past two years. The fiscal year 2019-2020 budget projects a decrease of $177,885 (4.8 percent). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating deficit during the 2019-2020 fiscal year. Total long-term obligations have increased by $14,542,343 over the past two years.

Average daily attendance has increased by 64 over the past two years. An additional increase of 77 ADA is anticipated during fiscal year 2019-2020.

[1] Budget 2020 is included for analytical purposes only and has not been subjected to audit.

[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

[3] General Fund amounts do not include activity related to the consolidation of the Deferred Maintenance Fund and the Special Reserve Fund for Postemployment Benefits as required by GASB Statement No. 54.

[4] On behalf payments of $4,105,750, $2,233,904, and $2,012,990, have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2019, 2018, and 2017.

See accompanying note to supplementary information.

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RIO ELEMENTARY SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund
ASSETS			
Deposits and investments	$ 106,111	$ 1,897,164	$ 829,045
Receivables	627,204	14,896	17,088
Due from other funds	141,455	1,361,909	-
Prepaid expenses	-	1,500	-
Stores inventories	23,465	-	-
Total Assets	$ 898,235	$ 3,275,469	$ 846,133
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 176,879	$ 17,093	$ -
Due to other funds	678,709	215,599	-
Unearned revenue	19,128	-	-
Total Liabilities	874,716	232,692	-
Fund Balances:			
Nonspendable	23,465	-	-
Restricted	54	3,042,777	846,133
Assigned	-	-	-
Total Fund Balances	23,519	3,042,777	846,133
Total Liabilities and Fund Balances	$ 898,235	$ 3,275,469	$ 846,133

See accompanying note to supplementary information.

Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
$ 1,204,480	$ 3,079,401	$ 4,492,448	$ 11,608,649
8,262	46,798	32,937	747,185
-	-	-	1,503,364
-	-	-	1,500
-	-	-	23,465
$ 1,212,742	$ 3,126,199	$ 4,525,385	$ 13,884,163
$ 18,363	$ -	$ -	$ 212,335
-	808,476	-	1,702,784
-	-	-	19,128
18,363	808,476	-	1,934,247
-	-	-	23,465
-	2,317,723	4,525,385	10,732,072
1,194,379	-	-	1,194,379
1,194,379	2,317,723	4,525,385	11,949,916
$ 1,212,742	$ 3,126,199	$ 4,525,385	$ 13,884,163

See accompanying note to supplementary information.

RIO ELEMENTARY SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund
REVENUES			
Federal sources	$ 3,061,171	$ -	$ -
Other State sources	184,633	-	-
Other local sources	472,658	532,486	62,334
Total Revenues	3,718,462	532,486	62,334
EXPENDITURES			
Current			
Pupil services:			
Food services	3,706,884	-	-
Administration:			
All other administration	64,542	61,324	-
Plant services	-	136,964	-
Facility acquisition and construction	-	216,112	-
Other outgo	-	-	-
Enterprise services	2,850	-	-
Debt service			
Principal	1,286	-	-
Interest and other	9	-	-
Total Expenditures	3,775,571	414,400	-
Excess (Deficiency) of Revenues Over Expenditures	(57,109)	118,086	62,334
Other Financing Sources			
Transfers in	77,624	1,981,848	-
Other sources - proceeds from issuance of general obligation bonds	-	-	-
Other sources - premium on issuance of general obligation bonds	-		
Transfers out	-	-	(1,981,848)
Other uses - payment to refunded certificates of participation escrow agent	-	-	-
Net Financing Sources (Uses)	77,624	1,981,848	(1,981,848)
NET CHANGE IN FUND BALANCES	20,515	2,099,934	(1,919,514)
Fund Balances - Beginning	3,004	942,843	2,765,647
Fund Balances - Ending	$ 23,519	$ 3,042,777	$ 846,133

See accompanying note to supplementary information.

Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
$ -	$ -	$ -	$ 3,061,171
-	-	12,721	197,354
5,510,841	872,631	2,744,572	10,195,522
5,510,841	872,631	2,757,293	13,454,047
-	-	-	3,706,884
-	-	-	125,866
-	338,478	-	475,442
4,316,462	716,931	-	5,249,505
-	-	27,627	27,627
-	-	-	2,850
-	-	695,000	696,286
-	-	2,371,530	2,371,539
4,316,462	1,055,409	3,094,157	12,655,999
1,194,379	(182,778)	(336,864)	798,048
-	-	-	2,059,472
-	-	1,510,000	1,510,000
		2,343,627	2,343,627
-	(14,735,096)	(399,450)	(17,116,394)
-	-	(1,066,687)	(1,066,687)
-	(14,735,096)	2,387,490	(12,269,982)
1,194,379	(14,917,874)	2,050,626	(11,471,934)
-	17,235,597	2,474,759	23,421,850
$ 1,194,379	$ 2,317,723	$ 4,525,385	$ 11,949,916

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance. No Federal awards were provided to subrecipients.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consist of Medi-Cal Billing Option program funds that have been recorded as revenues in the current period that have not been expended as of June 30, 2019. These unspent balances are reported as legally restricted ending balances within the General Fund.

	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balances:		$ 5,888,529
Medi-Cal Billing Option	93.778	(79,969)
Total Schedule of Expenditures of Federal Awards		$ 5,808,560

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) 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.

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 has met 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 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

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.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Independent Auditor's Reports

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

Governing Board
Rio Elementary School District
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rio Elementary 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 Rio Elementary School District's basic financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Rio Elementary School District in a separate letter dated December 16, 2019.

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.

Eide Bailly LLP

Rancho Cucamonga, California
December 16, 2019

EideBailly
CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Governing Board
Rio Elementary School District
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited Rio Elementary School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rio Elementary School District's major Federal programs for the year ended June 30, 2019. Rio Elementary School District's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, Rio Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Rancho Cucamonga, California
December 16, 2019

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Rio Elementary School District
Oxnard, California

Report on State Compliance

We have audited Rio Elementary School District's (the District) compliance with the types of compliance requirements as identified in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Rio Elementary School District's State government programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Rio Elementary School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit 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 *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Rio Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Rio Elementary School District's compliance with those requirements.

Unmodified Opinion

In our opinion, Rio Elementary School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2019.

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

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	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	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instruction Minutes Classroom-Based	No, see below
Charter School Facility Grant Program	No, see below

The District does not offer Independent Study; therefore, we did not perform procedures related to the Independent Study Program.

The District does not offer a Continuation Education Program; therefore, we did not perform procedures related to the Continuation Education Program.

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not offer Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

The District does not offer a District of Choice Program; therefore, we did not perform any procedures for the District of Choice Program.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform any procedures related to the Before School Education and Safety Program.

The District does not off Independent Study – Course Based program; therefore, we did not perform any procedures related to the Independent Study – Course Based program.

The District does not have any Charter Schools; therefore, we did not perform any procedures for Charter School Programs.

Eide Bailly LLP

Rancho Cucamonga, California
December 16, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Programs or Clusters
84.010	Title I, Part A, Low Income and Neglected
84.365	English Language Acquisition Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	Unmodified

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

2018-001 60000

Criteria or Specific Requirements

The measurement focus of Governmental Fund accounting is based on the flow of current financial resources. Inter-fund payables and receivables are established to achieve temporary borrowing between funds, and they are not intended to record transactions that go beyond a one-year time frame. If the District elects to make contributions to supplement the activities of the programs, the contributions should be permanent and not on a temporary basis, especially if the programs do not have the revenue stream to repay the obligations.

Condition

The District operates Food Services programs (Cafeteria Fund) that require on-going contributions to support the operation. The support has been in the form of operating contributions during the year and inter-fund temporary borrowings at year-end. It appears that the temporary borrowing that's recorded at year-end may not be temporary in nature based on the increasing trend observed over the last four years. The District recorded ended the year with an inter-fund payable balance of $1,030,000 and this represents approximately 28.9 percent of the total revenues recorded in the Cafeteria Fund during the current fiscal year. Moreover, the District reported inter-fund payable balances of $468,676, $545,321, $665,332, and $1,035,680 for the fiscal years 2013-2014, 2014-2015, 2015-2016, and 2016-2017, respectively.

Questioned costs

There were no questioned costs associated with the condition identified.

Context

The condition was identified during our review of the Cafeteria Fund financial statements in conjunction with the District's historical trend of year-end inter-fund payable and receivable balances.

Effect

While inter-fund borrowing is allowed on a temporary basis, the increasing year-over-year inter-fund payable balances observed in the District's Cafeteria Fund suggest that the borrowing may not be temporary. Additionally, the trend places a fiscal burden on the General Fund (as presented in the financial statements, including Deferred Maintenance Fund – Fund 14 and Special Reserve Fund for Postemployment Benefits – Fund 20 that were consolidated into the General Fund under GASB Statement No. 54) as the balances grow.

Cause

The cause is unknown. However, the cause appears to be linked to the stagnant revenue stream that's required to meet the growing needs of the District's Food Services programs.

Recommendation

The District should analyze the composition of the inter-fund payable balance reported in the Cafeteria Fund as of June 30, 2018. At a minimum, the District should identify how much of the balance represents temporary borrowing for short-term operational cash flow needs and how much represents a balance that the District should consider writing-off instead of carrying the balance as an on-going temporary loan.

Current Status

Implemented.

State Awards Findings

After School Education and Safety Program

2018-002 40000

Criteria or Specific Requirements

According to *Education Code* Section 8483(a)(1), elementary school pupils are to participate in the full day of the After School Education and Safety Program every day during which pupils participate and pupils in middle or junior high schools are to attend the after school program a minimum of nine hours a week and three days a week, except as consistent with the established early release policy. Adequate documentation that supports attendance participation must be maintained by each site that documents that students are attending the program as consistent with the early release policy.

Condition

The District has an implemented policy to allow students to sign out early from the program for reasons other than sports or religious instruction for a maximum of two days per week, as long as the students do not leave earlier than 4:30 PM. During the review of October 2 to October 6, 2017, attendance/participation records (sign in/out sheets) and early release forms for Rio del Mar Elementary School and Rio del Norte Elementary School, we noted that numerous students were leave earlier than the stated time identified on the District's policy (4:30PM). These students were being reported by the District as being serviced on the first semi-annual report for the 2017-2018 fiscal year. We were unable to trace the totals reported on the first semi-annual report to the sign out sheets for the sites.

Questioned Costs

There are no questioned costs associated with the condition identified.

Context

The condition identified was determined through a review of the attendance records from two of seven sites that operated the District's After School Education and Safety program. The auditor selected two schools for the first semi-annual reporting period dated August to December 2017. Early release forms were also reviewed for each student's sign-out time in order to determine daily participation and also to ensure compliance with the District's early release policy. The auditor reviewed early release forms for the month of October 2017, and counted all the students who left earlier than 4:30 pm with reasons other than sports or religious instruction.

Effect

As a result of our testing, the District does not appear to be in compliance with *Education Code* Section 8483(a)(1). There are no verifiable records to support students leaving the program early as established by the District's early release policy. Based on testing, it appears the District overstated the number of students served.

Cause

It appears that the condition identified has materialized as a result of the sites' inconsistent application of the District's early release policy.

Recommendation

The District should ensure adequate review of the attendance reports prior to submission to the California Department of Education to ensure the total number of students served in the manual rosters reconcile to the total number of students reported on the attendance report excluding students that leave earlier than the established time based on the early release policy.

Current Status

Implemented

Management
Rio Elementary School District
Oxnard, California

In planning and performing our audit of the basic financial statements of Rio Elementary School District (the District) for the year ending June 30, 2019, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 16, 2019, on the basic financial statements of Rio Elementary School District.

We will review the status of the current year comments during our next audit engagement.

INTERNAL CONTROL

District Office

Observation

Purchase order approval in advance of expenditures taking place demonstrates that expenditures are appropriate, planned and included in the budget. A total of three general disbursements selected for testing were not approved prior to the invoice or activity date. This would indicate that the items and or services were purchased prior to receiving an approval.

Recommendation

All disbursements should be approved prior to the transaction taking place. Disbursement procedures require multiple levels of approval depending on the nature of the disbursement. One of those approvals is by the Business Department. The Business Department is responsible for reviewing account coding and ensuring that expenditures are limited to established budgets. The District should ensure that all disbursements follow established procedures to allow for proper vetting of the nature of the disbursement and availability of funds.

Observation

Three of forty credit card disbursements selected for testing did not have back up receipts. The lack of detailed receipts could lead to inappropriate expenditures.

Recommendation

The District should take the necessary steps to ensure that all credit card related expenditures are supported by detailed receipts. This would allow the reviewing administrator to determine if the credit card activities are appropriate for the funding source.

ASSOCIATED STUDENT BODY (ASB)

Rio del Valle Middle School

Revenue Potential

Observation

Two revenue potential forms reviewed were not completed.

Recommendation

All fundraising events should be approved by the ASB Student Council and the site administrator prior to the event's taking place to ensure that the activities related to the fundraisers are appropriate in a school setting. In addition, the ASB should require that a revenue potential form be completed for each fundraising event. As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue, actual revenue, and inventory purchased for sale. This allows an analysis of the fundraiser to be conducted, indicating to the staff and students the success or failure of the completed project. The revenue potential form also indicates weak control areas in the fundraising procedures at the site, such as lost or stolen merchandise or problems with collecting all moneys due.

We will review the status of the current year comments during our next audit engagement.

Eide Bailly LLP

Rancho Cucamonga, California
December 16, 2019

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APPENDIX C
GENERAL INFORMATION ABOUT VENTURA COUNTY

The following information concerning the County of Ventura (the "County") is included only for the purpose of supplying general information regarding the area of the Rio Elementary School District (the "District"). The Bonds are not a debt of the County, the State of California (the "State") or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor.

Population

The following table lists population figures for the County and the State for calendar years 2014 through 2019.

COUNTY OF VENTURA
Population Estimates
Calendar Years 2014 through 2019

County/City	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
California						
Incorporated Total	32,152,347	32,438,011	32,682,019	32,934,1007	33,146,152	33,321,523
Balance of State Total	6,469,954	6,514,451	6,532,784	6,570,502	6,594,356	6,605,792
State Total	38,622,301	38,952,462	39,214,803	39,504,609	39,740,508	39,927,315
Ventura County						
Camarillo	67,109	67,428	68,026	68,207	68,452	69,880
Fillmore	15,450	15,525	15,580	15,701	15,840	15,925
Moorpark	35,418	35,911	36,376	36,550	36,828	37,020
Ojai	7,648	7,702	7,703	7,717	7,741	7,769
Oxnard	**205,301**	**207,471**	**208,603**	**208,987**	**209,269**	**209,879**
Port Hueneme	22,578	22,858	23,185	23,182	23,370	23,526
San Buenaventura	109,662	109,946	109,946	110,092	110,125	108,170
Santa Paula	30,846	30,901	31,004	30,915	30,931	30,779
Simi Valley	127,240	127,253	127,069	127,166	127,421	127,716
Thousand Oaks	130,005	130,205	129,949	129,949	130,283	129,557
Balance of County	97,364	97,305	97,445	97,507	97,155	96,377
Incorporated	751,257	755,200	757,441	758,466	760,260	760,221
County Total	848,621	852,505	854,886	855,973	857,415	856,598

Source: State of California, Department of Finance, E-5 Population Estimates for Cities, Counties, and the State – January 1, 2011-2019, with 2010 Census Benchmark, Sacramento, California, May 2019.

Industry and Employment

The table below provides information about employment rates and employment by industry type for the County for calendar years 2013 through 2018. Unemployment rates are not available for the District.

OXNARD-THOUSAND OAKS-VENTURA METROPOLITAN STATISTICAL AREA
(Ventura County)
Civilian Labor Force, Employment and Unemployment
Calendar Years 2013 through 2019
Annual Averages

	2013	2014	2015	2016	2017	2018
Civilian Labor Force	433,900	430,100	427,600	425,700	424,700	425,700
Civilian Employment	399,800	401,500	403,500	403,400	405,600	409,700
Civilian Unemployment	34,100	28,600	24,100	22,200	19,100	16,100
Civilian Unemployment Rate	7.9%	6.6%	5.6%	5.2%	4.5%	3.8%
Total, All Industries	317,000	320,200	322,800	325,700	329,200	333,300
Total Farm	27,400	26,500	26,300	25,200	23,800	24,400
Total Nonfarm	289,500	293,700	296,500	300,400	305,400	308,900
Total Private	245,900	249,700	251,100	253,800	258,500	262,100
Goods Producing	38,000	45,000	41,100	41,200	42,200	43,900
Mining, Logging and Construction	13,800	15,000	15,200	15,500	16,600	17,700
Mining and Logging	1,200	1,300	1,000	900	900	900
Construction	12,600	13,700	14,200	14,600	15,700	16,800
Specialty Trade Contractors	8,500	9,100	9,500	10,000	10,800	11,400
Manufacturing	24,200	25,000	25,900	25,700	25,600	26,200
Durable Goods	18,200	18,700	18,800	18,600	18,600	19,500
Computer & Electronic Product Manufacturing	5,200	5,400	5,600	5,500	5,300	5,400
Nondurable Goods	6,000	6,300	7,000	7,100	7,000	6,700
Chemical Manufacturing	1,900	2,000	2,600	2,600	2,500	2,300
Service Providing	251,500	253,700	255,400	259,200	263,200	265,000
Private Service Providing	207,900	209,700	210,000	212,600	216,300	218,200
Trade, Transportation & Utilities	57,200	57,900	58,500	59,000	59,500	59,100
Wholesale Trade	12,800	12,700	12,600	13,000	13,200	13,200
Retail Trade	38,500	39,200	39,900	40,000	40,100	39,600
Food & Beverage Stores	8,100	8,700	8,800	8,700	8,800	8,700
Clothing & Clothing Accessories Stores	5,600	5,600	5,400	5,400	5,300	5,100
General Merchandise Stores	6,400	6,200	6,300	6,200	6,100	6,000
Transportation, Warehousing & Utilities	5,900	6,000	6,000	6,000	6,100	6,400
Transportation & Warehousing	4,700	4,900	4,900	5,000	5,200	5,400
Information	5,200	5,300	5,100	5,000	5,000	5,000
Financial Activities	18,900	18,700	17,700	17,400	16,900	16,500
Finance & Insurance	14,500	14,200	13,500	13,200	12,700	12,400
Credit Intermediation & Related Activities	9,400	8,800	8,000	7,900	7,600	7,500
Insurance Carriers & Related	4,300	4,500	4,600	4,300	4,100	3,900
Real Estate & Rental & Leasing	4,400	4,500	4,300	4,300	4,200	4,100
Professional & Business Services	42,800	41,500	40,500	40,900	42,200	42,900
Professional, Scientific & Technical Services	16,100	15,900	15,800	15,800	16,500	16,500
Management of Companies & Enterprises	7,600	7,400	6,700	7,100	7,400	7,300
Administrative & Support & Waste Services	19,100	18,200	18,000	17,900	18,300	19,000
Administrative & Support Services	18,300	17,400	17,300	17,200	17,500	18,100

	2013	2014	2015	2016	2017	2018
Employment Services	9,200	8,200	7,800	7,400	7,700	8,300
Educational & Health Services	40,400	41,600	42,900	44,400	45,900	47,600
Leisure & Hospitality	33,800	34,800	35,700	36,400	37,200	37,700
Accommodation & Food Services	28,700	29,700	30,500	31,200	32,400	32,600
Other Services	9,700	9,800	9,700	9,600	9,600	9,400
Government	43,600	44,000	45,400	46,600	46,900	46,900
Federal Government	7,000	6,900	7,100	7,400	7,300	7,200
Federal Government excluding Department of Defense	2,300	2,300	2,300	2,200	1,900	1,800
Department of Defense	4,700	4,600	4,900	5,200	5,400	5,400
State & Local Government	36,600	37,100	38,300	39,200	39,600	39,600
State Government	2,700	2,800	2,900	2,900	3,000	3,000
State Government Education	1,200	1,300	1,400	1,400	1,500	1,500
State Government Excluding Education	1,600	1,500	1,500	1,500	1,500	1,600
Local Government	33,900	34,400	35,400	36,300	36,600	36,600
Local Government Education	18,700	19,100	20,100	20,800	21,000	21,100
Local Government Excluding Education	15,200	15,200	15,300	15,500	15,700	15,500
County	8,700	8,800	8,900	9,200	9,300	9,100
City	4,300	4,200	4,100	4,000	4,100	4,100
Special Districts plus Indian Tribes	2,200	2,200	2,300	2,300	2,300	2,400

NOTES: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.
Source: State of California Employment Development Department; Industry Employment & Labor Force – by Annual Average. March 2018 Benchmark.

Largest Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County:

COUNTY OF VENTURA
Largest Employers

Employer Name	Location	Employer Size	Industry
Adventist Health Simi Valley	Simi Valley	500-999	Hospitals
Amgen Inc	Newbury Park	5,000 – 9,999	Biological Specimens-Manufacturers
Baxter Healthcare	Westlake Village	1,000 – 4,999	Physicians & Surgeons Equip & Supls-Mfrs
City of Simi Valley	Simi Valley	500 – 999	City Hall
Community Memorial Health Syst	Ventura	1,000 – 4,999	Health Care Management
Haas Automation Inc	Oxnard	500 – 999	Computers-Electronic-Manufacturers
Harbor Freight Tools	Camarillo	1,000 – 4,999	Tools-New & Used
J M Smucker Co	Oxnard	500 – 999	Food Products & Manufacturers
Kaiser Permanente Ventura 888	Ventura	500 – 999	Medical Centers
Los Robles Hospital & Med Ctr	Thousand Oaks	1,000 – 4,999	Hospitals
Moorpark College	Moorpark	500 – 999	Junior-Community College-Tech Institutes
Nancy Reagan Breast Ctr	Simi Valley	500 – 999	Diagnostic Imaging Centers
National Guard	Port Hueneme	1,000 – 4,999	Government Offices-State
Naval Base Ventura County	Point Mugu NAWC	500 – 999	Military Bases
Ojai Valley Inn & Spa	Ojai	500 – 999	Hotels & Motels
Oxnard College	Oxnard	500 – 999	Junior-Community College-Tech Institutes
Pentair Aquatic Systems	Moorpark	500 – 999	Swimming Pool Equipment & Supls-Retail
Rancho Simi Recreation Park Dist	Simi Valley	500 – 999	Swimming Pools-Public
Sheriff's Department-Jails	Ventura	1,000 – 4,999	Government Offices-County
Simi Valley City Manager	Simi Valley	500 – 999	Government Offices-City/Village & Twp
St John's Regional Medical Ctr	Oxnard	1,000 – 4,999	Hospitals
Sullstar Technologies	Simi Valley	500 – 999	Communications Consultants
Ventura County	Ventura	1,000 – 4,999	Government Offices-County
Ventura County Medical Ctr	Ventura	500 – 999	Hospitals
Ventura County Office of Educ	Camarillo	500 – 999	School Districts

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.

Commercial Activity

A summary of historic taxable sales within the County during the past five years[1] in which data is available is shown in the following table.

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

	Retail and Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015	15,052	9,707,421	25,455	13,876,396
2016	15,371	9,864,805	25,891	13,835,875
2017	15,751	10,201,388	26,392	14,000,695
2018	15,632	10,486,735	26,954	14,323,432
2019[1]	15,930	7,749,618	27,805	10,654,153

[1]3Q 2019 data is preliminary and latest data available.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax), Counties by Type of Business (Revised January 2020).

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APPENDIX D
FORMS OF OPINIONS OF BOND COUNSEL

PARKER & COVERT LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
1800 Solar Drive
Oxnard, CA 93036

Re: $13,922,236.05
Rio Elementary School District
(Ventura County, California)
General Obligation Bonds
Election of 2018, Series C
(Tax-Exempt)
Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of $13,922,236.05 principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2018, Series C (Tax-Exempt) (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure

to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

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

Very truly yours,

PARKER & COVERT LLP

PARKER & COVERT LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
2500 E. Vineyard Avenue, Suite 100
Oxnard, CA 93036

Re: $3,087,432.40
Rio Elementary School District
(Ventura County, California)
General Obligation Bonds
Election of 2018, Series D
(Federally Taxable)
Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of $3,087,432.40 principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2018, Series D (Federally Taxable) (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is exempt from State of California personal income taxation.

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

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

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

Very truly yours,

PARKER & COVERT LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$13,922,236.05
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES C
(Tax-Exempt)

and

$3,087,423.40
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES D
(Federally Taxable)

CONTINUING DISCLOSURE CERTIFICATE

[CLOSING DATE]

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Rio Elementary School District (the "District") in connection with the issuance of Thirteen Million Nine Hundred Twenty-Two Thousand Two Hundred Thirty-Six Dollars and Five Cents ($13,922,236.05) aggregate principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2018, Series C (Tax-Exempt) (the "Series C Bonds") and Three Million Eighty-Seven Thousand Four Hundred Twenty-Three Dollars and Forty Cents ($3,087,423.40) aggregate principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2018, Series D (Federally Taxable) (the "Series D Bonds," and together with the Series C Bonds, the "Bonds"). The Bonds are being issued pursuant to a First Supplemental Paying Agent Agreement dated April 1, 2020, between the District and U.S. Bank National Association (the "Paying Agent"), supplementing the Paying Agent Agreement dated March 1, 2019, between the District and the Paying Agent (collectively, such agreements hereinafter referred to as the "Paying Agent Agreement"). The District covenants and agrees as follows:

Section 1. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is being delivered by the District for the benefit of the holders and beneficial owners of the Bonds, and to assist the Participating Underwriter, as defined below, in complying with S.E.C. Rule 15c2-12(b)(5).

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

Annual Report means any report provided by the District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.

Beneficial Owner means any person who (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

Bondholders means either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any Beneficial Owner or applicable participant in its depository system.

Dissemination Agent means the District, or any successor Dissemination Agent designated in writing by the District, and which has filed with the District a written acceptance of such designation. The initial Dissemination Agent will be Isom Advisors, a Division of Urban Futures, Inc.

EMMA or Electronic Municipal Market Access means the centralized online repository for documents filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Listed Events means any of the events listed in Section 5(a) (Reporting of Significant Events – Significant Events) of this Disclosure Certificate.

MSRB means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Official Statement means the final Official Statement dated March 25, 2020, relating to the Bonds.

Opinion of Bond Counsel means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

Participating Underwriter means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Repository means MSRB or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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

State means the State of California.

Section 3. Provision of Annual Reports.

a. Delivery of Annual Report to Repositories. The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of each fiscal year, commencing with the report for the 2019-2020 Fiscal Year, due March 31, 2021, provide to the Repository an Annual Report that is consistent with the requirements of Section 4 (Content of Annual Reports) of this Disclosure Certificate. The Annual Report may be submitted as a single document or as a package of separate documents and may include by cross-reference other information as provided in Section 4 (Content of Annual Reports) of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

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

b. The Dissemination Agent shall:

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

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

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

a. Financial Statements. Audited financial statements prepared in accordance with the generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. Other Financial Information and Operating Data. To the extent not included in the audited financial statements, the following information:

(1) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year and for the current budgeted year;

(2) pension plan contributions made by the District for the preceding fiscal year and for the current budgeted year;

(3) aggregate principal amount of short-term borrowings, lease obligations, and other long-term borrowings of the District, as of the end of the preceding fiscal year;

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

(5) the District's total Local Control Funding Formula allocation for the preceding fiscal year and for the current budget year;

(6) prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy; and

(7) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

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

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities that have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

<u>Section 5.</u> **<u>Reporting of Significant Events</u>**.

a. <u>Significant Events</u>. Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
(7) modifications to rights of Bondholders, if material;
(8) Bond calls, if material;
(9) tender offers;
(10) defeasances;
(11) release, substitution, or sale of property securing repayment of the Bonds, if material;
(12) rating changes;
(13) bankruptcy, insolvency, receivership or similar event of the District;
(14) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the District, or entry into or termination of a definitive agreement relating to the foregoing, if material;
(15) appointment of a successor or additional trustee or paying agent, or the change of name of the trustee or paying agent, if material
(16) incurrence of a financial obligation of the District, if material, or agreement to covenant, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondholders, if material;
(17) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

b. <u>Determination of Materiality</u>. Whenever the District obtains knowledge of one of the foregoing events notice of which must be given only if material, the District shall immediately determine if such event would be material under applicable federal securities laws.

c. <u>Notice to Dissemination Agent</u>. If the District has determined an occurrence of a Listed Event under applicable federal securities laws, the District shall promptly notify the Dissemination Agent (if other than the District) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) (Notice of Listed Events).

d. Notice of Listed Events. The District shall file, or cause the Dissemination Agent to file, with the Repository, in an electronic format prescribed by the MSRB, a notice of the occurrence of a Listed Event to provide notice of specified events in a timely manner not in excess of ten (10) business days after the event's occurrence. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) (Bond calls) need not be given under this subsection any earlier than the notice (if any) given to Bondholders of affected Bonds pursuant to the Paying Agent Agreements.

Section 6. Identifying Information for Filings with MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) (Notice of Listed Events).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a. if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

b. the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Paying Agent Agreements for amendments to the Paying Agent Agreements with the consent of holders, or (ii) does not, in the opinion of the Paying Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(d).

Section 10. **Additional Information**. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. **Default**. If the District fails to comply with any provision of this Disclosure Certificate, any Bondholder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Paying Agent Agreements, and the sole remedy under this Disclosure Certificate if the District fails to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. **Duties, Immunities and Liabilities of Dissemination Agent**. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders, or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

<u>Section 13.</u> **<u>Beneficiaries</u>**. This Disclosure Certificate shall inure solely to the benefit of the District, the Paying Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the District has caused this Continuing Disclosure Certificate to be executed by its authorized officer as of the day and year first above written.

RIO ELEMENTARY SCHOOL DISTRICT

By: ______________________________
Superintendent

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Rio Elementary School District

Name of Bonds: RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES C
(TAX-EXEMPT)

RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES D
(FEDERALLY TAXABLE)

Date of Delivery: [CLOSING DATE]

NOTICE IS HEREBY GIVEN that the Rio Elementary School District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by a Continuing Disclosure Certificate executed [CLOSING DATE], with respect to the above-captioned bond issue. The District anticipates that the Annual Report will be filed by ___________.

Dated: ____________________ **RIO ELEMENTARY SCHOOL DISTRICT**

[SAMPLE ONLY]

____

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APPENDIX F
BOOK-ENTRY-ONLY SYSTEM

The information in this appendix has been provided by the Depository Trust Company ("DTC") for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants, or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants, or DTC Indirect Participants will act in the manner described in this Official Statement.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of the Bonds. 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.

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 will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 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 as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, 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 the 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, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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

ACCRETED VALUE

ENDORSEMENT TO

MUNICIPAL BOND INSURANCE POLICY

NO.

Re: Bonds Maturing on

It is further understood that with respect to the Bonds maturing on the dates referenced above, the amount insured under this Policy is that portion of the accreted value (as set forth in the bond documents under which the Bonds are issued) of said Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

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

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APPENDIX H
VENTURA COUNTY INVESTMENT POLICY AND INVESTMENT RESULTS

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Exhibit 2

VENTURA COUNTY

STATEMENT OF INVESTMENT POLICY

AS APPROVED DECEMBER 4, 2018

BOARD OF SUPERVISORS

SUPERVISOR PETER C. FOY, DISTRICT 4, CHAIR
SUPERVISOR STEVE BENNETT, DISTRICT 1
SUPERVISOR LINDA PARKS, DISTRICT 2,
SUPERVISOR KELLY LONG, DISTRICT 3
SUPERVISOR JOHN C. ZARAGOZA, DISTRICT 5

Judge Steven Hintz
Treasurer-Tax Collector

Sue Horgan
Assistant Treasurer-Tax Collector

Ventura County Treasurer-Tax Collector's Office
800 South Victoria Avenue, L#1290
Ventura, CA 93009-1290
E-mail helpinghand@ventura.org
Website: www.ventura.org/ttc

Table of Contents

STATEMENT OF INVESTMENT POLICY

This Statement of Investment Policy ("Policy") provides the guidelines for prudent investment of public funds in a manner which will provide the highest investment return with optimal security and liquidity. The Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000 - 27000.5; 27130 - 27137; and 53600 - 53686. Furthermore, it outlines the policies essential to ensuring the safety and financial strength of the County's investment portfolio.

This Policy is based on the principles of prudent money management and conforms to all applicable Federal and State laws governing the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy will supersede.

The Policy shall be reviewed annually and any modifications made thereto must be approved by the Board of Supervisors.

Introduction

The Treasurer-Tax Collector of Ventura County manages pooled cash under the prudent investor rule. This rule states that:

> "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."

This rule allows the County the option to operate over a broad spectrum of investment opportunity defined within Section 53601 *et seq* of the California Government Code. Therefore, the County's portfolio will be made up of a selection of investments that ensure diversification and meet the liquidity needs of the organization. The major overriding premise underlying the County's investment objective is always to ensure that funds are available when needed.

Investment Objective

It is the policy of the County to invest public funds in a manner which will provide for the preservation of capital while meeting the daily cash flow requirements of the County and other participants, while attaining a market average yield within an acceptable and defined level of risk.

The Policy has three primary objectives, in order of priority:

1) The safety of principal.

2) Maintenance of liquidity to meet cash flow needs.

3) To earn a competitive rate of return (i.e., yield) within the confines of the California Government Code, this policy, and procedural structure.

In order to accomplish the objectives of safety, liquidity, and yield, the economy and various financial markets are monitored daily in order to assess the probable course of interest rates and thus maximize yield on the County's temporarily idle funds. In a market with increasing interest rates, the Treasury will attempt to invest in securities with shorter maturities. This strategy allows funds to be available for other investments when interest rates are at higher levels. Conversely, when interest rates appear to be near a plateau, the Treasury will attempt to lock in a higher rate of return. The length of term for all investments shall be commensurate with the short, medium, and long-term cash flow needs of the County and other investment pool participants.

Investment and the Notion of Risk

In order to accomplish the investment philosophy outlined above, the concept of risk must be clearly defined as it relates to the investment of public funds. This concept of risk finds its ultimate translation into a structured and well-diversified portfolio.

The County shall ensure the safety of its idle funds by limiting credit and interest rate risk. These are the two types of risk that can clearly damage a public sector portfolio.

Credit risk is defined as the risk of loss due to the failure of the issuer of a security and shall be mitigated by:

1) Pre-qualifying financial institutions with which it will do business through the utilization of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.

2) Diversifying the portfolio so that the failure of any one issuer or backer will not place any undue financial burden on the County.

3) Monitor all County investments on a daily basis to anticipate and respond appropriately to a significant reduction in the credit worthiness of a depository.

Interest rate risk is defined as the risk that the market value of portfolio securities will fall due to an increase in interest rates. This risk shall be mitigated by:

1) Structuring the portfolio so that securities mature at times to meet the ongoing cash needs of the County.

2) Restructure of the portfolio to minimize the loss of market value or cash flow.

3) Limit the weighted average maturity of the portfolio holdings to 375 days.

The investment program of Ventura County shall be managed with a degree of professionalism that is worthy of the public trust and adheres to the tenets of modern portfolio theory.

The Treasury is very cognizant of past losses of public funds by local agencies throughout California. Those losses resulted in a loss of confidence by the public in public sector investment expertise. This policy seeks to ensure that proper controls are maintained by the Treasurer-Tax Collector and subordinate staff.

There are times when it becomes necessary for losses to be taken:

A) Interest rates appear to be rising and the funds can be invested shorter term at higher rates.

B) When opportunities arise that will result in an increase in overall interest income to the County.

C) When cash needs are greater than expected.

Therefore, in order to mitigate these event risks to the County's portfolio all investment losses shall be approved by the Treasurer-Tax Collector, exclusively. This authority shall not be delegated.

Liquidity
The County's portfolio will be structured so that securities will mature at or about the same time as cash is needed to meet demand and in accordance with the economic projections mentioned above.

The Treasury will construct a portfolio that will consist of securities with active secondary and resale markets. Any investments for which no secondary market exists, such as time deposits, shall not exceed 375 days and no investment will have a maturity of more than 1150 days.

Yield
The Treasurer-Tax Collector shall always attempt to obtain a competitive rate of return on any investment type consistent with the required safety, liquidity, and other parameters of this policy, departmental procedures, and the laws of the State of California.

INTERNAL CONTROLS

The Treasurer-Tax Collector shall establish a system of internal controls, which shall be documented in writing. The controls will be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, and unanticipated changes in financial markets.

Except for declared emergencies, the County Treasurer-Tax Collector's Office shall observe the following procedures on a daily basis:

- All investment transactions shall be entered into the accounting system.
- County investments shall be transacted, confirmed, accounted for, and audited by different people.

Safekeeping of Securities
To protect against potential losses caused by the collapse of individual securities dealers, all securities owned by the County, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department, acting as agent for the County under the terms of a custody agreement executed by the bank and the Treasurer-Tax Collector. All trades executed between the County and a dealer will settle on a delivery vs. payment basis with a custodial bank. All security transactions engaged in by the Treasurer-Tax Collector shall be countersigned by another authorized treasury department employee.

Security Custody & Deliveries
All securities purchased shall be deposited for safekeeping with the custodial bank that has contracted to provide the County Treasurer with custodial security clearance services.

All security holdings shall be reconciled monthly by the County Treasurer-Tax Collector's Office and audited at least quarterly by the Auditor-Controller's Office.

All security transactions are to be conducted on a "delivery-versus-payment basis". Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Confirmations resulting from securities purchased under repurchase agreements should clearly state the exact and complete nomenclature of the underlying securities purchased, that these securities have been sold to the County under a repurchase agreement, and the stipulated date and amount of the resale by the County back to the seller of the securities.

SECURITY INSTRUMENTS

Qualifications of Brokers, Dealers, and Financial Institutions
The Treasurer-Tax Collector will maintain a list of approved financial institutions authorized to provide investment services. Additionally, the Treasurer-Tax Collector shall transact business only with approved direct issuers; security brokers/dealers selected by credit worthiness that licensed by the State of California and licensed by the Financial Industry Regulatory Authority (FINRA); National or State chartered bank or savings institutions; and primary government dealers designated by the Federal Reserve.

Any broker/dealer interested in conducting business with the County must have an office within the State of California and is required to fill out an extensive questionnaire maintained by the Treasurer-Tax Collector. This questionnaire is then reviewed by the Treasurer-Tax Collector and upon acceptance permits the County to deal with the broker/dealer.

The Treasurer-Tax Collector views the relationship of the firm and its representatives to the County as being a long-term mutually beneficial business relationship. The Treasurer-Tax Collector expects the firm and its staff to act with integrity and trust. The firm must ensure that its staff is aware of the County Treasurer's Investment Policy as well as California Government Code sections 53601 and 53635 that govern the securities transactions of the County. The firm will be required to annually issue written acknowledgment that it has read and will comply with the County's Investment Policy.

No broker/dealer may have made political contributions greater than the limits expressed in Rule G-37 of the Municipal Securities Rule Making Body to the Treasurer-Tax Collector, Board of Supervisors, or candidate for those offices, or Treasury Oversight Committee members.

The Treasury staff shall investigate dealers with which it will conduct business in order to determine: if the firm is adequately capitalized and meets the Federal Reserve's minimum capital requirements for broker/dealer operations, makes markets in securities appropriate to the County's investment policy, the individual covering the account has a minimum of three years dealing with large institutional accounts, and receives three favorable recommendations from other short term cash portfolio managers.

Upon application, all firms will provide a copy of their most recent published annual report; quarterly reports issued since the last annual report; Financial and Operational Combined Uniform Single (FOCUS) Report; organization chart; and any financial information regarding credit lines and debt support provided by the parent firm.

Furthermore, no later than July 31 of each calendar year, in addition to the required annual written acknowledgment of the Investment Policy compliance, only as requested by the Treasurer-Tax Collector, all firms will provide a copy of their most recent published annual report; FOCUS Report; organization chart; and any financial information regarding credit lines and debt support provided by the parent firm.

Ratings

With the exception of LAIF, insured deposits, and U.S. Treasury and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by the Treasurer-Tax Collector in accordance with this Statement and with the assistance of Moody’s Investors Service, Standard and Poor’s Ratings Services, and Fitch Ratings.

If the rating of any security drops below the minimum acceptable rating for that security class, the investment will be sold if no significant loss of principal is involved or matured at the earliest possible convenience. These sales must be individually approved by the Treasurer-Tax Collector. A rating of “NR” by one rating service is not a split rating and does not bar the purchase of the security.

U.S. Agencies

The purchase of U.S. agency securities shall be limited to issues of the Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corp. (Freddie Mac/FHLMC), the Federal National Mortgage Corporation (Fannie Mae/FNMA), Federal Agricultural Mortgage Corporation (Farmer Mac/FAMCA), or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored or backed entity. The fund’s holdings of any one federal agency security shall not exceed 25% of the total fund at the time of purchase. The maximum maturity of any one agency investment shall not exceed three years or 1150 days.

U. S. Government
United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio which can be invested in this category. The maturity of a security is limited to a maximum of three years or 1150 days.

Commercial Paper
Commercial Paper is a short term unsecured promissory note issued to finance short term credit needs. Commercial Paper eligible for investment must be of "prime" quality of the highest ranking or of the highest short-term letter and numerical rating as provided for by Standard and Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings (S&P A-1+, A-1; Moody's P-1; Fitch F1+, F1). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and have total assets in excess of $500 million and an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by S&P (A or higher), Moody's (A2 or higher) and Fitch (A or higher). Purchases of eligible Commercial Paper may not exceed 270 days to maturity. Purchases of Commercial Paper may not exceed 40 percent of the investment portfolio at the time of the purchase. No more than 10 percent of the total assets of the pool at the time of the purchase may be invested in the outstanding paper of any single issuing corporation. The Treasurer-Tax Collector shall establish a list of approved Commercial Paper issuers in which investments may be made.

Medium-Term Notes and Deposit Notes
Medium-Term Notes eligible for investment must be rated in the same categories described in **Commercial Paper**, above, to wit: Short-term ratings by S&P A-1 or higher; Moody's P-1; and Fitch F1 or higher; and long-term ratings of S&P A or higher, Moody's A2 or higher, and Fitch A or higher. Medium-Term Notes may not exceed 20 percent of the investment portfolio at the time of the purchase and may not have a maturity of longer than 2 years or 735 days.

Municipal Notes, Bonds and Other Obligations
Municipal notes, bonds, and other obligations eligible for investment are registered securities issued by the State of California and local California government agencies as well as registered securities issued by any of the other 49 states to finance capital and operating expenses. The characteristics of a municipal bond or note often are similar to the characteristics of corporate bonds and notes or the U.S. government and federal agency bonds and notes. Municipal notes normally have a specific maturity date, and bear interest that is scheduled to be paid at specific intervals. Municipal notes, bonds and other obligations may not exceed 30 percent of the investment portfolio at the time of purchase and the maturity may not exceed three years or 1150 days. Municipal notes must meet the minimum debt rating described above in Medium Term Notes and Deposit Notes.

Bankers Acceptances
A Bankers Acceptance is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in the secondary market. Bankers Acceptances may be purchased for a period of up to 180 days and in an amount not to exceed 40 percent of the investment portfolio at the time of the purchase, with no more than 30 percent of the investment portfolio at the time of the purchase in the Bankers Acceptances of any one commercial bank. The Treasurer-

Tax Collector shall establish a list of those banks deemed most credit worthy for the investment in Bankers Acceptances, limited to those institutions rated as noted in **Commercial Paper** and **Medium-Term Notes**, above.

Negotiable Certificates of Deposit and Yankee Certificates of Deposit
Negotiable Certificates of Deposit (NCD) are issued by commercial banks, foreign banks, and thrift institutions against funds deposited for a specified period of time and earn specified or variable rates of interest. The Treasurer-Tax Collector may invest up to 30 percent of the investment portfolio at the time of the purchase in NCD's. Negotiable certificates of deposit shall be limited to those institutions rated as noted in **Commercial Paper** and **Medium-Term Notes**, above.

NCD's differ from other Certificates of Deposit in that they are illiquid instruments which are traded in secondary markets. The maximum term to maturity of any NCD shall be one year or 365 days. The Treasurer-Tax Collector shall establish a list of eligible domestic commercial banks, thrifts and state licensed foreign banks (Yankee Certificates of Deposit) which will be eligible for investment.

Yankee Certificates of Deposit (YCD) are issued in the United States by a branch or agency of a foreign bank. They are negotiable instruments, and most have a minimum face value of $100,000, making them appropriate for large investors. The maximum term to maturity of any YCD shall be one year or 365 days.

Certificates of Deposit
Certificates of Deposit are deposits by the Treasurer-Tax Collector in commercial banks or savings and loan associations within the State of California and shall be limited to those institutions rated as noted above in **Negotiable Certificates of Deposit**. Local institutions shall receive preference for deposits up to $250,000 if competitive rates are offered. These investments are non-negotiable. The maximum term to maturity shall not exceed one year or 365 days and shall be fully insured by the FDIC.

Repurchase Agreements
The County may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the County has entered into a repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the Treasurer-Tax Collector and will not be allowed to fall below 102% of the value borrowed against those funds. The value is adjusted quarterly based on the value of the repurchase agreement.

In order to conform with provisions of the Federal Bankruptcy Code which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible bankers' acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States. Furthermore, this collateral shall not exceed three years or 1150 days to maturity.

There shall be a $75 million limitation in repurchase agreements entered into with any one institution.

Securities Lending

Securities Lending is permissible as an agreement to lend securities to a borrower who provides collateral to the local agency. The local agency retains ownership and continues to receive all interest, dividends, and capital appreciation. Both securities and collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

Local Agency Investment Fund

The Treasurer-Tax Collector may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law.

CalTrust and California Asset Management Program (CAMP)

The Treasurer-Tax Collector may invest in The Investment Trust of California, doing business as CalTRUST, and in California Asset Management Program (CAMP), California joint powers authorities in which local agencies may invest funds pursuant to Government Code section 53601(p). The combined investment in CalTrust and CAMP shall not exceed $25,000,000 at the time of the purchase. The Treasurer-Tax Collector shall withdraw its entire investment in a program if the S&P rating falls below AAf/S-1+ for CalTrust or AAAm for CAMP.

Local Agency Debt and State Warrants

The Treasurer-Tax Collector may invest in bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

The Treasurer-Tax Collector may invest in registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state, or by a department, board, agency, or authority of the state.

Supranationals

The Treasurer-Tax Collector may invest surplus funds to include 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).

These instruments must have a maximum remaining maturity of three years (1150 days) or less, be eligible for purchase and sale within the United States, be S&P rated "AAA" and shall not exceed 30% of the investment pool.

Prohibited Transactions and Asset-Backed Securities

At the time of purchase, all permitted investments shall conform in all respects with this Investment Policy Statement and with applicable provisions of the California Government Code.

The Treasurer-Tax Collector may not invest in asset backed securities such as Collateralized Mortgage Obligations.

Apportionment of Interest and Costs

Interest 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. The amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was actually earned. The Treasurer-Tax Collector may deduct from the gross interest earnings those administrative costs relating to the management of the Treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, cashiering, accounting, reporting remittance processing, depositing of public funds, audit, and any other costs as provided by Section 27013, 27133(f), and 27135.

AUTHORITY AND RESPONSIBILITIES OF THE TREASURER-TAX COLLECTOR

Delegation to Authority to Invest

The Treasurer-Tax Collector's authority to invest is delegated by the Board of Supervisors in accordance with the California Government Code Sections 27000.1 and 53607. Statutory authority for the investment and safekeeping functions are found in Sections 53600 et seq., and 53630 et seq., of the California Government Code.

The Treasurer-Tax Collector has the authority to react to unstable market conditions in order to preserve the safety, liquidity or yield of the portfolio. The Treasurer-Tax Collector's reaction may temporarily change the investment parameters or investment practices of the County until the market has stabilized or until the Board of Supervisors has approved a revised Investment Policy.

The Treasurer-Tax Collector shall immediately notify the Treasury Oversight Committee members and the Board of Supervisors at their next scheduled meeting of any changes to the investment parameters or practices that were precipitated by the unstable market conditions.

Authority to Execute Investment Transactions

The authority to execute investment transactions on a daily basis is limited to the Treasurer-Tax Collector. This function may be delegated to the Assistant Treasurer-Tax Collector and/or other Treasury personnel at the discretion of the Treasurer-Tax Collector.

Competitive Bidding

All purchase/sales shall be made only after a process of competitive bidding, unless information provided on electronic market quotation services, faxes, or email transmissions show current market rates. A minimum of three offer/bids should be obtained before an investment is purchased or sold. Exceptions to the above would involve transactions in U.S. Treasury or agency obligations, repurchase agreements, securities possessing unique characteristics which would make competitive bidding impractical, or market circumstances in which competitive bidding could be adverse to the best interest of the Treasurer-Tax Collector's investment program.

Place and Time for Conducting Business
Investment transactions shall not be conducted from any place other than the office of the Treasurer-Tax Collector during normal business hours established for Treasury operations. Exceptions must have the approval of the Treasurer-Tax Collector.

Conflict of Interest
No agency employee nor Treasury Oversight Committee member may directly or indirectly accept or solicit from any persons, corporations, or group having a business relationship with this Agency anything of economic value as a gift, gratuity, or favor which would be in conflict with the County Administrative Policy.

No agency employee nor Treasury Oversight Committee member shall, outside of regular working hours, engage in any profession, trade, business, or occupation which is incompatible or involves a conflict of interest with his duties as a county officer or employee, or which in any way may reflect unfavorably on this Agency, the appointing authority, or his fellow employees.

Portfolio Reporting
The Treasurer-Tax Collector shall prepare a monthly Investment Report to be presented at a regularly scheduled meeting of the Board of Supervisors, including a succinct management summary that provides a clear picture of the status of the current investment portfolio, market conditions and strategy for the coming months. The report will also include a listing of all investments by type, name of issuer, date of maturity, par and dollars amount invested in each security, investment, and the money within the Treasury. There will be a separate statement advising the Board of the longest maturity of a security in the portfolio. The report will contain a statement assuring the Board that the anticipated cash flow needs of the participants will be met. The report will also include a statement that the investment practices and portfolio holdings are in compliance with the investment policy or an explanation as to why there is a condition which exists outside of the investment policy. The Treasurer-Tax Collector will also provide a copy of the Investment Report to the Treasury Oversight Committee members at scheduled meetings.

Disaster Recovery Program
The Treasurer-Tax Collector's Disaster Plan includes critical phone numbers and addresses of key Treasury and investment personnel, as well as, currently approved bankers and broker/dealers. The plan provides for an offsite location to be communicated at the time of readiness if the Treasurer-Tax Collector's offices are uninhabitable. In the event the Treasurer or authorized staff is unable to invest the portfolio, the Treasurer has an agreement with the custodian for a daily sweep of all uninvested cash with the custody bank into an interest-bearing account.

Until normal operations of the Treasurer's office have been restored, the limitations on the size of an Individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this Investment Policy Statement and would be required to be reported to the Board of Supervisors and Pool Participants in a timely manner.

Extraordinary Withdrawals

The Treasurer-Tax Collector will maintain a schedule of seasonal deposits into and withdrawals from the investment pool by participating districts. Constant contact with the pool participants will be maintained to ascertain any cash needs beyond the anticipated cash-flow patterns. Our investment strategy is based upon the known cash-flow patterns, which allow the Treasurer-Tax Collector to maximize interest earnings for the County and other pool participants.

Extraordinary withdrawals could create a liquidity problem and negatively impact the earnings of the remaining pool participants if the Treasurer-Tax Collector is forced to liquidate securities before their scheduled maturity date. A pool participant who wishes to withdraw from the pool or make an extraordinary withdrawal, will be encouraged to work with the Treasury to arrange a withdrawal schedule that would prevent losses to the withdrawing district or the remaining pool participants. Losses experienced by the County investment pool, which were precipitated by the unnoticed extraordinary withdrawal of funds, will be borne by the district who caused such losses to occur. The Treasurer-Tax Collector reserves the right to choose which securities to liquidate and could choose to sell the securities that have the lowest earnings.

Terms and Conditions that a Local Agency May Participate in the Pool

Local agencies may, by resolution of their governing bodies and the approval of the Treasurer-Tax Collector, deposit excess funds in the County Treasury for the purpose of investment by the Treasurer-Tax Collector. The procedures for this process are contained in the Treasury Procedural Manual.

INVESTMENT GLOSSARY

Accrued Interest – Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

Agency Issues – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

Amortized Cost – The original cost of the principal adjusted for the periodic reduction of any discount or premium from the purchase date until a specific date (also called "Book Value").

Bankers Acceptance – Money market instrument created from transactions involving foreign trade. In its simplest and most traditional form, a bankers' acceptance is merely a check, drawn on a bank by an importer or exporter of goods.

Basis Point – A unit of measurement equal to 1/100 of 1 percent. As an example, the difference between a security yielding 3.25% and one yielding 3.20% is five basis points.

Benchmark – An index or security used to compare the performance of a portfolio.

Bond – A long-term debt instrument of a government or corporation promising payment of the original investment plus interest by a specified future date.

Bullet – A colloquial term for a bond that cannot be redeemed, or called, prior to maturity.

Callable Bond – A bond in which all or a portion of its outstanding principal may be redeemed prior to maturity by the issuer under specified conditions.

Collateralization – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

Collateralized Certificate of Deposit – An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

Commercial Paper – Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

Coupon – The stated interest rate on a debt security that an issuer promises to pay.

Credit Quality – An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

Credit Rating – A standardized assessment, expressed in alphanumeric characters, of a company's creditworthiness.

Credit Risk – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Derivatives – Securities which derive their value from that of another security or an underlying index, currency or other measure. Floating rate notes (also "floaters") are not considered derivatives.

Discount Instruments – Securities that are sold at a discount to face value.

Diversification – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

Dollar Weighted Average Maturity – The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

Duration – Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

Earnings Apportionment – Is the quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

Government Obligations – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

Government Sponsored Enterprises (GSE'S) – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government.

Highly Liquid – The most eminent type of security that is easily converted to cash because there are many interested buyers and sellers to trade large quantities at a reasonable price.

Illiquid – A security that is difficult to buy or sell or has a wide spread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

Interest Rate Risk – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. Also called "Market Risk".

Liquid – A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

Local Agency Obligation – An indebtedness issued by a local agency, department, board, or authority within the State of California.

Long-Term – The term used to describe a security when the maturity is greater than one year.

Market Value – An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

Medium-Term Notes – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

Money Market Mutual Fund – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

Municipal Notes, Bonds and Other Obligations - Municipal notes, bonds, and other obligations are securities issued by state and local government agencies to finance capital and operating expenses. The characteristics of a municipal bond or note often are similar to the characteristics of corporate bonds and notes or the U.S. government and federal agency bonds and notes. Municipal notes normally have a specific maturity date, and bear interest that is scheduled to be paid at specific intervals. Municipal notes, bonds and other obligations may not exceed a maximum of three years or 1150 days. Municipal notes must meet the minimum debt rating described above in Medium Term Notes and Deposit Notes.

Negotiable Certificate of Deposit – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

Par – The stated maturity value, or face value, of a security.

Pass-Through Securities – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond.

Pool – In this context, the pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

Portfolio Value – The total book value amount of all the securities held in the Treasurer's Pooled Money Fund.

Primary Dealer – A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

Private Placements – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

Range Notes – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

Repurchase Agreement – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

Reverse Repurchase Agreement – The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

Safekeeping – A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

Securities Lending – A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

Short-Term – The term used to describe a security when the maturity is one year or less.

Supranationals – Senior unsecured unsubordinated obligations that are issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. They are eligible for purchase and sale within the United States and approved for investments by local agencies in California as of January 1, 2015.

Total Return – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

Voluntary Participants – Local agencies that are not required to deposit their funds with the County Treasurer.

Weighted Average Maturity – The remaining average maturity of all securities held in a portfolio.

Yankee Certificates of Deposit - Yankee Certificates of Deposit (YCD) are issued in the United States by a branch or agency of a foreign bank. They are negotiable instruments, and most have a minimum face value of $100,000, making them appropriate for large investors.

Yield – The gain, expressed as a percentage that an investor derives from a financial asset.

Yield to Maturity – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

APPENDIX A: INVESTMENT INSTRUMENTS

Investment Instruments	Maximum Maturity	Maximum Specified Percentage of Portfolio	Approved Selected Agencies
U.S. Agencies	3 years or 1150 days	N/A	Yes
Commercial Paper (CP)	270 days	40%	Yes
Medium Term Notes (MTN)	2 years or 735 days	20%	Yes
Supranationals	3 years (1150 days) or less	30%	Yes
U.S. Government Treasury Bills, Notes, and Bonds	3 years or 1150 days	N/A	
Yankee Certificates of Deposit (YCD)	1 year or 365 days	30%	Yes
Negotiable Certificates of Deposit (NCD)	1 year or 365 days	30%	Yes
Certificates of Deposits (CD)	1 year or 365 days	30%	Yes
Local Agency Investment Fund (LAIF)	N/A	Maximum As Permitted by State Law	
CalTrust/CAMP		$25 MM	
Munis	3 years or 1150 days	30%	

February 4, 2020

Ventura County Board of Supervisors
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Receive and File Report of Investments, Including Market Values for Investments for the Month Ending December 31, 2019; and Summary Report of Investments for Calendar Year 2019.

RECOMMENDATION: Receive and File

FISCAL/MANDATES IMPACT: None

DISCUSSION:

This report covers the one-month period ending 31 December 2019 in Section 1 and summarizes the twelve-month results of 2019 in Section 2.

Section 1 --- Report of Investments for the month ending December 31, 2019

The **average daily portfolio balance** for December was $2.912 Billion, an increase of almost $400 Million over November. The portfolio continues to be at the highest level for matching months, this month by $186 Million. The portfolio balance reached $3.107 Billion on 16 December. History suggests that the balance will be exceeded in mid-April 2020.

The **annualized percentage yield** for December was 2.089%, another slight decrease from the preceding month. The Federal Open Market Committee does not seem motivated to adjust rates in either direction, which suggests that the portfolio's yield will continue to show a steady but gradual decline toward 1.75%.

In December our net yield continued to **exceed all three benchmarks**, shown at the far right of Exhibit 5. The exhibit shows that our peers are experiencing similarly diminishing yields.

Going forward, if the current portfolio investments were all held to maturity, the portfolio's **approximate yield to maturity** is 2.05%, a decline of 13 basis points from November. Since only two recently purchased investments, shown in Exhibit 2, produce a yield that high, the portfolio's yield will necessarily continue to drop. If the interest rate market remains in its current state, I predict that our portfolio's annualized yield may be as low as 1.75% in six months.

The **total net earnings** for December were $5.167 Million, an increase that was predictable because of the larger portfolio balance. The monthly net earnings will shrink with the portfolio balance and declining yield, possibly to $4.25 Million in six months.

The **weighted average days to maturity** rose to 296 days. The interest-rate sensitivity measure of **effective duration** rose to 0.464. Both numbers reflect the search for yield in longer-maturity investments. Both numbers remain well within the acceptable range for a portfolio with **security of principal** as its highest priority. Both numbers will decline over the next several months as we purchase shorter-term investments to take advantage of what is still an inverted yield curve that discourages investments for maturities over six months and below two years.

The **three largest sectors**, by percentage, were: Yankee CDs (25.40%); Commercial Paper (21.89%); and Government Agencies (19.69%). The **three largest individual issuers**, by percentage, were: Federal Farm Credit Bureau (11.16%); International Bank for Reconstruction and Development (9.37%); and Bank of Kuwait (7.07%). The **three highest-yielding sectors**, by annualized percentage yield, were: Yankee CDs (2.20%); Corporate Medium-Term Notes (2.18%); and California LAIF (2.10%). The portfolio is well-diversified and is well within the limits of our Investment Policy and applicable State guidelines.

The portfolio has been managed with the stated objectives of safety, liquidity, and earning a competitive return, as outlined in the Statement of Investment Policy. In striving to maintain **the primary objective, safety of principal**, the County of Ventura has continuously maintained a rating of AAAf/S1+ by Standard & Poor's, the highest rating given by that agency, and re-affirmed weeks ago in December 2019. The rating reflects S&P's opinion that the portfolio is well-managed, credit-worthy, well-diversified, and has a low sensitivity to interest rate variations. Regarding **the secondary objective of maintaining sufficient liquidity** to meet cash flow needs, the portfolio maintains significant cash reserves in the County's bank, as well as significant holdings in LAIF and CalTrust. The portfolio has the ability to meet its participants' expenditure requirements for the next six months, pursuant to a daily study of projected cash flows. All of the portfolio's assets have a well-developed resale market, although of course it is our policy not to sell. **Earning a competitive rate of return** is reflected by our performance against our benchmarks, even though they each have less restrictive investment policies than ours, and either have no S&P rating like LAIF or a lower S&P rating like CalTrust.

The portfolio has been managed for several months on the assumption that monthly yields will decline. The Investment Work Group has already switched its focus to the challenges of investing in a declining market without approaching the boundaries imposed by our Statement of Investment Policy and by the Standard and Poor's ratings team.

Section 2 --- Summary Report of Investment Results for Calendar Year 2019

2019 was a challenging year. Late in 2018, the Federal Open Market Committee abruptly began reducing interest rates. The effect on our investment results became noticeable by early 2019. For the first six months of 2019, we bought longer-maturity investments to maintain the portfolio's yield, a common practice in a declining interest-rate market. It became apparent that the combination of the investment market yield curve, our investment policy, and the Standard & Poor's reporting requirements made that approach unsuitable in the long term. At mid-year, we began purchasing shorter-term investments, mostly with a maturity of less than six months, around the "sweet spot" on the yield curve. The effect of our investment plan has been to mitigate/delay the effects of the lower interest rates while accepting the inevitable increase of reinvestment risk as investments mature.

During 2019, the average daily portfolio balance rose from $2.687 Billion in January to $2.912 Billion in December. The balance in December 2018 was $2.726 Billion. The lowest monthly balance was $2.375 Billion in September 2019; the highest, $2.988 Billion in April 2019. The increase in the portfolio's balance from December 2018 to December 2019 ($186 Million) is mainly due to improved cash flow management by the Investment Work Group, reducing the daily County bank balance to its lowest manageable level to keep more money at work in the portfolio.

The annualized percentage yield in January was 2.575%; in December, 2.089%; and for the year, 2.534%. This increase of more than 0.5% over calendar 2018 shows how sharply the interest rate market was rising before the Federal Open Market Committee put on the brakes.

The total net earnings for calendar year 2019 were $67.646 Million, compared to $47.168 Million in calendar 2018.

The weighted average days to maturity ranged from 135 days to 296 days as the Investment Work Group sought to maintain yield by extending maturities. Effective duration similarly ranged from 0.332 to 0.464.

There were 509 investment purchases in 2019 and no investments sales, just as should be expected from a conservative buy-and-hold investment portfolio. There were 384 investment purchases in 2018. The increased number of purchases is caused in part by our acceptance of smaller lots in corporate medium-term notes and new-issue municipal bonds with relatively higher yields, and in another part by the increased size of the portfolio.

I will prepare a similar report covering FY2019-2020 as part of the report of investments for the month of June 2020, a report which is usually delivered at the first Board meeting in August.

This letter has been reviewed and approved as to form by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

Please contact me at 805-654-3726 if you have any questions or require further information regarding this item.

Sincerely,

Steven Hintz

STEVEN HINTZ
Treasurer-Tax Collector

Exhibit 1 – Wells Fargo Market/Cost Value Comparison Report – Month End 12/31/2019
Exhibit 2 – Monthly Transactions Report – December 2019
Exhibit 3 – Portfolio Average Monthly Balance Graph – December 2017-2019
Exhibit 4 – Average Maturity Graph – December 2017-2019
Exhibit 5 – Yield Comparison Graph – December 2018-2019
Exhibit 6 – Rolling 2-Year % Yield Graph – December 2017-2019 (Ventura)
Exhibit 7 – Rolling 2-Year $ Yield Graph – December 2017-2019
Exhibit 8 – Portfolio Holdings by Class Graph – December 2019
Exhibit 9 – Standard and Poor's Formal Letter Affirming the Rating

WELLS FARGO

Market/Cost Value Comparison Report
By Account By Industry Class
VENTU009

General Reporting
From Month End With Pricing 12/31/2019
01/10/2020 08:16:58 AM PST

ACCOUNT: All Accounts Selected
* = Trade or Other Activity Pending

Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody`s Rating	Units in Transition	Encumbrd Units
ACCOUNT: 11435100 COUNTY OF VENTURA										
NET CASH										
NET CASH										
	.0000		$.00	$.00	$.00	.00			.0000	.00
	U.S. DOLLARS									
SUBTOTAL	**.0000**		**$.00**	**$.00**	**$.00**	**.00**			**.0000**	**.00**
US GOVERNMENT SHORT-TERM										
GOVERNMENT AGENCY DISCOUNT										
313384SM2	20,000,000.0000	01/31/2020	$19,975,600.00	$19,864,222.22	$111,377.78	.56	N/A	N/A	.0000	.00
	FED HOME LN BK DISC NOTE DTD 01/31/19 01/31/2020									
313384XL8	10,000,000.0000	05/29/2020	$9,935,500.00	$9,935,405.56	$94.44	.00	N/A	N/A	.0000	.00
	FED HOME LN BK DISC NOTE DTD 05/29/19 05/29/2020									
313396UE1	10,000,000.0000	03/12/2020	$9,969,700.00	$9,910,516.67	$59,183.33	.60	N/A	N/A	.0000	.00
	FED HOME LN MTG CORP DISC NOTE DTD 03/12/19 03/12/2020									
313396VZ3	10,000,000.0000	04/24/2020	$9,950,700.00	$9,926,597.22	$24,102.78	.24	N/A	N/A	.0000	.00
	FED HOME LN MTG CORP DISC NOTE DTD 04/24/19 04/24/2020									
SUBTOTAL	**50,000,000.0000**		**$49,831,500.00**	**$49,636,741.67**	**$194,758.33**	**.39**			**.0000**	**.00**
SAVINGS & CERTIFICATES OF DEPOSIT										
MARKETABLE CERTIFICATES OF DEPOSIT										
05971XNL1	10,000,000.0000	05/29/2020	$10,023,600.00	$10,000,988.00	$22,612.00	.23	N/A	N/A	.0000	.00
	BANCO DEL ESTA DE CHLE CERT OF DEPOSIT									
05971XQC8	10,000,000.0000	02/28/2020	$10,004,600.00	$10,000,848.01	$3,751.99	.04	N/A	N/A	.0000	.00
	BANCO DEL ESTA DE CHLE CERT OF DEPOSIT									
05971XRL7	10,000,000.0000	05/26/2020	$9,999,480.00	$10,001,272.80	($1,792.80)	(.02)	N/A	N/A	.0000	.00
	BANCO DEL ESTA DE CHLE CERT OF DEPOSIT									
48668MC43	10,000,000.0000	01/10/2020	$10,001,200.00	$10,001,532.11	($332.11)	.00	N/A	N/A	.0000	.00
	KOOKMIN BANK NY BRCH CERT OF DEPOSIT									
48668MC84	15,000,000.0000	02/12/2020	$15,003,750.00	$15,002,408.25	$1,341.75	.01	N/A	N/A	.0000	.00
	KOOKMIN BANK NY BRCH CERT OF DEPOSIT									
48668MC92	10,000,000.0000	07/08/2020	$10,006,800.00	$10,001,369.64	$5,430.36	.05	N/A	N/A	.0000	.00
	KOOKMIN BANK NY BRCH CERT OF DEPOSIT									
48668MD34	10,000,000.0000	01/15/2020	$10,000,800.00	$10,000,407.59	$392.41	.00	N/A	N/A	.0000	.00

Exhibit 1

WELLS FARGO
Market/Cost Value Comparison Report
By Account By Industry Class
VENTU009

General Reporting
From Month End With Pricing 12/31/2019
01/10/2020 08:16:58 AM PST

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Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody`s Rating	Units in Transition	Encumbrd Units
	KOOKMIN BANK NY BRCH CERT OF DEPOSIT									
48668MD42	10,000,000.0000	08/20/2020	$10,002,100.00	$10,002,988.33	($888.33)	(.01)	N/A	N/A	.0000	.00
	KOOKMIN BANK NY BRCH CERT OF DEPOSIT									
50066BQS3	10,000,000.0000	04/29/2020	$10,023,700.00	$10,001,970.22	$21,729.78	.22	N/A	N/A	.0000	.00
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
63375P2C2	10,000,000.0000	04/09/2020	$10,019,800.00	$10,001,966.93	$17,833.07	.18	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P2Q1	10,000,000.0000	05/01/2020	$10,024,100.00	$10,000,983.37	$23,116.63	.23	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P2R9	10,000,000.0000	05/01/2020	$10,024,100.00	$10,000,975.49	$23,124.51	.23	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P2Y4	10,000,000.0000	05/19/2020	$10,026,400.00	$10,001,973.74	$24,426.26	.24	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3A5	20,000,000.0000	05/07/2020	$20,043,600.00	$20,001,863.57	$41,736.43	.21	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3E7	10,000,000.0000	01/17/2020	$10,003,700.00	$10,001,246.30	$2,453.70	.02	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P4Q9	10,000,000.0000	02/12/2020	$10,003,300.00	$10,000,505.58	$2,794.42	.03	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P5N5	25,000,000.0000	01/31/2020	$25,008,000.00	$25,001,750.00	$6,250.00	.02	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P5R6	10,000,000.0000	02/28/2020	$10,003,300.00	$10,000,847.83	$2,452.17	.02	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P5S4	10,000,000.0000	09/25/2020	$10,006,600.00	$10,001,980.96	$4,619.04	.05	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P5Z8	10,000,000.0000	01/13/2020	$10,001,200.00	$10,000,519.37	$680.63	.01	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P6A2	10,000,000.0000	01/28/2020	$10,002,400.00	$10,000,902.64	$1,497.36	.01	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P6R5	10,000,000.0000	05/22/2020	$10,000,000.00	$10,001,006.50	($1,006.50)	(.01)	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									

Exhibit 1

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63375P6U8	10,000,000.0000	05/08/2020	$9,998,800.00	$10,000,908.42	($2,108.42)	(.02)	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P6W4	15,000,000.0000	06/05/2020	$15,001,050.00	$15,002,362.50	($1,312.50)	(.01)	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P7E3	20,000,000.0000	01/09/2020	$20,000,000.00	$20,000,166.42	($166.42)	.00	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P7G8	10,000,000.0000	04/24/2020	$9,998,950.00	$10,000,673.10	($1,723.10)	(.02)	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
65558TNA9	25,000,000.0000	04/07/2020	$25,005,500.00	$25,002,490.45	$3,009.55	.01	N/A	N/A	.0000	.00
	NORDEA BK ABP NY CERT OF DEPOSIT									
65558TPF6	25,000,000.0000	10/28/2020	$25,007,000.00	$25,004,976.11	$2,023.89	.01	N/A	N/A	.0000	.00
	NORDEA BK ABP NY CERT OF DEPOSIT									
69033MES2	10,000,000.0000	01/10/2020	$10,003,300.00	$10,001,964.42	$1,335.58	.01	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MHA8	10,000,000.0000	01/07/2020	$10,001,700.00	$10,001,471.74	$228.26	.00	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MHB6	20,000,000.0000	01/09/2020	$20,004,200.00	$20,004,384.40	($184.40)	.00	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MLB1	10,000,000.0000	03/13/2020	$10,001,700.00	$10,001,305.60	$394.40	.00	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MLD7	10,000,000.0000	01/22/2020	$10,000,700.00	$10,000,484.74	$215.26	.00	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MLL9	25,000,000.0000	08/04/2020	$24,988,750.00	$25,003,794.75	($15,044.75)	(.06)	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MLN5	10,000,000.0000	02/19/2020	$10,000,100.00	$10,000,191.70	($91.70)	.00	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MMA2	20,000,000.0000	05/29/2020	$20,001,600.00	$20,001,784.74	($184.74)	.00	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MMB0	10,000,000.0000	04/30/2020	$9,999,300.00	$10,000,711.00	($1,411.00)	(.01)	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MMC8	20,000,000.0000	05/11/2020	$19,999,940.00	$20,001,533.30	($1,593.30)	(.01)	N/A	N/A	.0000	.00

Exhibit 1

WELLS FARGO
Market/Cost Value Comparison Report
By Account By Industry Class
VENTU009

General Reporting
From Month End With Pricing 12/31/2019
01/10/2020 08:16:58 AM PST

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		OVERSEA-CHINESE BANKING CERT OF DEPOSIT								
78012UNL5	10,000,000.0000	01/07/2020	$10,001,500.00	$10,000,000.00	$1,500.00	.02	N/A	N/A	.0000	.00
		ROYAL BK OF CANADA CERT OF DEPOSIT								
78012UNP6	10,000,000.0000	04/15/2020	$10,020,500.00	$10,000,000.00	$20,500.00	.21	N/A	N/A	.0000	.00
		ROYAL BK OF CANADA CERT OF DEPOSIT								
78012UNR2	10,000,000.0000	04/21/2020	$10,021,500.00	$10,000,000.00	$21,500.00	.22	N/A	N/A	.0000	.00
		ROYAL BK OF CANADA CERT OF DEPOSIT								
78012UNY7	10,000,000.0000	01/16/2020	$10,003,000.00	$10,000,000.00	$3,000.00	.03	N/A	N/A	.0000	.00
		ROYAL BK OF CANADA CERT OF DEPOSIT								
78012UPF6	10,000,000.0000	05/01/2020	$10,023,100.00	$10,000,000.00	$23,100.00	.23	N/A	N/A	.0000	.00
		ROYAL BK OF CANADA CERT OF DEPOSIT								
78012URE7	10,000,000.0000	05/14/2020	$9,997,300.00	$10,000,000.00	($2,700.00)	(.03)	N/A	N/A	.0000	.00
		ROYAL BK OF CANADA CERT OF DEPOSIT								
85325T7A7	10,000,000.0000	03/16/2020	$10,002,600.00	$10,000,842.90	$1,757.10	.02	N/A	N/A	.0000	.00
		STANDARD CHRTRD BNK NY CERT OF DEPOSIT								
89114M4J3	20,000,000.0000	07/01/2020	$20,009,600.00	$20,003,644.50	$5,955.50	.03	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114MSB4	10,000,000.0000	01/02/2020	$10,000,700.00	$10,001,968.30	($1,268.30)	(.01)	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114MXA0	10,000,000.0000	03/11/2020	$10,015,300.00	$10,000,989.80	$14,310.20	.14	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114MZE0	10,000,000.0000	03/27/2020	$10,016,700.00	$10,000,990.48	$15,709.52	.16	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114N3F0	10,000,000.0000	03/16/2020	$10,000,300.00	$10,000,843.26	($543.26)	(.01)	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114N6M2	15,000,000.0000	08/14/2020	$14,997,150.00	$15,001,206.86	($4,056.86)	(.03)	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114NAH8	10,000,000.0000	11/13/2020	$10,000,000.00	$10,001,995.99	($1,995.99)	(.02)	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								
89114NAV7	10,000,000.0000	08/28/2020	$9,998,400.00	$10,000,785.70	($2,385.70)	(.02)	N/A	N/A	.0000	.00
		TORONTO-DOMINION CERT OF DEPOSIT								

Exhibit 1

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Market/Cost Value Comparison Report
By Account By Industry Class
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01/10/2020 08:16:58 AM PST

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89114NB95	10,000,000.0000	05/22/2020	$9,995,600.00	$10,001,007.55	($5,407.55)	(.05)	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114NBB0	10,000,000.0000	05/08/2020	$9,995,900.00	$10,001,388.40	($5,488.40)	(.05)	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114NBR5	10,000,000.0000	06/05/2020	$9,997,800.00	$10,001,013.00	($3,213.00)	(.03)	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114NCF0	20,000,000.0000	06/05/2020	$19,993,000.00	$20,002,014.90	($9,014.90)	(.05)	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114NE92	20,000,000.0000	03/31/2020	$20,002,460.00	$20,001,690.40	$769.60	.00			.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114NEA9	20,000,000.0000	03/16/2020	$20,002,060.00	$20,001,443.09	$616.91	.00			.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
SUBTOTAL	**755,000,000.0000**		**$755,339,590.00**	**$755,081,335.75**	**$258,254.25**	**.03**			**.0000**	**.00**
COMMERCIAL PAPER										
COMMERCIAL PAPER DISCOUNT										
22533TE85	10,000,000.0000	05/08/2020	$9,936,900.00	$9,919,500.00	$17,400.00	.18			.0000	.00
	CREDIT AGRICOLE CRP&IN CPDN DTD 08/14/19 05/08/2020									
2254EAAU7	10,000,000.0000	01/28/2020	$9,988,300.00	$9,815,933.30	$172,366.70	1.76			.0000	.00
	CREDIT SUISSE AG CPDN DTD 05/03/19 01/28/2020									
2254EAEV1	25,000,000.0000	05/29/2020	$24,816,000.00	$24,800,014.00	$15,986.00	.06			.0000	.00
	CREDIT SUISSE AG CPDN DTD 12/27/19 05/29/2020									
30229AAG4	25,000,000.0000	01/16/2020	$24,984,750.00	$24,897,372.22	$87,377.78	.35			.0000	.00
	EXXON MOBIL CORP CPDN DTD 10/11/19 01/16/2020									
30229AAT6	10,000,000.0000	01/27/2020	$9,988,800.00	$9,944,500.00	$44,300.00	.45			.0000	.00
	EXXON MOBIL CORP CPDN DTD 10/11/19 01/27/2020									
30229AB32	10,000,000.0000	02/03/2020	$9,985,300.00	$9,962,872.22	$22,427.78	.23			.0000	.00
	EXXON MOBIL CORP CPDN DTD 10/24/19 02/03/2020									
30229AC23	10,000,000.0000	03/02/2020	$9,972,000.00	$9,942,388.89	$29,611.11	.30			.0000	.00
	EXXON MOBIL CORP CPDN DTD 11/01/19 03/02/2020									
46640PAF0	10,000,000.0000	01/15/2020	$9,994,400.00	$9,862,483.33	$131,916.67	1.34			.0000	.00
	J.P. MORGAN SECURITIES CPDN DTD 05/20/19 01/15/2020									

Exhibit 1

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46640PAM5	15,000,000.0000	01/21/2020	$14,987,550.00	$14,715,375.00	$272,175.00	1.85			.0000	.00
	J.P. MORGAN SECURITIES CPDN DTD 04/26/19 01/21/2020									
48306AA80	1,735,000.0000	01/08/2020	$1,734,548.90	$1,719,991.77	$14,557.13	.85			.0000	.00
	KAISER FOUNDATION CPDN DTD 08/08/19 01/08/2020									
5006E0AH9	10,000,000.0000	01/17/2020	$9,993,500.00	$9,914,738.89	$78,761.11	.79			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 08/21/19 01/17/2020									
5006E0BE5	10,000,000.0000	02/14/2020	$9,980,300.00	$9,925,000.00	$55,300.00	.56			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 10/02/19 02/14/2020									
5006E0BJ4	20,000,000.0000	02/18/2020	$19,956,200.00	$19,843,238.80	$112,961.20	.57			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 08/19/19 02/18/2020									
5006E0CD6	20,000,000.0000	03/13/2020	$19,931,800.00	$19,829,044.40	$102,755.60	.52			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 10/08/19 03/13/2020									
5006E0DF0	10,000,000.0000	04/15/2020	$9,949,200.00	$9,907,683.30	$41,516.70	.42			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 10/18/19 04/15/2020									
5006E0E77	10,000,000.0000	05/07/2020	$9,937,400.00	$9,904,955.60	$32,444.40	.33			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 11/07/19 05/07/2020									
5006E0E85	20,000,000.0000	05/08/2020	$19,873,800.00	$19,770,544.40	$103,255.60	.52			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 10/07/19 05/08/2020									
5006E0EC6	15,000,000.0000	05/12/2020	$14,902,350.00	$14,859,000.00	$43,350.00	.29			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 11/14/19 05/12/2020									
5006E0FW1	30,000,000.0000	06/30/2020	$29,730,000.00	$29,691,950.10	$38,049.90	.13			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 12/11/19 06/30/2020									
5006E2EE8	10,000,000.0000	05/14/2020	$9,933,900.00	$9,915,783.33	$18,116.67	.18			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 12/03/19 05/14/2020									
62479LA62	10,000,000.0000	01/06/2020	$9,998,300.00	$9,997,083.33	$1,216.67	.01			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 04/11/19 01/06/2020									
62479LA88	25,000,000.0000	01/08/2020	$24,993,500.00	$24,985,645.83	$7,854.17	.03			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 07/03/19 01/08/2020									
62479LAX3	10,000,000.0000	01/31/2020	$9,987,000.00	$9,925,611.10	$61,388.90	.62			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 05/06/19 01/31/2020									
62479LB38	65,000,000.0000	02/03/2020	$64,904,450.00	$63,854,783.33	$1,049,666.67	1.64			.0000	.00

Exhibit 1

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	MUFG BANK LTD NY BRA CPDN DTD 05/21/19 02/03/2020									
62479LBJ3	10,000,000.0000	02/18/2020	$9,978,100.00	$9,921,055.56	$57,044.44	.57			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 05/24/19 02/18/2020									
62479LBQ7	10,000,000.0000	02/24/2020	$9,975,300.00	$9,811,750.00	$163,550.00	1.67			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 05/30/19 02/24/2020									
62479LDW2	25,000,000.0000	04/30/2020	$24,854,500.00	$24,838,541.67	$15,958.33	.06			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 08/20/19 04/30/2020									
62479LEN1	20,000,000.0000	05/22/2020	$19,859,800.00	$19,818,094.49	$41,705.51	.21			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 08/26/19 05/22/2020									
79572PAG1	3,770,000.0000	01/16/2020	$3,767,700.30	$3,751,702.68	$15,997.62	.43			.0000	.00
	SALT RIVER PROJECT CPDN DTD 10/16/19 01/16/2020									
89233GA22	10,000,000.0000	01/02/2020	$10,000,000.00	$9,810,875.00	$189,125.00	1.93			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 04/09/19 01/02/2020									
89233GA63	10,000,000.0000	01/06/2020	$9,998,300.00	$9,808,750.00	$189,550.00	1.93			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 04/11/19 01/06/2020									
89233GC53	10,000,000.0000	03/05/2020	$9,969,700.00	$9,920,833.33	$48,866.67	.49			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 08/14/19 03/05/2020									
89233GEE2	20,000,000.0000	05/14/2020	$19,867,800.00	$19,825,850.00	$41,950.00	.21			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 09/03/19 05/14/2020									
89233GEN2	10,000,000.0000	05/22/2020	$9,929,900.00	$9,908,033.33	$21,866.67	.22			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 08/27/19 05/22/2020									
89233GEU6	10,000,000.0000	05/28/2020	$9,926,900.00	$9,903,416.67	$23,483.33	.24			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 10/01/19 05/28/2020									
89233GEV4	10,000,000.0000	05/29/2020	$9,926,400.00	$9,914,950.00	$11,450.00	.12			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 09/04/19 05/29/2020									
89233GF50	10,000,000.0000	06/05/2020	$9,922,500.00	$9,905,444.44	$17,055.56	.17			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 09/27/19 06/05/2020									
89233GFK7	20,000,000.0000	06/19/2020	$19,831,000.00	$19,803,755.56	$27,244.44	.14			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 09/23/19 06/19/2020									
89233GFR2	10,000,000.0000	06/25/2020	$9,912,500.00	$9,899,311.11	$13,188.89	.13			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 10/02/19 06/25/2020									

Exhibit 1

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89233GGX8	10,000,000.0000	07/31/2020	$9,896,300.00	$9,860,269.44	$36,030.56	.37			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 11/04/19 07/31/2020									
8923A0AA1	10,000,000.0000	01/10/2020	$9,996,500.00	$9,808,711.11	$187,788.89	1.91			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 04/16/19 01/10/2020									
8923A0AG8	10,000,000.0000	01/16/2020	$9,993,900.00	$9,931,000.00	$62,900.00	.63			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 09/18/19 01/16/2020									
8923A0BE2	10,000,000.0000	02/14/2020	$9,980,300.00	$9,925,927.78	$54,372.22	.55			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 05/20/19 02/14/2020									
8923A0E82	10,000,000.0000	05/08/2020	$9,936,900.00	$9,912,213.89	$24,686.11	.25			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 11/01/19 05/08/2020									
8923A0H48	20,000,000.0000	08/04/2020	$19,788,600.00	$19,712,000.00	$76,600.00	.39			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 11/08/19 08/04/2020									
SUBTOTAL	**650,505,000.0000**		**$647,773,149.20**	**$643,897,979.20**	**$3,875,170.00**	**.60**			**.0000**	**.00**
CORPORATE BONDS										
CORPORATE BONDS										
02665WCS8	1,975,000.0000	01/08/2021	$2,000,813.25	$2,001,692.13	($878.88)	(.04)	A	A2	.0000	.00
	AMERICAN HONDA FINANCE DTD 01/15/19 3.150 01/08/2021									
037833BD1	5,621,000.0000	05/06/2020	$5,625,103.33	$5,625,106.64	($3.31)	.00	AA+	AA1	.0000	.00
	APPLE INC DTD 05/13/15 2.000 05/06/2020									
037833BS8	15,000,000.0000	02/23/2021	$15,089,250.00	$15,104,460.00	($15,210.00)	(.10)	AA+	AA1	.0000	.00
	APPLE INC DTD 02/23/16 2.250 02/23/2021									
037833DJ6	10,799,000.0000	11/13/2020	$10,826,537.45	$10,827,590.63	($1,053.18)	(.01)	AA+	AA1	.0000	.00
	APPLE INC DTD 11/13/17 2.000 11/13/2020									
05253JAT8	6,380,000.0000	11/09/2020	$6,401,947.20	$6,353,331.60	$48,615.60	.77	AA-	AA3	.0000	.00
	AUST & NZ BANKING GRP NY MED TERM NOTE									
06406FAA1	20,000,000.0000	04/15/2021	$20,138,400.00	$19,970,100.00	$168,300.00	.84	A	A1	.0000	.00
	BANK OF NY MELLON CORP DTD 02/19/16 2.500 04/15/2021									
06406FAB9	2,000,000.0000	05/03/2021	$2,006,360.00	$1,980,780.00	$25,580.00	1.29	A	A1	.0000	.00
	BANK OF NY MELLON CORP MED TERM NOTE									
06406HDF3	8,788,000.0000	11/27/2020	$8,830,797.56	$8,844,155.32	($13,357.76)	(.15)	A	A1	.0000	.00
	BANK OF NY MELLON CORP MED TERM NOTE									

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166764AG5	1,000,000.0000	06/24/2020	$1,002,160.00	$995,450.00	$6,710.00	.67	AA	AA2	.0000	.00
	CHEVRON CORP DTD 06/24/13 2.427 06/24/2020									
166764AR1	3,520,000.0000	03/03/2020	$3,519,366.40	$3,503,248.32	$16,118.08	.46	AA	AA2	.0000	.00
	CHEVRON CORP DTD 03/03/15 1.961 03/03/2020									
166764AY6	12,766,000.0000	11/17/2020	$12,822,808.70	$12,848,679.98	($25,871.28)	(.20)	AA	AA2	.0000	.00
	CHEVRON CORP DTD 11/17/15 2.419 11/17/2020									
166764BP4	1,093,000.0000	03/03/2020	$1,093,021.86	$1,087,819.18	$5,202.68	.48	AA	AA2	.0000	.00
	CHEVRON CORP DTD 03/03/17 1.991 03/03/2020									
17275RAX0	10,000,000.0000	06/15/2020	$10,029,600.00	$10,032,200.00	($2,600.00)	(.03)	AA-	A1	.0000	.00
	CISCO SYSTEMS INC DTD 06/17/15 2.450 06/15/2020									
22550L2A8	11,970,000.0000	11/12/2021	$12,026,618.10	$11,991,015.25	$35,602.85	.30	A+	A1	.0000	.00
	CREDIT SUISSE NEW YORK DTD 11/12/19 2.100 11/12/2021									
30231GAG7	21,725,000.0000	03/06/2020	$21,726,520.75	$21,582,855.63	$143,665.12	.67	AA+	AAA	.0000	.00
	EXXON MOBIL CORPORATION DTD 03/06/15 1.912 03/06/2020									
30231GAV4	6,025,000.0000	03/01/2021	$6,060,547.50	$6,062,355.00	($1,807.50)	(.03)	AA+	AAA	.0000	.00
	EXXON MOBIL CORPORATION DTD 03/03/16 2.222 03/01/2021									
45818WCK0	17,250,000.0000	04/11/2022	$17,474,767.50	$17,543,040.00	($68,272.50)	(.39)	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 04/11/19 2.360 04/11/2022									
4581X0BL1	2,763,000.0000	02/14/2020	$2,769,465.42	$2,796,545.58	($27,080.16)	(.97)	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 02/17/10 3.875 02/14/2020									
4581X0CD8	40,915,000.0000	11/09/2020	$41,051,656.10	$41,083,848.52	($32,192.42)	(.08)	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 11/08/13 2.125 11/09/2020									
4581X0CX4	9,510,000.0000	05/12/2020	$9,504,484.20	$9,380,293.11	$124,191.09	1.32	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 04/12/17 1.625 05/12/2020									
4581X0DB1	17,888,000.0000	04/19/2021	$18,103,729.28	$18,128,348.00	($24,618.72)	(.14)	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 04/19/18 2.625 04/19/2021									
459058DH3	26,052,000.0000	11/01/2020	$26,142,660.96	$26,159,958.25	($17,297.29)	(.07)	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 11/01/13 2.125 11/01/2020									
459058DY6	10,000,000.0000	02/10/2022	$9,990,900.00	$9,974,800.00	$16,100.00	.16	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 02/12/15 1.625 02/10/2022									
459058EW9	5,776,000.0000	03/09/2021	$5,772,303.36	$5,771,454.20	$849.16	.01	AAA	AAA	.0000	.00

Exhibit 1

WELLS FARGO
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From Month End With Pricing 12/31/2019
01/10/2020 08:16:58 AM PST

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Asset ID	Units		Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody`s Rating	Units in Transition	Encumbrd Units
	INTL BK RECON & DEVELOP DTD 03/09/16 1.625 03/09/2021										
459058FA6	15,632,000.0000		03/30/2020	$15,616,993.28	$15,571,675.49	$45,317.79	.29	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 03/30/16 1.375 03/30/2020										
459058FM0	10,000,000.0000		08/10/2020	$9,959,700.00	$9,943,250.00	$16,450.00	.17	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 08/10/16 1.125 08/10/2020										
459058FZ1	10,000,000.0000		04/21/2020	$10,002,400.00	$9,938,900.00	$63,500.00	.64	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 03/21/17 1.875 04/21/2020										
459058GA5	40,200,000.0000		09/04/2020	$40,167,840.00	$40,111,850.00	$55,990.00	.14	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 08/29/17 1.625 09/04/2020										
459058GH0	10,000,000.0000		07/23/2021	$10,166,300.00	$10,171,300.00	($5,000.00)	(.05)	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 07/25/18 2.750 07/23/2021										
459058GU1	10,000,000.0000		07/01/2022	$10,112,600.00	$10,073,400.00	$39,200.00	.39	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 05/29/19 2.125 07/01/2022										
45905U4M3	28,300,000.0000	*	10/15/2022	$28,301,415.00	$28,300,000.00	$1,415.00	.01	AAA	AAA	(28,300,000.0000)	.00
	INTL BK RECON & DEVELOP DTD 10/15/19 2.100 10/15/2022										
45905U4Y7	25,000,000.0000		12/17/2022	$25,032,250.00	$25,000,000.00	$32,250.00	.13	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 12/17/19 1.750 12/17/2022										
45905UP32	6,550,000.0000		09/12/2020	$6,551,375.50	$6,491,836.10	$59,539.40	.92	N/A	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 09/19/17 1.561 09/12/2020										
45905UP73	2,060,000.0000		10/16/2020	$2,060,247.20	$2,041,975.00	$18,272.20	.89	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 10/16/17 1.950 10/16/2020										
45905UZT4	13,925,000.0000		11/22/2021	$13,899,935.00	$13,590,521.50	$309,413.50	2.28	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 11/22/16 1.750 11/22/2021										
459200HM6	5,550,000.0000		05/15/2020	$5,548,224.00	$5,513,630.85	$34,593.15	.63	A	A2	.0000	.00
	IBM CORP DTD 05/07/13 1.625 05/15/2020										
45950KCG3	17,428,000.0000		07/16/2020	$17,413,534.76	$17,407,507.28	$6,027.48	.03	AAA	AAA	.0000	.00
	INTL FINANCE CORP DTD 07/16/15 1.625 07/16/2020										
45950KCJ7	11,700,000.0000		07/20/2021	$11,601,018.00	$11,592,304.00	$8,714.00	.08	AAA	AAA	.0000	.00
	INTL FINANCE CORP DTD 07/20/16 1.125 07/20/2021										
45950KCL2	40,000,000.0000		03/30/2020	$39,999,200.00	$39,738,470.00	$260,730.00	.66	AAA	AAA	.0000	.00
	INTL FINANCE CORP DTD 03/30/17 1.750 03/30/2020										

Exhibit 1

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Market/Cost Value Comparison Report
By Account By Industry Class
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From Month End With Pricing 12/31/2019
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45950VLQ7	1,630,000.0000	03/09/2021	$1,643,382.30	$1,650,032.70	($6,650.40)	(.40)	N/A	AAA	.0000	.00
	INTL FINANCE CORP DTD 03/16/18 2.635 03/09/2021									
45950VMZ6	10,000,000.0000	01/25/2020	$10,003,700.00	$10,000,000.00	$3,700.00	.04	N/A	N/A	.0000	.00
	INTL FINANCE CORP DTD 01/25/19 2.630 01/25/2020									
46632FPV1	10,000,000.0000	04/22/2021	$10,013,900.00	$10,000,000.00	$13,900.00	.14	A+	AA2	.0000	.00
	JP MORGAN CHASE BANK NA MED TERM NOTE									
46632FPZ2	20,000,000.0000	06/03/2021	$19,676,000.00	$20,000,000.00	($324,000.00)	(1.62)	A+	AA2	.0000	.00
	JP MORGAN CHASE BANK NA MED TERM NOTE									
478160CH5	1,052,000.0000	11/10/2020	$1,053,872.56	$1,054,802.08	($929.52)	(.09)	AAA	AAA	.0000	.00
	JOHNSON & JOHNSON DTD 11/10/17 1.950 11/10/2020									
594918AH7	674,000.0000	10/01/2020	$680,456.92	$682,263.24	($1,806.32)	(.26)	AAA	AAA	.0000	.00
	MICROSOFT CORP DTD 09/27/10 3.000 10/01/2020									
594918AY0	10,000,000.0000	02/12/2020	$10,000,100.00	$9,928,600.00	$71,500.00	.72	AAA	AAA	.0000	.00
	MICROSOFT CORP DTD 02/12/15 1.850 02/12/2020									
594918BG8	2,809,000.0000	11/03/2020	$2,814,955.08	$2,815,516.88	($561.80)	(.02)	AAA	AAA	.0000	.00
	MICROSOFT CORP DTD 11/03/15 2.000 11/03/2020									
594918BP8	10,000,000.0000	08/08/2021	$9,986,800.00	$9,990,600.00	($3,800.00)	(.04)	AAA	AAA	.0000	.00
	MICROSOFT CORP DTD 08/08/16 1.550 08/08/2021									
594918BV5	34,771,000.0000	02/06/2020	$34,769,609.16	$34,528,239.24	$241,369.92	.70	AAA	AAA	.0000	.00
	MICROSOFT CORP DTD 02/06/17 1.850 02/06/2020									
637432MU6	1,180,000.0000	06/15/2020	$1,181,758.20	$1,181,085.60	$672.60	.06	A	A1	.0000	.00
	NATIONAL RURAL UTIL COOP DTD 06/06/13 2.350 06/15/2020									
637432NF8	2,725,000.0000	11/01/2020	$2,734,701.00	$2,737,235.25	($2,534.25)	(.09)	A	A1	.0000	.00
	NATIONAL RURAL UTIL COOP DTD 10/27/15 2.300 11/01/2020									
68389XBA2	2,456,000.0000	07/08/2021	$2,493,552.24	$2,485,675.12	$7,877.12	.32	A+	A1	.0000	.00
	ORACLE CORP DTD 07/08/14 2.800 07/08/2021									
69353RES3	500,000.0000	07/21/2020	$501,650.00	$501,680.00	($30.00)	(.01)	A	A2	.0000	.00
	PNC FINANCIAL SERVICES DTD 07/21/15 2.600 07/21/2020									
69353REU8	1,000,000.0000	11/05/2020	$1,004,700.00	$998,380.00	$6,320.00	.63	A	A2	.0000	.00
	PNC BANK NA DTD 11/03/15 2.450 11/05/2020									
69353RFC7	10,000,000.0000	05/19/2020	$10,001,500.00	$9,960,400.00	$41,100.00	.41	A	A2	.0000	.00

Exhibit 1

WELLS FARGO

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PNC BANK NA DTD 05/19/17 2.000 05/19/2020										
742718FA2	1,084,000.0000	10/23/2020	$1,084,932.24	$1,085,550.12	($617.88)	(.06)	AA-	AA3	.0000	.00
PROCTER & GAMBLE CP/THE DTD 10/25/17 1.900 10/23/2020										
89236TCF0	15,000,000.0000	03/12/2020	$15,003,900.00	$14,939,490.00	$64,410.00	.43	AA-	AA3	.0000	.00
TOYOTA MOTOR CREDIT CORP MED TERM NOTE										
89236TCZ6	5,000,000.0000	04/08/2021	$5,006,900.00	$4,950,850.00	$56,050.00	1.13	AA-	AA3	.0000	.00
TOYOTA MOTOR CREDIT CORP MED TERM NOTE										
89236TDU6	10,838,000.0000	04/17/2020	$10,837,783.24	$10,776,548.54	$61,234.70	.57	AA-	AA3	.0000	.00
TOYOTA MOTOR CREDIT CORP DTD 04/17/17 1.950 04/17/2020										
89236TFV2	23,890,000.0000	03/26/2021	$23,913,173.30	$23,890,000.00	$23,173.30	.10	AA-	AA3	.0000	.00
TOYOTA MOTOR CREDIT CORP MED TERM NOTE										
89236TGR0	25,000,000.0000	12/13/2021	$25,005,250.00	$25,000,000.00	$5,250.00	.02	AA-	AA3	.0000	.00
TOYOTA MOTOR CREDIT CORP MED TERM NOTE										
90331HNG4	2,000,000.0000	10/23/2020	$2,002,580.00	$2,004,460.00	($1,880.00)	(.09)	AA-	A1	.0000	.00
US BANK NA CINCINNATI MED TERM NOTE										
91159HHL7	420,000.0000	01/29/2021	$422,318.40	$421,197.00	$1,121.40	.27	A+	A1	.0000	.00
US BANCORP MED TERM NOTE										
CORPORATE STRIPPED/ZERO COUPON										
45818KVQ2	40,000,000.0000	04/15/2020	$39,818,400.00	$39,770,022.22	$48,377.78	.12	N/A	N/A	.0000	.00
IADB DISCOUNT NOTE ZERO CPN DTD 04/15/19 04/15/2020										
459052RN8	10,000,000.0000	01/08/2020	$9,997,500.00	$9,801,411.00	$196,089.00	2.00	N/A	N/A	.0000	.00
IBRD DISCOUNT NOTE ZERO CPN DTD 01/08/19 01/08/2020										
459052SH0	15,000,000.0000	01/27/2020	$14,984,250.00	$14,900,025.00	$84,225.00	.57	N/A	N/A	.0000	.00
IBRD DISCOUNT NOTE ZERO CPN DTD 01/28/19 01/27/2020										
459052SM9	20,000,000.0000	01/31/2020	$19,975,600.00	$19,865,666.67	$109,933.33	.55	N/A	N/A	.0000	.00
IBRD DISCOUNT NOTE ZERO CPN DTD 01/31/19 01/31/2020										
459052YH3	20,000,000.0000	06/19/2020	$19,851,600.00	$19,837,022.22	$14,577.78	.07	N/A	N/A	.0000	.00
IBRD DISCOUNT NOTE ZERO CPN DTD 06/19/19 06/19/2020										
459516SM3	20,000,000.0000	01/31/2020	$19,975,600.00	$19,865,666.67	$109,933.33	.55	N/A	N/A	.0000	.00
IFC DISCOUNT NOTE ZERO CPN DTD 01/31/19 01/31/2020										
SUBTOTAL	**842,190,000.0000**		**$842,883,276.30**	**$840,758,167.11**	**$2,125,109.19**	**.25**			**(28,300,000.0000)**	**.00**

FEDERAL AGENCY

Exhibit 1

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VENTU009

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01/10/2020 08:16:58 AM PST

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Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody`s Rating	Units in Transition	Encumbrd Units
GOVERNMENT AGENCIES										
3130ADHJ4	2,000,000.0000	01/29/2021	$2,012,320.00	$2,008,580.00	$3,740.00	.19	AA+	AAA	.0000	.00
	FED HOME LN BK SER 0002									
3130AFB89	5,000,000.0000	11/30/2020	$5,056,750.00	$4,994,975.00	$61,775.00	1.24	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 10/22/18 2.920 11/30/2020									
3130AFMR5	5,000,000.0000	01/02/2020	$5,000,000.00	$5,002,200.00	($2,200.00)	(.04)	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 01/02/19 2.625 01/02/2020									
3130AG5T8	23,780,000.0000	03/27/2020	$23,814,718.80	$23,774,911.00	$39,807.80	.17	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 03/27/19 2.375 03/27/2020									
3130AH2Z5	20,000,000.0000	09/16/2020	$20,014,800.00	$19,985,860.00	$28,940.00	.14	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 09/16/19 1.750 09/16/2020									
3130AH5P4	4,500,000.0000	09/24/2020	$4,508,685.00	$4,502,295.00	$6,390.00	.14	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 09/24/19 1.875 09/24/2020									
3130AH5R0	10,000,000.0000	09/26/2022	$9,947,000.00	$10,000,000.00	($53,000.00)	(.53)	AA+	AAA	.0000	.00
	FED HOME LN BK SER 0001									
3130AHBQ5	6,500,000.0000	10/15/2021	$6,494,150.00	$6,497,400.00	($3,250.00)	(.05)	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 10/15/19 1.790 10/15/2021									
3130AHFA6	15,000,000.0000	11/04/2022	$15,013,050.00	$14,999,500.00	$13,550.00	.09	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 11/04/19 1.800 11/04/2022									
3130AHGD9	4,000,000.0000	10/28/2022	$4,000,880.00	$4,000,000.00	$880.00	.02	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 10/30/19 1.800 10/28/2022									
3130AHJY0	10,000,000.0000	11/19/2021	$10,012,100.00	$9,982,900.00	$29,200.00	.29	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 11/08/19 1.625 11/19/2021									
3130AHPB3	20,000,000.0000	12/19/2022	$20,001,000.00	$20,000,000.00	$1,000.00	.01	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 12/19/19 1.800 12/19/2022									
3133EGGY5	500,000.0000	09/21/2020	$499,825.00	$486,075.00	$13,750.00	2.83	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 06/21/16 1.490 09/21/2020									
3133EJ6B0	10,000,000.0000	04/24/2020	$10,035,100.00	$9,997,760.00	$37,340.00	.37	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 01/24/19 2.600 04/24/2020									
3133EK2C9	10,000,000.0000	10/15/2021	$10,000,100.00	$9,994,000.00	$6,100.00	.06	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 10/15/19 1.890 10/15/2021									
3133EK2S4	10,000,000.0000	04/21/2022	$9,994,800.00	$9,990,000.00	$4,800.00	.05	AA+	AAA	.0000	.00

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FED FARM CREDIT BK DTD 10/21/19 1.920 04/21/2022										
3133EK2U9	55,000,000.0000	10/21/2022	$54,874,600.00	$54,955,500.00	($80,900.00)	(.15)	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 10/21/19 1.740 10/21/2022										
3133EK3W4	10,000,000.0000	10/25/2021	$9,997,100.00	$9,987,800.00	$9,300.00	.09	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 10/25/19 1.550 10/25/2021										
3133EK5V4	50,000,000.0000	11/14/2022	$49,976,000.00	$49,945,120.00	$30,880.00	.06	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 11/14/19 1.840 11/14/2022										
3133EK6Z4	5,000,000.0000	11/13/2020	$4,999,950.00	$4,999,950.00	$.00	.00	N/A	AAA	.0000	.00
FED FARM CREDIT BK DTD 11/13/19 1.625 11/13/2020										
3133EKF27	10,000,000.0000	08/26/2022	$9,979,900.00	$9,994,000.00	($14,100.00)	(.14)	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 08/26/19 1.850 08/26/2022										
3133EKH66	31,060,000.0000	03/03/2022	$30,962,782.20	$31,057,837.00	($95,054.80)	(.31)	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 09/03/19 1.850 03/03/2022										
3133EKK39	10,000,000.0000	09/09/2022	$10,002,700.00	$9,984,500.00	$18,200.00	.18	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 09/09/19 1.840 09/09/2022										
3133EKX50	10,000,000.0000	07/15/2022	$9,974,000.00	$9,995,000.00	($21,000.00)	(.21)	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 10/15/19 1.950 07/15/2022										
3133EKY75	10,000,000.0000	10/15/2021	$9,971,000.00	$9,944,000.00	$27,000.00	.27	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 10/15/19 1.400 10/15/2021										
3133ELAU8	20,000,000.0000	11/25/2022	$19,932,800.00	$19,988,400.00	($55,600.00)	(.28)	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 11/25/19 1.710 11/25/2022										
3133ELBT0	10,000,000.0000	12/02/2021	$10,003,000.00	$9,990,000.00	$13,000.00	.13	AA+	N/A	.0000	.00
FED FARM CREDIT BK DTD 12/02/19 1.620 12/02/2021										
3133ELCH5	7,595,000.0000	06/02/2022	$7,590,367.05	$7,592,721.50	($2,354.45)	(.03)	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 12/02/19 1.700 06/02/2022										
3133ELCY8	21,820,000.0000	12/10/2021	$21,799,271.00	$21,795,998.00	$3,273.00	.02	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 12/10/19 1.590 12/10/2021										
3133ELDE1	20,000,000.0000	12/12/2022	$19,994,000.00	$19,976,000.00	$18,000.00	.09	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 12/12/19 1.770 12/12/2022										
3133ELDH4	20,800,000.0000	12/16/2022	$20,800,208.00	$20,779,200.00	$21,008.00	.10	AA+	AAA	.0000	.00
FED FARM CREDIT BK DTD 12/16/19 1.710 12/16/2022										

Exhibit 1

WELLS FARGO

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From Month End With Pricing 12/31/2019
01/10/2020 08:16:58 AM PST

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Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody`s Rating	Units in Transition	Encumbrd Units
3133ELDV3	10,000,000.0000	06/13/2022	$9,996,700.00	$9,995,000.00	$1,700.00	.02	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 12/13/19 1.740 06/13/2022									
3134GSU78	10,000,000.0000	01/29/2021	$10,006,300.00	$10,000,000.00	$6,300.00	.06	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GT2Q5	10,000,000.0000	08/19/2021	$10,003,900.00	$10,000,000.00	$3,900.00	.04	N/A	AAA	.0000	.00
	FED HOME LN MTG CORP DTD 08/16/19 2.000 08/19/2021									
3134GTJM6	2,050,000.0000	10/22/2021	$2,053,423.50	$2,050,000.00	$3,423.50	.17	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GUFJ4	5,000,000.0000	04/07/2022	$4,988,650.00	$5,000,000.00	($11,350.00)	(.23)	N/A	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GUJJ0	10,000,000.0000	01/21/2022	$9,980,000.00	$10,000,000.00	($20,000.00)	(.20)	N/A	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GULE8	10,000,000.0000	10/28/2021	$9,996,500.00	$10,000,000.00	($3,500.00)	(.03)	N/A	AAA	.0000	.00
	FED HOME LN MTG CORP SER 0007									
3135G0T29	705,000.0000	02/28/2020	$704,866.05	$704,732.10	$133.95	.02	AA+	AAA	.0000	.00
	FED NATL MTG ASSN SER .									
3135G0W74	20,000,000.0000	10/28/2022	$20,008,000.00	$19,999,800.00	$8,200.00	.04	AA+	AAA	.0000	.00
	FED NATL MTG ASSN DTD 10/28/19 1.800 10/28/2022									
3135G0W90	10,000,000.0000	10/28/2022	$10,000,600.00	$9,999,500.00	$1,100.00	.01	AA+	AAA	.0000	.00
	FED NATL MTG ASSN DTD 10/28/19 1.950 10/28/2022									
SUBTOTAL	**535,310,000.0000**		**$535,001,896.60**	**$534,951,514.60**	**$50,382.00**	**.01**			**.0000**	**.00**
MUNICIPAL BONDS										
MUNICIPAL TAXABLE										
088006JH5	1,085,000.0000	06/01/2020	$1,086,909.60	$1,085,000.00	$1,909.60	.18	AA+	N/A	.0000	.00
	BEVERLY HILLS CA PUBLIC FING A TXBL-SER B									
088006JJ1	1,335,000.0000	06/01/2021	$1,340,793.90	$1,335,000.00	$5,793.90	.43	AA+	N/A	.0000	.00
	BEVERLY HILLS CA PUBLIC FING A TXBL-SER B									
13032UUY2	3,000,000.0000	06/01/2021	$2,999,100.00	$3,000,000.00	($900.00)	(.03)	AA-	AA3	.0000	.00
	CALIFORNIA ST HLTH FACS FING A TXBL-SENIOR-NO PLACE LIKE HOME									
13032UUZ9	1,700,000.0000	06/01/2022	$1,699,218.00	$1,700,000.00	($782.00)	(.05)	AA-	AA3	.0000	.00
	CALIFORNIA ST HLTH FACS FING A TXBL-SENIOR-NO PLACE LIKE HOME									

Exhibit 1

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13063DFZ6	16,000,000.0000	04/01/2020 CALIFORNIA ST TXBL	$16,035,360.00	$16,022,880.00	$12,480.00	.08	AA-	AA2	.0000	.00
13063DRF7	300,000.0000	10/01/2020 CALIFORNIA ST TXBL-REF	$304,791.00	$306,129.00	($1,338.00)	(.44)	AA-	AA2	.0000	.00
13063DRG5	260,000.0000	10/01/2021 CALIFORNIA ST TXBL-REF	$264,589.00	$265,220.80	($631.80)	(.24)	AA-	AA2	.0000	.00
13077DHH8	2,200,000.0000	11/01/2020 CALIFORNIA ST UNIV REVENUE TXBL-REF-SER B	$2,202,068.00	$2,200,000.00	$2,068.00	.09	AA-	AA2	.0000	.00
157411TF6	1,000,000.0000	08/01/2020 CHAFFEY CA JT UNION HIGH SCH D TXBL-REF	$1,000,240.00	$1,000,000.00	$240.00	.02	AA-	AA1	.0000	.00
157411TG4	500,000.0000	08/01/2021 CHAFFEY CA JT UNION HIGH SCH D TXBL-REF	$500,360.00	$500,000.00	$360.00	.07	AA-	AA1	.0000	.00
190335KC2	600,000.0000	08/01/2020 COAST CA CMNTY CLG DIST TXBL-REF	$599,898.00	$600,000.00	($102.00)	(.02)	AA+	AA1	.0000	.00
190335KD0	525,000.0000	08/01/2021 COAST CA CMNTY CLG DIST TXBL-REF	$525,210.00	$525,000.00	$210.00	.04	AA+	AA1	.0000	.00
190335KE8	525,000.0000	08/01/2022 COAST CA CMNTY CLG DIST TXBL-REF	$525,267.75	$525,000.00	$267.75	.05	AA+	AA1	.0000	.00
223093VH5	200,000.0000	08/01/2020 COVINA-VLY CA UNIF SCH DIST TXBL-REF	$200,242.00	$200,000.00	$242.00	.12	AA	N/A	.0000	.00
223093VJ1	250,000.0000	08/01/2021 COVINA-VLY CA UNIF SCH DIST TXBL-REF	$250,102.50	$250,000.00	$102.50	.04	AA	N/A	.0000	.00
376087FV9	2,500,000.0000	08/01/2020 GILROY CA UNIF SCH DIST TXBL-REF	$2,498,275.00	$2,500,000.00	($1,725.00)	(.07)	AA-	AA3	.0000	.00
376087FW7	365,000.0000	08/01/2021 GILROY CA UNIF SCH DIST TXBL-REF DTD 10/30/19 1.721 08/01/2021	$364,346.65	$365,000.00	($653.35)	(.18)	AA-	AA3	.0000	.00
525641BF2	415,000.0000	08/01/2020 LEMON GROVE CA CMNTY DEV AGY S TXBL-REF-LEMON GROVE REDEVELOP	$414,900.40	$415,000.00	($99.60)	(.02)	AA	N/A	.0000	.00
525641BG0	270,000.0000	08/01/2021 LEMON GROVE CA CMNTY DEV AGY S TXBL-REF-LEMON GROVE REDEVELOP	$270,180.90	$270,000.00	$180.90	.07	AA	N/A	.0000	.00
544290JA8	1,770,000.0000	08/01/2021	$1,772,478.00	$1,770,000.00	$2,478.00	.14	AA+	N/A	.0000	.00

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	LOS ALTOS CA SCH DIST TXBL-ELECTION OF 2014-SER A-2									
574193NA2	2,100,000.0000	03/15/2020	$2,100,504.00	$2,100,000.00	$504.00	.02	AAA	AAA	.0000	.00
	MARYLAND ST TXBL-SER B									
574193RY6	2,025,000.0000	08/01/2022	$2,014,956.00	$2,025,000.00	($10,044.00)	(.50)	AAA	AAA	.0000	.00
	MARYLAND ST TXBL-SECOND SER B									
692020Q86	250,000.0000	08/01/2020	$249,995.00	$250,000.00	($5.00)	.00	AA	N/A	.0000	.00
	OXNARD CA SCH DIST TXBL-REF									
692020Q94	250,000.0000	08/01/2021	$250,005.00	$250,000.00	$5.00	.00	AA	N/A	.0000	.00
	OXNARD CA SCH DIST TXBL-REF									
724581UK7	635,000.0000	08/01/2021	$635,514.35	$635,000.00	$514.35	.08	AA	AA3	.0000	.00
	PITTSBURG CA UNIF SCH DIST TXBL-REF									
724581UL5	640,000.0000	08/01/2022	$640,736.00	$640,000.00	$736.00	.11	AA	AA3	.0000	.00
	PITTSBURG CA UNIF SCH DIST TXBL-REF									
724586BG6	1,815,000.0000	03/01/2020	$1,815,108.90	$1,815,000.00	$108.90	.01	AA	AA3	.0000	.00
	PITTSBURG CALIF UNI SCH DIST TXBL									
738850ST4	515,000.0000	08/01/2020	$515,530.45	$515,000.00	$530.45	.10	AA-	N/A	.0000	.00
	POWAY CA UNIF SCH DIST TXBL-REF-IMPT DT 2002-1									
767027DH5	340,000.0000	09/01/2020	$340,459.00	$340,000.00	$459.00	.13	AA	N/A	.0000	.00
	RIO CA ELEM SCH DIST CMNTY FAC TXBL-REF									
797330AD9	3,060,000.0000	06/01/2020	$3,069,241.20	$3,060,000.00	$9,241.20	.30	A	N/A	.0000	.00
	SAN DIEGO CA TOBACCO SETTLEMEN TXBL-REF-SER A									
7976464Z6	445,000.0000	06/15/2021	$450,580.30	$445,000.00	$5,580.30	1.25	AAA	AAA	.0000	.00
	SAN FRANCISCO CITY & CNTY CA TXBL-SOCIAL BONDS-AFFORDABLE H									
79766DNU9	1,000,000.0000	01/01/2021	$1,009,710.00	$1,000,000.00	$9,710.00	.97	A	A1	.0000	.00
	SAN FRANCISCO CALIF CITY &CNTY TXBL-REF-SPL FACS LEASE-SFO FU									
80136PCY7	955,000.0000	12/01/2021	$978,884.55	$955,000.00	$23,884.55	2.50	AA	A1	.0000	.00
	SANTA BARBARA CNTY CA SOLID WA TXBL-SER C									
802498UD5	1,000,000.0000	08/01/2020	$1,000,390.00	$1,000,000.00	$390.00	.04	AA+	AAA	.0000	.00
	SANTA MONICA-MALIBU CA UNIF SC TXBL-REF									
802498UE3	470,000.0000	08/01/2021	$469,154.00	$470,000.00	($846.00)	(.18)	AA+	AAA	.0000	.00
	SANTA MONICA-MALIBU CA UNIF SC TXBL-REF									

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83789TBL2	750,000.0000	10/01/2020	$749,812.50	$750,000.00	($187.50)	(.02)	AA-	N/A	.0000	.00
	SOUTH GATE CA UTILITY AUTH WTR TXBL-REF-SER A-T									
8913814T9	425,000.0000	08/01/2020	$424,987.25	$425,000.00	($12.75)	.00	AA-	AA2	.0000	.00
	TORRANCE CA UNIF SCH DIST TXBL-REF									
899154AS7	5,000,000.0000	06/01/2020	$5,020,000.00	$5,000,000.00	$20,000.00	.40	AA-	A1	.0000	.00
	TULARE CNTY CA PENSN OBLG TXBL									
91412HEV1	800,000.0000	05/15/2021	$808,432.00	$800,000.00	$8,432.00	1.05	AA	AA2	.0000	.00
	UNIV OF CALIFORNIA CA REVENUES TXBL-REF-GEN-SER BC									
923040GQ6	1,000,000.0000	08/01/2020	$999,330.00	$1,000,000.00	($670.00)	(.07)	AA+	AA1	.0000	.00
	VENTURA CNTY CA CMNTY CLG DIST TXBL-REF									
923040GR4	1,000,000.0000	08/01/2021	$998,570.00	$1,000,000.00	($1,430.00)	(.14)	AA+	AA1	.0000	.00
	VENTURA CNTY CA CMNTY CLG DIST TXBL-REF									
SUBTOTAL	**59,275,000.0000**		**$59,396,231.20**	**$59,309,229.80**	**$87,001.40**	**.15**			**.0000**	**.00**
OTHER ASSETS										
OTHER ASSETS										
MS6232818	55,000,000.0000		$55,000,000.00	$55,000,000.00	$.00	.00			.0000	.00
	CA LAIF STATE OF CALIFORNIA INVESTMENT FD									
MS6615459	25,000,000.0000		$25,064,850.00	$25,000,000.00	$64,850.00	.26			.0000	.00
	CALTRUST SHORT TERM ACCT									
SUBTOTAL	**80,000,000.0000**		**$80,064,850.00**	**$80,000,000.00**	**$64,850.00**	**.08**			**.0000**	**.00**
ACCOUNT 11435100 TOTAL	**2,972,280,000.0000**		**$2,970,290,493.30**	**$2,963,634,968.13**	**$6,655,525.17**	**.22**			**(28,300,000.0000)**	**.00**
GRAND TOTAL	**2,972,280,000.0000**		**$2,970,290,493.30**	**$2,963,634,968.13**	**$6,655,525.17**	**.22**			**(28,300,000.0000)**	**.00**

END OF REPORT

Exhibit 1

MONTHLY TRANSACTIONS REPORT - DECEMBER 2019

Transaction Date	Purchase/ Sale		Par Amount	Security Type	Security Name	Maturity Date	Yield
12/02/19	Purchase	$	10,000,000.00	CP	TOYOTA MOTOR CREDIT CORP	05/14/20	1.876
12/02/19	Purchase	$	10,000,000.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	11/01/20	1.710
12/02/19	Purchase	$	10,000,000.00	GA	FFCB	11/25/22	1.750
12/02/19	Purchase	$	10,000,000.00	YCD	TORONTO DOMINION BANK NY	06/05/20	1.830
12/02/19	Purchase	$	10,000,000.00	YCD	OVERSEA-CHINESE BK CO NY	02/19/20	1.840
12/03/19	Purchase	$	4,075,000.00	SUPRANATIONAL	INTER-AMERICAN DEVEL BK	11/09/20	1.691
12/03/19	Purchase	$	10,000,000.00	CP	KOREA DEVELOPMENT BANK	05/14/20	1.876
12/03/19	Purchase	$	10,000,000.00	CP	TOYOTA MOTOR CREDIT CORP	06/05/20	1.858
12/03/19	Purchase	$	3,000,000.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	03/30/20	1.663
12/03/19	Purchase	$	10,368,000.00	MTN	CHEVRON CORP	11/17/20	1.715
12/04/19	Purchase	$	8,788,000.00	MTN	BANK OF NEW YORK MELLON CORP	11/27/20	1.789
12/04/19	Purchase	$	2,809,000.00	MTN	MICROSOFT CORP	11/03/20	1.742
12/04/19	Purchase	$	4,745,000.00	SUPRANATIONAL	INTER-AMERICAN DEVEL BK	11/09/20	1.689
12/04/19	Purchase	$	1,084,000.00	MTN	PROCTER & GAMBLE CO	10/23/20	1.736
12/04/19	Purchase	$	7,250,000.00	SUPRANATIONAL	INTER-AMERICAN DEVEL BK	11/09/20	1.694
12/04/19	Purchase	$	10,000,000.00	CP	MUFG BANK LTD NY	12/26/19	1.612
12/05/19	Purchase	$	250,000.00	MUNI	OXNARD SCHOOL DISTRICT	08/01/20	1.858
12/05/19	Purchase	$	250,000.00	MUNI	OXNARD SCHOOL DISTRICT	08/01/21	1.908
12/05/19	Purchase	$	1,000,000.00	MUNI	CHAFFEY JUHSD	08/01/20	1.803
12/05/19	Purchase	$	500,000.00	MUNI	CHAFFEY JUHSD	08/01/21	1.853
12/05/19	Purchase	$	10,000,000.00	GA	FHLB DISCOUNT NOTE	12/26/19	1.568
12/05/19	Purchase	$	10,000,000.00	SUPRANATIONAL	IFC DISCOUNT NOTE	12/20/19	1.491
12/05/19	Purchase	$	20,000,000.00	CP	MUFG BANK LTD NY	12/20/19	1.521
12/05/19	Purchase	$	20,000,000.00	YCD	TORONTO DOMINION BANK NY	06/05/20	1.800
12/05/19	Purchase	$	705,000.00	GA	FNMA	02/28/20	1.659
12/05/19	Purchase	$	4,569,000.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	11/01/20	1.701
12/06/19	Purchase	$	7,595,000.00	GA	FFCB	06/02/22	1.712
12/06/19	Purchase	$	40,000,000.00	SUPRANATIONAL	IADB DISCOUNT NOTE	04/15/20	1.589
12/06/19	Purchase	$	20,000,000.00	CP	MUFG BANK LTD NY	12/27/19	1.581
12/09/19	Purchase	$	20,000,000.00	SUPRANATIONAL	IBRD DISCOUNT NOTE	06/19/20	1.532
12/09/19	Purchase	$	10,000,000.00	CP	TOYOTA MOTOR CREDIT CORP	06/19/20	1.858
12/09/19	Purchase	$	20,000,000.00	CP	MUFG BANK LTD NY	12/30/19	1.571
12/09/19	Purchase	$	6,642,000.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	03/30/20	1.652
12/09/19	Purchase	$	1,189,000.00	MTN	APPLE INC	11/13/20	1.686
12/09/19	Purchase	$	1,140,000.00	MTN	CHEVRON CORP	11/17/20	1.796
12/09/19	Purchase	$	20,000,000.00	SUPRANATIONAL	IFC DISCOUNT NOTE	12/19/19	1.471
12/09/19	Purchase	$	10,000,000.00	GA	FFCB	12/02/21	1.671
12/09/19	Purchase	$	2,002,000.00	MTN	APPLE INC	05/06/20	1.739
12/10/19	Purchase	$	10,000,000.00	CP	TOYOTA MOTOR CREDIT CORP	06/19/20	1.848

MONTHLY TRANSACTIONS REPORT - DECEMBER 2019

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
12/10/19	Purchase	$ 21,820,000.00	GA	FFCB	12/10/21	1.646
12/10/19	Purchase	$ 20,000,000.00	YCD	NATL BANK OF KUWAIT NY	01/09/20	1.800
12/10/19	Purchase	$ 1,258,000.00	MTN	CHEVRON CORP	11/17/20	1.794
12/10/19	Purchase	$ 3,100,000.00	MTN	APPLE INC	05/06/20	1.660
12/11/19	Purchase	$ 20,000,000.00	CP	KOREA DEVELOPMENT BK NY	06/30/20	1.849
12/11/19	Purchase	$ 10,000,000.00	CP	KOREA DEVELOPMENT BK NY	06/30/20	1.849
12/11/19	Purchase	$ 10,000,000.00	CP	TOYOTA MOTOR CREDIT CORP	06/25/20	1.859
12/11/19	Purchase	$ 15,000,000.00	CP	MUFG BANK LTD NY	12/20/19	1.481
12/12/19	Purchase	$ 20,000,000.00	GA	FFCB	12/12/22	1.812
12/12/19	Purchase	$ 1,815,000.00	MUNI	PITTSBURG USD	03/01/20	1.799
12/12/19	Purchase	$ 635,000.00	MUNI	PITTSBURG USD	08/01/21	1.929
12/12/19	Purchase	$ 640,000.00	MUNI	PITTSBURG USD	08/01/22	2.004
12/12/19	Purchase	$ 25,000,000.00	CP	MUFG BANK LTD NY	12/23/19	1.521
12/13/19	Purchase	$ 25,000,000.00	MTN	TOYOTA MOTOR CREDIT CORP	12/13/21	1.800
12/13/19	Purchase	$ 10,000,000.00	GA	FFCB	06/13/22	1.761
12/16/19	Purchase	$ 20,800,000.00	GA	FFCB	12/16/22	1.744
12/16/19	Purchase	$ 15,000,000.00	CP	CREDIT AGRICOLE CIB NY	12/23/19	1.540
12/16/19	Purchase	$ 15,000,000.00	CP	MUFG BANK LTD NY	12/23/19	1.550
12/17/19	Purchase	$ 600,000.00	MUNI	COAST COMMUNITY COLLEGE	08/01/20	1.672
12/17/19	Purchase	$ 525,000.00	MUNI	COAST COMMUNITY COLLEGE	08/01/21	1.752
12/17/19	Purchase	$ 525,000.00	MUNI	COAST COMMUNITY COLLEGE	08/01/22	1.788
12/17/19	Purchase	$ 25,000,000.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	12/17/22	1.750
12/18/19	Purchase	$ 750,000.00	MUNI	SOUTH GATE UTILITY AUTHORITY	10/01/20	1.786
12/19/19	Purchase	$ 20,000,000.00	GA	FHLB	12/19/22	1.800
12/19/19	Purchase	$ 415,000.00	MUNI	LEMON GROVE REDEVELOPMENT	08/01/20	2.220
12/19/19	Purchase	$ 270,000.00	MUNI	LEMON GROVE REDEVELOPMENT	08/01/21	2.270
12/19/19	Purchase	$ 10,000,000.00	CP	TOYOTA MOTOR CREDIT CORP	05/29/20	1.906
12/19/19	Purchase	$ 20,000,000.00	YCD	OVERSEA-CHINESE BK CO NY	05/29/20	1.900
12/20/19	Purchase	$ 20,000,000.00	YCD	TORONTO DOMINION BANK NY	03/16/20	1.980
12/20/19	Purchase	$ 20,000,000.00	YCD	TORONTO DOMINION BANK NY	03/31/20	1.980
12/23/19	Purchase	$ 10,000,000.00	YCD	OVERSEA-CHINESE BK CO NY	04/30/20	1.900
12/24/19	Purchase	$ 20,000,000.00	YCD	OVERSEA-CHINESE BK CO NY	05/11/20	1.880
12/24/19	Purchase	$ 10,000,000.00	YCD	NATL BANK OF KUWAIT NY	04/24/20	2.030
12/24/19	Purchase	$ 10,000,000.00	YCD	BANCO ESTADO CHILE NY	05/26/20	1.940
12/26/19	Purchase	$ 25,000,000.00	CP	MUFG BANK LTD NY	01/08/20	1.591
12/27/19	Purchase	$ 25,000,000.00	CP	CREDIT SUISSE NEW YORK	05/29/20	1.885
12/27/19	Purchase	$ 25,000,000.00	CP	MUFG BANK LTD NY	04/30/20	1.872
12/30/19	Purchase	$ 10,000,000.00	CP	MUFG BANK LTD NY	01/06/20	1.500
12/30/19	Purchase	$ 10,000,000.00	GA	FHLB DISCOUNT NOTE	05/29/20	1.550

PORTFOLIO AVERAGE MONTHLY BALANCE

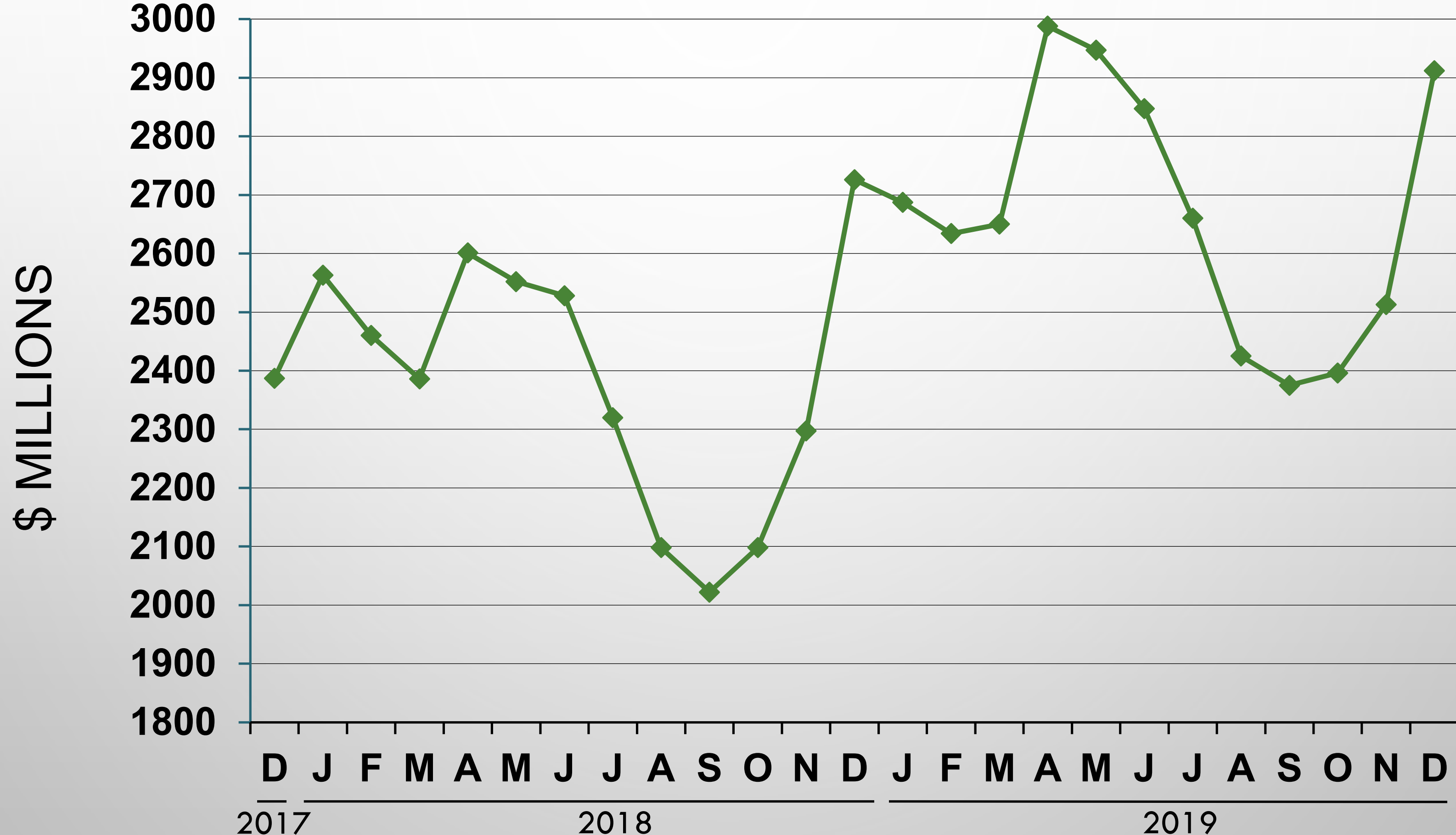


EXHIBIT 3

AVERAGE MATURITY

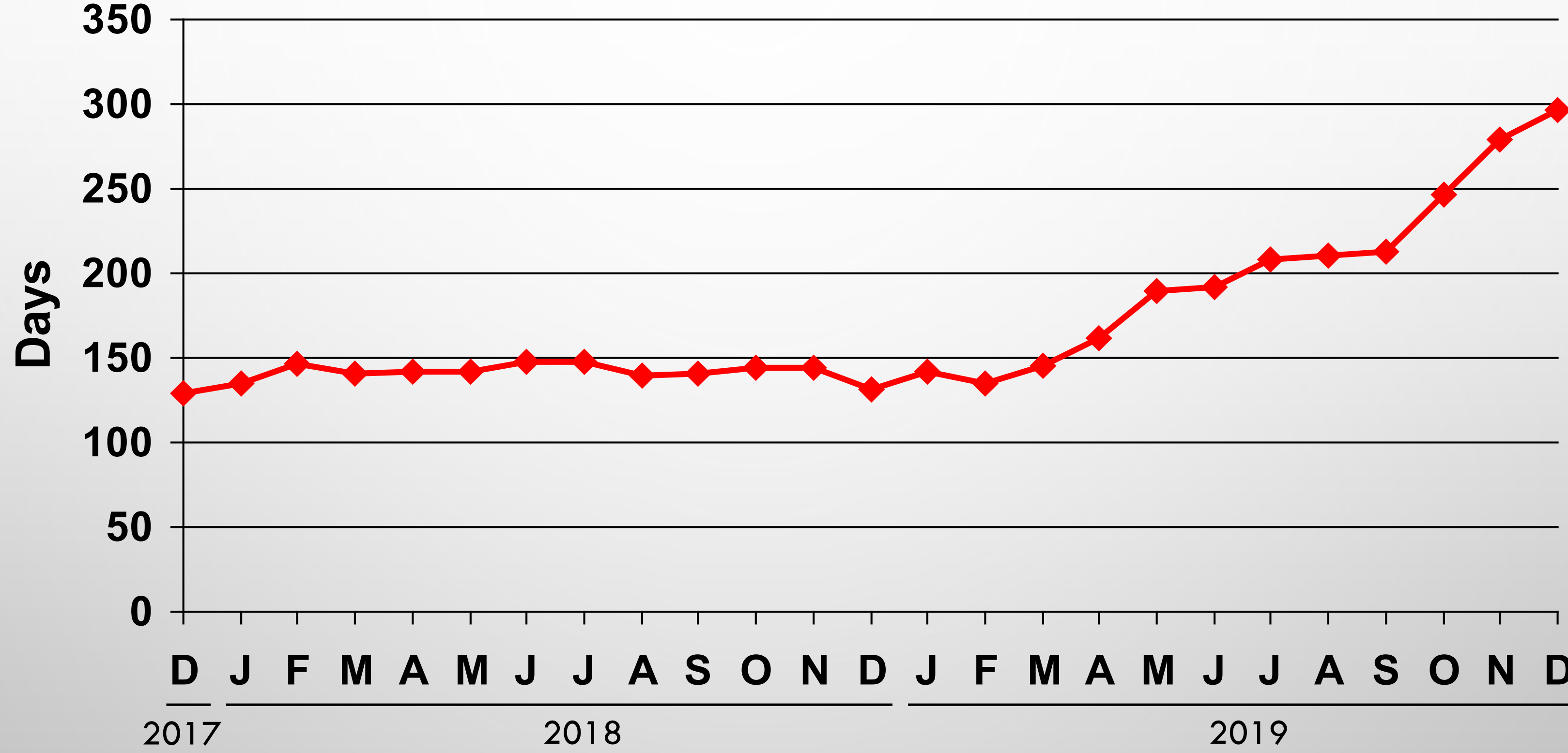


EXHIBIT 4

12-19 INV.PPT

++++YIELD COMPARISON

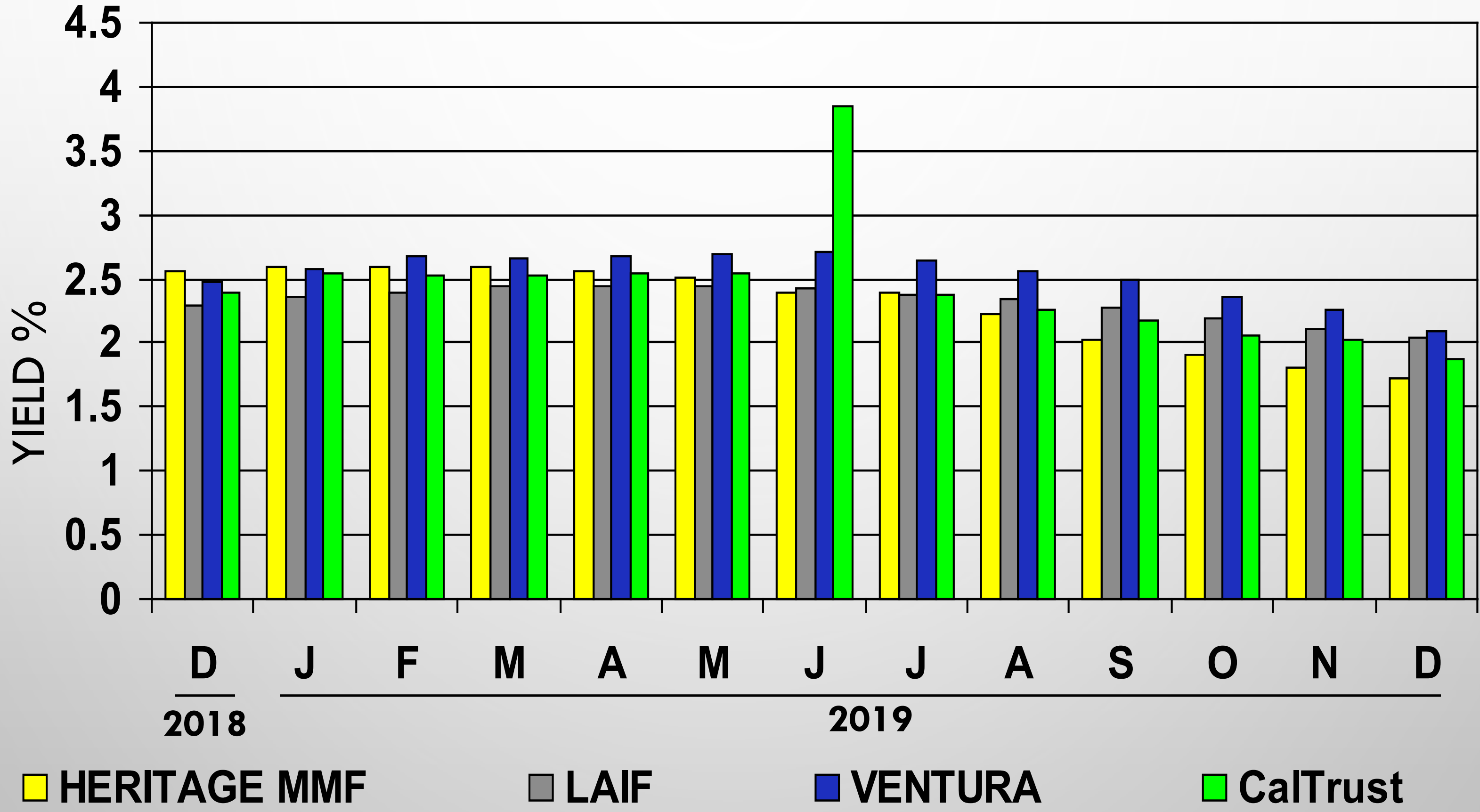


EXHIBIT 5

ROLLING 2-YEAR % YIELD

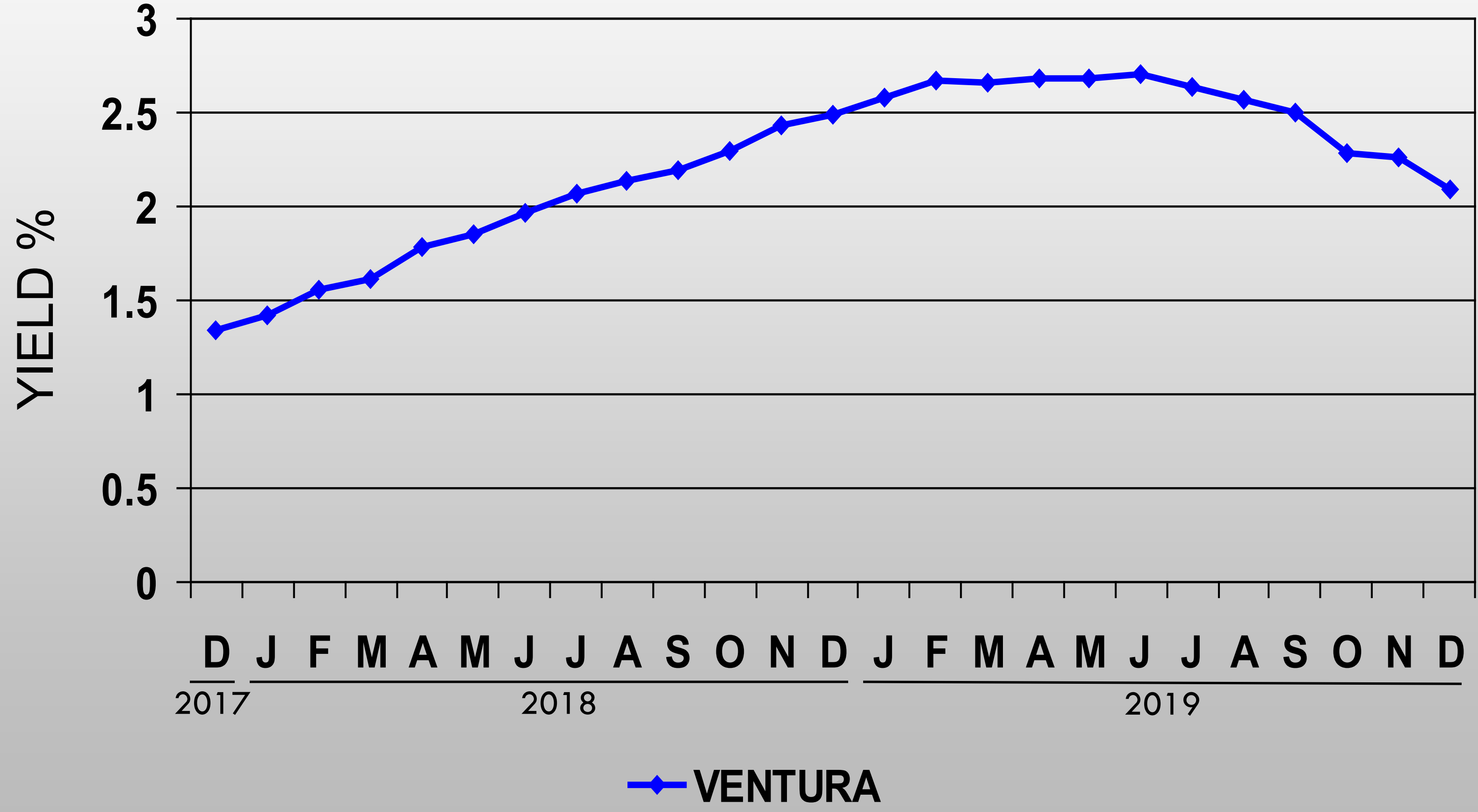


EXHIBIT 6

ROLLING 2-YEAR $ YIELD

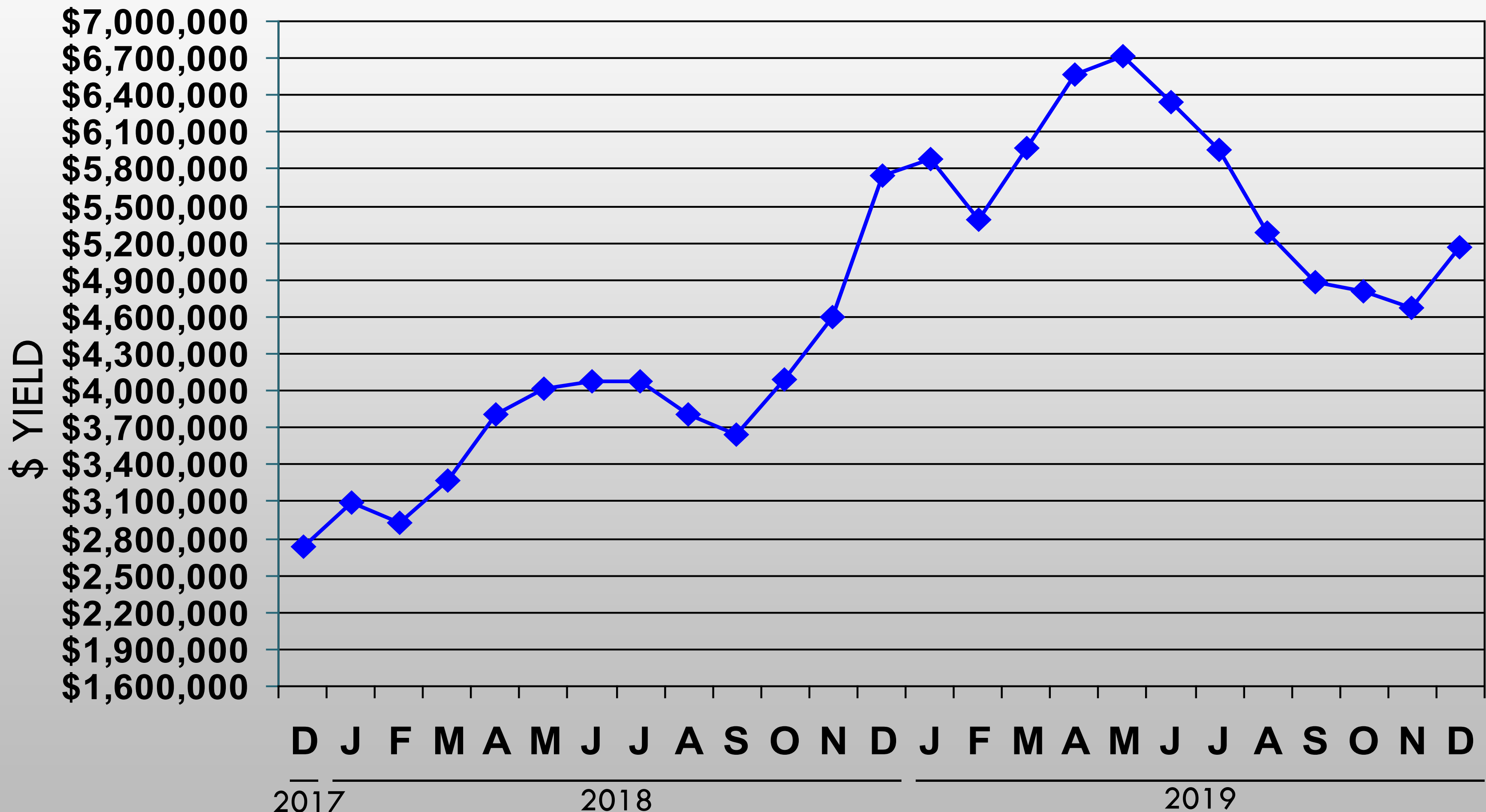
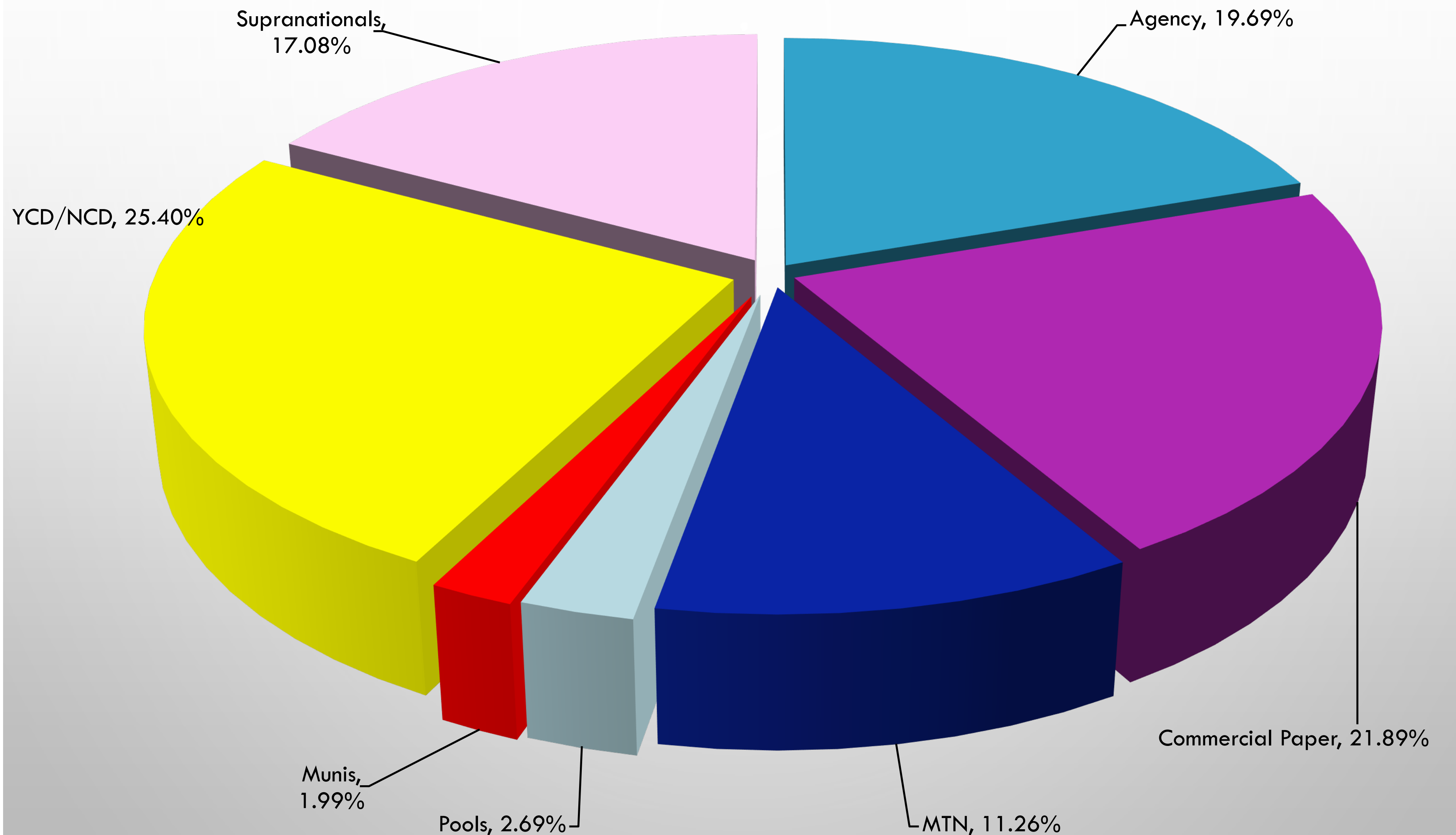


EXHIBIT 7

12-19 INV.PPT

PORTFOLIO HOLDINGS BY CLASS



S&P Global Ratings

55 Water Street
New York, NY 10041
212 438 2000 Tel
212 438 5075 Fax

December 10, 2019

Ventura County
800 South Victora Avenue
Ventura, CA, 93009
Attention: Steven Hintz, Treasurer-Tax Collector

Re: Ventura County

- **Ventura County Treasury Pool**

Dear Mr. Hintz:

Pursuant to your request for a rating on the above-referenced fund, S&P Global Ratings has assigned a fund credit quality rating of "**AAAf**", and a fund volatility rating of "**S1+**" to the shares of the fund.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we've released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P Global Ratings may choose to acknowledge such a rating and denote such acknowledgement on www.standardandpoors.com with an alphabetic or other identifier affixed to such rating or by other means.

To maintain the rating, S&P Global Ratings must receive all information as indicated in the applicable Terms and Conditions. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: guyna.johnson@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website, please send hard copies to: S&P Global Ratings, 55 Water Street, New York, New York 10041-0003, Attention: Funds Surveillance Group.

The rating is subject to the Terms and Conditions attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

In accordance with the Terms and Conditions, S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a withdrawal of a credit rating or termination of the Engagement Letter.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S & P Global Ratings

S&P Global Ratings, acting through
Standard & Poor's Financial Services LLC

Analytical Contact:
Name: Guyna Johnson
Telephone: +1 (312) 233 7008

APPENDIX I
TABLES OF ACCRETED VALUES

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Table of Accreted Values

Rio Elementary School District

General Obligation Bonds, Election of 2018, Series C (Tax-Exempt)

Date	08/01/2029 3.25%	08/01/2030 3.41%	08/01/2031 3.55%	08/01/2032 3.69%	08/01/2033 3.77%	08/01/2034 3.84%	08/01/2035 3.86%	08/01/2036 3.91%	08/01/2037 3.96%	08/01/2038 4%	08/01/2039 4.04%	08/01/2040 4.08%	08/01/2041 4.11%	08/01/2042 4.14%	08/01/2043 4.17%
4/15/2020	$511,345.20	$518,939.40	$524,191.20	$529,473.60	$535,594.40	$542,851.65	$551,677.50	$556,013.15	$560,831.70	$566,900.10	$570,829.35	$572,741.00	$578,173.75	$579,575.05	$583,099.00
8/1/2020	516,223.50	524,128.50	529,651.20	535,208.90	541,516.80	548,966.55	557,914.50	562,387.65	567,351.20	573,557.40	577,584.80	579,592.00	585,131.25	586,597.75	590,220.75
2/1/2021	524,607.00	533,066.10	539,050.20	545,077.60	551,724.80	559,504.00	568,685.70	573,391.50	578,578.00	585,023.40	589,255.55	591,409.00	597,162.50	598,750.20	602,527.50
8/1/2021	533,135.40	542,150.70	548,620.80	555,137.20	562,126.40	570,247.15	579,664.80	584,593.90	590,036.85	596,723.40	601,160.95	603,473.00	609,427.50	611,148.30	615,093.50
2/1/2022	541,801.80	551,397.00	558,355.20	565,379.40	572,721.60	581,196.00	590,851.80	596,026.20	601,716.70	608,657.40	613,301.00	615,784.00	621,953.75	623,792.05	627,918.75
8/1/2022	550,606.20	560,797.65	568,269.00	575,812.50	583,519.20	592,350.55	602,256.60	607,677.95	613,628.60	620,837.10	625,688.05	628,355.00	634,741.25	636,710.35	641,003.25
2/1/2023	559,548.60	570,360.00	578,354.40	586,436.50	594,519.20	603,729.50	613,879.20	619,559.60	625,783.60	633,250.80	638,334.45	641,173.00	647,776.25	649,888.75	654,377.50
8/1/2023	568,642.80	580,084.05	588,619.20	597,259.70	605,721.60	615,323.50	625,719.60	631,671.15	638,170.65	645,921.90	651,227.85	654,251.00	661,100.00	663,341.70	668,011.00
2/1/2024	577,881.90	589,977.15	599,063.40	608,273.80	617,144.00	627,132.55	637,797.60	644,023.05	650,811.85	658,838.70	664,380.60	667,602.00	674,685.00	677,069.20	681,949.50
8/1/2024	587,272.80	600,031.95	609,702.60	619,495.40	628,777.60	639,175.35	650,113.20	656,615.30	663,696.15	672,012.90	677,805.05	681,213.00	688,545.00	691,085.70	696,162.50
2/1/2025	596,815.50	610,263.15	620,521.20	630,924.50	640,631.20	651,451.90	662,656.50	669,447.90	676,834.60	685,456.20	691,488.85	695,110.00	702,693.75	705,391.20	710,680.50
8/1/2025	606,516.90	620,670.75	631,534.80	642,569.40	652,704.80	663,952.85	675,447.30	682,531.30	690,238.25	699,156.90	705,469.05	709,293.00	717,131.25	719,985.70	725,503.50
2/1/2026	616,370.10	631,254.75	642,743.40	654,421.80	665,007.20	676,706.25	688,485.60	695,875.95	703,907.10	713,150.10	719,708.60	723,762.00	731,871.25	734,898.10	740,631.50
8/1/2026	626,388.90	642,015.15	654,154.80	666,498.30	677,538.40	689,693.40	701,771.40	709,481.85	717,841.15	727,412.40	734,256.90	738,530.00	746,913.75	750,113.95	756,064.50
2/1/2027	636,566.40	652,966.65	665,769.00	678,798.90	690,316.00	702,942.35	715,314.60	723,359.45	732,051.45	741,955.50	749,089.25	753,597.00	762,258.75	765,633.25	771,833.00
8/1/2027	646,909.50	664,094.55	677,586.00	691,315.30	703,322.40	716,434.40	729,125.10	737,498.30	746,549.05	756,791.10	764,218.00	768,963.00	777,933.75	781,484.90	787,921.75
2/1/2028	657,425.10	675,420.90	689,613.60	704,072.40	716,584.00	730,188.25	743,193.00	751,919.30	761,333.95	771,930.90	779,655.50	784,654.00	793,911.25	797,654.45	804,346.00
8/1/2028	668,106.30	686,938.35	701,851.80	717,061.90	730,092.00	744,213.25	757,538.10	766,612.00	776,406.15	787,374.90	795,401.75	800,657.00	810,232.50	814,170.80	821,121.00
2/1/2029	678,960.00	698,646.90	714,308.40	730,292.10	743,855.20	758,500.05	772,160.40	781,597.30	791,776.70	803,123.10	811,469.10	816,998.00	826,883.75	831,019.50	838,246.75
8/1/2029	690,000.00	710,561.25	726,991.20	743,771.30	757,873.60	773,067.35	787,059.90	796,885.65	807,456.65	819,175.50	827,857.55	833,664.00	843,865.00	848,229.45	855,723.25
2/1/2030		722,674.05	739,892.40	757,491.20	772,164.80	787,905.80	802,246.50	812,456.15	823,446.00	835,567.20	844,579.45	850,668.00	861,217.50	865,786.20	873,565.75
8/1/2030		735,000.00	753,027.60	771,468.40	786,720.00	803,034.10	817,730.10	828,340.15	839,744.75	852,274.80	861,647.15	868,023.00	878,913.75	883,704.20	891,774.25
2/1/2031			766,389.00	785,702.90	801,548.00	818,452.25	833,520.60	844,537.65	856,375.00	869,321.70	879,048.30	885,729.00	896,967.50	901,997.90	910,364.00
8/1/2031			780,000.00	800,194.70	816,657.60	834,169.60	849,608.10	861,048.65	873,336.75	886,707.90	896,807.60	903,799.00	915,406.25	920,667.30	929,350.25
2/1/2032				814,960.40	832,048.80	850,186.15	866,002.50	877,883.60	890,618.95	904,445.10	914,925.05	922,233.00	934,216.25	939,726.85	948,733.00
8/1/2032				830,000.00	847,730.40	866,501.90	882,713.70	895,042.50	908,254.75	922,533.30	933,400.65	941,057.00	953,411.25	959,191.00	968,512.25
2/1/2033					863,711.20	883,144.90	899,751.60	912,546.25	926,244.15	940,984.20	952,259.10	960,245.00	973,005.00	979,045.30	988,703.25
8/1/2033					880,000.00	900,096.45	917,116.20	930,384.40	944,587.15	959,797.80	971,500.40	979,836.00	992,997.50	999,304.20	1,009,321.25
2/1/2034						917,384.60	934,817.40	948,577.85	963,283.75	978,997.50	991,124.55	999,830.00	1,013,416.25	1,019,996.60	1,030,366.25
8/1/2034						935,000.00	952,855.20	967,116.15	982,356.05	998,583.30	1,011,143.90	1,020,227.00	1,034,233.75	1,041,108.05	1,051,838.25
2/1/2035							971,249.40	986,030.65	1,001,804.05	1,018,555.20	1,031,570.80	1,041,040.00	1,055,491.25	1,062,653.00	1,073,783.00
8/1/2035							990,000.00	1,005,300.45	1,021,649.85	1,038,924.90	1,052,405.25	1,062,269.00	1,077,175.00	1,084,660.35	1,096,170.00
2/1/2036								1,024,956.90	1,041,871.35	1,059,704.10	1,073,659.60	1,083,940.00	1,099,312.50	1,107,101.20	1,119,014.50
8/1/2036								1,045,000.00	1,062,501.70	1,080,892.80	1,095,346.20	1,106,053.00	1,121,903.75	1,130,018.90	1,142,347.00
2/1/2037									1,083,540.90	1,102,514.40	1,117,477.40	1,128,621.00	1,144,962.50	1,153,413.45	1,166,167.50
8/1/2037									1,105,000.00	1,124,557.20	1,140,053.20	1,151,644.00	1,168,488.75	1,177,284.85	1,190,491.25
2/1/2038										1,147,056.30	1,163,073.60	1,175,135.00	1,192,510.00	1,201,662.00	1,215,303.00
8/1/2038										1,170,000.00	1,186,575.65	1,199,107.00	1,217,012.50	1,226,530.45	1,240,648.50
2/1/2039											1,210,534.65	1,223,573.00	1,242,023.75	1,251,919.10	1,266,512.50
8/1/2039											1,235,000.00	1,248,533.00	1,267,543.75	1,277,842.40	1,292,925.50
2/1/2040												1,274,000.00	1,293,586.25	1,304,285.90	1,319,872.25
8/1/2040												1,300,000.00	1,320,178.75	1,331,292.95	1,347,398.50
2/1/2041													1,347,307.50	1,358,849.10	1,375,489.00
8/1/2041													1,375,000.00	1,386,983.25	1,404,174.25
2/1/2042														1,415,680.95	1,433,454.25
8/1/2042														1,445,000.00	1,463,329.00
2/1/2043															1,493,844.25
8/1/2043															1,525,000.00

Table of Accreted Values
Rio Elementary School District
General Obligation Bonds
Election of 2018, Series D (Taxable)

Date	08/01/2024 3.65%	08/01/2026 3.85%	08/01/2028 4%
4/15/2020	$702,018.40	$1,514,205.00	$871,200.00
8/1/2020	709,537.80	1,531,299.00	881,412.40
2/1/2021	722,485.60	1,560,770.75	899,042.10
8/1/2021	735,671.20	1,590,820.00	917,022.70
2/1/2022	749,102.80	1,621,446.75	935,366.30
8/1/2022	762,772.20	1,652,651.00	954,072.90
2/1/2023	776,687.60	1,684,471.25	973,154.60
8/1/2023	790,865.40	1,716,888.25	992,611.40
2/1/2024	805,297.40	1,749,940.50	1,012,467.50
8/1/2024	820,000.00	1,783,628.00	1,032,722.90
2/1/2025		1,817,970.00	1,053,377.60
8/1/2025		1,852,966.50	1,074,443.70
2/1/2026		1,888,636.75	1,095,933.30
8/1/2026		1,925,000.00	1,117,846.40
2/1/2027			1,140,207.20
8/1/2027			1,163,003.60
2/1/2028			1,186,271.90
8/1/2028			1,210,000.00